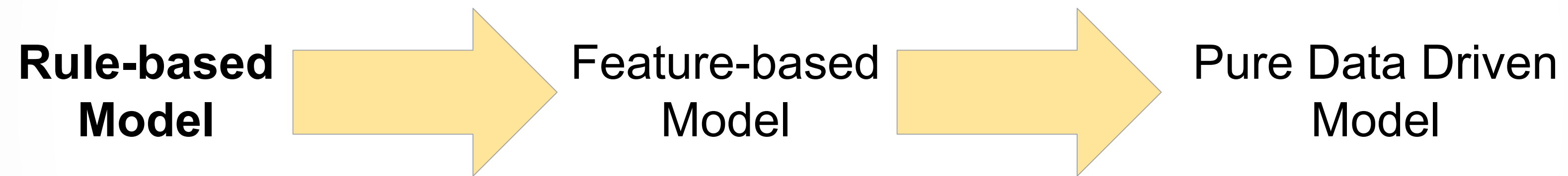


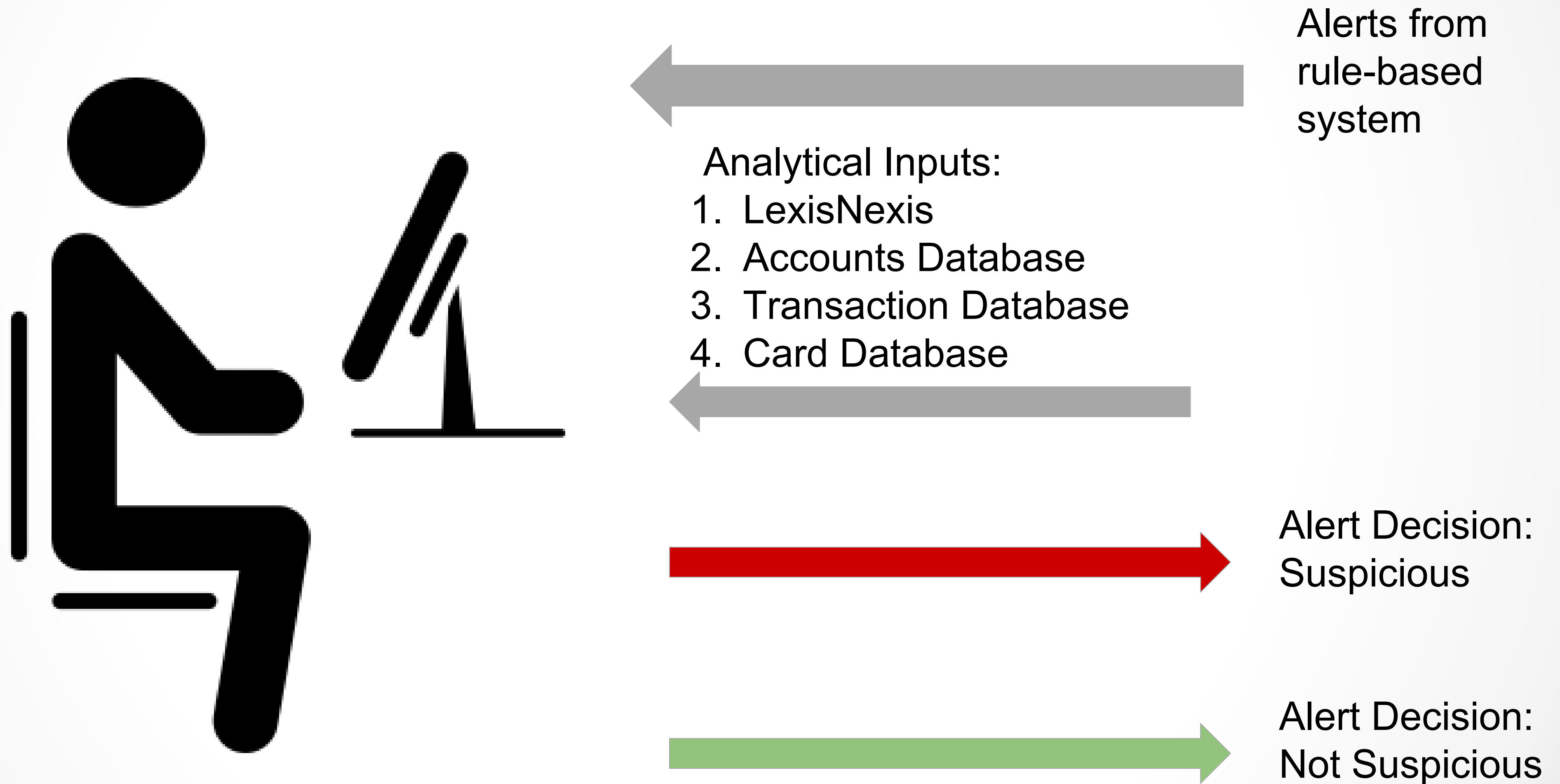
# H<sub>2</sub>O.ai

Anti-Money Laundering Solution

# AML Solution Evolution



# Rule-based Model



# Rule-based Model: Limitations

1. Manual analysis by an investigator
