



VALID Edge Fraud Consortium

A First Party Fraud trusted product

450M+

Accounts on service and risk decisioned daily

20

Years of risk decisioning excellence

\$6T

In check volume processed annually

70%+

Coverage of US bank accounts

2.5B

Unique features within our machine
learning risk catalogue

07

of the Top 25 FI's currently
employing VALID check risk
decisioning

PRODUCTS

WHAT WE DO

VALID Systems is an AI powered account risk and transaction decisioning company. We **remove the friction caused by fraud** to deliver liquidity solutions for the largest FI's in the nation.

From check risk and deposit acceleration, to increasing loan funding rates and small dollar lending, we are your **risk partner** for enabling customer liquidity needs.



CHECK FRAUD

Decisioning check deposits and check cashing; capture fraud and loss to enhance customer experience and bottom line (ex: Instant Funds)



TRANSACTION RISK

Assessing Transactional Risk using innovative methods for fraud and risk reduction (ex: ACH guaranteed)



LENDING DECISIONING

Alternative credit data and scoring for more inclusive lending decisions



PORTFOLIO ANALYTICS & PREDICTIVE KPI'S

Predictive indicators for customer acquisition, account performance and lifetime value

The Problem

First-party fraud costs businesses billions annually with one in every 3 (35%) admit to commit fraud, exacerbated as no single partner can address fraud. We lack collaborative fraud detection consortium in the market to connect banks and fintechs

The Solution

Our Fraud consortium solution include 7 top 25 banks to collaboratively share data insights and effectively detect and mitigate first-party fraud, reducing losses and enhancing security

Valid Edge Fraud Consortium

Your trustworthy data partner to combat first party **fraud** and keep your business **compliant**

450M+

unique bank accounts within our consortium



Robust payer network coverage

Comprehensive protection against first party fraud, mule accounts, first payment default in lending and provide advance signaling mechanisms

~\$6T

annual transactions volume to drive behavior analytics (2023)



Instant Alerting

Instant detection of identity fraud, providing a swift and responsive solution for recognizing fraudulent activities

60%+

recency within the last 6 months of transaction activities



Triage fraud risk

Leverage AI powered features to efficiently categorize and prioritize fraud and associated risks

USE CASES

Combat fraud and mitigate account and transaction level frauds without compromising customer experience



Account Funding

Customer provides incorrect bank information to fund



Bank Account Fraud

An online seller falsifying bank accounts and statements to receive funds



Account Opening

Applicant provide fake bank information to open an account



Account Take Over

Account is claimed by fraudsters



Loan Application

Applicant provide fake bank information to request for a loan



AML Compliance

Triage the SAR risk alerts

SAMPLE DATA SPECIFICATIONS

We augment account and transaction level attributes and leverage AI-powered risk analytics to enable powerful data features for risk and fraud management



Request

Client provides the bank information

- Account Number
- Routing Number
- Client ID
- Customer Request ID



Response

Client receives data fields from VALID for in-depth risk and fraud analysis

- Account-Routing # Match Flag
- Returns Items Amount, Count
- Recent Activities (30, 60, 90 days)
- Item Amount, Count
- Risk attributes based on Routing #



Feedback (optional)

Client provides feedback data fields for collaboration and enhancements

- Final Decision
- Return Codes
- Return Reason
- Payment Type
- Payment Amount

We DO NOT process Personal Identifiable Information (PII)

Problem Statement: There is a growing check fraud in banks, increasing multifold YoY. How to triage risk of the fraudulent (return) checks, so as to identify and reduce \$ losses.

Client: 3 out of top 20 banks

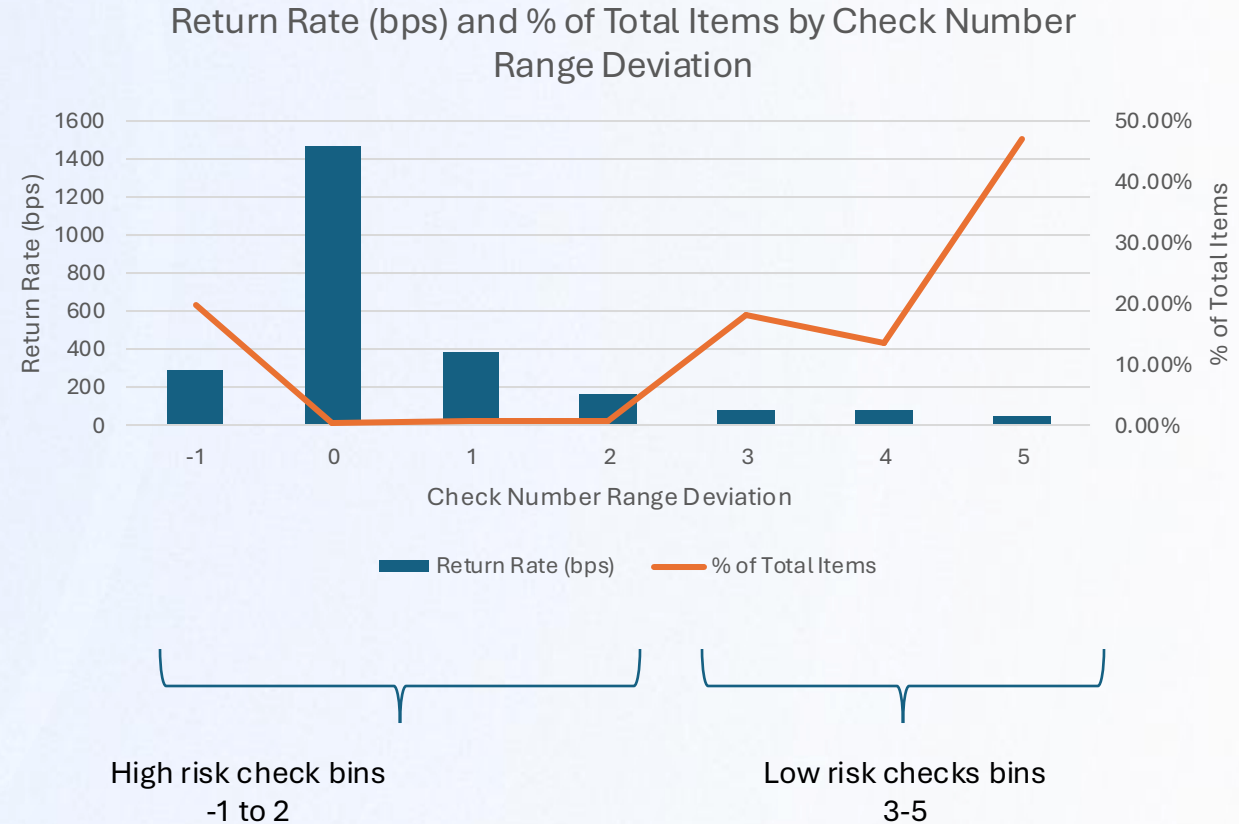
Data:

- 2M+ checks worth \$3T+ were analyzed from 3 large banks
- All checks were segmented into 6 bins based on check numbers deviation from deposit activity

Results: Our AI-powered consortium helps to triage the risk into high vs. low-risk checks category accurately and identified the likelihood of ~62% of the returns from high risks checks and remaining 38% in low risks category

CASE STUDY

Identify fraudulent (returned) checks



WHO WE PARTNER
WITH AND SUPPORT

450+ million unique
accounts in network

7 of the Top 25 FI's
currently employing
VALID check risk
decisioning

M&T Bank

PNC

fisherv.

TRUIST

KeyBank

F.N.B. Corporation

TD Bank

FIFTH THIRD BANK

deluxe

BMO