

Top 10 Global Bank realized projected 4-year AML transformation outcomes in 91 days with FatBrain AI Automation software

CUSTOMER OVERVIEW

- **Name:** Top 10 Global Bank
- **Assets:** \$2T+; 10B TXNs/day
- **Headquarters:** United States
- **Risk Area:** Anti-Money Laundering
- **Scope of Operations:** Multinational

AML TRANSFORMATION GOALS

- **Reduce Complexity**
100:1 model consolidation
- **Accelerate Model Deployment**
9-12 months to few weeks
- **Improve Effectiveness**
comprehensive behavior risk management for reduced false positives/negatives
- **Quantify Party Risk**
quantifiable SAR decision provenance with trusted audit trail for MRM/Regulators
- **Integrate with Existing Processes**
compatible math and IT framework to “plug and play” not “rip and replace”
- **Secure Enterprise Framework**
on-premise data and network deployment with existing banking access controls

REALIZED OUTCOMES



COST SAVINGS

\$129M



TIME TO VALUE

91 DAYS



NEW MODEL DEPLOYMENT

7 DAYS



EFFECTIVENESS AND EFFICIENCY

60%, 94%

CHALLENGE

Model Complexity and Deployment Hassles Increase Risk

The Bank used 100 complex, siloed assessment models, each based on scores of hard-coded rules, to process up to 10B TXNs per day, resulting in a deluge of false positive compliance alerts (model risk factor signals), threshold-controlled volume of corresponding investigative caseload and related paperwork.

The typical model development cycle was late upon arrival: by the time a new assessment/detection model was deployed, it was already lagging. The process was not sustainable for proactive risk management.

The Bank realized it needed to modernize toward a comprehensive operating framework to meet fast-changing, behavior-driven signals.

The Bank embarked on a projected 4-year journey to transform AML systems and processes, only to realize the stated goals in 91 days with FatBrain's AI automation software framework.



Managing AML risk dynamically based on emerging risk appetite automatically compatible with known scenarios always felt out of reach. Not anymore. FatBrain's AI-boosted solution expanded our automated detection capabilities, subsuming expensive manual processes entirely. And its auditable, explainable framework satisfied all AML stakeholders. Engaging at the outset with our internal Model Risk Management team as well as the external regulators was critical and went a long way to the acceptance of the unified framework and improved effectiveness.

- Managing Director and Global head of financial crimes compliance, Top 10 Global Bank



SOLUTION

Complexity Simplified, Effectiveness Improved with AI Automation

FatBrain enabled the Bank to advance from a hardcoded rules caseload management to a dynamic Party Behavior Risk framework that proactively and automatically learns, scores and promotes new cases, risks, and outcomes in real time. The solution featured:

- **Quick Start** – little upfront knowledge of incumbent processes/data to auto-learn outcomes from ‘ground truth’ of KYC, TXN, TXT, and graph data
- **Dynamic Risk Controls** – unified model consolidation and integration framework with tunable knobs to quantify and manage AML risk appetite
- **Compatible Factor Loading** – quantifiable framework to integrate AI-boosted results within existing Bank systems
- **Effectiveness Optima** – continuous risk management, such that the rate of change of False Negatives outpaces the rate of change of False Positives
- **SAR, Non-SAR, Party Behavior Risk Explainability** – transparent quantification of good, bad and unknown behavior risk at party granularity
- **Hardened, Packaged, Secure Enterprise Software** – deployed within the Bank’s regulated infrastructure, tollgate practices, and secure IT policies
- **Automation Across Entire Compliance Workflow** – an end-to-end, continuously learning, integrated deployment software framework for quants, internal validation, c-suite, devops, IT and external regulators

KEY OUTCOMES

Shifting from Reactive to Dynamic Risk Management Outcomes

Without FatBrain, new models would take up to a year to develop, validate and deploy, with significant manual effort to integrate them with known scenarios. With FatBrain, this process took 7 days and then was refined into 1 day. FatBrain’s automated framework eliminated the deluge of Bank’s false positive alerts to make investigators up to 60% more productive.

AML project achievements caught the attention of the other members of the Bank’s risk management group. The Bank is exploring the adoption of FatBrain’s principled, quantitative and holistic approach to risk management across additional risk scenarios.

Dynamic business visibility and choices for AML Risk Appetite: Fig. 1 illustrates a potential Risk Appetite domain with a tunable penalty function, including the domain Optimum. Fig. 2 navigates the impact to Risk Appetite across a range of Integration Factor Loadings (given the incumbent threshold value), as a slice subsumed by Fig. 1

Fig. 1 - Risk Appetite Domain

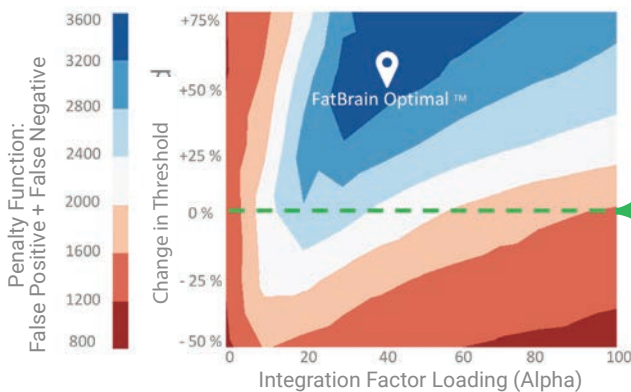


Fig. 2 - Navigating Factor Loading

