



KYC Staff At Global Banks in 2024

An I-Percept Whitepaper

Introduction: Understanding the Modern KYC Workforce

The financial services industry is under pressure across global markets to better understand their customers and to take steps to ensure that the industry's payment networks aren't being used to facilitate illegal transactions.

The focus on this has only increased as the world enters the most geopolitically sensitive era since the end of The Cold War. The industry has responded by brute forcing the problem and hiring extensive teams of professionals to conduct KYC related checks.

These teams are often distributed across multiple geographies. By doing so financial institutions seek to adapt to local regulatory expectations while also taking advantage of salary differentials across markets.

Thus far there has been little formal analysis of the individuals dedicated to KYC related activities at the global level, and the costs this imposes.

Through this whitepaper I-Percept sought to address this gap and deliver useful KYC insights through a comprehensive review of how many people banks are hiring, who they are hiring, where they are hiring, and how much this is costing them, on a global level. The analysis looked at the top financial institutions across 25 countries and evaluated their KYC workforce.

The study found that KYC professionals are a large part of overall banking workforces although there is wide variation between countries and among companies. This is indicative of an industry that is still trying to determine leading practices for addressing KYC expectations.

The study also found that the payroll impact of such an expansive KYC workforce is substantial and that minor improvements to the speed and efficiency of KYC checks can lead to substantial cost savings.

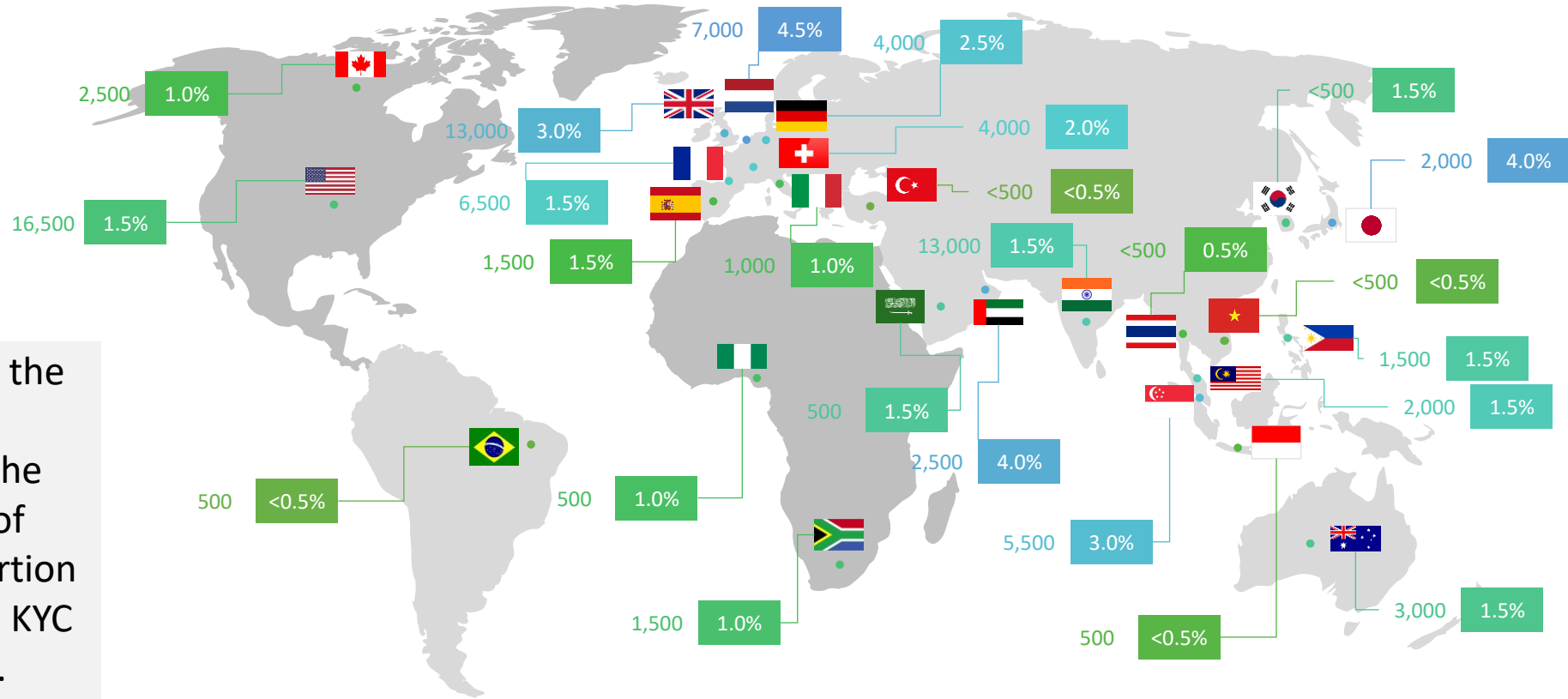
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The proportion of employees at top banks dedicated to KYC

