

Money Laundering Prevention and Detection System



PALADIN
Management Solutions

WHY PALADIN?

PALADIN IS THE ANTI MONEY LAUNDERING COMPLIANCE AND FRAUD DETECTION TOOL WITH THE BROADEST FUNCTIONAL SCOPE ON THE MARKET TODAY, PROVIDING THE FUNCTIONALITY REQUIRED BY A FINANCIAL INSTITUTION'S ENTIRE AML UNIT IN A SINGLE ENVIRONMENT

Paladin is Management Solutions' Anti Money Laundering Compliance and Fraud Detection IT solution.

Designed based on industry best practices, Paladin features a comprehensive set of benefits for end users through its user-friendly interface and customizable fraud detection and AML modules.

PALADIN'S MAIN FEATURES:

- ▶ Integration across the different AML functional modules, building a unique AML risk profile for each client.
- ▶ Monitoring of fully customizable transaction scenarios that can be created from scratch directly by the end user.
- ▶ Scoring models can be parameterized online and in batch form, both for the AML-Know Your Customer (KYC) function and for the fraud detection function.
- ▶ Sanctions lists and politically exposed persons (PEP) lists are integrated into Paladin data structure allowing the organization to screen and track business relationships.
- ▶ Comprehensive data model covering all the data needs of a standard Financial Intelligence Unit (FIU).
- ▶ Regulatory and internal information can be adapted to the specific reporting framework of any geography or institution.
- ▶ Alert and case management module can be adjusted to the specific analysis workflow implemented by each individual organization.



EFFICIENT AML MANAGEMENT IS ONLY POSSIBLE THROUGH FUNCTIONALITY INTEGRATION

BENEFITS

PALADIN SOLVES THE FUNCTIONAL AND IT NEEDS OF FINANCIAL INSTITUTIONS IN TERMS OF AML COMPLIANCE AND FRAUD DETECTION WITHOUT THE NEED FOR LONG AND COMPLICATED INTERNAL ADAPTATION AND TRANSFORMATION PROCESSES

USER BENEFITS

- ▶ **Compliance with regulations:** Paladin has been reviewed and audited by AML authorities and external auditors that have certified its full coverage of regulatory requirements.
- ▶ **Completely customizable:** all parameters in all the different models can be customized by the end users, which means the organization's specific needs can be met without being dependent on the IT areas.
- ▶ **AML and Fraud Detection Data mart:** Paladin data structure stores all the standard information required for an organization's AML and fraud detection activities.
- ▶ **User friendly interface:** Paladin provides fast and easy access to high and low level information through a single web interface.

BENEFITS FOR IT

- ▶ **Standard Architecture:** three-tier architecture, (user interface, business tier and data storage tier) meets industry standards and can accommodate growth in performance needs.
- ▶ **Implementation in different IT environments:** data entered into Paladin data structure can be obtained from different data storage platforms such as Oracle, SQL Server, Teradata or flat files.
- ▶ **Stable technology:** based on Microsoft technologies such as IIS, ASPNET or SSIS, Paladin ensures support can be provided throughout the entire software life cycle.
- ▶ **Minimal support:** Paladin requires minimal IT support and is designed to be maintained internally by each organization without depending on Management Solutions in the production stage.



FUNCTIONALITY

FUNCTIONAL INTEGRATION OF PALADIN'S DIFFERENT MODULES ALLOWS FOR SPECIFIC CONTROL AND MONITORING OF EACH RISK SOURCE AND EACH UNDENIABLE RISK INTERCONNECTION IN MONEY LAUNDERING PREVENTION

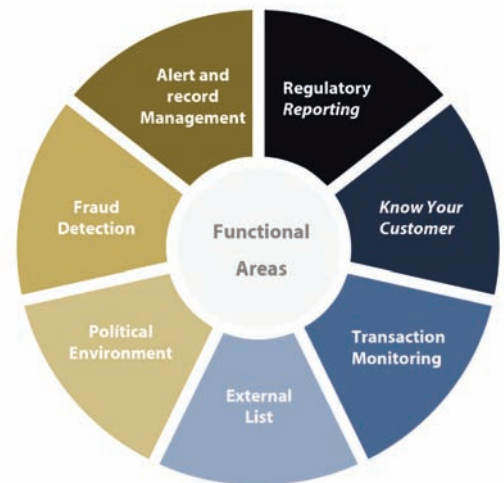
Paladin integrates the overall functionality of a financial institution's AML and Fraud Detection units into a single work environment.

