



Money laundering and fraud is increasingly becoming a matter of concern for financial institutions including banks and investment houses all over the world, given the severe penalties being imposed by regulatory authorities for noncompliance of Anti-Money Laundering (AML) reporting requirements. The issues facing financial institutions today are -

- how to conform to Know Your Customer (KYC) policies?
- how to comply with AML regulatory requirements?
- can we automate the process of alerting our institution to transactional fraud by detecting unusual activity in its nascent stages?

and consequently, ensure a high quality of customers and a steady growth in brand equity?

SDG, a world-leader in surveillance and fraud detection software for capital markets, now introduces **Bankalert**, an Anti-Money Laundering and Fraud Detection Software for banks and other financial institutions. For financial institutions looking for software which will take care of all the AML regulatory requirements, thus enabling them to concentrate on their daily business, **Bankalert** is the solution.

KNOW YOUR CUSTOMER (KYC)

Regulations and Compliance

Bankalert incorporates all the reports and forms prescribed by the regulatory authority as essential for fulfilling KYC norms. Moreover, it enables the institution to store voluminous information about each customer for multidimensional customer analysis.

BlackLists & WatchLists

Bankalert can store several watch lists provided by the regulatory authority, such as OFAC (SDN list) or FBI (FBI Control list). Also, lists can be prepared by assigning customers or counterparties to a user created list for increased surveillance. Publicly available information can be stored for comparisons with existing customer databases or internal watch lists.

AML COMPLIANCE

ALERTS MANAGEMENT – THE HEART OF BANKALERT

Bankalert helps the analyst effectively manage alerts by user-configured, pre-allocated priorities and classifications. The analyst also has the facility to filter alerts on



numerous parameters, view sundry details of these alerts, allocate them to different analysts and monitor the action taken on any of these alerts by another analyst. The ability of the alerts engine to be configured by the user so that

a group of alerts can be clubbed together to arrive at one "Meta Alert" is one of the most powerful tools. This allows the user to automatically apply experience and knowledge to screen transactions of the bank.

BANKALERT

An early warning system that awakens and sensitizes you to often deep-rooted and virulent bank abuse.

ALERTS

Transaction Based

Unusual account activity

Transaction threshold reporting and alerts

Dormant account monitoring

Dishonored check analysis

Cash transactions tracking

Deposits to withdrawal ratio analysis

Frequent exchanges of small bills for large bills or vice versa

A single substantial cash deposit of several small denomination notes

Immediate withdrawal or transfer of deposited wire transfers or checks

Statistical or behavioral deviation

Rapid appreciation or depreciation of account value

Frequent deposits of soiled bills





Customer Tracking

Bankalert can also help an analyst distinguish fraud from opportunity by observing the transaction pattern of a customer and thus, track customer life and business events, both periodic as well as non- periodic.

ALERTS AND REPORTS

Bankalert generates a gamut of alerts and reports, enabling institutions to maintain a constant vigil on each transaction thus complying with imposed regulations.

Bankalert has been designed after rigorous research and consultations with eminent bankers. This enables it to comply not only with all the requirements laid down by domestic and international regulatory authorities, but also to incorporate the latest ways and means of detecting money laundering.

Investigative Tools – Complexities demystified

These tools and techniques, which span across all instruments, products and all channels, help in the generation of alerts and their in-depth analysis, besides enabling multidimensional profiling of customers, accounts, products and branches.

Statistical Analysis – Distinguish fraud from opportunity

Bankalert uses the latest and most sophisticated techniques in statistical analysis to identify and highlight various unusual transactions in an account. The system-defined and user-defined

benchmarks for each category of customers are used to detect any abnormality in transactions which may inadvertently turn into an opportunity for the Institution.

Neural Networks – Artificial Intelligence at your service

Advanced versions of **Bankalert** use Neural Networks for pattern recognition of transactions, use of monetary instruments, dates of transactions, the usual counterparties in a transaction and many other such patterns.

Case Management and Tracking – Open and shut

Alerts worked upon by an analyst may be formed into a case, which can then be presented to the regulatory authority. Analysts can have several cases open under them at one time, in which they can store external data files (text, bitmaps, audio and video) apart from their own report(s), which they compile after a thorough analysis of alerts with the help of **Bankalert**.



Link Tracer – Discover associations

The Link Tracer, one of the most powerful investigative tools in **Bankalert**, defines and tracks a multitude of relationships between customers and counterparties, and represents them graphically, thus facilitating ease of understanding. It helps the Compliance Officer analyze the complexity of remote relationships and associations at lightning speed and derive otherwise hidden conclusions.

