

Money Laundering Prevention and Detection System



PALADIN



WHY PALADIN?

PALADIN IS MANAGEMENT SOLUTIONS' MONEY LAUNDERING PREVENTION TOOL, PROVIDING INFORMATION SUPPORT FOR THE OVERALL FUNCTIONALITY OF A MONEY LAUNDERING PREVENTION UNIT

Paladin is an integrated Money Laundering Prevention System with the broadest functional scope available in Spain, providing information support for the totality of the functionality used by a financial institution's Money Laundering Prevention unit.

Paladin integrates, in a single working environment, the different functional areas in Money Laundering Prevention:

- ▶ Systematic regulatory reporting, covering the AML-related reporting requirements established by the regulator.
- ▶ Transaction monitoring, with both standard industry scenarios and independent scenarios created in-house.
- ▶ Know Your Customer, with customer profile breakdown and trend definition.
- ▶ External lists, covering all sanctions lists worldwide, with a special focus on European Union lists.
- ▶ Political Sphere, managing the identification and monitoring of the business relationship.



EFFICIENT ANTI MONEY LAUNDERING MANAGEMENT IS ONLY POSSIBLE THROUGH FUNCTIONALITY INTEGRATION

ADVANTAGES

IMPLEMENTING INDUSTRY BEST PRACTICE, PALADIN ADDRESSES A FINANCIAL INSTITUTION'S FUNCTIONAL AND TECHNOLOGICAL AML REQUIREMENTS WITHOUT THE NEED FOR LONG AND COMPLEX ADAPTATION AND INTERNAL TRANSFORMATION PROCESSES

MAIN FEATURES:

- ▶ Integrated AML risk management.
- ▶ Ensures the quality of information reported to the regulator: validation and quality check modules, data traceability from sourcing to final submission, internal reporting on data incidents, etc.
- ▶ Direct customization by final user, without the need for involvement by the financial institution's IT areas.
- ▶ Advanced KYC methods based on dynamic criteria.
- ▶ Integrated with the information model of the world's leading information provider (Dow Jones - Factiva)
- ▶ Advanced functional knowledge, based on over 10 years of experience in KYC model definition in national and international financial institutions.
- ▶ Proven system: internal and external audits performed on each implementation. Supervised and reviewed by the Bank of Spain's Executive Money Laundering Prevention Service (SEPBLAC).
- ▶ Credentials: implemented in over fifteen financial institutions since 2014.



FUNCTIONALITY

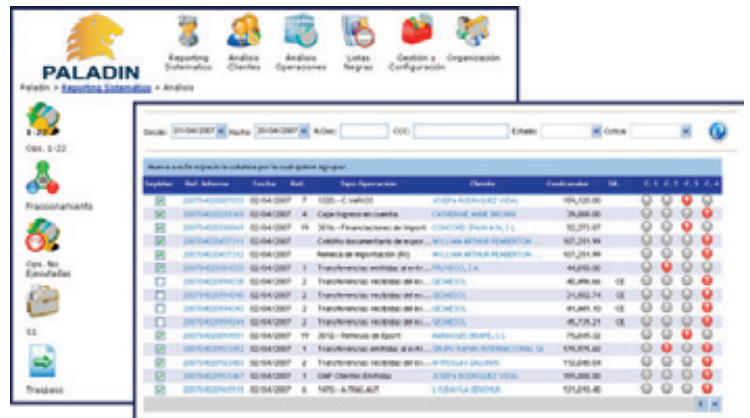
FUNCTIONAL INTEGRATION OF PALADIN'S DIFFERENT MODULES ALLOWS FOR SPECIFIC CONTROL AND MONITORING OF EACH RISK SOURCE AND EACH UNDENIABLE RISK INTERCONNECTION IN MONEY LAUNDERING PREVENTION

DMO REGULATORY REPORTING

Production of regulatory reports to be imported by data reception systems of official bodies.

TRANSACTION MONITORING

Dynamic definition and execution of monitoring scenarios. Pre-loading of standard AML industry scenarios.



