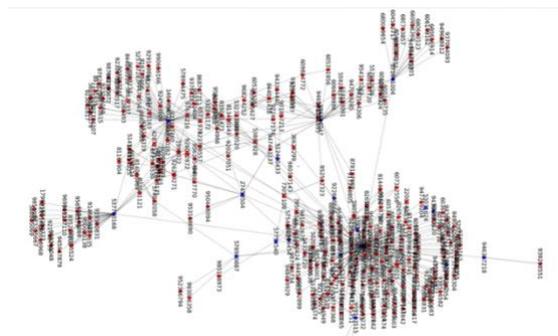


İşbank, together with H3M, deploys the first of its kind AI-based suspicious network analysis solution for Anti-Money-Laundering.

The first-ever application of active learning technology in graph networks have been implemented with one of the largest banks of Turkey, İşbank with over 20 million customers, and billions of transactions in between. The implementation enabled the detection of money laundering networks, which are undetectable by investigation of single entities.

H3M, the leading provider of novel AI-based AML solutions, completed its largest deployment with İşbank. The implementation resulted in the effective detection of complex suspicious networks of multiple magnitudes and typologies.

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 money laundering activity can be detected. "Neither legacy rule-based systems nor typical data science applications can detect suspicious networks, where members of the network are not suspicious when investigated independently. Providing these networks in an easy-to-investigate manner to the analysts were also a challenge on top of the detection precision.", said Mr. Ertuğrul Koçak, Financial Crimes Unit Manager. Mr. Gökhanalp Arslan, Head of Analytic Applications, also from İşbank added: "Even though there are many tools in compliance domain claiming network analysis, our IT teams' collective success with H3M is two folds. First, detecting suspicious sub-graphs in a 20 million node, and 1 billion edge network in less than an hour; second, detecting the whole suspicious graph with minimum required manual work, enabled by artificial intelligence."



"Person and company based features and anomaly detection based on those prominent features are common in AI applications in the compliance domain. However, *what the features of a suspicious network are, based on structural forms, CRM data distribution and transaction characteristics* is an entirely new questions to be asked.", explained Tolga Kurt Ph.D., Managing Partner, H3M. "On the other hand, novel H3M algorithms provided swift detection techniques, and utilizing active learning enabled us to define new features together with Compliance and IT teams of İşbank. The AI comes into picture in isolating the suspicious flow of

laundered money and money-laundering entities automatically from the otherwise undecipherable complex network", added Utku G. Ketenci Ph.D., Director of Data Science and AI, H3M.

#### **ABOUT İŞBANK:**

The inception of the country's first truly national bank following the promulgation of the Republic dates back to 26 August 1924, mandated by Mustafa Kemal Atatürk, consequent to the First Economy Congress in İzmir. In the 96 years since its foundation, İşbank became the largest private bank in Turkey, expanded into 12 countries, with over 1200 branches and total assets over 75 billion USD.

#### **ABOUT H3M KROTON AML PLATFORM:**

H3M KROTON platform utilized novel AI technologies to improve the effectiveness of the Compliance systems, particularly Anti-Money-Laundering and Sanctions Screening. 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 money-laundering networks effectively processing networks with billions of connections in a matter of hours.