

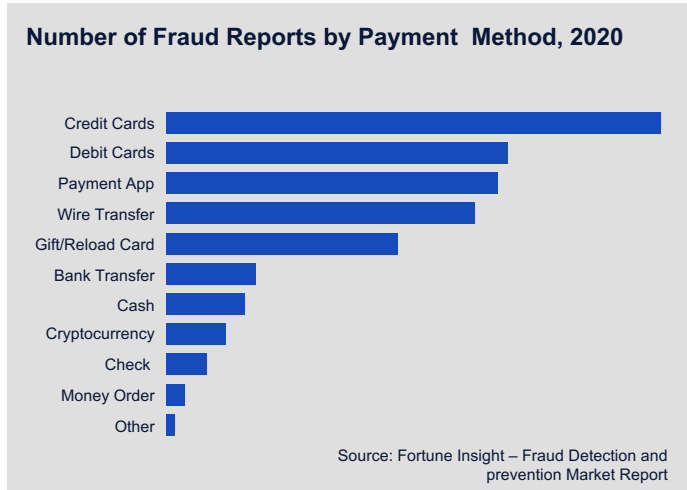
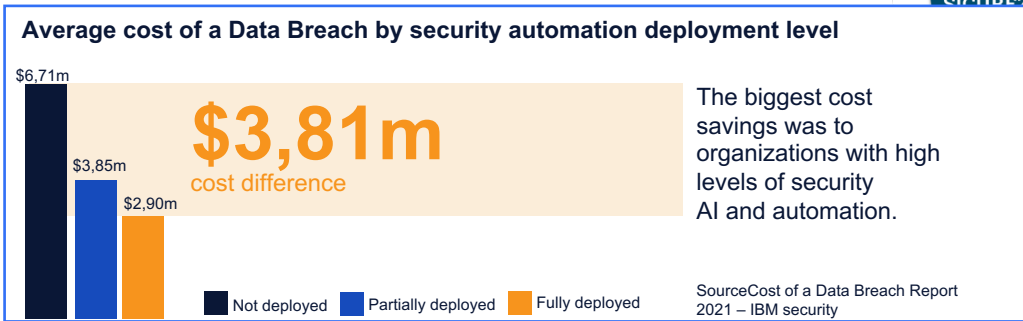
Fraud Governance & AI

Prevent, counter and mitigate fraud by supporting
processes and information with Artificial
Intelligence

