



WELCOME

The Presentation Will Start Soon



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“Are you beginning to believe?”





Crypto Through the FRAML Lens – Risk and Opportunities

January 26, 2022



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Meet the Speakers



Richard Tsai
Director,
Product Marketing
NICE Actimize



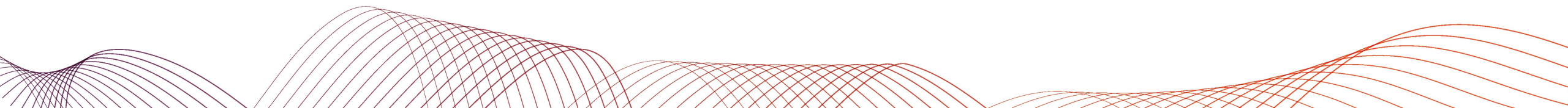
Elizabeth Cronan
VP, Government
Relations
GeoGuard



Stevan Horvath
VP Products
CipherTrace



Alak Das
VP Products
NICE Actimize



POLL Question

Question

In your organization, with what business unit(s) do you primarily work?

- Retail / Consumer Bank
- Commercial / Corporate Bank
- Private Bank / Wealth Management
- Investment Banking
- Correspondent Banking
- Securities
- Card Acquirer / Issuer
- Payment Processor / Network
- MSBs
- Insurance
- Gaming
- Government
- Other



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Escape the
**FinCrime
Matrix**

Do all banks and credit unions
have crypto exposure?



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What **risk do crypto exchanges pose** to a bank, and how can a bank **detect activity to unregistered exchanges** within bank deposit account activity?

What types of fraud does it need to be aware of?



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How much can a bank trust the
KYC and AML procedures and
policies at regulated exchanges?



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What **best practices or investigative procedures** do you recommend to help mitigate fraud, AML, and sanctions risks?

POLL Question – MULTI SELECT

Question

What type of crypto services is your institution currently offering?

- Custodian (e.g. wallet provider)
- Buy/sell - trades
- Consumer payments
- Merchant services
- Card/ATM services
- None
- Other

POLL Question - MULTISELECT

Question

What crypto services is your institution planning to offer within the next 24-months?

- Custodian (e.g. wallet provider)
- Buy/sell - trades
- Consumer payments
- Merchant services
- Card/ATM services
- None
- Other



