

BSA/AML BANK RISK ASSESSMENT (August 2010)

Risk Factor	High H = 3	Moderate M = 2	Low L = 1	Bank's Score
1. Large and growing customer base in wide and diverse geographic area (H); Customer base increasing due to branching, merger or acquisition (M), or stable known customer base (L).				
2. Number of branches (>6 = H, 3 to 5 = M, 2 = L).				
3. Many foreign private banking accounts or foreign correspondent accounts, pouch activity or payable through accounts (PTA) in high-risk areas (H); few foreign correspondent banking accounts from low-risk areas and minimal PTA and pouch activity or US dollar draft services (M); No services of this type (L).				
4. Large number of international accounts with unexplained currency activity (H); moderate level of international accounts with unexplained activity (M); or few international accounts and very low volume of international activity (L).				
5. Large number of noncustomer funds transfer transactions and payable upon proper identification (PUPID) transactions. Frequent fund transfers from personal or business accounts to or from personal or business accounts in high-risk areas (H); moderate number of funds transfers with a few international transfers from personal or business accounts in low-risk areas (M); limited number of funds transfers for customers, noncustomers, limited third party transactions and no foreign fund transfers (L).				
6. Identified a large number of high-risk customers and businesses (H); moderate number of high-risk customers and businesses (M); few high-risk customers and businesses (L).				
7. There are a low, moderate or high volume of large currency or structured transactions.				
8. More than 10 Phase II Currency Transaction Reporting (CTR) Exemptions (H); Fewer than 10 but more than 5 Phase II Exemptions (M); 5 or fewer Phase II Exemptions (L).				
9. Significant growing domestic and international private banking or trust and asset management products or services. Investment and trust accounts are predominantly nondiscretionary (H); Limited domestic private banking services or trust and asset management products or services over which bank has investment discretion with strategy to grow trust business. (M); Limited private banking services, trust services and asset management services (L).				
10. Located in an HIDTA/HIFCA with large number of fund transfers or account relationships involving HIDTAs/HIFCAs (H); located in an HIDTA/ HIFCA with some transfers or accounts involving HIDTAs/HIFCAs (M); or not located in HIDTA/HIFCA with no fund transfers or account relationships involving HIDTA/HIFCA (L).				
11. Significant volume of transactions with high-risk geographic locations (H); minimal high-risk transactions (M); or no high-risk geographic transactions (L).				
12. Wide array of e-banking products and services including account transfers, bill payment, remote deposit capture, wire transfer origination with high customer activity (H); limited e-banking products and services with moderate customer activity (M); or no e-banking or web site non-transactional (L).				
13. Wide array of ACH services including international cross-border transactions, high volume online ACH origination by corporate customers, and non-bank Internet based and third party service provider originated ACH transactions with limited OFAC screening (H); limited international ACH transactions and low volume online ACH origination with regular OFAC screening (M); or primarily domestic ACH transactions in customer accounts with regular OFAC screening (L).				
14. The bank sells a large number of stored value cards with no restrictions (H), a large volume with limited restrictions (M), or sells a low volume or does not offer these types of cards. (L)				
15. Significant number of Internet gambling business customers with legal documentation and certification by all other commercial customers that no Internet gambling business transactions are conducted (H), minimal number of Internet gambling business customers with legal documentation and certification by all other commercial customers that no Internet gambling business transactions are conducted (M), certification by all commercial customers that no Internet gambling business transactions are conducted (L).				
16. Large amount of brokered deposits from a wide variety of brokers, some of which are not as well known to bank and offer other high risk services such as establishing shell companies in high risk geographies (H); moderate level of brokered deposits from a few well known low risk brokers (M); or no brokered deposits.				
17. Bank offers nondeposit investment products (NDIP) and insurance involve complex legal arrangements, rapidly moving large dollars, and portfolios controlled directly by clients (H); moderate level of traditional NDIP and insurance services with low risk regional partner (M); or no NDIP or insurance services offered by the bank(L).				
18. Accounts opened via Internet without prior relationship (H); Some mail and telephone opening of new accounts in addition to in-person opening (M); in-person account opening (L).				
19. Bank located in money center or on U.S. border (H); Highly diverse metropolitan area or university located nearby (M); Rural homogenous community bank (L).				
20. No aggregate cash reporting system or AML monitoring software (H); Automated aggregate cash reporting system but no AML monitoring software (M); Aggregated cash reporting system and AML monitoring software (L).				
21. No centralized SAR monitoring or documented internal referral system (H); centralized SAR and monitoring with informal internal referral system (M); centralized SAR monitoring with formalized internal referral system (L).				
22. More than 20 suspicious activity reports (SARs) filed per year (H); 10 to 19 SARs filed per year (M); or fewer than 10 SARs per year (L).				
23. Inadequate BSA/AML training program on less than an annual basis (H); Adequate BSA/AML training program on at least an annual basis (M); extensive BSA/AML training program with regular updates throughout the year (L).				
24. High turnover, especially in key personnel positions (H); Low turnover of key personnel, but frontline personnel in branches has changed (M) or low turnover in key positions and frontline personnel (L).				
Total Bank Score				
Scoring: High Risk = 53 or greater Moderate Risk = 29 to 52 Low Risk = 28 or less				