

# Conduct Surveillance

## Human-Centric Risk Analytics

Crises and scandals have intensified regulatory standards throughout the financial services industry. Compliance and front office control leaders know that alert-centric strategies are inadequate and wasteful for mitigating conduct risk. Only a combined analysis of behaviors, intentions and emotions is sufficiently precise to ensure that institutions can reliably satisfy the combined scrutiny of Dodd-Frank, MAR, and MiFID II.

The challenge is meeting these demands now that the era of escalating compliance spending is over. The world's leading financial institutions - including half of the top 10 investment banks - use Conduct Surveillance to advance a human-centric approach to conduct risk mitigation and to supervise their ethical policies.

## The Behavior-Intention Gap

Regulated institutions are expected to monitor “the intention behind trading and the knowledge of the person at the point at which they trade.” Our latest technology combines analytics of behaviors, intentions, and emotions, delivering human-centric insights that enable our clients to bridge the behavior-intention gap.

**HUMAN-CENTRIC INSIGHTS + BEHAVIORS + INTENTIONS + EMOTIONS**

An iceberg floating in the ocean. The tip of the iceberg is above the water line, and the much larger base is submerged below. A blue circle highlights a small part of the tip. A horizontal line extends from the circle to a blue box labeled 'BEHAVIORS'. Below the water line, a dark blue box is labeled 'INTENTIONS & EMOTIONS'. To the right of the water line, the text 'Structured Data' is positioned above the water and 'Unstructured Data' is positioned below the water.

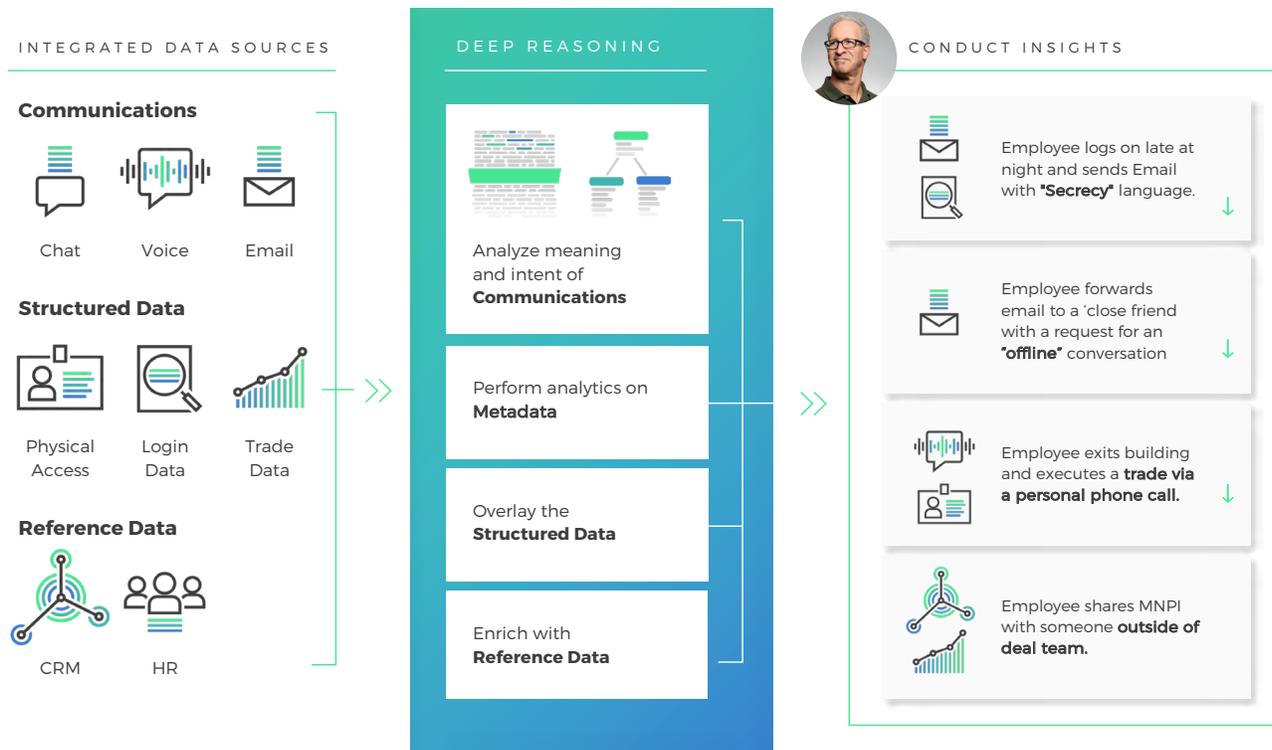
BEHAVIORS

Structured Data

INTENTIONS  
& EMOTIONS

Unstructured Data

# Human Centric Insights



Conduct Surveillance integrates multiple data sources from across the enterprise, including any and all sources of communications data.

Our Deep Reasoning System analyzes the meaning of communications, enrich the insights with behavioral analytics, and resolves them to individual entities.

Insights are accumulated into employee profiles that describe actions and intentions, giving analysts unparalleled understanding of conduct risk.

## Enabling the 3 Lines of Defense

The adoption of the 3 Lines of Defense model of risk management means leaders in compliance, front office business controls, and audit share analytics challenges and seek similar outcomes as they measure and manage conduct and ethics goals.

- Proactive escalations of known risks
- Mitigation of previously unidentified risks
- Reduce costs and increase efficiency
- Analyze all communications including audio
- Accumulate insights into 360° employee profiles
- Bring insights to the wider business

## Proven Results

### Significant Noise Reduction



Alert Volumes 75% to 95%+ reduced

### New Risks Identified



5x Increase in violations caught

### More Meaningful Alerts



Hit Rates 30% to 75%

■ DR Hit Rate Low 
 ■ DR Hit Rate High 
 ■ All  
■ Legacy Hit Rate

