THETARAY

ThetaRay's Transaction Monitoring Helped Global Tier 1 Bank Improve its AML

Correspondent Banking: Tier 1 Case Study

Executive Summary

A renowned global correspondent bank (~$1.9 trillion in assets) with over 3,000 branches across Europe had found itself struggling to move forward with its numerous global legacy rule-based AML solutions. The transaction monitoring team had unfortunately failed to detect required levels of financial crime and were under pressure to make vast improvements, and quickly.

Their existing rule-based approach was also leading to unmanageable levels of false positives, resulting in increasing compliance costs.

Project scope

The bank was looking to implement an AI solution with a risk-based approach to their AML compliance, enabling a global framework to support their international operations. Additionally, the bank intended to implement the risk-based approach across other areas of their business, such as capital markets and retail banking, for continuity.

Client Objectives

To implement an AI-powered transaction monitoring solution that would be accepted by the Central Bank of the country in which they were headquartered, and ensure compliance with local and global regulators.

The aim was for the AI solution to detect traditional money laundering activity as well as more nuanced high-risk crime areas such as human trafficking, and to deploy the solution to cover all lines of business over time. Additionally, it was important to the bank that the deployment be quick and effective to support their global infrastructure.

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Results

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Huge reduction in false positives

ThetaRay significantly reduced the number of false positives. In some countries where the bank operates, the number of alerts was reduced by over **500,000 per year**. By establishing normalcy based on the data, the AI-powered transaction monitoring solution was able to detect abnormal behavior, ensuring that only true positives were alerted, vastly reducing the time and cost for the compliance teams.

Improved risk detection

The AI solution was able to identify undetected risk and behavior that had previously gone unidentified by legacy systems. These findings provided the bank with greater insight into its risk exposure and enabled the transaction monitoring and compliance team to make more informed decisions when reviewing customers and transactions.

Approval from Central Bank

Most importantly, by introducing more robust and dynamic transaction monitoring across the bank's global framework, the financial institution gained approval from their Central Bank and other global regulators, recognizing them as a leader in financial crime detection.

If you're interested in learning more about our machine learning Transaction Monitoring solution or how ThetaRay can assist with your AML requirements, visit:
thetaray.com or email **info@thetaray.com**