



# Industry cloud BFSI

Financial crime

# Industry Cloud – Wipro PoV

Cloud advancements and a cloud development mindset have ushered in a new Cloud 2.0 era that has led to creation of Industry Clouds

- Full-stack, cloud native and custom-built
- Specifically designed to address unique industry challenges and requirements
- Scalable and agile enough to handle the latest market trends and meet changing customer expectations

Wipro aims to be an end-to-end orchestrator for its clients' and help them become intelligent enterprises leveraging industry clouds uniquely tailored to intricacies of different industries



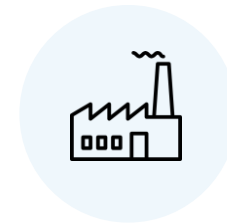
**Financial Services**



**Energy**



**Retail**



**Manufacturing**



**Healthcare**

# Industry clouds are next step in evolution for enterprises



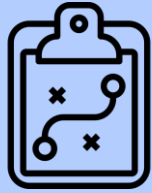
**The  
opportunity**

Without moving to an industry cloud, enterprises risk falling behind the competition, losing touch with customers and delivering a subpar employee experience.

## **Partnering with Wipro, customers can:**

- Rearchitect the enterprise to build the ecosystem business model they need to succeed.
- Move to the cloud with a solution tailored to their industry needs.
- Stay relevant in the eyes of consumers and in the market by unlocking the potential of their data.
- Find new revenue models, create brand evangelists, and capture more market share.

# Wipro can help enterprises adopt Industry cloud



## Our approach

By building relevant, cloud native, digital value chains, we can help our customers redefine their business model through industry clouds

- **Co-innovate and experiment.** We'll work together with customer to create a proof of concept and prove their business case. Then help them adopt Industry cloud across the enterprise.
- **Adopt cloud faster by leveraging our industry expertise and accelerators.** We've done this before and we know the unique intricacies of specific industries so we can help customers adopt cloud quicker and easier than ever before.
- **Ecosystem Orchestrator** – We bring the right skills, capabilities , solutions and partners to help customer's create strategy and then execute it .

# Industry cloud financial crime

# FS industry faces multitude of challenges with financial crime

## Regulatory fines

- More than 20 banks fined last year
- More than USD 1.5 Billion in 2021

## Smart criminals

- Criminals are getting smarter
- New ways to get past anti-fraud and AML systems

## Deluge of regulations

- 100,000 + pages of regulatory material have been released last year

## Soaring compliance costs

- Banks reported nearly 10X increase in financial crime compliance spend
- Nearly 7X increase in headcount

# Financial institutions are struggling with systematic limitations that need to be addressed

## Fragmented modernization approach

- Legacy platforms with siloed approach to compliance
- Not addressing end to end Fincrime value chain
- Limited data democratization and cloud adoption

## Manually intensive processes

- FIs are still over dependent on skilled human resources
- Enormous manual processes
- Inconsistent resolution time and delays in investigation

## High volumes & inefficient investigation

- Tier 1 banks submit only 1% fraud alerts as potentially suspicious
- Up to 5% of instances are potential AML crimes
- Redundant tasks due to duplication of alerts

Advancement in cloud technologies will provide stronger capabilities to combat Financial crimes

# Wipro has partnered with Microsoft to develop AML solution IVOR

A solution brings together best of capabilities of each player required for successful business transformation for our customers



## Wipro

- Identify and champion industry problems /business cases
- Provide turnkey solution offering to customers – Ideate, advise, innovate, build, deploy, operationalize, white labelled, SaaS, BPaaS models
- Wipro IPs and services for faster time to market and lower TCO
- Deliver at scale globally

