



## ANZ subscribes to Compliance Analytics to combine a global overview with in-depth analysis of AML risk

“Australia and New Zealand Banking Group (ANZ) is among the top four banks in Australia, the largest banking group in New Zealand and the Pacific, and among the top 50 banks in the world. ANZ’s history dates back 180 years, and the bank now operates in 34 markets globally with representation in Australia, New Zealand, Asia, Pacific, the Middle East, Europe, and America. ANZ provides a range of banking and financial products and services to around eight million customers, and employs approximately 50,000 people worldwide.”

### **Naylor Dray**

Director, Business Assurance, FI AML Monitoring, ANZ  
All quotes are his.

“As far as profiling our correspondent relationships is concerned, Compliance Analytics is even better than expected. Having easily reached historic data is invaluable.”

Effective financial crime compliance requires a combination of enterprise-wide oversight, in-depth analysis and rapid-reaction capability. Building such features into existing systems can entail high costs and significant disruption, coupled with reputational and regulatory risk if oversight is not maintained throughout the implementation process. Organisations must focus on addressing very specific risks, some of which are posed by a single transaction, while not losing sight of the bigger picture. It’s often a case of searching for the proverbial needle in a haystack.

SWIFT’s Compliance Analytics service helps banks address these pressing challenges. Part of SWIFT’s growing suite of financial-crime compliance services, Compliance Analytics provides a group-level view of correspondent banking activity and financial crime risks across an institution’s operations, using global payments data only available from SWIFT.

As a secure shared service, Compliance Analytics requires no installation. It helps banks leverage their own SWIFT message traffic to support analysis of their financial-crime risk.

Compliance Analytics not only supports compliance, but also enables banks to fine-tune their systems and processes and focus their investigations through trend analysis and the identification of anomalies and policy breaches.

### **ANZ’s need for speed – and depth**

ANZ subscribed to SWIFT’s new Compliance Analytics service in July 2014. “We needed a solution that was quickly deployable,” says Naylor Dray, Director, Business Assurance, FI AML Monitoring, ANZ. “We have a significant regional footprint and offices in a number of locations around the world. With 36 BICs receiving payments, our specialist team was finding it increasingly difficult to get a single view.”

Compliance Analytics is not only quick to deploy; another priority for ANZ was that the service would integrate with the bank’s existing systems without disruption. “Compliance Analytics gave us the enhanced oversight that we needed in a very short time-frame, providing a broader and deeper understanding of our correspondent network,” Dray explains.

ANZ’s need was for a solution that would provide not only a single view of all the bank’s relationships, but also the capacity for a more in-depth, further-reaching analysis. Dray says: “For AML purposes, we felt that what we had wasn’t specific enough for looking beyond our correspondent-bank relationships to our clients’ clients. We needed to identify any potential client vulnerabilities in our correspondents’ downstream relationships, as well as identify our own immediate risk. We were extremely interested to know which of our correspondents were sourcing from which geographies and which might therefore be vulnerable than the next. Compliance Analytics helps us do this quickly and efficiently.”

Compliance Analytics delivers a range of customisable dashboards which provide clear overviews while providing for deeper analysis. These include insights into a bank's share of activity in specific payments corridors; Relationship Management Applications (RMAs), which allow institutions to exchange SWIFT messages; and 'nested' activity. The latter involves detailing where payment chains originate, and ultimately end up – vital compliance information that banks frequently don't have easily at hand. The availability of such information in one place in a standardised, easily understood format enables compliance teams to work more efficiently, saving time and ultimately money.

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ANZ has deployed Compliance Analytics into its regular monthly AML analysis and also uses it for ad hoc analyses. "The features that interested us most were the commercial payment statistics; we've used those on a look-back basis, and also, as each month comes by, the day they become available, we download those statistics, filter them for the sorts of things that we're interested in, and then investigate from there," says Dray. "It's flexible, it's agile, and it's a single view of the whole network."

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## Reports and analysis

For ANZ, a key feature of the Compliance Analytics service is its ability to compare the bank's aggregated SWIFT message traffic against total SWIFT traffic for predefined countries, transaction types and peer groups. This enables the bank not only to identify behavioural anomalies, unusual patterns and trends, but also to uncover previously hidden relationships, and to focus on high levels of activity with high-risk countries and entities. Dray says: "As far as profiling our correspondent relationships is concerned, Compliance Analytics is even better than expected. Having easily reached historic data is invaluable."

Integration with the bank's own systems has also demonstrated its value. Dray says: "We've found the system to be useful for both alerting and also for investigation. For detection, we've used a mixture of the functionality that was inbuilt into Compliance Analytics, and taking the data out and working with it ourselves." SWIFT has predefined a set of reports and analysis, and part of the Compliance Analytics service is the provision of expert advice and support to enable users to fine-tune the alerting component in line with their specific needs and objectives. "Compliance Analytics has accelerated our learning process. There are things that we would have learned anyway, but that would have taken longer," says Dray.

Crucially, Compliance Analytics delivers understanding. "Organisations are swimming in data that's not aggregated and in one place," says Dray. "Compliance Analytics provides a single source of rich, standardised data, and I would recommend it on that basis alone. There's also the fact that it's actually showing you configurable dashboards. You can quickly get an overview of a country or a corridor and then drill down. We then go into our own systems if we need to refer to details of the actual payment."

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## Compliance Analytics for the long term

SWIFT introduced Compliance Analytics as part of its community-inspired financial crime compliance portfolio. The service is being continually enhanced based on customer feedback and evolving compliance requirements. For example, Compliance Analytics will include the ability to quickly identify the originator and beneficiary banks for payments sent or received by the institution. This ability enhances the service's usefulness for Know Your Customer (KYC) purposes as well as AML compliance.

The service is intended to complement banks' own compliance systems, and it is part of SWIFT's wider suite of services, but it is also valuable in its own right, not least on grounds of cost.

Dray concludes: "Other systems take time to deploy and there are ongoing costs, so it might come down to a cost-benefit and time analysis. At this stage, that would be likely to come down in favour of Compliance Analytics. Its speed to desktop and flexible support from the SWIFT team were compelling factors that have proven their worth."

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For more information, visit [www.swift.com/complianceservices](http://www.swift.com/complianceservices) or contact us at [compliance.analytics@swift.com](mailto:compliance.analytics@swift.com).

SWIFT is a member-owned cooperative, providing secure financial messaging services to more than 11,000 organisations, across the financial ecosystem, in almost every country in the world. For nearly five decades we have delivered certainty, continuity and excellence by constantly evolving in an everchanging landscape. In today's fast moving, increasingly connected and challenging world, this approach has never been more relevant.

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