

CASE STUDY

PROOF OF VALUE IN JUST TWO DAYS

ThetaRays Correspondent Banking Solution

ABOUT THE CLIENT

A leading global bank with an expanding footprint and a strong presence in the financial capitals of the world, the bank had nearly \$3 billion in revenue in 2020 with annual profits of over \$500 million.

CHALLENGE

Like many financial institutions, the bank had de-risked itself over the past few years by reducing its correspondent banking network. The bank was looking for a solution that would enable it to:

- Increase its correspondent banking activities
- Grow its revenues
- Improve its risk coverage

The bank issued a tender together with a Proof of Value (PoV) implementation, looking for a correspondent banking transaction monitoring system that would easily integrate into the bank's environment and provide coverage for a mix of scenarios. Additionally, the system would need to address logical, continually evolving models as well as provide quick and self-service rule building capabilities.

The PoV required that the solution have the capacity to cover both known and unknown correspondent banking AML typologies. It also needed to be able to cover pseudo-customers and non-customers effectively.

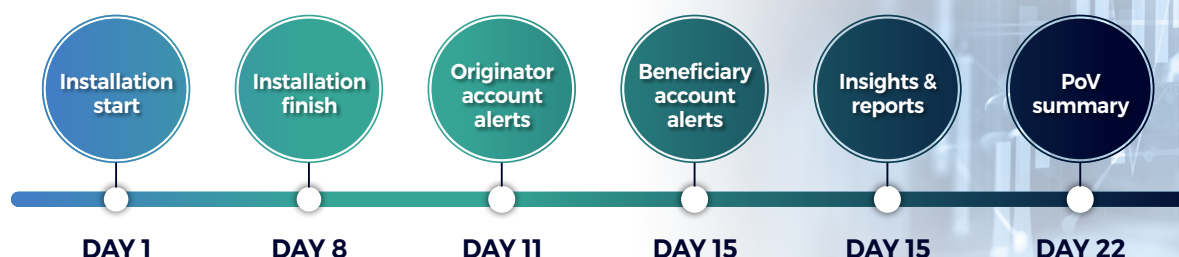
Furthermore, it was important to the bank that the system enables their investigation team to be more efficient and effective. Limiting false positives ratios was critical.

” Increasing correspondent banking activities was a key requirement.

SOLUTION

ThetaRay installed and implemented its cross border “SONAR” packaged solution on-premises to begin the PoV. The bank provided several million raw correspondent banking SWIFT messages covering the past several years. The raw SWIFT files were entered into the system, and the data went through three different analysis types:

- Full path – corridors of payment flows
- Transaction originator analysis
- Transaction recipient analysis



RESULT

The PoV demonstrated short time to value, taking only two days from data validation to alerts, and only five days to complete a full report. It also showed its ability to take raw data from the SWIFT gateway without any additional processing.

The PoV proved that it could enter into full production mode within weeks.

The system used both AI and rule-based analyses as it reviewed all the transactions, and found the following:

- Full path – average of 1.5 alerts per day
- Transaction originator analysis – average 5.1 alerts per day
- Transaction recipient analysis – average 3.3 alerts per day

” The system nearly eliminated false positives, issuing an average of 10 alerts per day.

The results pointed to these important highlights:

- The system produced an average of a manageable 10 alerts per day
- Patterns and scenarios were immediately and dynamically created to cover both known and unknown risks
- The out-of-the-box Investigation Center was used by the team to review alerts, further demonstrating the value of the system

In addition to protecting against high-risk transactions, the bank recognized that the data generated from transaction monitoring could drive business opportunities. For example, data showing banks with low-risk transactions represents an opportunity to deepen relationships and increase business with those financial institutions.

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