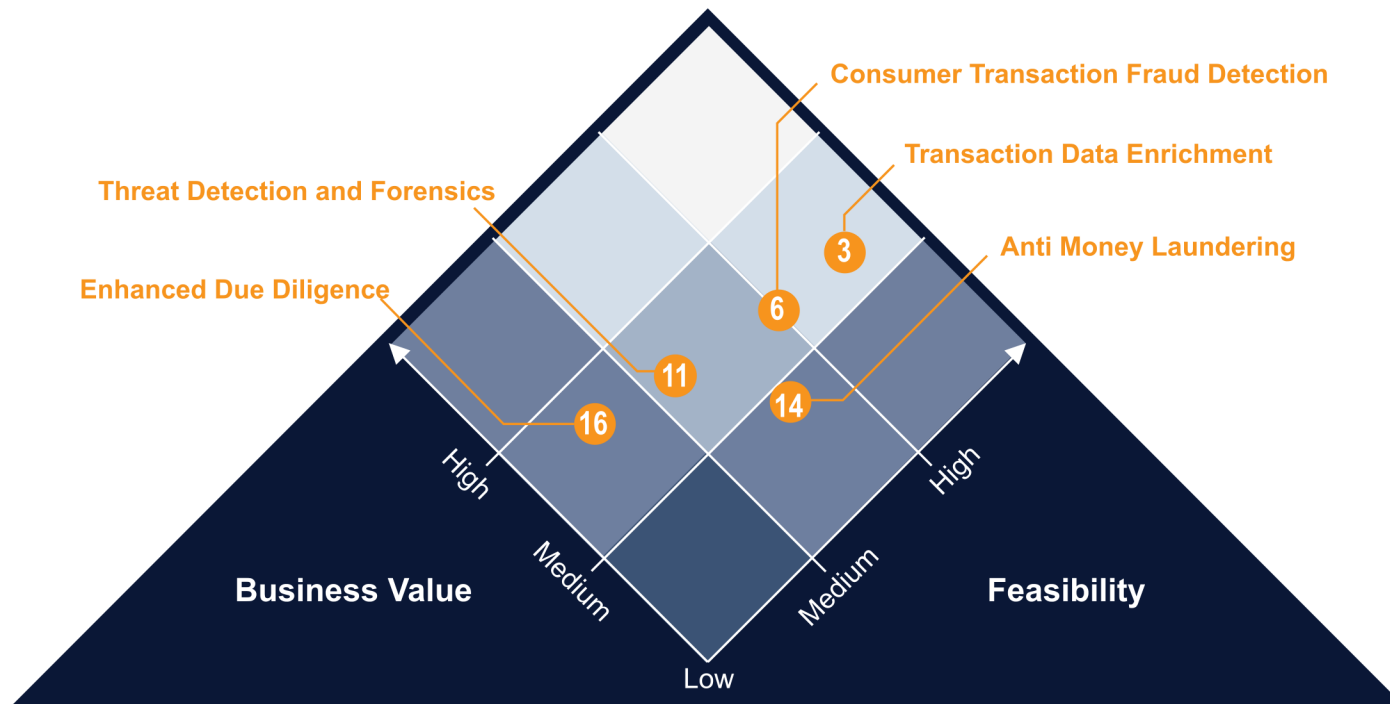


ALFAGROUP

FRAUD SCENARIO

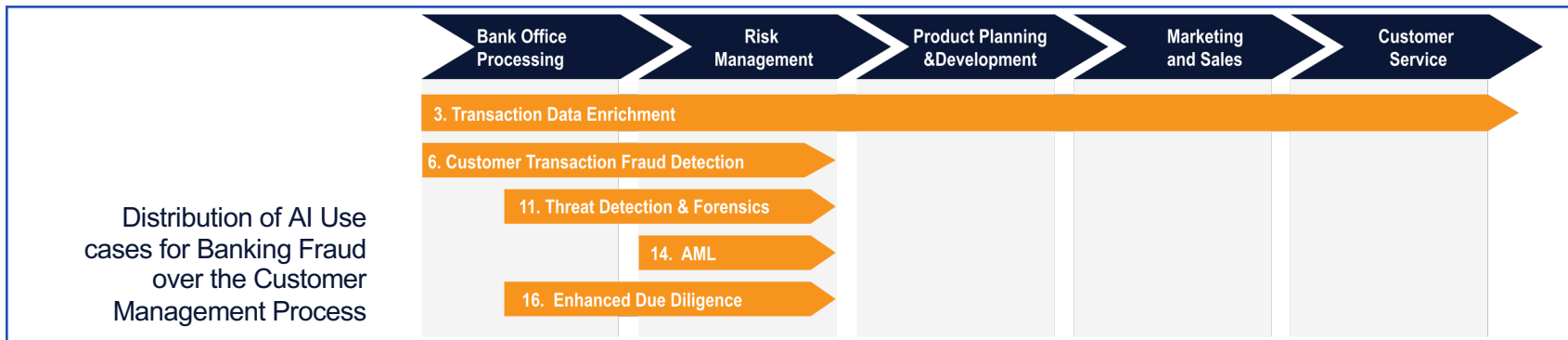


AI USE CASE FOR BANKING FRAUD 1/2



Source: Gartner - AI Use Case Prism for the banking Industry

AI USE CASE FOR BANKING FRAUD 2/2

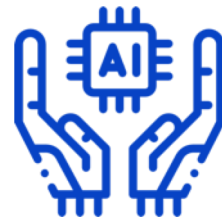


Business Values and Feasibility Levels for each use case

		Business Value				Feasibility	
		Cost Reduction/ Operational Efficiency	Revenue Growth/ Sustainment	Customer Experience	Reputation and Risk Exposure	Technical Feasibility	Nontechnical Feasibility
3	Transaction Data Enrichment	🟡	🟡	🟡	🟢	🟢	🟡
6	Customer Transaction Fraud Detection	🟡	🟡	🟡	🟢	🟡	🟢
11	Threat Detection & Forensics	🟡	🟡	🟡	🟢	🟡	🟡
14	Anti-Money Laundering	🟡	🟡	🟡	🟢	🟡	🟡
16	Enhanced Due Diligence	🟡	🟡	🟡	🟢	🟡	🟡