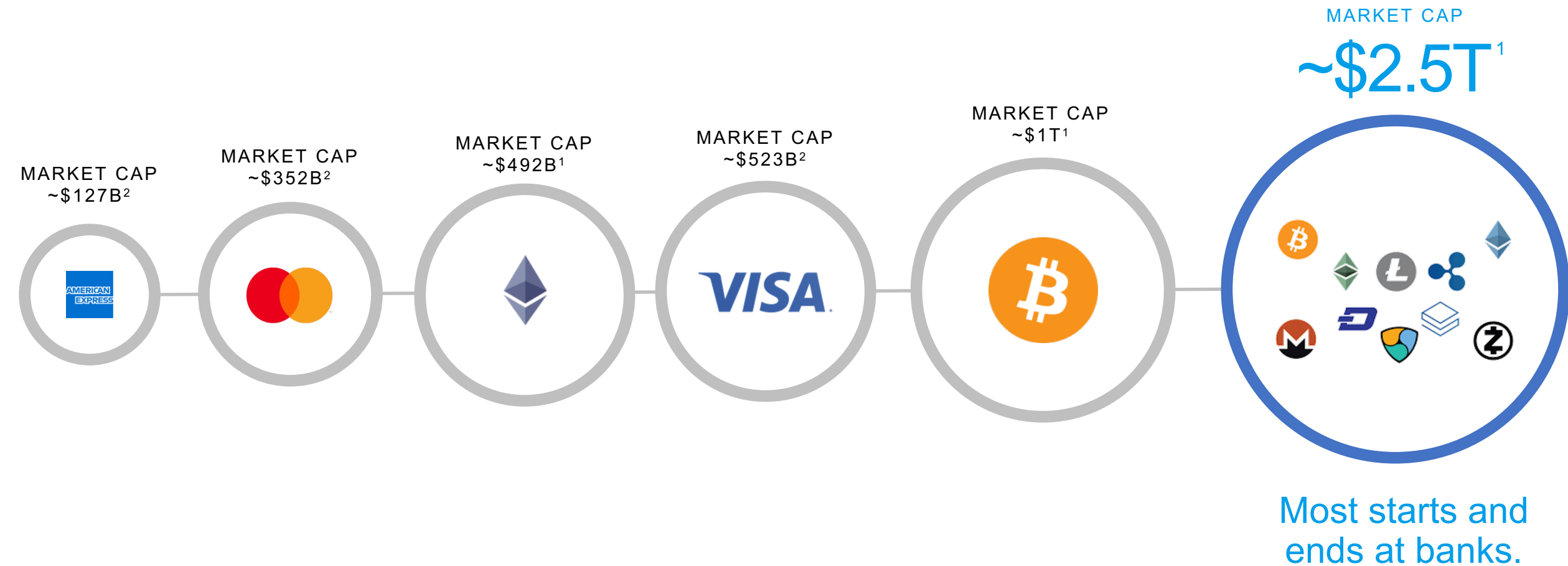
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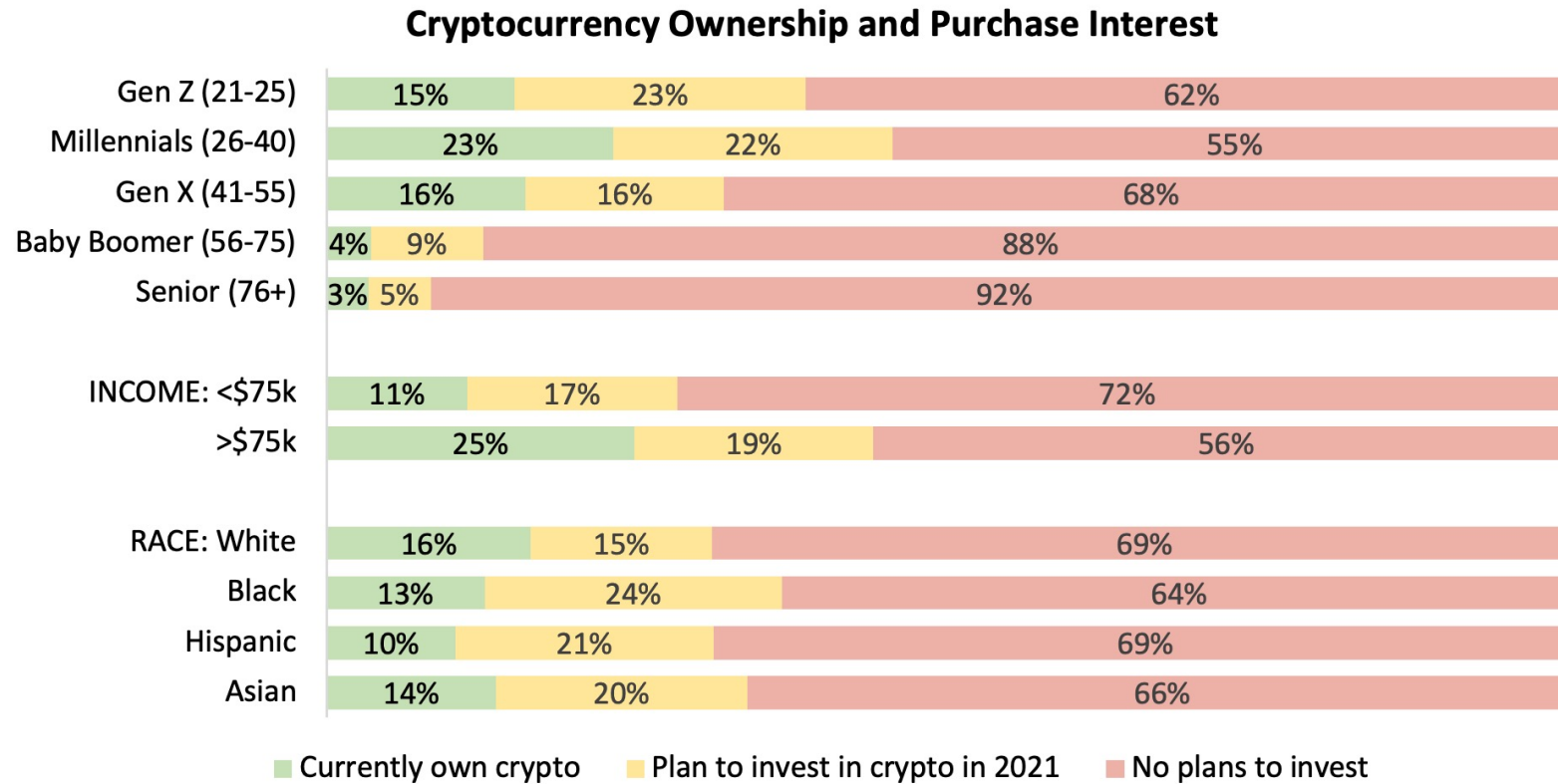
More banks will likely **let customers buy and sell cryptocurrency** soon, especially in partnerships with third-party firms. **How will this change** their existing “traditional” fraud and AML programs?

