

Akbank, together with H3M.IO, raises the bar in Artificial Intelligence-based Compliance risk management with record precision levels in suspicious activity detection.

The first-ever large scale application of Active Learning technology over 16.5 million customers, and over 10 billion transaction data, significantly reduced false positives, and enabled detection of compliance risks, undetectable by legacy scenario-based tools.

H3M.IO, the leading provider of novel AI-based compliance risk solutions, completed one of the largest global deployments of its kind with Akbank, Turkey. The implementation reduced the false positives in the alerts to below 29.5% and discovered and successfully blocked high risk activities that cannot be detected with legacy tool-based systems with 98.4% true-positive ratio.

Many banks around the globe suffer from an ever-increasing number of alerts and high false-positive ratios; at the same time, the UN reports that less than 2% of the suspicious activity can be detected. “As Akbank, we are aiming to be one of the early-adaptors of AI in the compliance domain globally and partnering with H3M.IO was a part of this key strategy. We believe that the best performance is always achieved where domain knowledge of the experts is combined with the capabilities of IT systems. H3M.IO KROTON software platform provides us with a platform to enhance our existing expertise to a new level with AI technologies.”, said Mr. Selim Önal, Head of Compliance.

“The current AI applications in compliance suffer from the inadequate training datasets. Analysts can only investigate a handful of alerts from millions of daily transactions, 90% of which are clear, and only 10% are suspect. This is neither sufficient nor adequate to build effective data science models.”, explained Tolga Kurt Ph.D., Managing Partner, H3M.IO. “The uniqueness in our application is the creative implementation of Active Learning (AL) technology. AL is about AI asking questions to learn, instead of memorizing and mimicking already labelled sample space. Every day the system investigates 10s of millions of transactions, and generated questions for the analysts. AL enables a much more valuable sampling space and insights for the models, therefore increasing the precision of the models.”

#### **About Akbank:**

Founded in 1948, Akbank offers a wide range of retail, commercial, corporate, private banking and international trade finance services. Also, non-banking financial, capital market and investment services are provided by the Bank’s subsidiaries, including Akbank AG, Ak Lease, Ak Investment Fund, Ak Asset Management, and Tosla. Akbank is headquartered in Istanbul, Turkey and has 758 branches and over 12,000 employees.

#### **About H3M.IO KROTON AML Platform:**

H3M.IO KROTON platform utilized novel AI technologies to improve the effectiveness of the Compliance systems. The solution includes three main modules:

KROTON Rule Optimizer, which minimizes the false-positives in the system, reducing the workload without increasing the risk in compliance.

KROTON Suspect Miner, which utilize active learning and data science for detecting suspicious activity that cannot be identified with legacy scenario-based systems.

KROTON Link Miner, which detects suspicious networks effectively processing billions of connections in a matter of hours.