

We are a global compliance technology company supporting banks, fintechs, exchanges, and other financial institutions in the area of Financial Crime Compliance. Using Artificial Intelligence and Machine Learning, our software gives a single internal and external view of a customer's Financial Crime Compliance (FCC) risk that is continually updated, called the **Identity Risk Index** — transforming how customers are onboarded and how compliance risk is assessed and triaged in the screening and monitoring processes used by leading financial institutions around the world.

## Intelligent Assessment

**Our Intelligent Assessment solution provides AI-driven negative media screening and query capabilities that allow financial institutions to screen their clients for adverse media with previously unimaginable precision. By using AI, our solution continually screens for negative media, entities and their previously undisclosed relationships in addition to uncovering true beneficial ownership. Our solution continually aggregates and accumulates risk-related information around each client. For one of the leading global banks, we reduced false positives by 80% and discovered 20% more true positives.**

Until recently, understanding customer risk has been relegated to KYC processes that relied on periodic risk assessments and semi-annual enhanced due diligence reviews. These processes used labor intensive information-gathering tasks and manually-intensive risk assessment functions. Neither are these steps effective nor efficient.

The opportunity to automate and augment the customer risk assessment process had been hindered by technological limitations and fragile rules based compliance and risk management systems.

AI is changing the customer risk assessment function. Because AI is underpinned by the idea of automation and augmentation, and with the maturation of machine learning models, customer risk assessment can now be achieved on an ongoing basis.

Our Intelligent Assessment solution provides the continual customer risk information, making it possible to automate the following financial crimes and compliance functions:

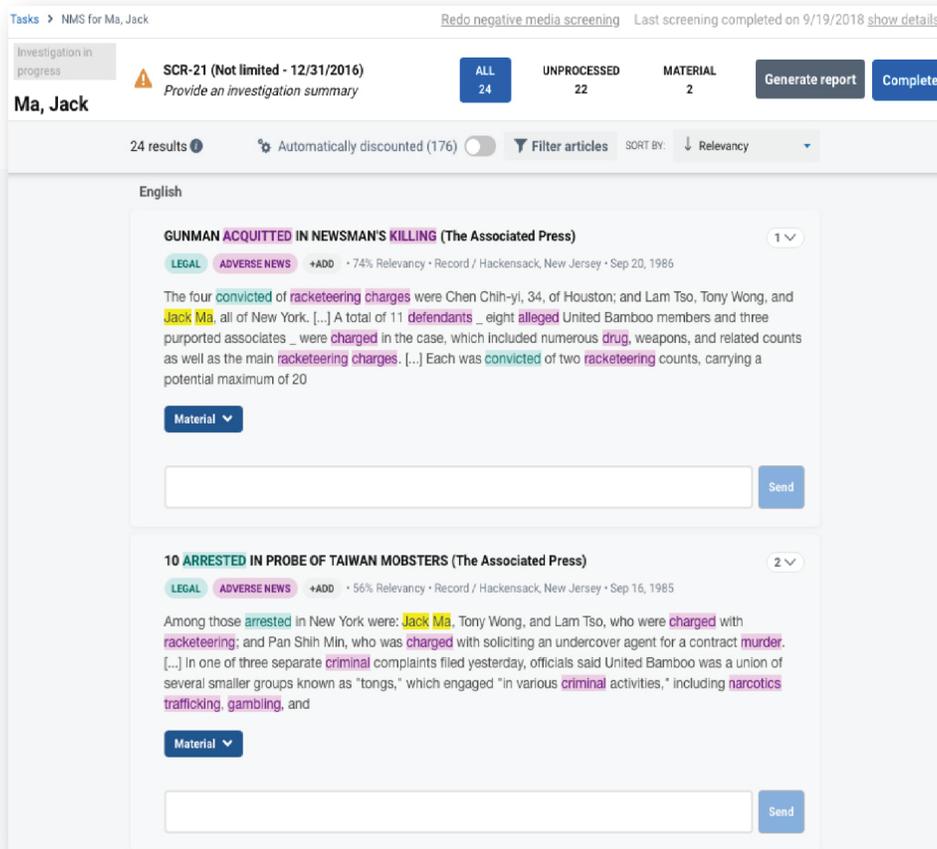
- **AI-Driven Negative Media Query Capabilities**
- **Customer Risk Aggregation & Segmentation**
- **Automated Legal Registration Verification**
- **Beneficial Ownership Discovery**
- **Continual KYC**

**“AI is reinventing the enhanced due diligence function.”**

# Intelligent Assessment

<b>High-precision Entity Extraction and Matching</b> , reducing false positives for identifying the right individuals and Legal entities	FCC-compliant and tailored risk models <b>surface the right type of risks</b> , “automatically discounting” irrelevant hits	Fully integrated to Entity profile with continuous screening and risk ranking
	<b>Automated AI-driven Negative Media screening</b> from 20,000+ global news sources	FATCA aligned risk topic models, providing complete negative media risk screening coverage

With a single view of customer risk, that is compliance focused and continually updated, Merlon clients benefit from an AI-driven customer risk assessment solution that is designed to continually understand customer risk, aggregate customer risk through a centralized customer risk repository, and feed down-stream systems that need a clear and accurate customer risk assessment rating in order to perform monitoring and investigations processes that take place throughout the financial crime and compliance functions.



The screenshot shows the Merlon Intelligence application interface. At the top, it displays 'Tasks > NMS for Ma, Jack' and 'Redo negative media screening' with a note that the last screening was completed on 9/19/2018. Below this, there's a section for 'Investigation in progress' for 'Ma, Jack' with a warning icon and the text 'SCR-21 (Not limited - 12/31/2016) Provide an investigation summary'. There are buttons for 'ALL 24', 'UNPROCESSED 22', 'MATERIAL 2', 'Generate report', and 'Complete'. A filter bar shows '24 results', 'Automatically discounted (176)', and 'Filter articles' with a 'SORT BY: Relevancy' dropdown. The main content area shows two news articles in English. The first article is titled 'GUNMAN ACQUITTED IN NEWSMAN'S KILLING (The Associated Press)' with a '1' dropdown. It includes tags 'LEGAL' and 'ADVERSE NEWS', a '+ADD' button, and a 74% relevancy score. The text mentions 'convicted of racketeering charges' and 'Jack Ma'. Below the article is a 'Material' dropdown and a 'Send' button. The second article is titled '10 ARRESTED IN PROBE OF TAIWAN MOBSTERS (The Associated Press)' with a '2' dropdown. It also has 'LEGAL' and 'ADVERSE NEWS' tags, a '+ADD' button, and a 56% relevancy score. The text mentions 'arrested in New York' and 'Jack Ma'. It also features a 'Material' dropdown and a 'Send' button.

Screenshot of Intelligent Assessment application