\$4.3 Trillion of Cryptocurrency Payments in 2021¹



1. Nomics as of October 7
2. Yahoo Finance

Who Owns Crypto?



Lack of Visibility Creates Compliance Risks for Banks

ONLY 22% of Banks and Financial
Investigation Units reliably
detect crypto related payments

8 OUT OF 10 of the top US banks unknowingly
harbor unregistered crypto MSBs

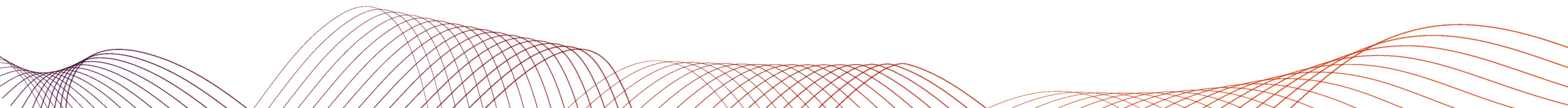
55% of the top 850 VASPs lack
strong KYC measures

\$2B annual crypto-related transactions on a
typical top 10 bank's payment networks

Industry Trends

Few examples of digital currency adoption recently seen in the industry:

- BIS working on a CBDC project to test the use of CBDCs for international settlements
- JP Morgan banks two exchanges—Coinbase and Gemini
- Anchorage became the first national bank for digital assets
- PayPal and Square allow crypto transactions on their network
- VISA, MasterCard enter crypto, Fidelity Digital Assets creates a crypto fund
- Crypto Investments: Goldman Sachs, Morgan Stanley, Wells Fargo, BNY Mellon
- Payments firm NCR & NYDIG collaboration allows 1000+ U.S. banks/CUs to offer Bitcoin services to their clients.
- Debit/Credit Cards: Coinbase, FTX.US, Crypto.com (Visa); Gemini, BitPay, Uphold (MasterCard)
- Earnings: Gemini Earn has up to 8.05% APY; Crypto.com has up to 14% APY