## Financial crime

IVOR

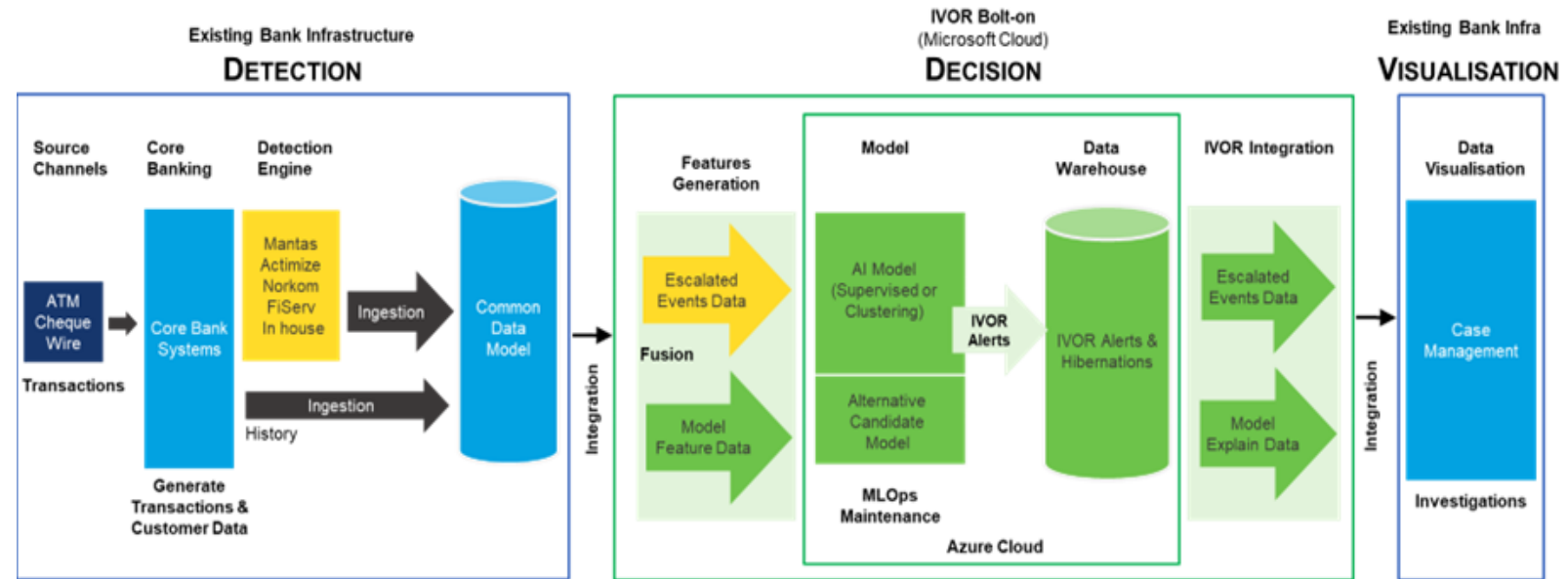
## Microsoft

- Proven engineering and technology expertise for performance, resiliency, security.
- Leaders of new age technology with ML, analytics, automation
- Offer multiple options for solutions with a vast and diverse marketplace
- GTM muscle power and commitment to invest in BFSI segment .



# IVOR Solution main Features

- IVOR is a bolt on solution that complements existing alerting products including Mantas, Actimize, Norkom, Fiserv etc. It can also be adapted to replace if desired.
- Detection indicates the bank's portion where the incumbent alert generator (Mantas, Actimize etc) detects possible AML activity from the huge transaction volume received from multiple source channels.
- Informed decisioning is the heart of IVOR where the number of false AML alerts are substantially reduced by using the machine intelligence.
- Visualisation layer indicates the ability to integrate IVOR with downstream solutions like 'case management system'



# IVOR main use cases



## Scenario

- A. Rapid movement of funds
- B. Round amount transactions
- C. Changes in behaviour
- D. Patterns of Funds Transfers
- E. Structuring - Avoidance of reporting thresholds
- F. High Risk Geographies and Entities Funds Transfer
- G. Excessive Activity - Large reportable transactions



## Issue

- A. Layering of funds and then integrate the funds to give the appearance of legitimacy.
- B. Series of round valued transactions representing a breakdown of a larger suspicious amount.
- C. Sudden changes in transaction activity compared to past volumes, quantity and products.
- D. Hidden and potentially exclusive relationships between external entities in wire transactions.
- E. Breaking down criminal proceeds to keep deposits and withdrawals below reporting limits.
- F. Suspicious transactions involving high risk entities and countries.
- G. Suspiciously and unusual high transactions behaviour typical in criminal activity.



## Solution

- For each potential criminal scenario apply an artificial intelligence prediction based on a sophisticated and enriched behavioural model of each typology.
- IVOR utilises all available data in a machine learning classifier that determines money laundering cases as opposed to legitimate transactions.
- The existing filter-based alert generator informs the transactions of interest and IVOR applies its approach to accurately and significantly discard falsely alerted transactions.

# IVOR - Solution benefits



## Issues

Banks have to deal with a huge flow of AML alerts, 98% of the times these alerts are false positives.

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Alerts need to be manually checked, slowing down processes and increasing the risk of missing true positives & creating false negatives.

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Current set up implies high cost for banks, inefficiencies in resources management and inaccuracy.



## Proposition

IVOR reduces false positives by 65+%



## Benefits

Operational Simplification

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Risk Reduction

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65+% cost reduction with core model, and further with enhanced additional models

# Why IVOR?



## AI Brain

Domain expert driven machine intelligence with high predictive power features

Reliance on cyclic data segments providing superior performance to business rules driven industry standard



## Flexible coverage

A country agnostic solution suitable for domestic and multinational organizations

Highly capable across large and small transaction volume countries through unique data modelling techniques



## Regulatory acceptance

Auto self-explanatory model

Easily understandable by regulators and minimal manual explanation needed



## Industrialisation

Machine Learning Operations (MLOPs) allows IVOR to work well in changing data environment.

As customer populations change in behavior across markets, IVOR auto builds alternative models.

# Wipro experience & success stories

# Top European investment BANK: Transaction monitoring for AML with Actimize

This top European bank was experiencing significant issues in its AML Transaction Monitoring processes due to the fragmentation caused by plethora of in-house platforms to monitor the AML & Surveillance systems.

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We bagged a multi-year partnership with the bank as we led the organization across its IT financial crime transformation journey.

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Wipro Conducted the upgrade of Actimize platform for both AML and Trade Surveillance across 15+ countries and provided a single consolidated platform across all geographies – AMER, EMEA, APAC including Japan.