Source: Gartner - AI Use Case Prism for the banking Industry

DECISION INTELLIGENCE TO SUPPORT FRAUD MANAGEMENT



Decision intelligence components



Humans: Actor with bias and goals making and supporting decisions

Analytics: 1010
1010
supports, augments and automates decisions

Data: Informs Decisions 1010
1010

Applications: 1010
1010
Sequences decision steps



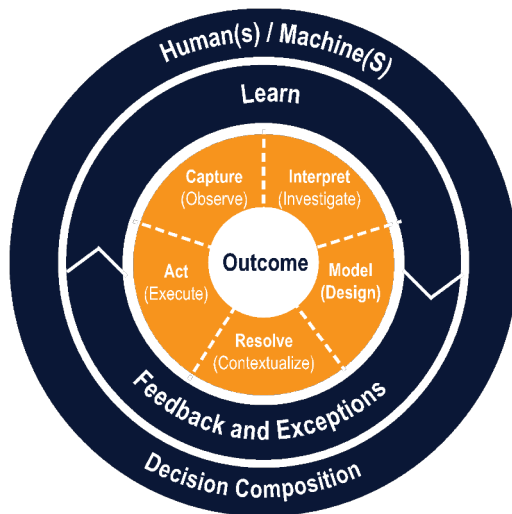
AI: Actor with goals and bias making and supporting decisions

Data Fabric



Shared Information and Data Architecture

Decision Intelligence Loop (Every Decision Goes Through the same 5 phases)



Predictive Analysis

What is likely to happen?

- Predictive Models (random forest, deep learning,...)
- Forecasting (smoothing, trend...)



Prescriptive Analysis

What can we do?

- Scenario analysis
- Optimization
- Simulations (Monte Carlo, Markov,..)

CHALLENGES IN ANTI-FRAUD AND HOW TO FACE THEM...WITH AI



THE CHALLENGES

- Anti-fraud analysts need to make the right decisions;
- Decreasing manual operations (analysis and investigation activities)
- Reduce false positives and verification activities
- Centralize the anti-fraud analysis in all business channels (home / mobile banking, card transactions, ATM withdrawals)
- Define a risk indicator for each customer
- Safeguard investments made and support the evolving roadmap

• **Decision Intelligence = Decision Augmentation**



THE SOLUTION

- The use of predictive algorithms (what will happen) together with prescriptive algorithms (what to do) exponentially increases the automation factor of the decision-making phase in an "augmented decision-making" process and that orchestrates data and processes between existing anti-fraud systems and platforms according to the standards of market.
- The result is a Fraud AI Governance which, through advanced case management, helps operators easily analyze millions of data.