KNOW YOUR CUSTOMER

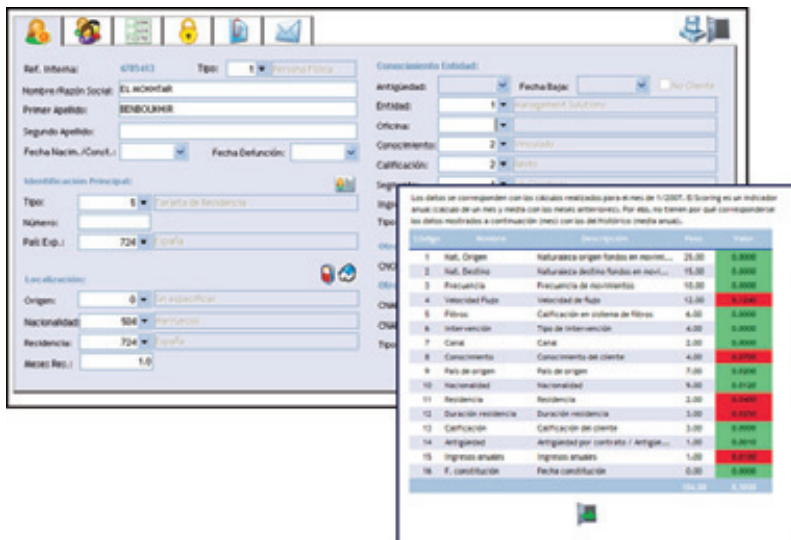
Objective customer scoring and rating methodology based on static and dynamic criteria. User-parameterizable module.

EXTERNAL LISTS

Integration of all sanction lists issued at the global level, with a specific identification process for European Union sanctions. Detection from the totality of customers and transactions.

POLITICAL SPHERE

Identification of individuals in the political sphere and their inner circle. Monitoring of their business relationship with the financial institution. Definition of customer groups requiring specific monitoring.

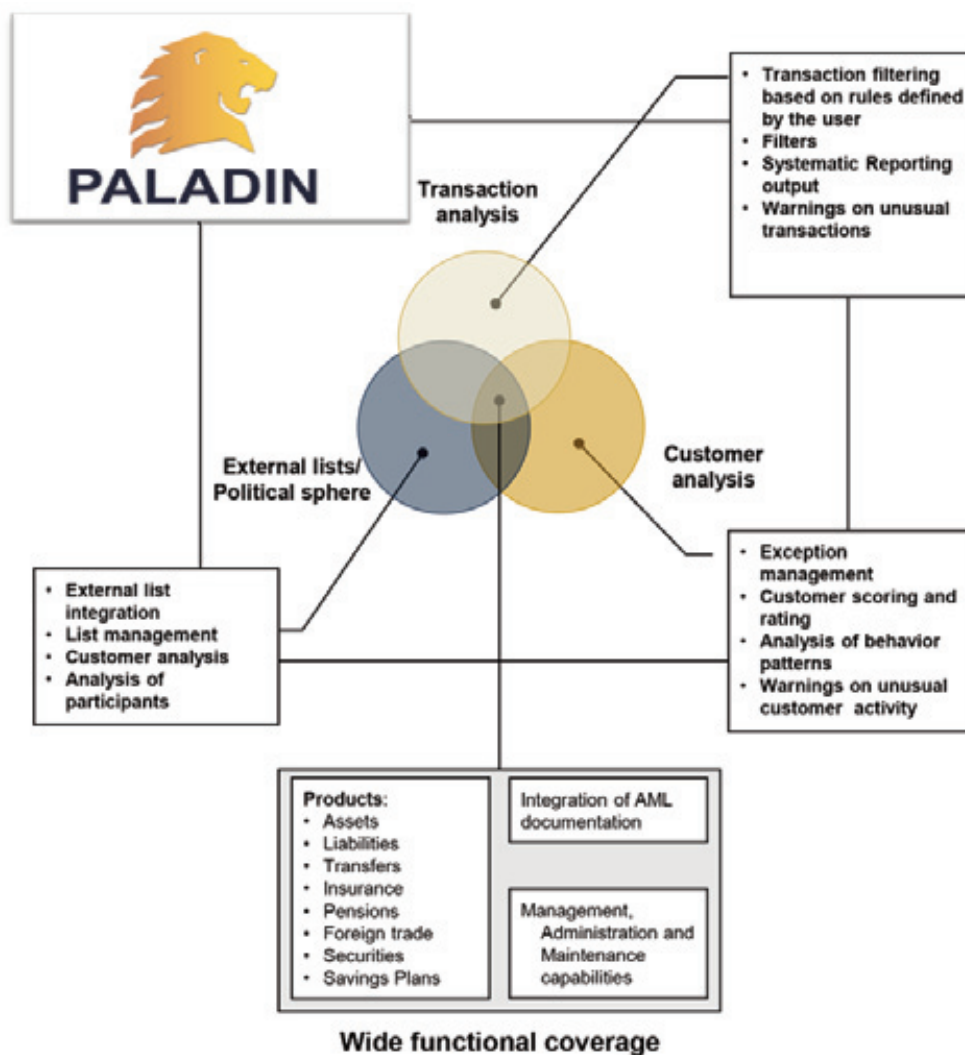


FUNCTIONALITY

PALADIN'S ANALYSIS HAS A THREE-PRONGED FOCUS: ALL TRANSACTIONS INVOLVING THE FLOW OF FUNDS, THE CUSTOMERS INVOLVED AND THEIR RELATIONSHIP WITH INDIVIDUALS IN SANCTIONS LISTS OR THE POLITICAL SPHERE

Paladin is the only tool in the market capable of managing transaction, customer and external list analysis in an integrated way from a single data input source. These three modules are interconnected and allow for cross-browsing, i.e. it is possible to access the information from any part of the application, which provides an insight and an overview of the financial institution's money laundering risk position.

