

MEMENTO AND IBM JOIN FORCES TO HELP FINANCIAL INSTITUTIONS FIGHT FRAUD

Next-generation solutions will help prevent cross-channel fraud linked to stolen and synthetic identities

Concord, MA, October 20, 2008 - Memento, Inc., a leader in enterprise fraud management, today announced an agreement with IBM (NYSE: IBM) to deliver fraud detection solutions to the financial services industry. The two companies will jointly develop, market and sell innovative, next-generation solutions for monitoring, detecting and investigating a wide variety of fraud types, including deposit account fraud, new account fraud and insider fraud.

Fraud is a widespread problem affecting banks and other types of financial institutions. According to analyst firm TowerGroup, 20 to 35% of the \$55 billion in operational losses incurred by financial institutions are due to fraud. Cross-channel fraud – involving multiple banking products (e.g., checks, debit cards, wire transfers) and account access methods (online, branch visits, call centers) – is a growing part of the problem.

In addition, fraud is increasingly a business, characterized by highly leveraged schemes and groups of professional, organized criminals using stolen and synthetic identities, and real identities of vulnerable individuals to open accounts for the sole purpose of committing fraud. Existing financial crime detection systems are often ineffective against these advanced fraud schemes because they rely on relatively simple screening, detection and compliance monitoring techniques.

IBM's InfoSphere™ Global Name Recognition is an enterprise tool designed to help organizations understand, analyze and process multi-cultural names to provide name processing and matching capabilities for mission critical and corporate wide applications. GNR provides enterprises with the tools to get multi-cultural name information, analytics and high performance name matching through a series of flexible, easy-to-integrate, SOA enabled interfaces, enabling customers to unlock and unleash the wealth of information in a name.

“New products and channels expose financial institutions to ever more sophisticated types of fraud, and effective defenses have taken too long to develop,” says Rob Thomas, vice president, IBM Information Management. “IBM InfoSphere Global Name Recognition software plays a powerful role in detecting fraud through its world-class

name recognition, analysis and matching capabilities. Now embedded with InfoSphere GNR, Memento will deliver even greater value for our joint customers.”

Memento’s flagship offering, Memento Security™, is a unified software platform that integrates data management, advanced analytics, case management, and forensics—the critical capabilities financial institutions need to effectively combat fraud. Powered by the IBM InfoSphere Global Name Recognition software, Memento Security provides comprehensive methods for managing and analyzing identity information used to detect suspicious linkages between customer accounts and known fraudsters. The result is a more accurate, flexible, and cost-effective way for financial institutions to monitor and detect new and emerging types of fraud.

“Cross-channel fraud committed by groups of professional criminals is a critical problem for financial institutions today,” says BC Krishna, CEO and President of Memento. “We look forward to working with IBM to deliver comprehensive fraud prevention solutions to help protect our customers from both financial loss as well as loss of customer confidence.”

About Memento

Memento, Inc. (www.mementosecurity.com) is a recognized leader in enterprise fraud management. Memento Security – the company's award-winning solution – is an innovative platform for monitoring, detecting, and investigating fraud and inappropriate activities by a wide range of fraudsters, from trusted insiders to criminal outsiders. Used by the world's largest and most influential financial institutions, Memento solutions are business-focused, easy to use, and quick to implement. By detecting inappropriate activities early and precisely, Memento gives enterprises the information they need to prevent loss, protect revenue and mitigate risk.

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