Fraud Analytics platform

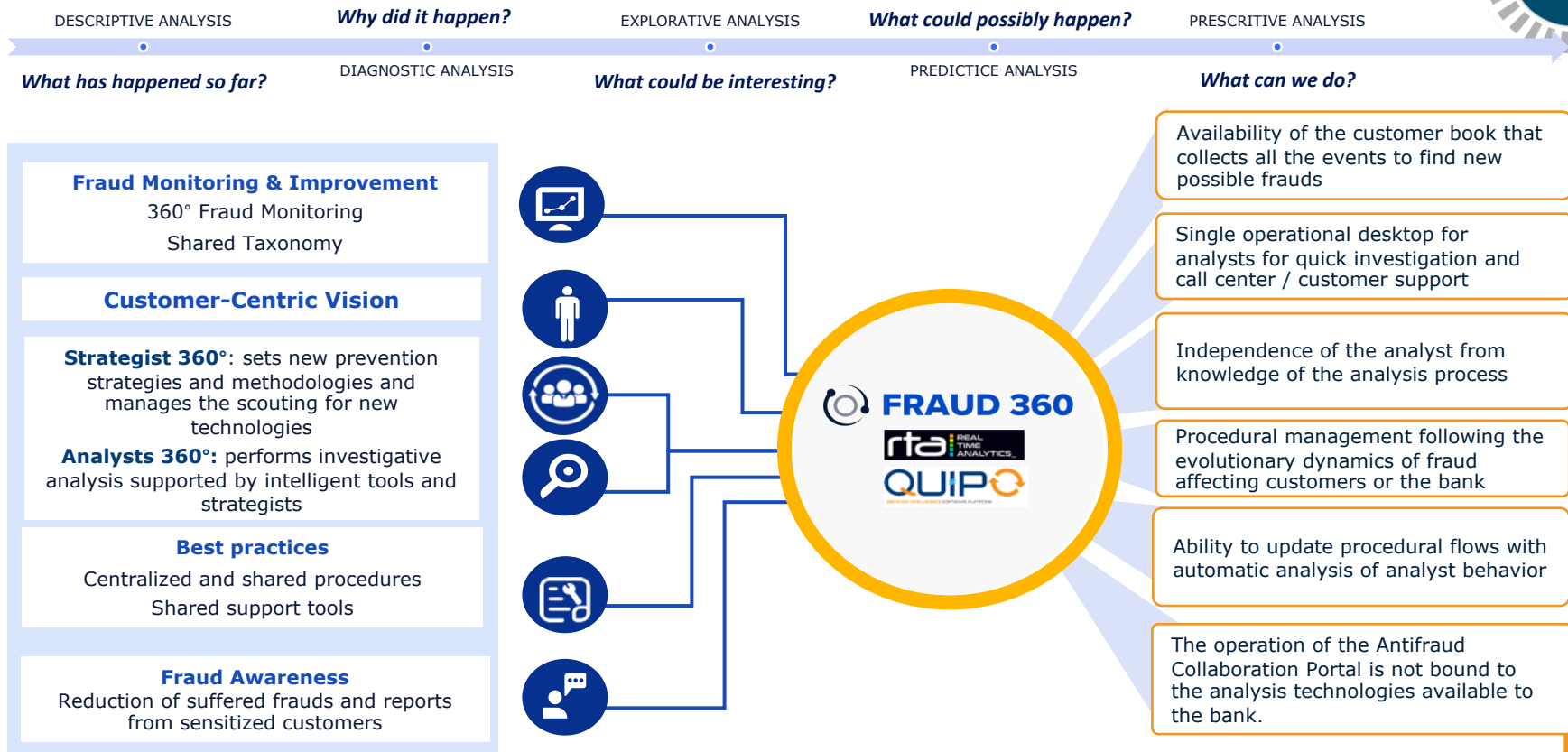
Fraud Investigation

Fraud Operations

Reporting and Dashboarding

Fraud Intelligence

ANTI-FRAUD PORTAL FOR DECISION INTELLIGENCE



DECISION INTELLIGENCE = DECISION AUGMENTATION

Use of predictive algorithms (what will happen) together with prescriptive algorithms (what to do) exponentially increase automation factor of the decision phase in an Augmented Decision Process