ALERTS

Customer Based

Transactions by and with risk-laden entities (OFAC lists)

Events of non-cooperation in due diligence processes

Requests for exemption from currency transaction report (CTR) requirements

Apparent agent for another undisclosed entity

Counterparty Based

Most Active Counterparties

Alerts to Internal Counterparties

Alerts about Counterparties

Region Based

Transactions to or from a risk-laden region

Employee Based

Subjective alerts based on observations by peers or superiors

Ad-hoc loans sanctioned

Branch Based

Net and gross periodic transactions

Attrition rate analysis

REGULATORY REPORTS

All transactions above the specified regulatory limit

Exception reports based on aberrant behavior

Peer comparison

Other Suspicious Transaction Reports (STRs) and CTRs

Correspondent and private banking account transactions

KYC COMPLIANCE

Regulations and Compliance

WatchLists

Customer Event Tracking

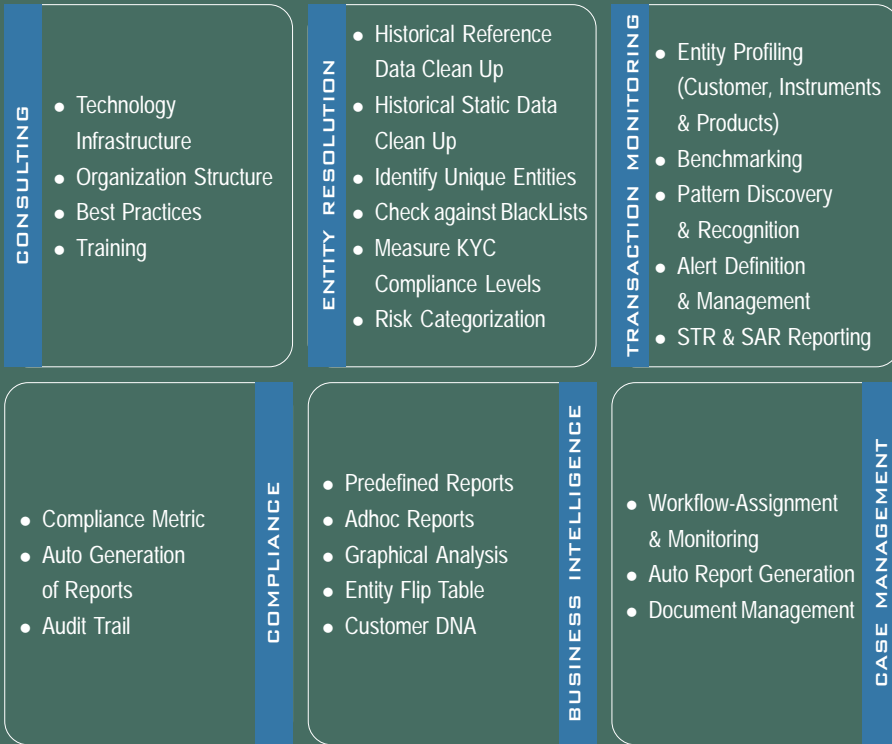
LINK TRACER

Graphical representation of relationships

Hardened, Softened, Derived and Forced Relationships

'n' level drill-down

Phonetic, Misspelling and Acronym Algorithms



SWIFT / SFMS Check

Monitor transactions, originators, beneficiaries

Unravel listed entities

Block transactions online

Entity Resolution

Discover related accounts

Screen entities

- ◆ BlackLists
- ◆ WatchLists

Verify non-customer identity

Watch non-customer one-off transactions

False Positive Management

Alert Flood control

Maintain WhiteLists

Comprehensive audit trail

K Y (Know Your)

