



**SAFE BANKING
SYSTEMS**

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CASE STUDY

STERLING NATIONAL BANK

A Long-Term Relationship Scales for Growth

BACKGROUND

Sterling National Bank, the principal subsidiary of Sterling Bancorp, is a national banking association based in New York with more than \$30 billion in assets. Sterling provides a diversified range of financial banking products and services to the corporate and consumer markets.

Organic growth and growth by acquisition were part of Sterling's strategy when they began working with Safe Banking Systems (SBS) in 2013. At that time, a merger doubled the size of the bank overnight and Sterling sought a scalable, anti-money laundering and risk management solution that could meet current and future needs—plus a long-term partner that could grow with them. SBS met its requirements on both fronts, and the relationship was born.

THE CHALLENGE

Sterling's continued growth and its ongoing relationship with SBS came into focus with Sterling's acquisition in 2017 of Astoria Bank. The acquisition resulted in another doubling of Sterling's size.

Astoria Bank had been using multiple platforms and processes for sanctions screening, which made it challenging to aggregate information for a comprehensive view of risk. Sterling needed to quickly integrate Astoria Bank's systems into its solution of record in order to have a consistent application across all entities. But first, Sterling wanted to understand the inherent risk in Astoria Bank's customer database to determine what resources would be needed post-merger.

THE SOLUTION

Sterling turned to SBS and its SAFE Forensic Analysis®, a specialized service that provides a snapshot of risk in a customer database. With an alert and validation process that significantly reduces turnaround time, SAFE Forensic Analysis is well-suited to time-critical activities such as regulatory review or due diligence prior to an acquisition.



**“Identifying risk is
critical and that’s
where SBS excels.”**

Jason Vazquez

Executive Vice President,
Chief Information Officer

For more information, contact
Safe Banking Systems at
+1 631-547-5400
www.safe-banking.com

“SAFE Forensic Analysis provides a very effective way of conducting due diligence that aligns well with our strategy for risk management when acquiring other institutions,” said Jason Vazquez, Executive Vice President, Chief Information Officer at Sterling. “The insight from SAFE Forensic Analysis enabled us to understand the book we were inheriting and to plan accordingly—so resources could be available day one to quickly integrate Astoria Bank’s lines of business and entire database into SBS. We are big fans of SAFE Forensic Analysis for this reason.”

SBS scored high marks from the Sterling team for its flexibility in non-optimal conditions. “Data was coming from disparate sources, including legacy applications, and was not consistent,” said Daniela Fiumara, Vice President and Director of BSA Risk Management at Sterling. “SBS was extremely nimble and worked with us closely to resolve these issues. You can’t be successful in this type of integration project if you have a rigid data model.”

TANGIBLE BENEFITS

With the integration complete, Sterling now has a consistent application and consistent, automated processes across the entire bank. Sterling uses SAFE Advanced Solutions®, SBS’ integrated suite of software and services, to screen the entire merged database

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Vice President and Director
of BSA Risk Management

for sanctions, politically exposes persons (PEPs) and reputationally exposed persons (PEPs) found in negative news.

“SBS’ daily screening of our entire customer database is what benefits Sterling the most,” said Mr. Vazquez. “It lets us know if anything needs attention. But, thankfully, we don’t get a lot of alerts because of the technology in SAFE Alert Manager®,” he added, referring to SBS’ unique solution for prioritizing alerts based on the severity and probability of a match. “We have not had to increase the number of resources to screen the larger merged client base as we would have had to do without SBS’ technology.”

In addition to daily screening, Sterling has found SBS’ SAFE Online to be a particularly helpful and well-used tool.

“Analysts use the single name look-up in SAFE Online numerous times throughout the day to quickly search clients and customer counterparties against any list,” said Ms. Fiumara.

ENTERPRISING USES

While Sterling continues to use SBS solutions for identifying, assessing and managing risk, they have also developed innovative ways to leverage SBS’ technology and screening capabilities to enhance customer service. Sterling recently created a remote payment disbursement in the form of a bank check, which can be printed at the client site rather than at a bank branch to streamline the mortgage closing process, for example. Instructions are screened against the SBS database for due diligence.

NEXT STEPS

Not only have Sterling and SBS experienced exponential growth, but the relationship has flourished as well. “SBS has been the perfect partner for us. Identifying risk is critical and that’s where SBS excels,” said Mr. Vazquez. “We look forward to developing new and innovative applications for SBS’ technology and finding additional opportunities to integrate other parts of our operation with SBS’ screening solution.