

Technology Strategies to Reduce False Positives

> Strategies to reduce the cost of compliance

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Head of Americas Pre-Sales



■ Brian Ferro, CAMS

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Brian is responsible for managing the direction and is the purveyor of all that is good for the **Compliance Solution suite** of products at BAE Systems. Prior to joining BAE, Brian spent four years in a similar role with SAS and fifteen years in Financial Crimes Investigations and Compliance with one of world's leading financial institutions where he coordinated investigations and projects with law enforcement agencies.

Brian has been accredited as a Certified Anti-Money Laundering Specialist (CAMS) and Certified Associate in Anti Money Laundering (FIBA) by exhibiting extensive knowledge of compliance guidelines and federal regulations.

Richard Graham

> Head of Americas Pre-Sales



Richard Graham began his career at one of the largest broker dealers in the country, where he spent time in various roles related to financial crime, including investigation and data analytics/reporting. He joined BAE Systems in 2010 and focuses on helping customers meet their financial crime detection and regulatory technology goals.

Technology Strategies to Reduce False Positives

> Business Defense from BAE Systems

In this session you will learn...

- How to combat false positives with technology instead of adding staff and third party consulting firms
- Get a sense of new technologies that are being deployed to fight financial crime
- Understand the pros and cons of bringing fraud and AML teams into the same financial crime platform



Agenda

> Technology Strategies to Reduce False Positives

1

Key Financial Crime Trends

2

New Approaches and Methodologies

3

Breaking Down Silos

4

Q&A

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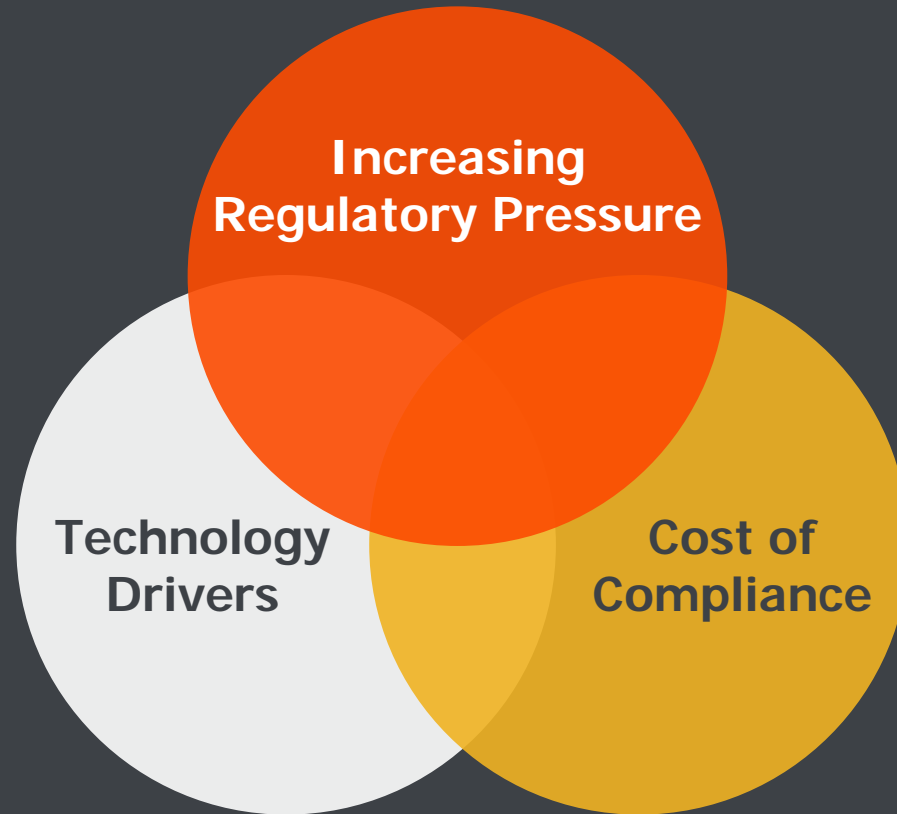
Breaking Down Silos

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Q&A

Current Trends in Financial Crime

Expanding regulations, increased data volumes, and the pace of technology have made combating financial crime more challenging than ever