REGULATORY REPORTING

- ▶ Analysis of the transactions that meet the requirements to be reported to the regulatory authority
- ▶ Creation of files to be submitted to the regulatory authority based on previously created and/or edited data
- ▶ Configuration of the conditions and characteristics of transactions to be included in regulatory reports
- ▶ Possibility to query history of reported transactions

KNOW YOUR CUSTOMER: ANALYSIS OF CUSTOMER

- ▶ Analysis of customer behavior within the institution, based on:
 - Customer, contracts, and offices search criteria
 - Customer scoring according to the nature of operations and classification according to such scoring
 - Assignment of subjective and objective qualifications based on a money laundering perspective
- ▶ Dashboards to monitor customer trends



TRANSACTION MONITORING: OPERATIVE ANALYSIS

- ▶ Monitoring of operations from preloaded standard in the industry of Money Laundering Prevention
- ▶ Design and configuration of monitoring scenarios according to the institution's criteria and risk appetite
- ▶ Querying of operations from online filters
- ▶ Operations monitoring operations based on monthly or periodical dashboards

Criterio	Medida	Descripción	Peso	Valor
1	País Origen	Naturaliza origen fondos en m...	25.00	0.00000
2	País Destino	Naturaliza destino fondos en m...	15.00	0.00000
3	Frecuencia	Frecuencia de movimientos	10.00	0.00000
4	Valoridad Flujo	Valoridad de flujo	12.00	0.00000
5	Filtros	Calificación en sistema de filtros	5.00	0.00000
6	Intensidad	Tipo de transacción	5.00	0.00000
7	Canal	Canal	5.00	0.00000
8	Características	Características del cliente	7.00	0.00000
9	País de origen	País de origen	5.00	0.00000
10	Nacionalidad	Nacionalidad	5.00	0.00000
11	Nacionalidad	Nacionalidad	5.00	0.00000
12	Duración residencia	Duración residencia	5.00	0.00000
13	Calificación	Calificación del cliente	2.50	0.00000
14	Antigüedad	Antigüedad por contrato / An...	1.00	0.00000
15	Ingresos anuales	Ingresos anuales	1.00	0.00000
16	F. constitución	Fecha constitución	0.50	0.00000
17	Ingresos	Ingresos del Cliente	0.50	0.00000
18	Tipo Empresa	Tipo Empresa	0.50	0.00000
			5.000.000	0.000.000

FUNCTIONALITY

PALADIN'S ANALYSIS HAS A THREE-PRONGED FOCUS: ALL TRANSACTIONS INVOLVING THE FLOW OF FUNDS, THE CUSTOMERS INVOLVED AND THEIR RELATIONSHIP WITH INDIVIDUALS IN SANCTIONS LISTS OR THE POLITICAL SPHERE

EXTERNAL LISTS

- ▶ Integration of the lists of sanctions identified on a global level
- ▶ Periodic and continuous search for customers and people related to the institution operations, according to a specific identification process
- ▶ List management based on the creation and modification module

POLITICAL ENVIRONMENT

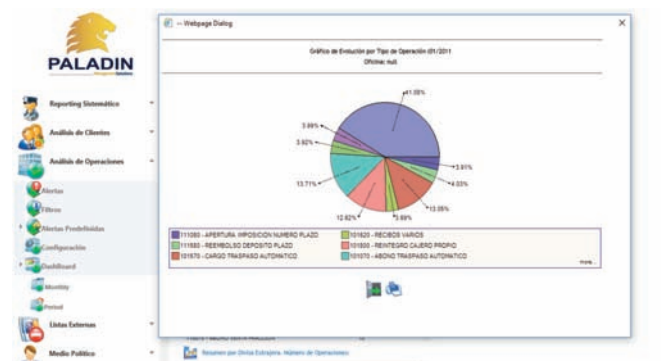
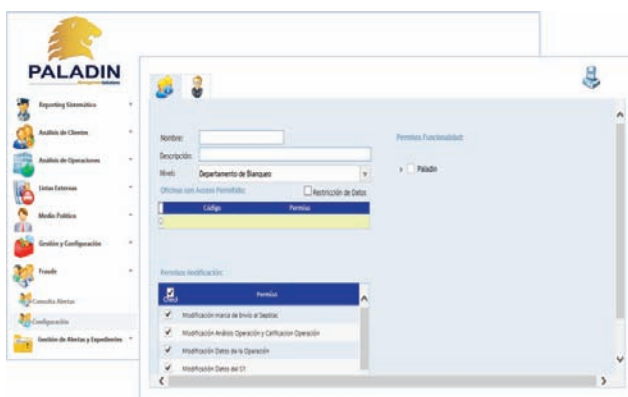
- ▶ Identification of stakeholders related to the political environment, with respect to domestic and international figures lists
- ▶ Maintenance of lists
- ▶ Query and manipulation of the score model, as well as the characteristics and parameters associated to the lists

FRAUD DETECTION

- ▶ Parameter setting for the identification of activities under risk of fraud, according to the institution's risk appetite
- ▶ Fraud scoring model based on the features of the transaction: geography, commercial activity, quantity and transaction type, currency, time and channel
- ▶ Fraud Alert Management to analyze the origin of it

