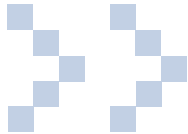




## STB-DETECTOR® Case Study UniCredit Banca di Roma



### UniCredit Banca di Roma New York branch teams with Lombard Risk for AML Compliance Automation

UniCredit Banca di Roma New York branch has historically taken a highly proactive approach to risk assessment and risk management. This strategy has paid off as regulatory agencies increasingly require banks to focus more and more energy and resources on the implementation of programs capable of combating money laundering.

As part of the Bank's risk management strategy, the New York branch of UniCredit Banca di Roma launched an initiative to further strengthen internal controls in support of the bank's anti-money laundering (AML) program. While the initial project was completed back in 2002, a full upgrade to improve the approach to risk ratings was completed as part of the bank's ongoing commitment to improving the anti-money laundering compliance management process.

#### Staying Ahead Of The Curve

The original goal was to heighten the New York branch's monitoring and reporting capability with an automated suspicious activity transaction monitoring solution that could help to stay ahead of regulatory requirements. Over the years, as the bank's anti-money solution requirements matured, UniCredit Banca di Roma New York branch set out to enhance their risk ratings profiles and improve the approach to the other challenges that accompany an aggressive AML program.

Mr. Edmund Orsi, First Vice President and Controller of the Operations Division, explained, "We conducted an iterative process whereby we perform a thorough and detailed assessment of the risks to which we are most vulnerable, developed a risk detection model

that is customized for our environment, and then applied technology to execute our risk management vision. We wanted the technology to accommodate our risk policies for it to be considered a success, not the other way around."

#### Achieving Compliance With An Expanded Risk Ratings Approach

Mr. Orsi added, "We have found Lombard Risk's AML solution to be flexible in terms of its transactional suspicious activity monitoring capabilities and sanction list monitoring. UniCredit Banca di Roma New York branch expanded the use of the solution to include our unique 10 point Know-Your-Customer risk rating policies as part of our solution. What we view as 'high-risk' entities can be monitored and key investigative details can be held for reference and reporting purposes."

Detector™ met our key AML compliance automation requirements and also accommodated the New York branch's unique key risk program parameters. UniCredit Banca di Roma New York branch views the following system features favorably:

- » Solution scope. Detector could accommodate our key compliance automation requirements, as defined by BSA, USA Patriot Act, OFAC and more.
- » Solution versatility. The New York branch can monitor all account movements for unusual activity or monitor by profile, peer group(s), turnovers, or historical activity. The system seeks out unusual activity and displays causes with account history and customer and account relationships.

This allows the New York branch to easily investigate the basis on which unusual transactions are flagged.

- » Solution adaptability. The New York branch specifically needed the solution to handle our unique ten point risk ratings program and adapt to existing KYC (Know Your Customer) forms. Detector was designed with a rules-based engine that provided the ability for UniCredit Banca di Roma New York branch to identify high risk customers, countries or relationships and perform greater due diligence at and beyond account opening. For example, in addition to identifying sub-standard or expired documentation, Detector could accommodate the Bank's stricter verification standards for specific lines of business or types of customers.

Mr. Orsi explained, "The AML strategy at the New York branch is heavily dependent on executing a clear risk management approach. We address this with well-defined policies, compliance training and management reinforcement. Lombard Risk was able to add value to these aspects of our AML program as well. Working together, we were able to implement what the government regulators consider to be a highly-effective customer risk ratings scheme."

While the regulators continue to closely examine the progress of all banks as they establish programs to identify and monitor accounts of high risk customers, UniCredit Banca di Roma New York branch can feel good about its ability to meet stringent government regulations, protect shareholder confidence and maintain a strong reputation. Further, the New York branch of UniCredit Banca di Roma can have confidence in its readiness for whatever the future holds.

For further information about STB-Detector,<sup>®</sup> email [sales@lombardrisk.com](mailto:sales@lombardrisk.com) or contact us at :

+44 (0) 20 7834 5100

or

+44 (0) 845 094 8256

For information about any other Lombard Risk product or service, go to [www.lombardrisk.com](http://www.lombardrisk.com).