\$7 Billion

The payroll cost of KYC Staff at Top Banks

Top Banks Headquartered in Major Banking Centers have ~90,000 KYC Staff



European countries, the UAE, Japan, and Singapore devote the greatest number of resources as a proportion of their workforce to KYC related activities.

Banks headquartered in the USA, the UK, India, and the Netherlands have the largest KYC workforces.

Legend

Represents # of KYC Staff employed by top banks headquartered in the country — 1,000 — 1.0% — Represents # of KYC Staff as a proportion of total workforce

Leading Banks with the Greatest Proportion of KYC Staff



6%



6%



5%



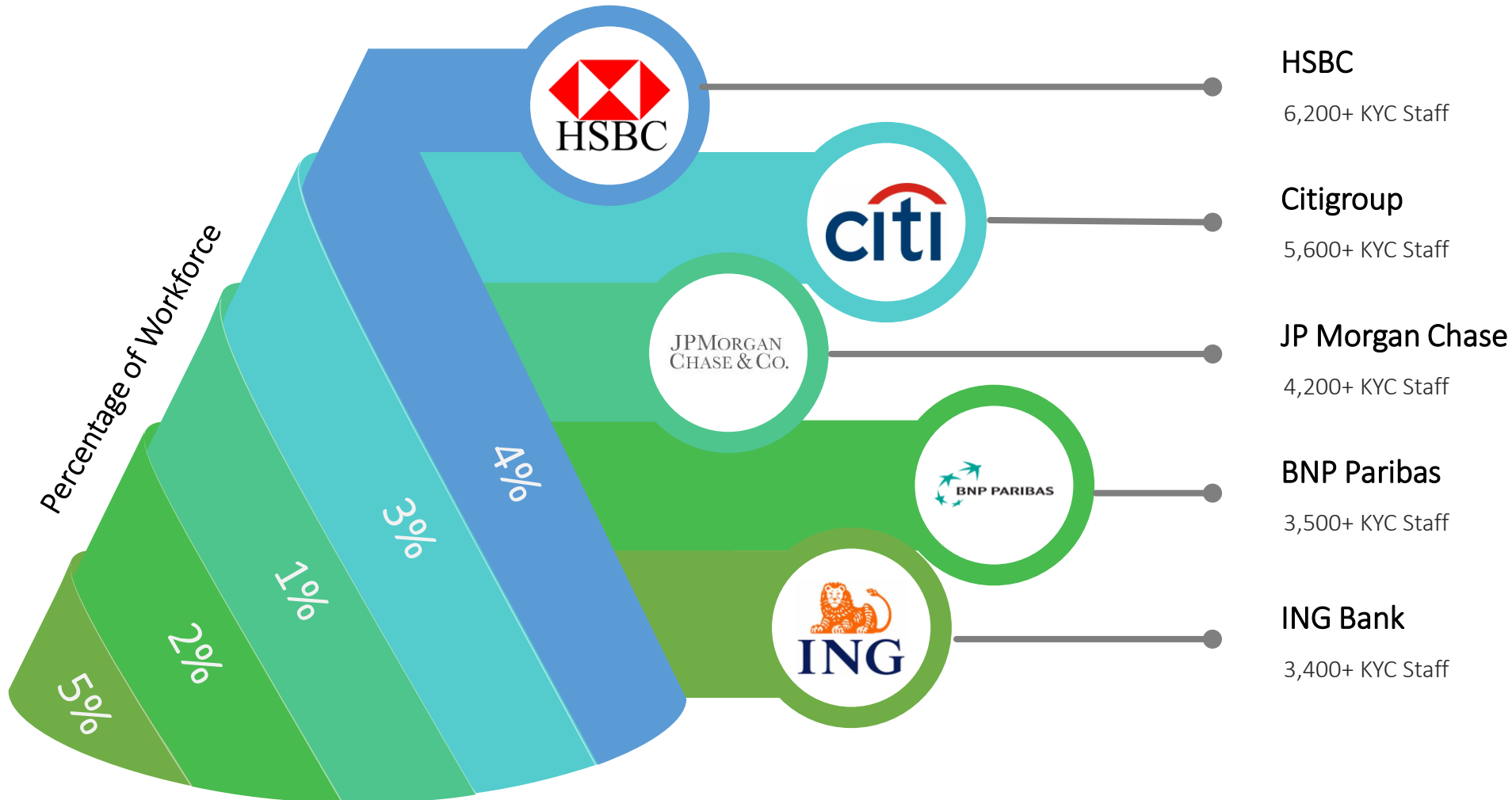
5%



5%

KYC has become an increasingly important aspect of a bank's role – especially if they serve a global client base. The proportion of a bank's staff dedicated to KYC activities has been growing and now makes up over 5% of the staff of several financial institutions.

US and European Banks Have the Greatest Absolute # of KYC Staff



HSBC
6,200+ KYC Staff

Citigroup
5,600+ KYC Staff

JP Morgan Chase
4,200+ KYC Staff

BNP Paribas
3,500+ KYC Staff

ING Bank
3,400+ KYC Staff

The biggest banks employ thousands of staff dedicated to KYC related activities.

American and European banks – whose home regulators are the most stringent about KYC controls – have the largest KYC workforces.

Several Global Locations are Emerging as Clusters of KYC Excellence

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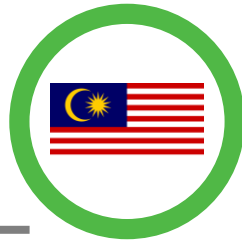
The Philippines

Over 15 banks keep KYC staff in the Philippines



Malaysia

Attracted by lower costs compared to Singapore, 15+ banks keep KYC staff in Malaysia



