

Money Laundering Detection System Performance Overview

Bosch Software Innovations



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How Many Commercial Transactions Can You Monitor and Clarify Daily?

MLDS is the anti-money laundering module within the Compliance Suite. It supports management of compliance-relevant customer information, transaction monitoring, and subsequent clarification. Its risk classification of both customers and business relationships facilitates a risk-oriented clarification process, ensuring that financial institutions' limited time and attentions will be used wisely in the identification of high-risk customers.

In use at a wide variety of banks since 2001, every installation of MLDS includes both current national statutory requirements as well as custom internal rules.

It uses variable business logic, in which standard rule sets are adapted to bank-specific, compliance requirements. The standard rule sets can be revised as needed by each bank, and they may be supplemented with business-specific limit values and custom guidelines.

Know Your Customer (KYC)

KYC is the basis of a risk-oriented evaluation approach. The information stored in customer profiles is used to assist in deciding whether a customer relationship or transaction is unusual. It is the basis of the customer's risk classification.

MLDS - Performance Overview

The screenshot displays the MLDS software interface. On the left is a navigation menu with categories: Work list, Clarification, Alerts, Specifications, Analysis, Evaluation, and Administration. The main content area is titled 'Compliance' and includes a 'Welcome to mlds' message. Below this, there are two tables: 'Entries on the work list grouped by editor' and 'Entries on the work list grouped by priority'. The 'grouped by editor' table shows counts for different editor roles. The 'grouped by priority' table shows counts for risk levels: very high, high, medium, and low. Below these are sections for 'Recently opened business relationships' and 'Recently edited cases', each with a table of details.

Editor	Count
I'm registered as editor	5
Nobody is registered as editor	258
Other user is registered as editor	2

Priority	Count
very high	137
high	123
medium	12
low	4

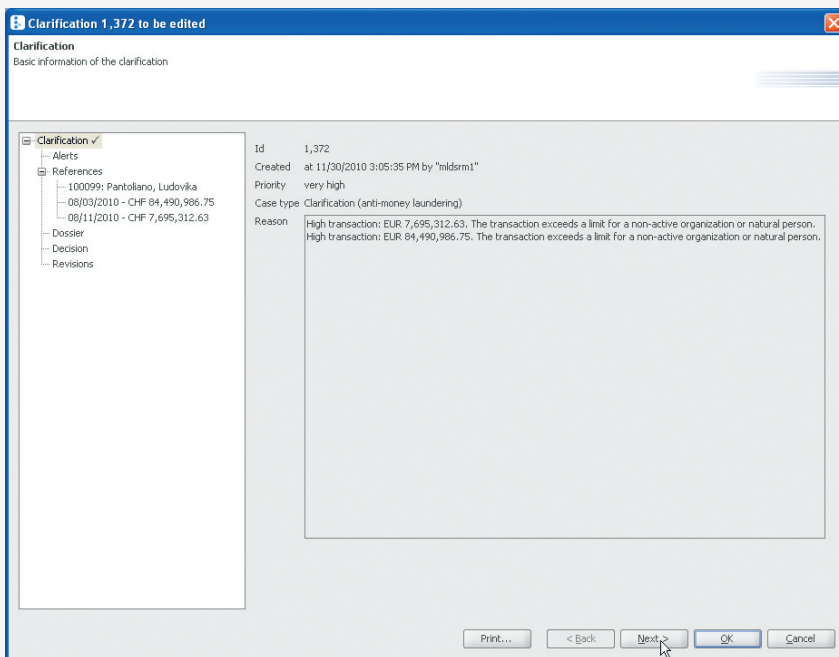
Business relationship	Owners
100187	Prinze, Nanon
100174	Day-Lewis, Carolan
100097	Burnard S.A.; Whitwam, Mona

Case	Description
Clarification 2,033	Clarification for business relationship 100174: Day-Lewis, Carolan: Transaction to risk country Kenya: CHF 9,231.09
Clarification 2,032	Clarification for business relationship 100097: Burnard S.A.; Whitwam, Mona: High cash transaction: CHF 94,071.70. The transaction exceeds a limit for an active corporation.
Clarification 2,031	Clarification for business relationship 100004: Plummer, Lazare; Utada, Georgia: High transaction: CHF 430,827.40. The transaction exceeds a limit for a non-active organization or natural person.
Clarification 2,030	Clarification for business relationship 100064: Summer, Ansley: High turnover in 30 days: CHF 1,111,662.68 exceeds limit for a non-active corporation or natural person.

MLDS supports compliance officers in all steps of analysis, clarification and documentation.

In addition to automatic monitoring, sophisticated analytical tools support systematic, custom risk analyses.

MLDS - Performance Overview



Electronic workflows actively direct unusual transactions to the responsible officer for clarification.

In critical instances, the dual (or more) control principle applies.

Team and substitute rules ensure timely processing.

Know Your Transaction (KYT)

Monitoring financial transactions according to defined rules reveals increased risks. Unusual transactions or behavior patterns, transactions with countries on embargo lists, and high risk counter-parties, are identified and trigger clarifications.

Clarification – As Much as Needed

A complete, automatic and risk-oriented analysis is performed on all transactions and events using information stored in the customer master data base and the KYC profiles. Unusual results need to be clarified manually. The clarification process itself is fully supported with displays of all transaction details and meaningful indications of why the transaction was classified as unusual.

MLDS in Brief ...

- ▶ MLDS identifies high-risk customer relationships and prevents money laundering and terrorism financing
- ▶ Automatic and risk-oriented monitoring of transactions, and electronically-supported clarification process
- ▶ Risk-orientation: weigh risks and concentrate on the relevant transactions
- ▶ Monitoring rules can be adapted as needed for five customer segments
- ▶ The graphically modeled rule technology creates auditable reasons for risk classifications and unusual transactions
- ▶ Clarifications performed with automatically directed workflows ensure a high degree of security
- ▶ Flexible reporting with an Excel export function. Tools for additional risk analyses by compliance officers

Europe
Bosch Software Innovations GmbH

Ziegelei 7
 88090 Immenstaad
 Germany
 Tel. +49 7545 202-300
 Fax + 49 7545 202-301
info-de@bosch-si.com
www.bosch-si.com

Americas
Bosch Software Innovations Corp.

161 N. Clark Street
 Suite 3500
 Chicago, Illinois 60601/USA
 Tel. +1 312 368-2500
 Fax +1 312 368-5898
info@bosch-si.com
www.bosch-si.com

Asia
Bosch Software Innovations
c/o Robert Bosch (SEA) Pte Ltd

11 Bishan Street 21
 Singapore 573943
 Tel. +65 6571 2220
 Fax +65 6258 4671
info-sg@bosch-si.com
www.bosch-si.com