iCo-op™ Solution

Adaptive Fraud Detection and Management

Detecting fraud is becoming more difficult because fraudsters are becoming better organized, well-informed and mobile. Fraudsters are constantly trying new methods to out-smart and out-run banks. Different kinds of fraud require fraud detection systems that have different features: different procedures, different parameters to tune, different database interfaces, and different case management tools.

In today's dynamic environment, fraudsters constantly devise new ways to cheat banks while legitimate customers' behaviours change constantly. The challenge for banks is to develop better methods which are adaptive, to detect and respond to frauds quickly in real-time while delivering better customer service.
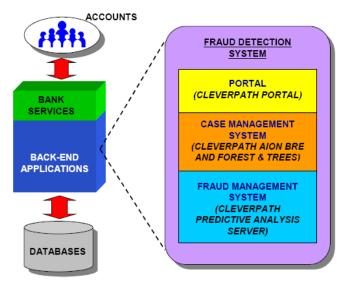
PRODUCT DESCRIPTION

iCo-op solution builds <u>account-specific profiles adaptively and dynamically</u> to track the current behaviours of accounts. iCo-op solution can learn, adapt and update the profile of each account to the current behaviour. For new accounts, it will self-initialise and quickly builds the account-specific profiles of the new accounts. Fraudulent activities are flagged by abnormal behavioural patterns.

iCo-op solution provides a robust fraud detection system to detect the following types of   frauds:
- ATM fraud
- Credit card fraud
- Fund transfer fraud
- Loan and insurance application/claim fraud
- Money Laundering
- Syndication
- Merchant fraud and ghost terminals

PRODUCT FEATURES
Fraud Management System
1) Fraud detection: iCo-op solution helps banks to build account-specific profiles for each account using CA's CleverPath Predictive Analysis technology. The account-specific profiles are updated constantly at regular

scheduled date/time using Neugent, to learn and adapt to current behaviours. iCo-op solution can help to identify previously undiscovered frauds.

Fraud detection is tailored to detect any abnormal deviations from the profiled behaviour of each account in real-time, such as:
- abnormal number of transactions
- abnormal transaction amount
- abnormal balance change
- abnormal cheque sequence
- abnormal geographical transactions
- abnormal self-service activities (eg ATM)

etc

2) Prioritising Fraud: iCo-op solution provides a consolidated reporting system that organizes, scores and sorts the results for rapid identification and prioritisation. Analysed and prioritised results can be displayed by
- geographical area
- type of accounts
- type of transactions and so on.

Case Management System
After an account is flagged, efficient case management tools are provided for rapid response to minimize lost to the bank. The case

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management system can assign and prioritise the flagged cases to investigators for investigations. For example:
  -if fraud risk score above 90%, block card and/or attempt contact for 3 days
  -if fraud risk is 80 to 89.9%, attempt contact for 1 day, and if no response, send contact letter asking card-holder to call the fraud department.

The case management system allows investigators to monitor each case and update the account-specific profile. It grows the unified knowledge base to adapt to changing behaviours.
The case management system can be integrated to service provisioning system of the bank to allow service restrictions on suspected accounts to be activated.

UNIQUE SELLING POINTS

- builds account-specific profiles of each account that are updated regularly to detect fraud
- new accounts are self-initialised
- real-time, adaptive and dynamic fraud detection and prioritising
- fast respond and efficient case management tools
- able to detect frauds that are previously undiscovered

POWERED BY CA

iCo-op solution utilizes CA's CleverPath Predictive Analysis Server technology to:
- learn and adapt constantly from experience
- detect complex patterns and trends that are not obvious to humans
- use accumulated knowledge to predict fraud patterns

CA's CleverPath AION Business Rule Expert is used for efficient and effective case management to respond rapidly to detected frauds.

In addition, CA's CleverPath Forest & Trees help to put perspective in the reports. Sophisticated analysis and dynamic reports are generated by geographical, type of account and transactions.

PRODUCT SUMMARY

iCo-op solution is certified *ca smart* with CleverPath portal and business intelligence solutions (*CleverPath Predictive Analysis Server, CleverPath Forest and Trees, and CleverPath Portal*) from Computer Associates International, Inc. (CA). The *ca smart* seal is earned by solution partners of CA who deliver eBusiness value and technical excellence through the integration of their products with CA technologies.

iCo-op and CA's CleverPath solutions help the management of banks to detect fraud and respond with procedures and processes to stay ahead of fraudsters who are becoming more sophisticated.

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