

## Nexidia Compliance Management for Financial Services



As the financial services industry responds to the effects of regulatory reform, technology advancements and market movements, organizations are seeking strategic ways to gain insight into high risk transactions and compliance breaches. Increased litigation, fines and other enforcement actions heightens scrutiny of compliance practices, and creates the need to manage risk by investigating non-traditional channels such as recorded conversations between traders and third parties. Tapping into this rich repository of unstructured data provides insight to fraudulent and illegal activity before regulators arrive.

Nexidia Compliance Management, powered by Nexidia Interaction Analytics, is a toolset designed for banking and capital firms in their endeavor to manage compliance and mitigate risk. Leveraging the technology framework that combines large vocabulary continuous speech recognition (LVCSR) and patented

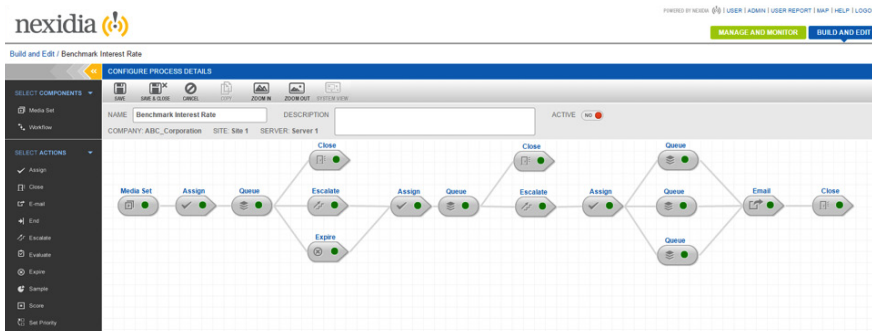
phonetic indexing and search techniques, Nexidia Compliance Management produces word-level transcriptions, phonetic indices and audio sentiment scores. This output facilitates the rapid discovery of interaction content, enabling compliance officers to uncover potential fraud and non-compliant trader behavior, and categorize interactions by compliance or risk topic.

Once topics are organized, Nexidia Compliance Management uses a guided, graphical interface to create structured audio queries. Based on business logic and regulatory mandates, these structured searches enable investigators to create compliance events defined as combinations of spoken phrases and structured metadata that are topics of importance to regulatory risk management. Topics may include market rate and LIBOR manipulation, unethical sales practices, and consumer complaints. This comprehensive analysis of compliance

events provides rapid access to relevant call segments for compliance officers monitoring high-risk transactions that are subject to regulatory audits.

By automatically detecting high risk transactions across locations, languages, jargon, and accents, Nexidia Compliance Management reduces the burden of discovery and manages flagged transactions through a highly customizable review and remediation process. This workflow, tailored to the needs of the financial services industry, supports:

- Scoring and prioritizing alerts
- Governing and managing review cycles and backlogs
- Depositing alerts into appropriate queues of compliance officers
- Tracking the state of alerts
- Assigning alerts and managing escalations



Nexidia Compliance Management supports a drag and drop user interface for a highly customizable review and remediation workflow.

**NEXIDIA COMPLIANCE MANAGEMENT WORKFLOW**



**INGEST RECORDED AUDIO**

- Index trader – third party interactions and make searchable

**ORGANIZE CALLS**

- Investigate and discover new issues and topics
- Structure queries against the audio
- Categorize calls by compliance goal or process

**IDENTIFY BEHAVIORAL DATA FROM AUDIO-BASED EVENTS**

- Benchmark IR
- Anti-Competitive Behavior
- Inside Information
- Trading Ahead
- Gifts/Entertainment
- Scenario Analysis
- Dodd-Frank
- Parking/Wash Trades
- Lying
- Watch List
- Wall Crossing
- Money Laundering

**DEFINE ALERTS**

- Search 100% of the interactions
- Use solution with high recall to count with confidence

**ROUTE RESULTS BASED ON DEFINED WORKFLOW**

- Utilize event data and metrics to trigger review workflows
- Route individual alerts based on business rules for that alert
- Review and escalate as needed
- Take action

For more information about how Nexidia Compliance Management can keep your organization one step ahead of regulatory risk, contact us at [info@nexidia.com](mailto:info@nexidia.com).

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