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## - 15% Time to Market

This was achieved thanks to the development of reusable components

## - 25% Report related production incidents

25% reduction in the report related production incidents and maintenance requests.

## - 30% Annual TCO

30% reduction in annual TCO as a result of Wipro solution implementation.

# Top South African bank: Suspicious activity monitoring rules review

A South African Bank with over USD 120Bn+ in assets and 35 Million customers across 7 countries in Africa was being reviewed by the regulator for robustness of its AML Program.

As part of this review the bank had to perform a self assessment and independent review of its SAM system.

We partnered with the bank in order to review rules & identify gaps in the SAM system. Moreover, we shared best practices and assisted the MLRO team with a plan and approach for effective segmentation and improvements of the overall SAM.

## **100+ Rules Reviewed**

100+ rules were reviewed, 26 Active and 40 inactive.

## **400 Population Groups Reviewed**

400 Population Groups were reviewed, mapping to party information was verified.

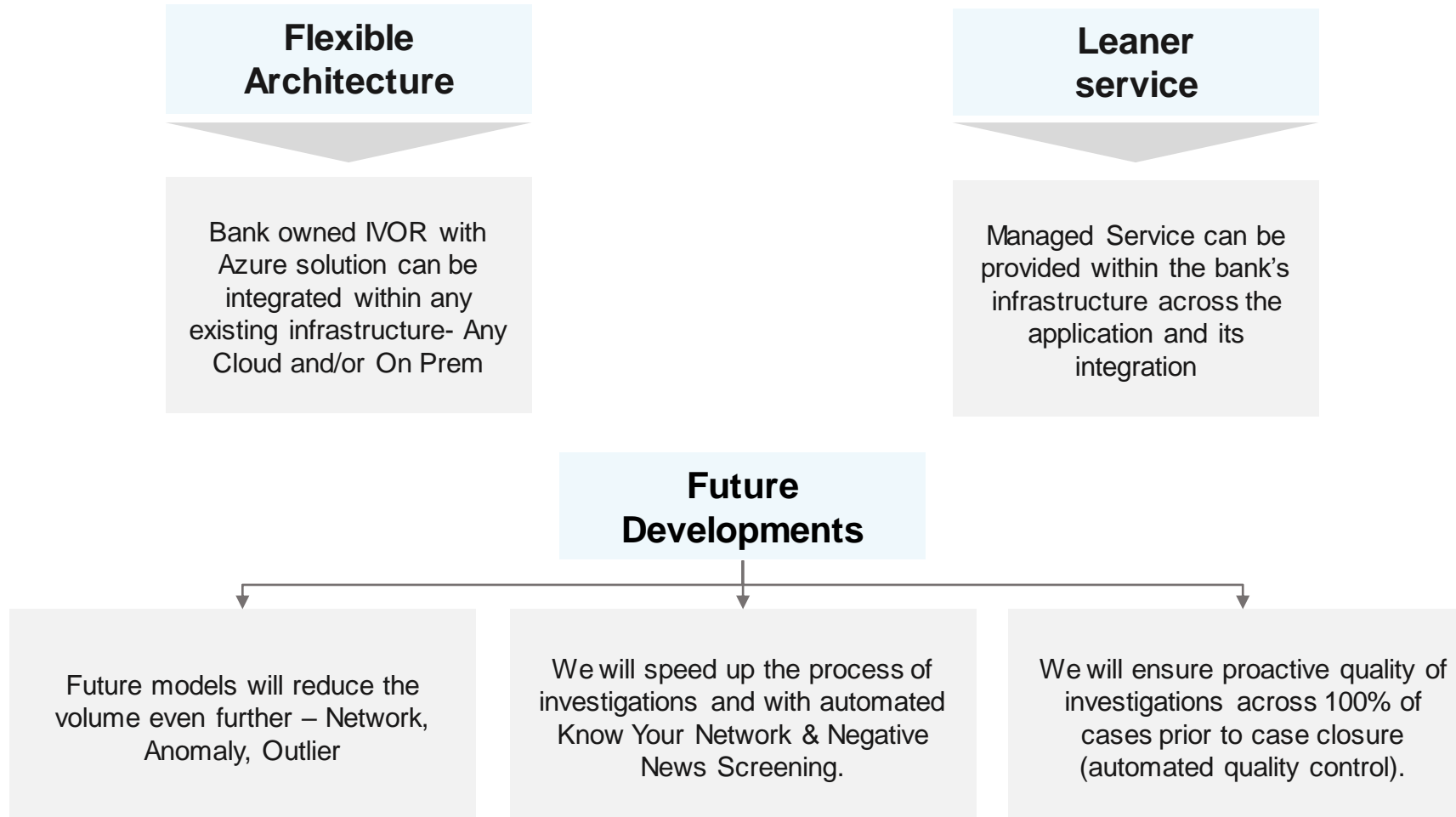
## **350+ Volume & value thresholds reviewed**

350+ Volume & Value Thresholds reviewed with 200+ Calibrated thresholds & remaining OOTB thresholds.

# Appendix



# Deployment flexibility & managed services





Thank you