2. Dispersed datasets
3. Subjective and inconsistent
4. Time consuming
5. High false positive rate

# AML Solution Evolution



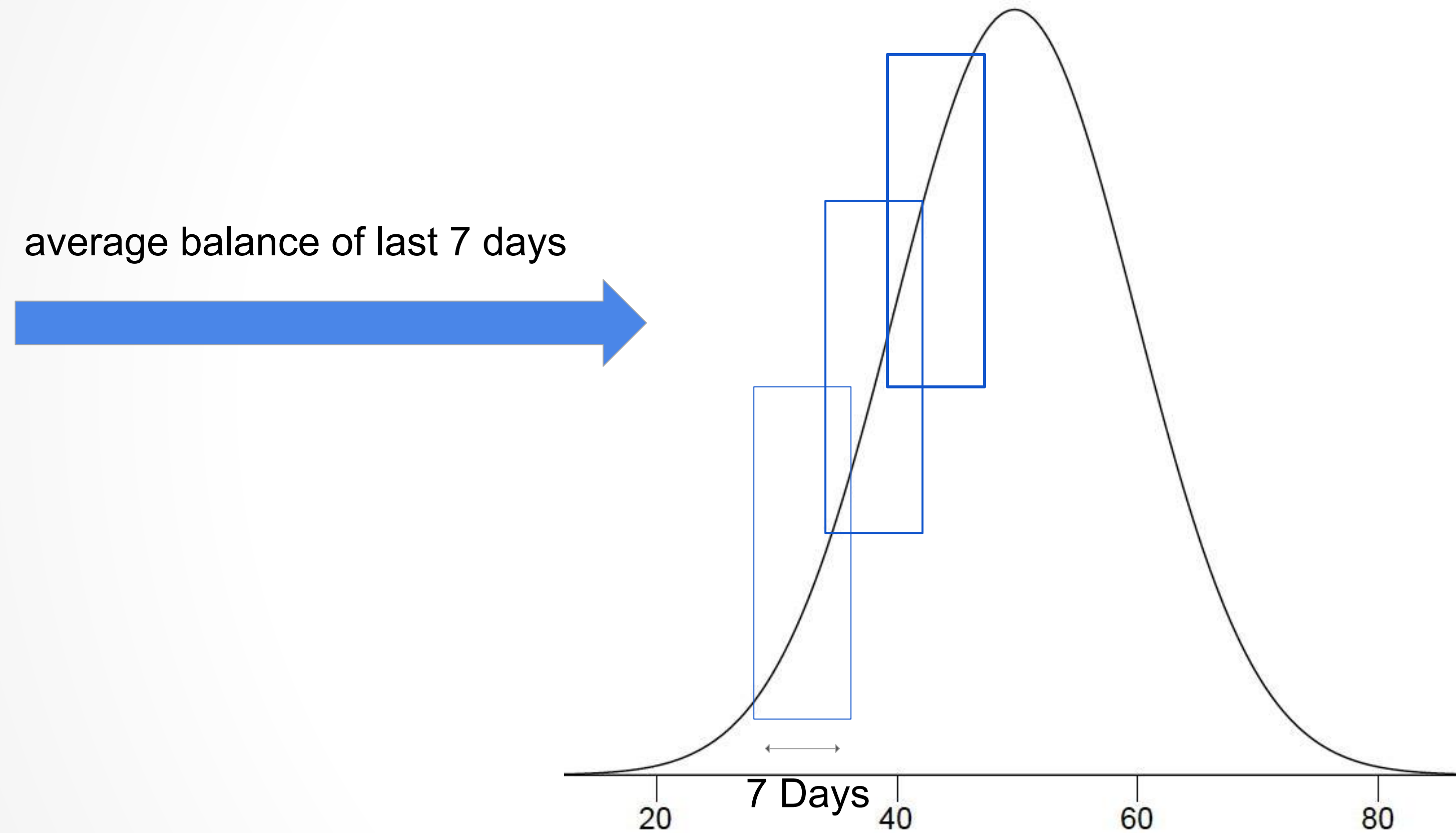
# Features - (Used in Feature-based Model)