ALERT AND RECORD MANAGEMENT

- ▶ Consultation and transfer of alerts
- ▶ File Management
- ▶ Dashboards for tracking and exporting of results to Office, in order to facilitate the analysis and control of records or alerts



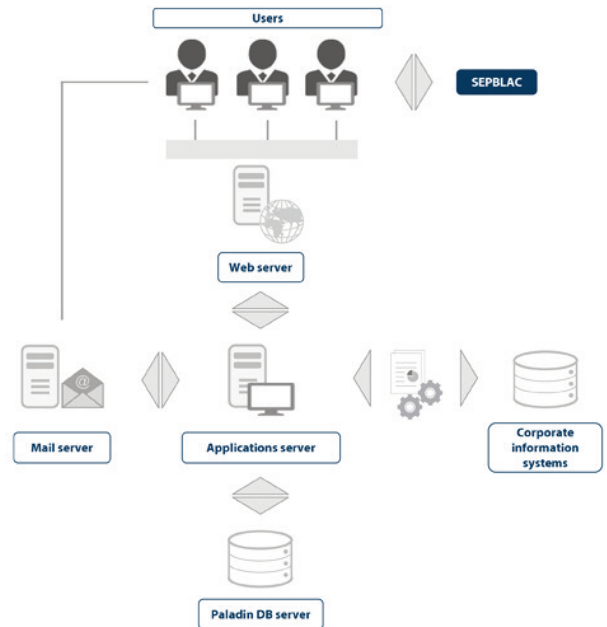
TECHNICAL ARCHITECTURE

THREE-LAYER ARCHITECTURE

- ▶ **User interface:** Paladin's web application is accessed via Internet Explorer and documents are created on a desk top environment. Warnings can be automated depending on the organization's settings.
- ▶ **Web server (and application server):** management of both business processes and technical system processes (user requests, data sourcing, etc.). Runs on the Microsoft.NET framework and Microsoft Integration Services processes.
- ▶ **Database server** supports Paladin's persistence layer. Runs on Microsoft SQL Server 2005.

TAILORED TO THE CUSTOMER'S TECHNOLOGY REQUIREMENTS

- ▶ Third-party systems are integrated through the deployment of a web service providing access to the system's basic functionality.
- ▶ Mail submission parameterization in the production of warnings in business/data upload processes.
- ▶ Sensitive information encryption parameterization through proprietary algorithm.



MAJOR IMPLEMENTATIONS

FINANCIAL INSTITUTIONS USING PALADIN ARE ASSURED RELIABILITY AND SECURITY WHEN IT COMES TO BANK OF SPAIN SUPERVISION AND EXTERNAL AUDITS ON MONEY LAUNDERING PREVENTION

During over fifteen years of existence, Paladin has been implemented in more than fifteen financial institutions of different types:

- ▶ National financial groups.
- ▶ Large, medium and small commercial banks.
- ▶ Credit cooperatives
- ▶ Remittance entities.

MANAGEMENT SOLUTIONS LEADING BUSINESS CONSULTING SERVICES FIRM

Management Solutions is an international consulting Firm whose core mission is to deliver business, risk, financial, organization and process-related advisory services, targeted at both functional aspects and the implementation of related technologies.

Management Solutions currently has a multidisciplinary team (functional, mathematical, technical and systems integration) of **2,500 professionals**, and operates through 31 offices (15 in Europe, 15 in the Americas and 1 in Asia) from where we serve customers operating in over 40 countries in **Europe, the Americas, Asia** and **Africa** (Senegal, Equatorial Guinea, etc.).



We create value propositions and commit to their effective implementation, aiming to exceed our clients' expectations and become their trusted partners

Europe	Madrid, Barcelona, Bilbao, Coruña, London, Frankfurt, Paris, Amsterdam, Copenhagen, Oslo, Warsaw, Zurich, Milan, Rome, Lisbon
Americas	New York -from where Atlanta is managed-, Boston, Birmingham, Houston, San Juan de Puerto Rico, Mexico City, San José, Medellín, Bogota, Quito, Sao Paulo, Lima, Buenos Aires, Santiago de Chile
Asia	Beijing

Management Solutions' differentiating factor lies in its in-depth knowledge of the businesses in which its clients operate and in its high degree of sector-specific and functional specialization.

To ensure full coverage of its clients' needs, Management Solutions structures its value proposition by industry and line of activity, bringing together a wide range of skills.

Industries

*Financial Institutions
(Banking and Insurance)*

Energy

Telecommunications

Consumer and Industry

Government

Construction

Services

Strategy

Sales and Marketing Management

Transformation: Organization and Processes

Risk Management and Control

Management and Financial Information

New Technologies

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Management Solutions, Professional Consulting Services

Management Solutions is an international consulting firm whose core mission is to deliver business, risk, financial, organisation, technology and process-related advisory services.

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