Challenge

Heterogeneous Data
inhibit analysis

Data without Metadata
is incomplete

Valuable Intelligence is
often not available

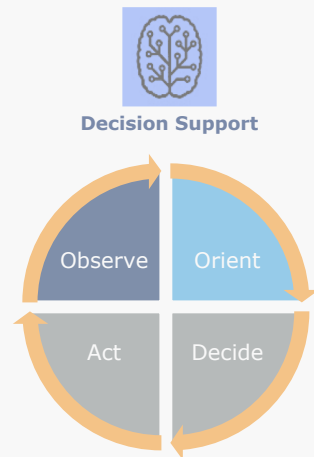
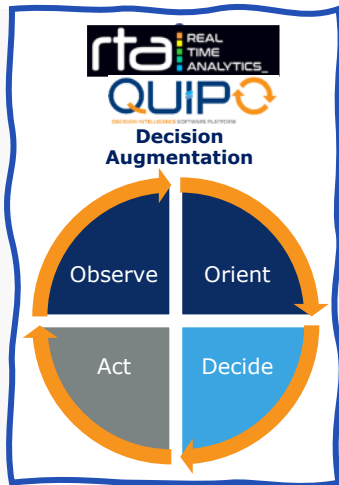
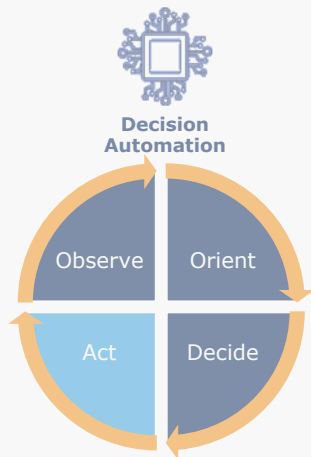
Dissemination is not
Actionable

Missed Threats

Out-of-time Decisions

Loss in Competition

Solutions



Level Of Automation

[No Automation]

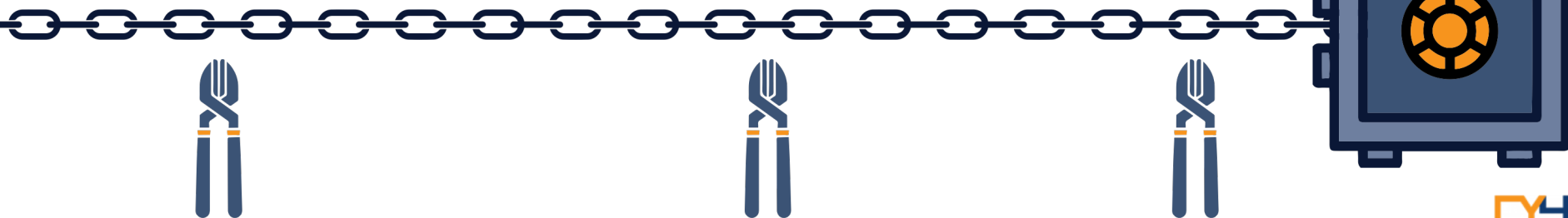
[Totally Automated]

