



Xceed AI Smart Segmentation & Tuning

Agentic AI-driven customer clustering and threshold optimization for sharper, faster AML

Capability Overview

Xceed AI FRAML approach is continuous customer risk scoring powered by AI. Leveraging an **AI Agent Smart Segmentation**, it continuously looks at customer information and transaction behavioral data in real time. This approach identifies changing behaviors and/or characteristics, placing the “Analyst-in-the-Loop,” notifying and suggesting updates to segments based on each new set of information.

Traditional segmentation is static and unrefined. The process produces irregular groups and leads to thresholds being set artificially low for the population, resulting in a significant number of false positives. When AML rules are triggered, the alerted transactions must be investigated and resolved within 30 days. The result is significant operational risk, as large investigations teams are forced to process an unsustainable number of alerts.

Xceed AI Smart Segmentation & Tuning is one of several FRAML Intelligent Services that run dynamically across Anti-Fraud & AML functions. This feature is based on a unique modern architecture that shifts siloed financial crime functions (KYC, CDD, Transaction Monitoring...) to dynamic cross-functional activities, orchestrated by AI Agents with Human-in-the-Loop. This enables adaptive cross Fraud & AML channels reasoning and Intelligent Services.

Xceed AI Smart Segmentation & Tuning automatically groups customers and accounts by shared behaviors, assigns dynamic risk scores and finetunes alert thresholds—so your AML program adapts in real time and uncovers risk the moment it appears.



Key Benefits at a Glance

- Ensure a unified customer risk and transaction monitoring risk profile
- Modern dashboards providing state-of-the-art visualizations
- Dynamic peer transaction profiles with AI explainability, created by AI agents
- Easy to perform alert sampling for Below-the-Line & Above-the-Line Testing
- Improved case and/or SAR processes with AI agents that learn from historical productive alerts
- Threshold Tuning and suggested optimized thresholds, assisted by AI agents



How it Works

- 1. Data Ingestion & Cleaning:** Consolidates historical and streaming data, fixes errors and fills gaps for refined inputs.
- 2. AI Driven Clustering:** Produces more granular and uniform segments, allowing for correctly set thresholds without increasing the risk of omitting suspicious transactions. Xceed AI not only groups customers(clusters) based on hundreds of attributes, but also explains its reasoning.
- 3. Customer Unified Transaction Risk Rating:** Combining customer risk and transaction risk profiles, it enables every single customer transaction to be risk scored with both non-transactional and transactional attributes.
- 4. Ongoing Risk Featurization:** Each segment is tuned for transaction risk profiling, with customer information and transaction patterns.
- 5. Threshold Tuning:** AboveTheLine tests pare down false positives; BelowTheLine tests surface threats that never fired and AI agents simulate multiple thresholds to strike the perfect balance—maximum accuracy, minimum noise.
- 6. Analyst-in-the-Loop:** AI Copilot notifications and visual explanations keep humans in command, with one-click overrides at every step.
- 7. Transparent:** Natural language summaries and heatmap visualizations reveal why each segment or threshold decision was made—ready for auditors, regulators and management.
- 8. Needs Minimum Historical Data:** Leveraging a consortium of financial crime risk models from its customer base, Xceed can perform a “cold start,” which is further strengthened by ongoing learning.

Capability	What It Does	Business Outcome
Customer & Transaction Clustering	360° view of peer group behaviors	Finds hidden risk patterns other models miss
Adaptive Tuning Loop	Threshold refinement in minutes, not months	Keeps alert volumes stable as behavior shifts
Segment Health Scores	Early warning on drift or imbalance	Prevents degradation before it impacts KPIs
What-If Sandbox	Safely test new rules before promotion	Accelerates experimentation without production risk
One Click Promotion	Push validated segments to production—no IT ticket required	Shortens time-to-value for every improvement

Efficient, Accurate, Scalable Compliance.

Xceed AI empowers credit unions and community banks to cut noise, expose hidden threats and streamline case resolution through automation and real-time intelligence. Purpose-built to reduce third-party validation costs and ease dependency on data science resources, it enables compliance teams to focus on what matters most—investigations. With built-in guardrails and continuous tuning, it scales confidently as your institution grows.

Take the Next Step

See how Xceed AI Smart Segmentation can transform your AML program.