A - Agents

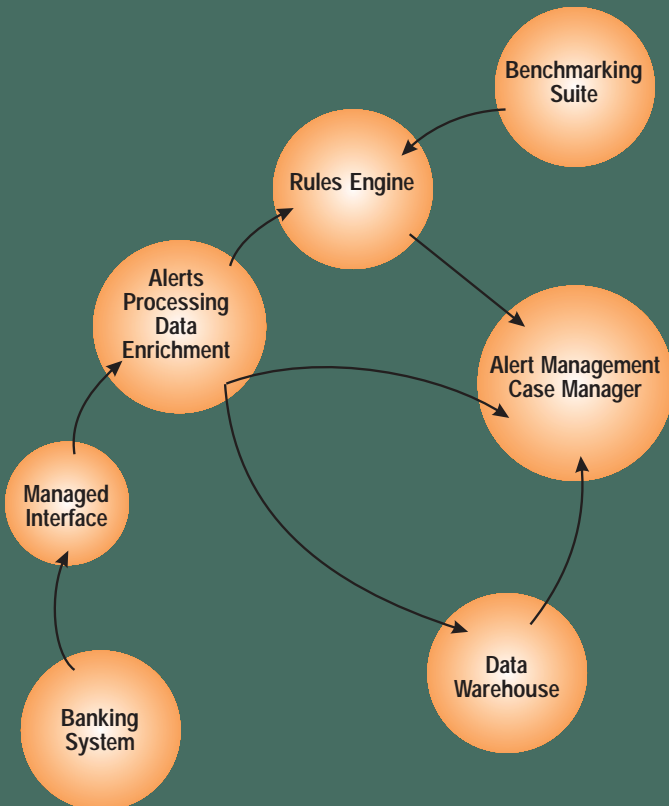
B - Beneficiaries

C - Customers

D - Debtors

E - Employees

REALTIME BLOCKING



Hub & Spoke



SPIN – OFF BENEFITS



■ Customer Relationship

The transaction data processed by the software helps profile the customer according to user-defined parameters and enables an analyst to understand the needs of the customer accurately.

■ Risk Assessment and Management

Bankalert incorporates common risk management measures adopted by banks. This risk management module can even be customized, based on individual bank requirements.

■ Employee Profiling – Vigilance & HRM measures

Bankalert helps banks maintain an employee database. It allows analysts to *profile* their employees, thus enabling the institution to implement advanced vigilance and Human Resource Management (HRM) measures.

■ Product and Channel Management

Bankalert, complemented with its unique Graphical Analysis tools, presents a complete analysis of each product and channel being used by the institution, enabling it to make accurate cross-selling and up-selling decisions.

Robust, Scalable and Flexible Architecture

Bankalert is built on an industry standard platform. It has the capacity to handle very large databases with ease. At 600+ transactions per second, it is the natural choice for real-time and mission-critical applications like surveillance. Its well-designed data warehouse helps analysts

retrieve data faster and easier. An in-built audit trail and enhanced security protects the data from unauthorized users and keeps track of the changes done in the database.

Integration with existing systems

SDG provides the know-how to integrate with the existing banking automation system. In cooperation with the banking solution provider, SDG will help minimize and simplify interface requirements, thus reducing costs. **Bankalert** will extract data from the banking database and after a thorough analysis, generate all its alerts and reports at the head-office and/or branch-office workstations.

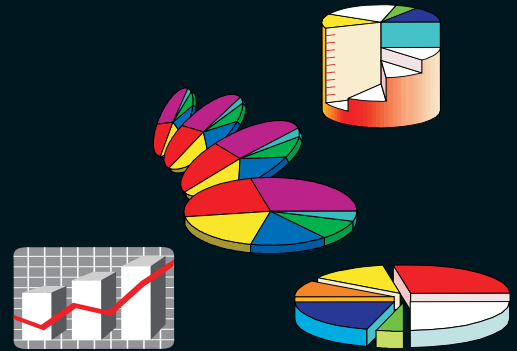
SUPPORT

SDG is highly respected amongst its customers for providing timely support. This will enable constant upgradation of the software to meet the rapidly changing regulatory requirements.

ABOUT US

SDG Software Technologies is a Financial Products and Solutions company based in India. Its surveillance system is widely recognized as one amongst the best in the world.

Widely known and appreciated by its clients for the quality of software and support, SDG has years of hands-on experience in dealing with various ingenious frauds. It has now inculcated this experience in building one of the most reliable and efficient fraud detection systems in the world – **Bankalert**.



GRAPHICAL ANALYSIS

Visual Benchmarking

Post-transactions Analysis

Benchmark History

Transaction Reconstruction

Multidimensional Profiling

TECHNOLOGY

Browser-based Solution

J2EE Compliant

Database Independent

Multiple Operating System Compatible
(UNIX, LINUX & WINDOWS)

AND WHAT'S MORE...

Vigilance and HRM measures

Employee database and related surveillance checks

A distinct model for analyzing the profile of each customer

Threshold Benchmarking

Alerts and Case Management

Complete Audit Trail



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