

Advanced Money-Laundering Detection Keeps Pace With Bank's Rapid Growth

The Cadence Bank logo, featuring a stylized "C" made of three horizontal bars (green, blue, and green) to the left of the text "CADENCE BANK" in a bold, blue, sans-serif font.

CADENCE BANK

Cadence Bank had big plans for growth. But its anti-money laundering (AML) solution couldn't scale to meet its growth needs. The bank found an accurate and effective monitoring solution that supported growth in AML Risk Manager from Fiserv.



We knew we were going to grow and our current solution couldn't grow with us."

Rosemary Shaner
Technical Systems Analyst
Cadence Bank

Client Profile

CADENCE BANK

Cadence Bank is a regional banking franchise with 98 branches in Alabama, Florida, Georgia, Mississippi, Tennessee and Texas. The bank was founded in 2010 to serve corporations, middle-market companies and small businesses, as well as consumers. As of March 31, 2021, Cadence Bank had \$18.8 billion in total assets and more than 1,800 associates. By embracing innovation, Cadence Bank offers big-bank services to its customers without losing its small-bank feel or customer relationships.

Challenge

Cadence Bank had plans for growth, but its AML solution was a limiting factor. The bank didn't have the capabilities it needed to monitor a growing number of accounts and transactions effectively and efficiently or to meet new regulatory demands. The bank's AML solution was also inflexible. It couldn't be customized to meet the bank's evolving risk-based approach. False positives were high and the software was difficult to navigate. It was time for a new solution.

Solution

Cadence Bank chose AML Risk Manager to mitigate risk and meet compliance requirements. Advanced detection techniques help the bank better identify suspicious activity and reduce false positives, even as account and transaction volumes grow. The bank uses AML Risk Manager for customer risk scoring, transaction monitoring, watch-list filtering and enhanced due diligence.

Proof Points

AML Risk Manager generates more useful alerts. It lets Cadence Bank set its own risk threshold and then scans large volumes of data against watch lists and behavioral profiles. The bank also gained operational efficiencies because AML Risk Manager prioritizes alerts and automates key workflows and suspicious activity reports (SAR).

It took only about 11 years for Cadence Bank to grow into a 98-branch financial institution with \$18.8 billion in assets (as of March 31, 2021), and operations in six states. The bank has been in a near constant state of growth since it was founded in 2010.

And the "growing pains" have been real. Rosemary Shaner, a technical systems analyst who's been with Cadence for 10 years, said she remembers the bank struggling to scale its AML, risk management and compliance programs along with the business.

The bank was filing its SARs manually and alert false-positive rates were high. That made the system inefficient, especially for a growing organization.

Regulators were also expecting more from Cadence than it could deliver with its AML tools, Shaner said. The solution was inflexible and didn't allow for customization. At best, it was challenging to configure.

"The big 'aha' moment came when we knew we were going to grow and our current solution couldn't grow with us," Shaner said.

Finding a Match

BSA management at Cadence researched different AML solutions but knew their choice was clear when they tested AML Risk Manager.



"Our old system seemed archaic in comparison," Parker said. "AML Risk Manager is more user-friendly, provides very distinct alerts and allows us to do e-filing within the platform. Those were all capabilities we didn't have."

Configuration also played a role.

"We wanted more control," Shaner said. "AML Risk Manager allowed us to judge our own risk and set thresholds that we thought were appropriate."

AML Risk Manager is a comprehensive AML solution that goes beyond traditional transaction monitoring to ensure regulatory compliance. It provides the comprehensive capabilities to detect, alert, manage and report money laundering threats, enabling analysts to focus on investigation. Advanced analytics minimize false positives and prioritize alerts, enhancing operational efficiencies.

“AML Risk Manager is more user-friendly, provides very distinct alerts and allows us to do e-filing within the platform. Those were all capabilities we didn't have.**”**

Jamie Parker
Associate BSA Officer
Cadence Bank

Becoming More Alert

Parker said that after several years of using AML Risk Manager, the Cadence team is happy with the change, especially the flexibility, layout and format compared to the old system.

Cadence relies on AML Risk Manager to screen, risk-rate and collect know-your-customer data as well as manage risk through ongoing transaction monitoring and risk-based due diligence. The watch-list filtering capabilities screen customer and vendor data against sanction, Politically Exposed Persons, custom and third-party lists.

"The alerts are one of the biggest benefits," Shaner said. "Before, most of our cases came from referrals. We generate more cases from alerts now and they're more useful alerts."

The advanced detection techniques and ability to scan large volumes of data very quickly have helped the bank identify more suspicious activity and reduce false positives.

With AML Risk Manager, SARs are filed automatically rather than manually uploaded to the U.S. Financial Crimes Enforcement Network.

As regulations become stricter, Cadence Bank is looking for ways to grow its use of AML Risk Manager. The Office of the Comptroller of the Currency (OCC) "is heavy on enhanced due diligence and beneficial ownership regulation right now," Parker said. Cadence wants to improve and enhance its program to match those concerns.

Advice to Others

Parker said there were two game-changers that helped Cadence maximize the benefits of AML Risk Manager: a configuration document and training.

"Line by line," Parker said, "we documented exactly how every scenario works and created examples. It's the best money we've ever spent. We can hand the configuration document to a model validation team, the OCC and auditors and they don't have any questions because it's very straightforward how everything works."


Parker said in-depth training with a Fiserv support team turned associates into power users for the tool.

"AML Risk Manager has so many capabilities and so much flexibility," she said. "Once you tap into the right resources, you can pretty much make anything happen."



Connect With Us

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