

Transforming Private Banking AML Triage for a New York Bank

Executive summary

For institutions specializing in private banking and wealth management, high-net-worth (HNW) transaction profiles are inherently complex. Standard, rule-based AML monitoring often fails to handle these bespoke, multi-layered transaction pathways, generating excessive operational noise that burns valuable analyst hours.

A premier commercial bank headquartered in New York City with approximately \$12 billion in cross-border and private banking assets, faced the classic challenge of balancing rigorous regulatory compliance with private banking operational efficiency. Instead of attempting to reinvent their entire risk detection model from scratch, the bank turned to ThetaRay for a targeted AML solution.

The initial project, conducted on a historically labeled dataset, delivered strong results: reducing total alerts and false positives by 50% while capturing 100% of historically filed suspicious activity reports (SARs).

The Challenge: Navigating the Complexities of Private Banking Flow

Private banking transactions rarely mirror standard retail behaviors. Large-dollar transfers, cross-border flows, and custom wealth-management vehicles mean that standard transaction monitoring configurations frequently trigger false alarms.

- **The Alert Bottleneck:** The institution's compliance team found themselves buried under low-priority alerts. Valuable time was spent triaging static alerts that pose no actual financial crime risk.
- **The Zero Miss Imperative:** In private banking, missing a true bad actor is not an option. Any operational optimization to reduce alerts could not come at the expense of defensive coverage or missed SAR filings.
- **Targeted Optimization:** The objective was explicitly defined: optimize the prioritization of the existing alert funnel and generate alerts for new criminal typologies.

The Solution: Intelligent Alert Prioritization with AI-Driven Transaction Monitoring

The bank deployed ThetaRay's AI Transaction Monitoring to act as an intelligent detection and prioritization layer for their private banking business line.

Rather than modifying the underlying transaction rules, ThetaRay's AI evaluated the generated alerts using multidimensional, weighted risk features. By understanding the deeper context of entity relationships, historical behavior patterns, and transaction paths, the system separated benign, complex HNW behavior from truly suspicious anomalies. This allowed the compliance team to instantly prioritize high-risk files while systematically down-filing low-risk noise.

Optimize Your AML Detection Today

If your experienced analysts are spending more time clearing system noise than investigating actual financial crime risk, it's time to change the paradigm. ThetaRay's AI works alongside your existing infrastructure to maximize efficiency without compromising security.

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The Impact: Maximum Efficiency, Zero

The proof-of-concept on the bank's labeled historical dataset delivered immediate proof of value, securing full buy-in from senior compliance leadership:

50% Total Alert Reduction

- Instantly halved the volume of alerts entering the human review queue.

50% False Positives Reduction

- Cut out half of the structural noise, allowing analysts to focus on real risk.

100% SAR Capture Rate

- **Zero blind spots.** The AI successfully identified and preserved every single SAR that had been filed during that operational period.

Data-Backed Confidence

- Provided deterministic proof of safety and efficiency prior to broader operational rollout.

"We are very pleased with the initial results provided on the labeled dataset. We reduced false positives by approximately 50% and captured all SARs filed in the period. We are thrilled with the project."

— SVP, Head of AML Systems and Analytics