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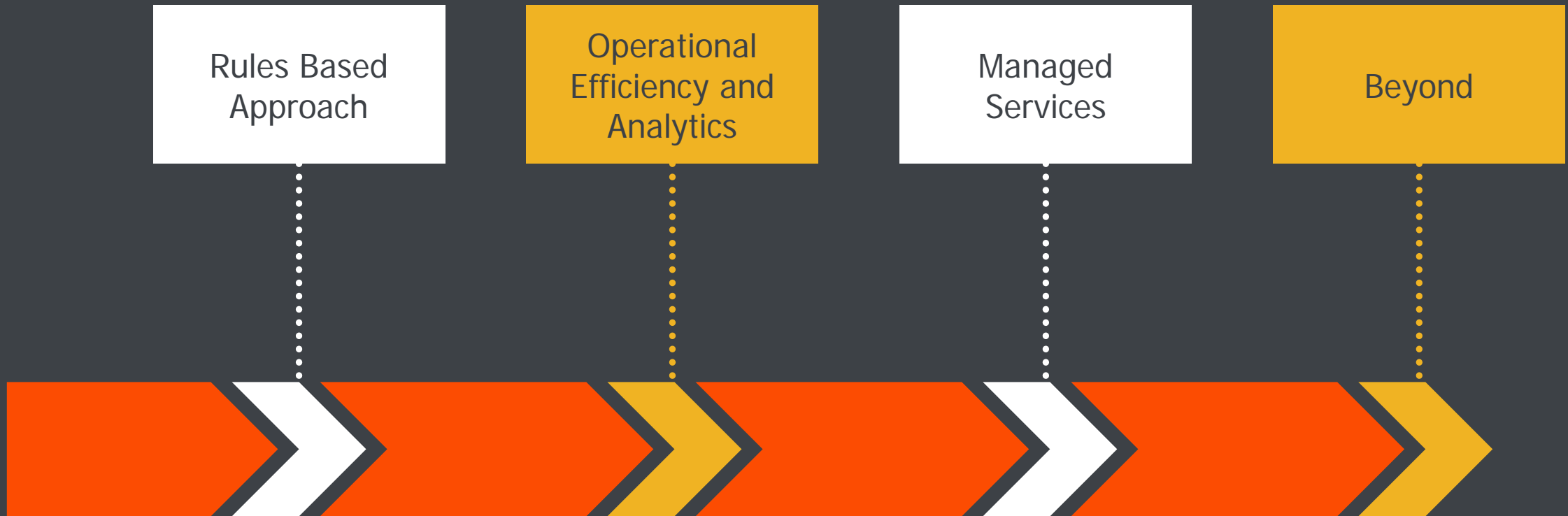
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Q&A

Financial Crime Trends

> Crawl, walk, run



Why this is Important

> Understand the risks

Improved Consistency

Reduction in Human Errors

Audit Trail

Facilitate Risk-based Activities and Decisioning

Entity-centric Investigations

> It all starts with data



KYC Onboarding

Expected Behavior

Alert Roll Up

New Technologies

> What do all these mean?

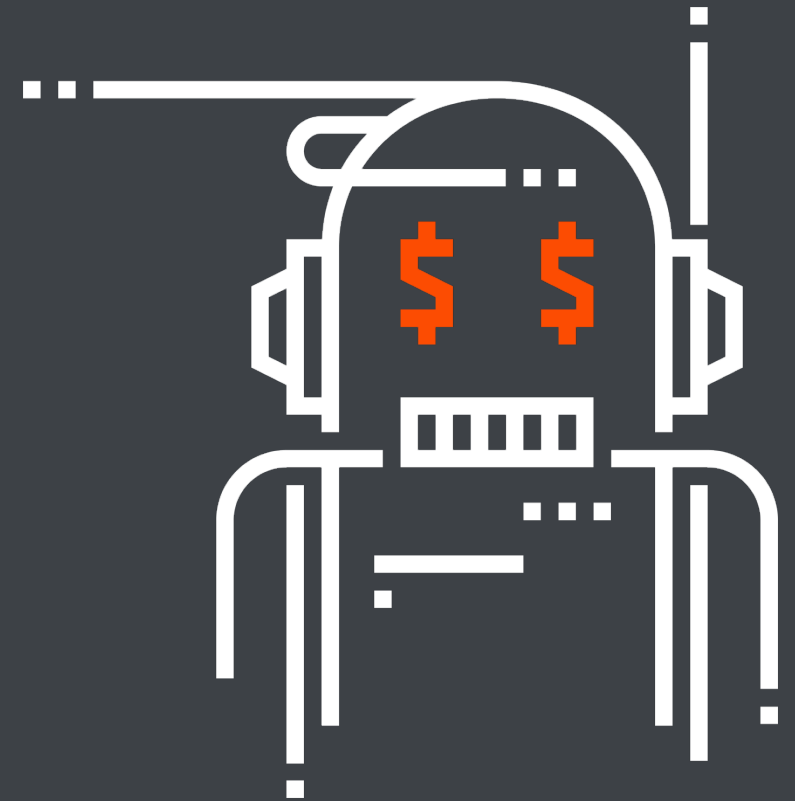
Big Data Technology

Visual Analytics

Machine Learning and Artificial Intelligence

Robotics

Imaging Technology



Managed Services

> Focus on the business and protecting the bank

Outcome oriented partnerships to drive quality

Focus on tech enabled operations



What's Next?

> Coming soon...

Industry Collaboration?

Change in how regulators get data

LE partnerships?

Liability and operational considerations

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Best Practices

> Learn and Develop

Establish regular meetings with Financial Crime stakeholders:

- Meet bi-weekly or monthly
- Learn process and SLAs
- Identify who owns reporting
- Establish escalation path

Develop relationships between business units:

- Encourage interaction
- Explore cross-training opportunities



Key Takeaways

> Business Defense from BAE Systems

- The increasing complexity, costs and scale are stressing the current operating model
- Not a quick fix, but an evolving process with many internal and external stake holders
- Marriage of technology and operating models is needed to move financial crime defense forward



Q&A



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Thank You

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