THE SECURITY CHAIN

Possible Actions

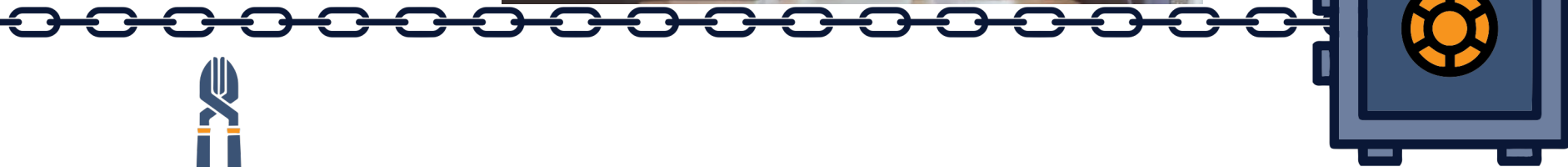


Awareness



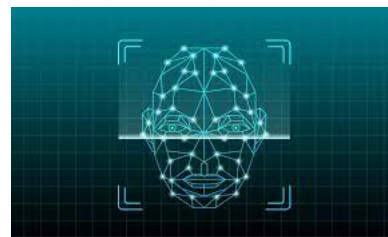
AWARENESS

Doing anything possible could not be enough



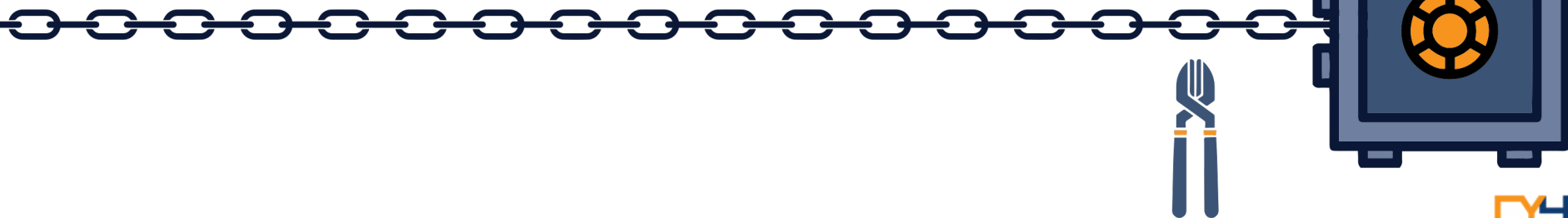
PROCESSES

A delicate balance



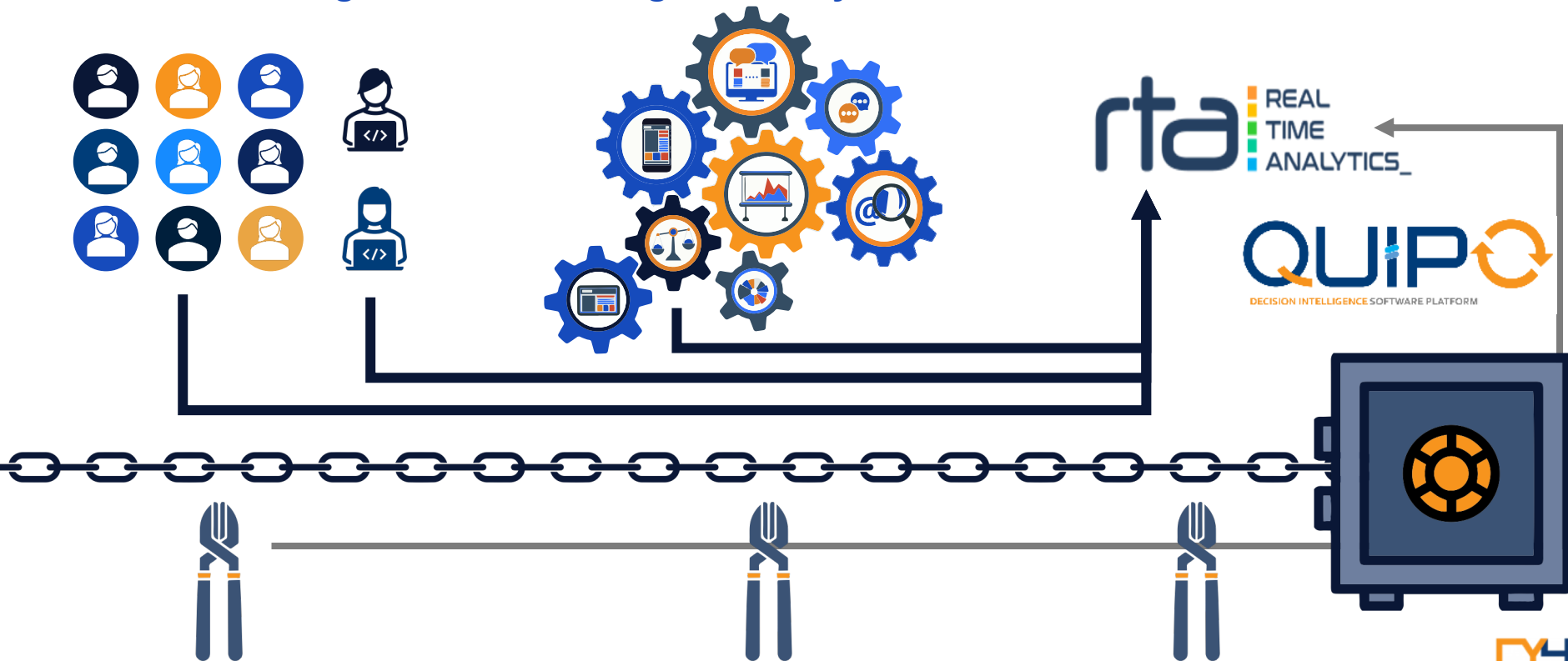
TECHNOLOGY

AI, Source integration, CTI and big data analytics



TECHNOLOGY

AI, Source integration, CTI and big data analytics

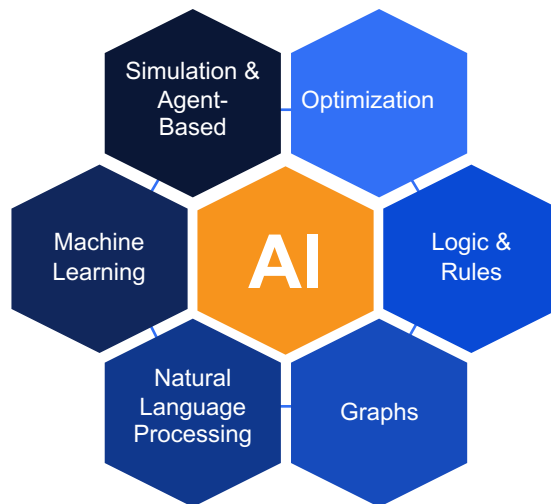


DEEP- DIVE ANALYTICS

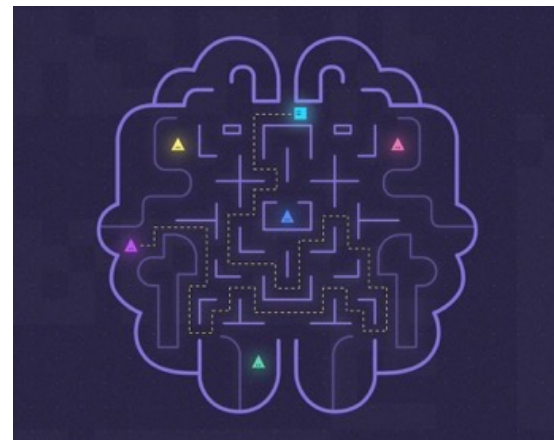
challenges, approaches and Technology



Real Time



Composite AI (multisource)



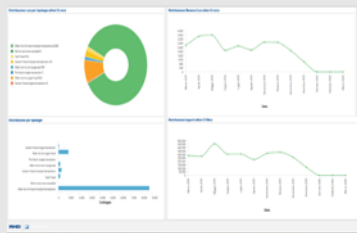
Behavioural

RHD FRAUD 360: MAIN FEATURES



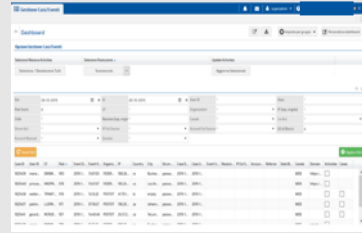
Fraud Analytics

- Perform statistical processing
- Analyze authentic and fraudulent transactions
- Identify possible fraud patterns and power the learning level
- Data Modeling to create Reports