1. Features are meta data (Extracted from the data)
2. They help algorithms capture information from the data.
3. Feature engineering is a form of language translation: Between raw data and the algorithm.

# Source of Features

1. Transactions - or payments databases
2. Account Information - customer focused database
3. Alerts - AML alerts database.

# Features - Example

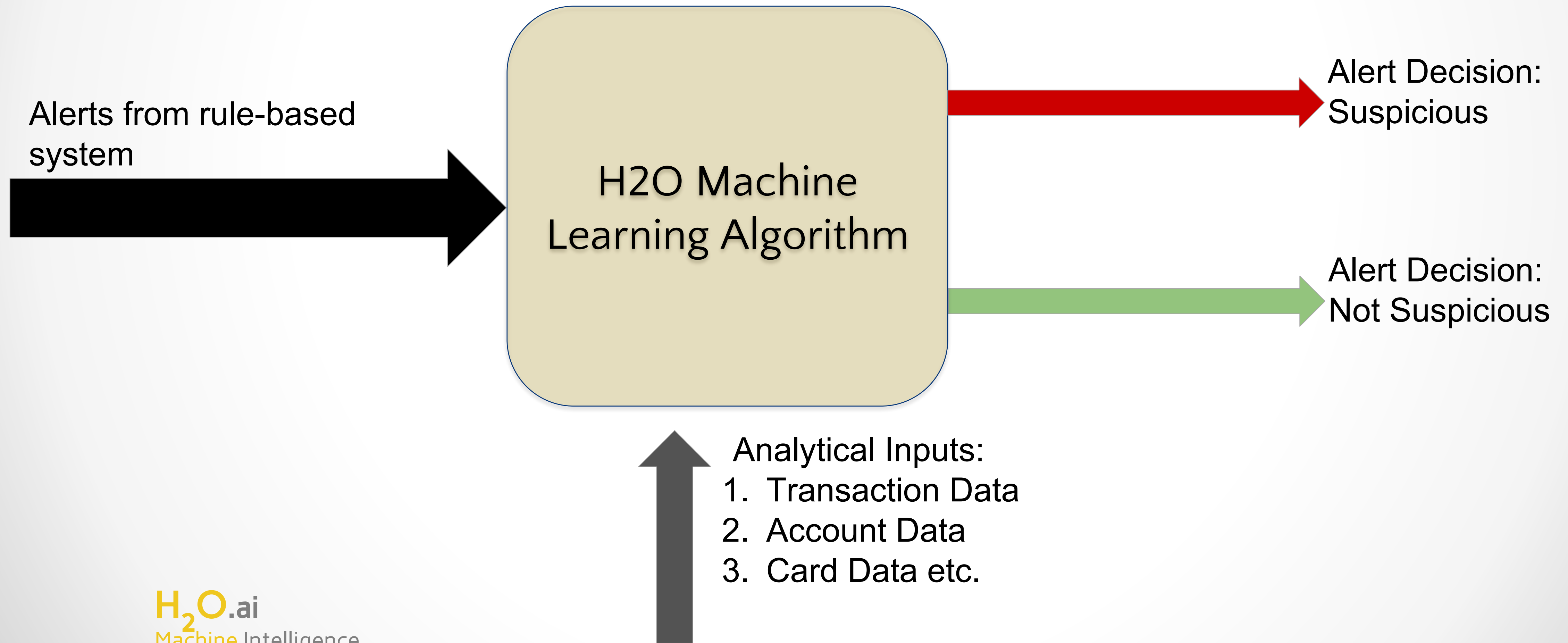