INTEGRATED AML SYSTEM



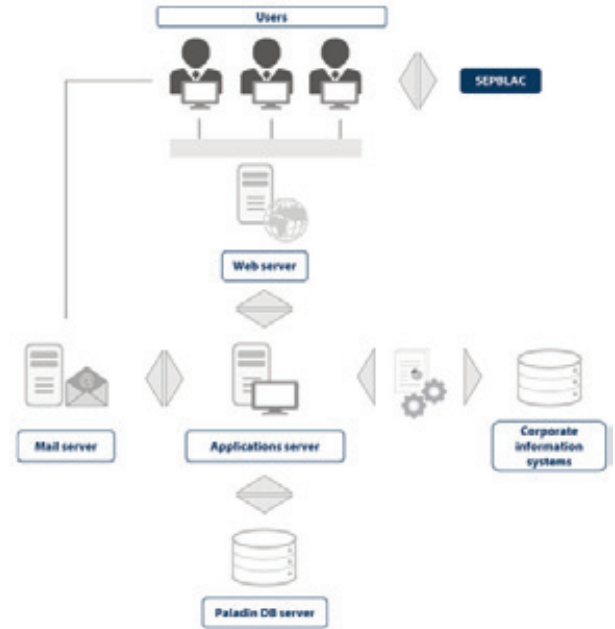
TECHNICAL ARCHITECTURE

THREE-LAYER ARCHITECTURE

- ▶ **User interface:** Paladin's web application is accessed via Internet Explorer and documents are created on a desk top environment. Warnings can be automated depending on the organization's settings.
- ▶ **Web server (and application server):** management of both business processes and technical system processes (user requests, data sourcing, etc.). Runs on the Microsoft.NET framework and Microsoft Integration Services processes.
- ▶ **Database server** supports Paladin's persistence layer. Runs on Microsoft SQL Server 2005.

TAILORED TO THE CUSTOMER'S TECHNOLOGY REQUIREMENTS

- ▶ Third-party systems are integrated through the deployment of a web service providing access to the system's basic functionality.
- ▶ Mail submission parameterization in the production of warnings in business/data upload processes.
- ▶ Sensitive information encryption parameterization through proprietary algorithm.



MAJOR IMPLEMENTATIONS

FINANCIAL INSTITUTIONS USING PALADIN ARE ASSURED RELIABILITY AND SECURITY WHEN IT COMES TO BANK OF SPAIN SUPERVISION AND EXTERNAL AUDITS ON MONEY LAUNDERING PREVENTION

During over ten years of existence, Paladin has been implemented in more than fifteen financial institutions of different types:

- ▶ National financial groups.
- ▶ Large, medium and small commercial banks.
- ▶ Credit cooperatives
- ▶ Remittance entities.

MANAGEMENT SOLUTIONS LEADING BUSINESS CONSULTING SERVICES FIRM

Management Solutions is an international and independent consulting firm whose core mission is to deliver business, risk, financial, organization and process-related advisory services, targeted at both functional aspects and the implementation of related technologies.

Management Solutions has a multidisciplinary workforce of nearly 2,000 professionals bringing together business-oriented, mathematical, technical and systems integration skills, and operates through 23 offices (11 in Europe, 11 in the Americas and one in Asia). From these offices, we serve customers operating in over 40 countries in Europe, the Americas, Asia and Africa.

We create value propositions and commit to their effective implementation, aiming to exceed our clients' expectations and become their trusted partners

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Our key differentiating strength lies in our in-depth knowledge of our clients' businesses and our high level of industry and functional specialization.

To better meet our clients' needs, our practice is structured by line of activity, covering a broad spectrum of competencies.

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Financial Institutions

Energy

Telecommunications

Consumer products and Industry

Government

Construction

Services

Strategy

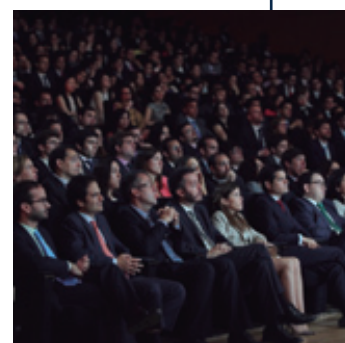
Sales Management and Marketing

Risk Management and Control

Management and Financial Information

Transformation: Organization and Processes

New Technologies



For further information please contact:

José Ramón Gorrochategui

Partner

jose.ramon.gorrochategui@msspain.com

Antonio Tazón

Manager

antonio.tazon@msspain.com



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Marketing and Comunicación Department
Management Solutions

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