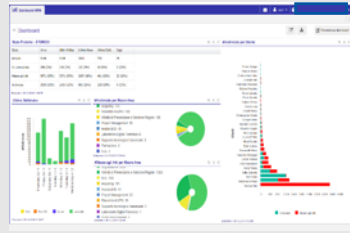
Fraud Investigation

- Advanced search with filters e groupings
- Massive case closure
- Fraudulent and suspicious events alerting
- Event and case correlation with external sources (IP/Account in blacklist, greylist, whitelist, etc...)
- Integration via web services



Fraud Operations

- Monitoring and management of the progress of Fraud Prevention activities.
- statistics
 - Incident management
 - Times of Work and Loading of Resources



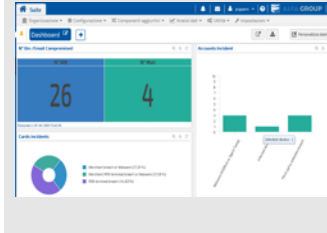
Reporting and Dashboarding

- Executive Reporting
- Reporting & deep analysis
- Meta-information management
- Case Collection



Fraud Intelligence

- Bank Accounts and Compromised Cards
- «Blacklist» and «Greylist» distribution through Anti-fraud platforms
- Investigation and Fraud Prevention process
- Evidence of records registered



Questions?



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