# Features: Advantages

1. Designed Features Highlight Transactional Behaviour
2. Features Continuously Track Transactional Behaviour of an account
3. Rules Variables can only Identify Threshold Changes

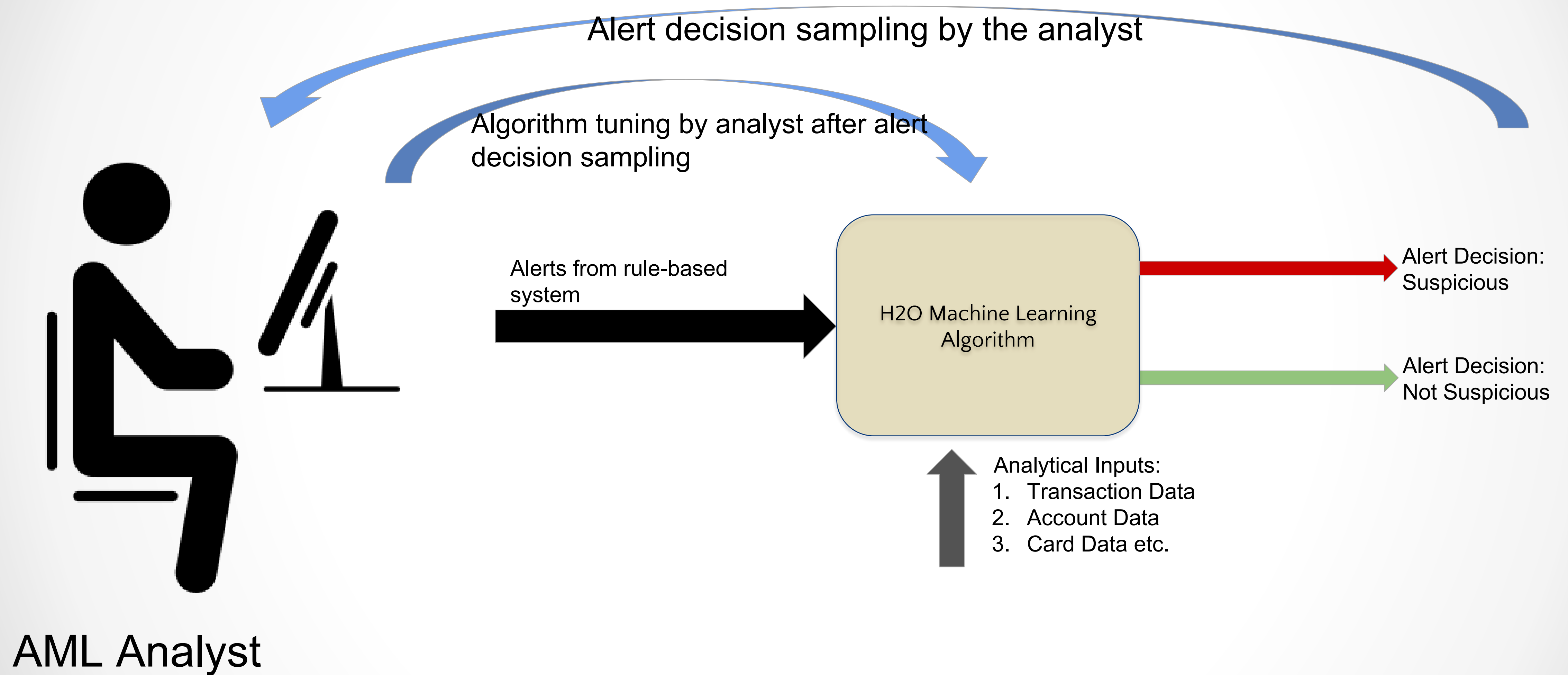
# Feature-based Model



# Feature-based Model: Advantages

1. Uses AI - artificial intelligence
2. AI with features uses a consistent and objective approach
3. Quick classification
4. Low false positive rate - tweaked based on risk appetite.