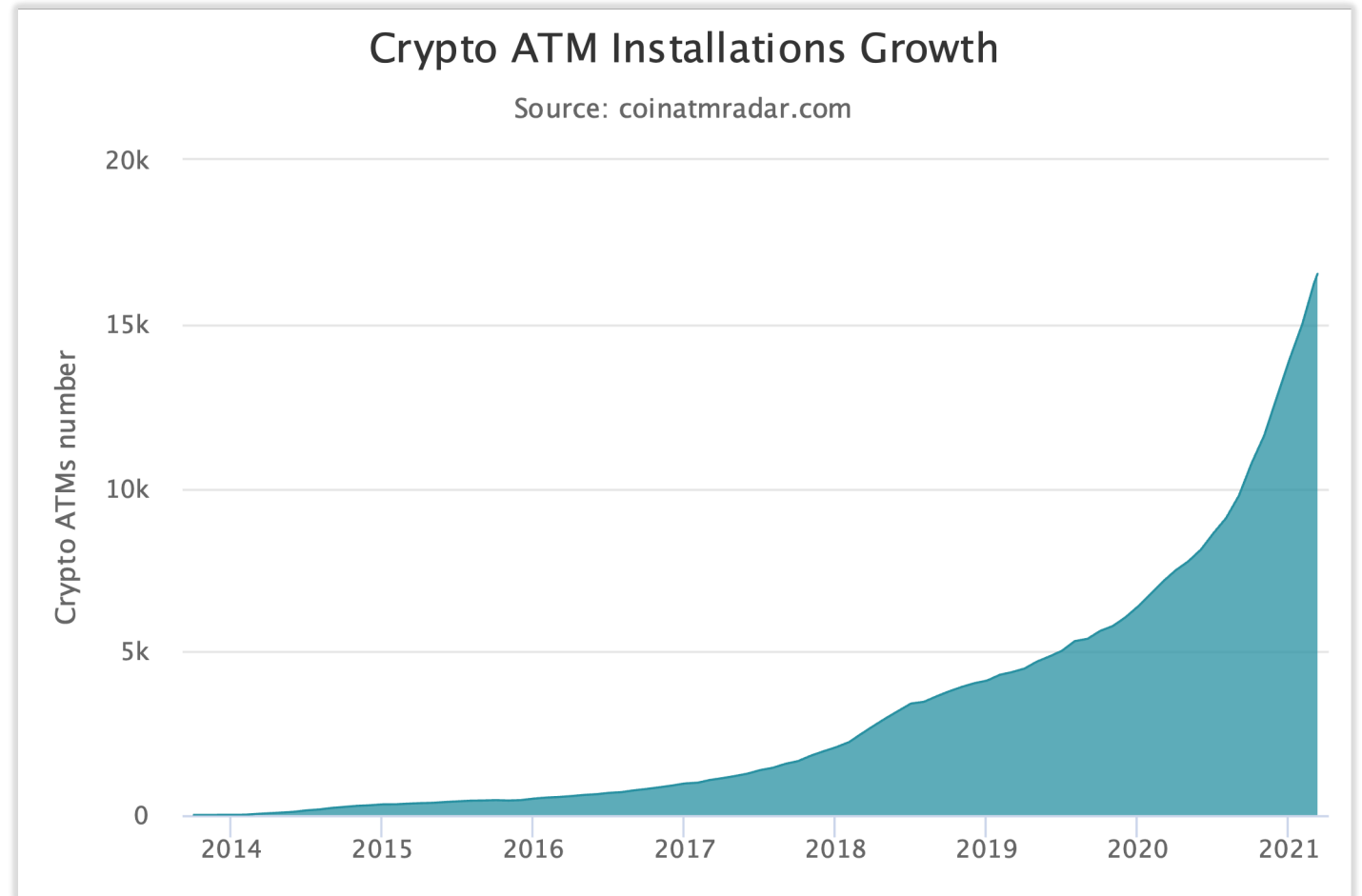


Financial Institutions “Do Crypto” and enable the ecosystem



Industry Trends

Crypto ATM Growth



QUESTIONS?



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