Scotiabank



New York

Over 30 banks keep KYC staff in New York City



Deutsche Bank



BNP PARIBAS

Maharashtra

Over 20 banks keep KYC staff in Maharashtra, primarily in Mumbai



London Emirates NBD

Over 45 banks keep KYC staff in London

BANK OF AMERICA

CIMB GROUP



UAE

Over 20 banks keep KYC staff in the UAE, primarily in Dubai



Bank of Baroda



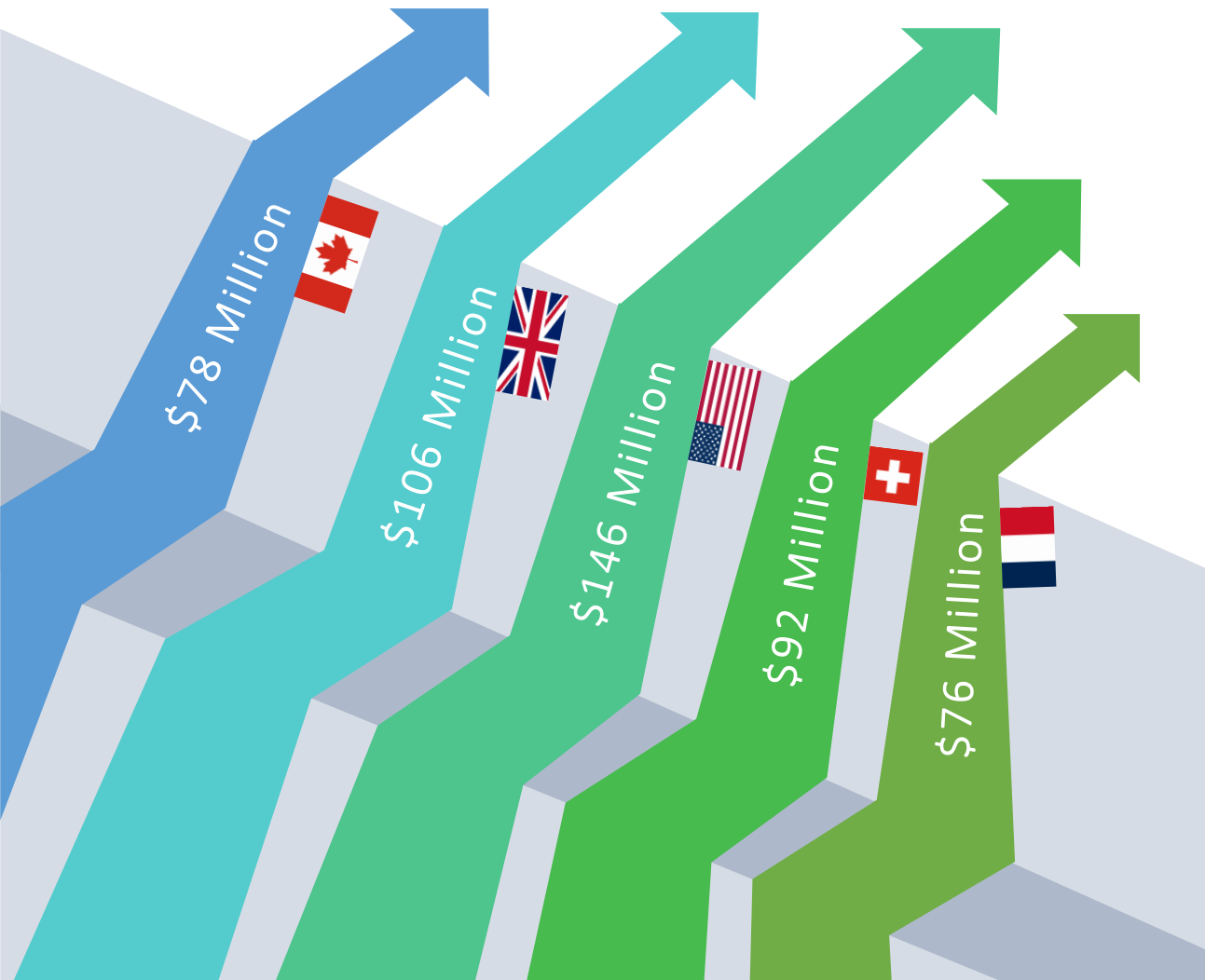
Singapore

Over 25 banks keep KYC staff in Singapore



Banks Spend A Substantial Amount on KYC Staff

Average amount spent on KYC salaries by top banks in each country



KYC payrolls are expanding with the average bank paying tens of millions of dollars in KYC payroll.

This is in part due to the relatively recent nature of KYC expectations in an industry that has often granted its clients high degrees of anonymity.

As KYC requirements become institutionalized, automation presents an attractive opportunity to speed clients through the KYC process, ensure comprehensive background checks, and incorporate systems that are minimally disruptive to existing bank processes.

Efficient KYC processes that can source data from a wide variety of global and regional databases hold particular promise in helping banks address amongst the biggest bottlenecks to international growth: stringent local due diligence related regulatory requirements.

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