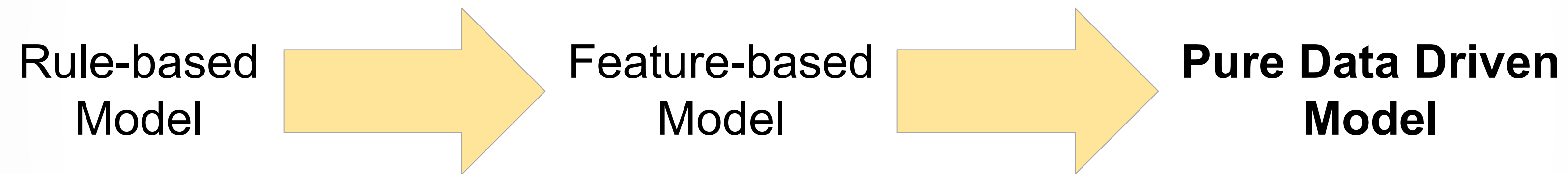
# Feature-based Model Workflow



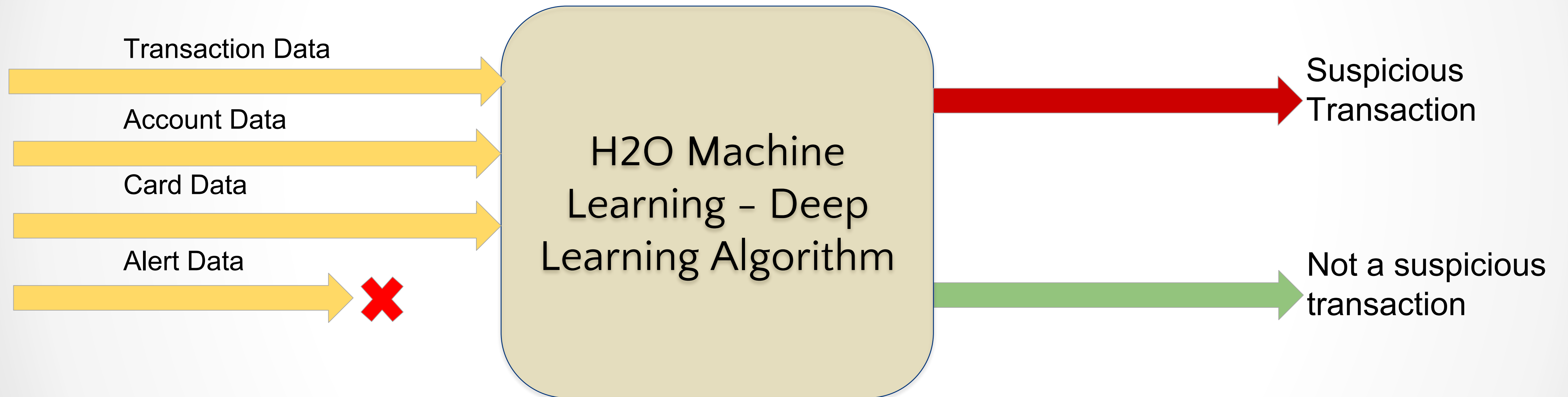
# Feature-based Model Workflow: Advantages

1. AI model will learn and improve from the analyst's feedback
2. The analyst has one single interface
3. Unified interface for dispersed datasets

# AML Solution Evolution



# Pure Data-driven Model





# Pure Data-driven Model: Advantages

1. The algorithm understands malicious behaviour through data
2. Algorithm is smart to work without features - metadata
3. Does not need alerts for training
4. Helps in identifying any kind of anomalous behaviour
5. Deeper insights about customer



Thank You  
Questions?