

SAMPLE BANK BSA/AML BANK RISK ASSESSMENT (April 2013)

	High Risk Scored as "3"	Moderate Risk Scored as "2"	Low Risk Scored as "1"	Rating Score	Comments
1	Large and growing customer base in broad and diverse market area and/or customer base increased more than 30% over prior year	Customer base increased more than 15% but no more than 30% compared to prior year due to branching, strategic growth plan, merger or acquisition	Stable, known customer base with 15% or less total deposit growth over prior year	1	
2	More than 10 branches	Between 4 and 10 branches	Three or fewer branches	2	
3	Many foreign private banking accounts or foreign correspondent accounts, pouch activity or payable through accounts (PTA) in high-risk areas, representing more than 15% of total deposit base	Few foreign correspondent banking accounts from low-risk areas and minimal PTA and pouch activity or US dollar draft services representing more than 5% but 15% or less of total deposit base	Foreign private banking or correspondent account representing less than 5% of total deposit base	1	Measured by comparing foreign private banking or correspondent accounts to total deposit base
4	Large number of international accounts with unexplained currency activity, representing more than 15% of deposit base	Moderate level of international accounts with unexplained activity of more than 5% but less than or equal to 15% or deposit base	Few international accounts and very low volume of international activity representing less than 5% of total deposit base	1	Measured by comparing international accounts to total deposit base
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, representing more than 15% of total wire transfers	Moderate number of funds transfers with a few international transfers from personal or business accounts in low-risk areas representing 15% or less of total wire transfer activity	Limited number of funds transfers for customers, noncustomers, limited third party transactions and no foreign fund transfers	1	Measured by comparing funds transfers (incoming and outgoing separately calculated) to total funds transfers for the past 12 months
6	Identified a large number of high-risk customers and businesses, with relationships totaling more than 30% of total loans and deposits	Moderate number of high-risk customers and businesses representing more than 10%, but not more than 30%	Few high-risk customers and businesses, representing less than 10% of total deposits and loans	1	Measured by comparing high-risk customer total relationships to total bank customer relationships (calculating deposits and loans separately)
7	Institution experiences a high volume (> 30%) of large currency or structured transactions relative to total cash activity	Institution experiences a moderate volume (> 15%, but ≤ 30%) of large currency or structured transactions relative to total cash activity	Institution experiences a low volume (≤ 15%) of large currency or structured transactions relative to total cash activity	2	Measured by calculating percentage of transactions appearing on large dollar cash report compared to total cash activity for sample months.
8	Institution experiences a moderate volume of reportable monetary instrument sales for cash (≥\$3,000 but ≤ \$10,000) with total reportable transactions for the bank averaging > \$100,000 monthly	Institution experiences a moderate volume of reportable monetary instrument sales for cash (≥\$3,000 but ≤ \$10,000) with total reportable transactions for the bank averaging ≤ \$100,000 monthly but > \$50,000	Institution experiences a low volume of reportable monetary instrument sales for cash (≥\$3,000 but ≤ \$10,000) with total reportable transactions for the bank averaging ≤ \$50,000 monthly	1	Measured by calculating percentage of reportable monetary instrument sales for cash transactions during the past 12 months
9	More than 15 Phase II Currency Transaction Reporting (CTR) Exemptions	Fewer than 15 but more than 5 Phase II Exemptions	Five or fewer Phase II Exemptions	1	
10	Significant growing domestic and international private banking or trust and asset management products or services. Investment and trust accounts are predominantly nondiscretionary representing more than 15% of total deposits and/or loans, as applicable	Limited domestic private banking services or trust and asset management products or services with investment discretion supportive of a strategy to grow trust business representing more than 5% but no more than 15% of total deposits and/or loans, as applicable	Limited private banking services, trust services and asset management services with combined deposits and/or loans of ≤5% of total deposits and/or loans, as applicable	1	Measured by calculating private banking, trust and asset management deposits and/or loans as a percentage of total deposits and/or loans, as applicable.
11	More than 30% of branches located in an HIDTA/HIFCA* with large number of fund transfers or account relationships involving HIDTAs/HIFCAs	More than 15% but less than 30% of branches located in an HIDTA/HIFCA* with some transfers or accounts involving HIDTAs/HIFCAs	No more than 15% of branches located in HIDTA/HIFCA* with no fund transfers or account relationships involving HIDTA/HIFCA	1	Measured by comparing branch locations to recent HIDTA and HIFCA area listings
12	Significant volume of transactions conducted by more than 15% of our customers within high-risk geographic locations	Minimal high-risk transactions conducted by more than 5% but less than 15% of our customers within high-risk geographic locations	Less than 5% of our customers send transactions to or receive transactions from high-risk geographic locations	1	This refers to wires, ACH, or other transactions coming in from or being sent to high risk areas
13	Wide array of e-banking products and services including account transfers, bill payment, remote deposit capture, wire transfer origination with high customer activity, more than 30% of total customers actively using e-banking	Limited e-banking products and services with moderate customer activity, more than 15% but less than 30% of total customers actively using e-banking	Less than 15% of our customers are enrolled in e-banking products or services, or institution web site is completely non-transactional	2	

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14	Wide array of ACH services including international cross-border transactions (IAT), high volume online ACH origination by corporate customers (>15% of customers), and non-bank Internet based and third party service provider originated ACH transactions with limited automated OFAC screening	Limited international ACH transactions (IAT) and low volume online ACH origination (≤15% of customers but >5%) with regular automated OFAC screening	Primarily domestic ACH transaction activity in customer accounts with regular automated OFAC screening and low volume of customer ACH origination (<5% of customers)	1	Measured by comparing the total IAT transactions against total ACH transactions
15	Institution sells a large number of stored value cards with no restrictions (> 500 cards per year)	Institution sells a large volume of stored value cards with limited restrictions (100 to 500 cards per year)	Institution sells a low volume or does not offer these types of stored value cards (<100 cards per year)	1	Analyze stored value card sale activity for the past 12 months
16	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 (>5 customers)	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 (< 5 customers)	Certification by all commercial customers that no Internet gambling business transactions are conducted (0 customers)	1	
17	Large amount of brokered deposits (>15% of total deposits) from a wide variety of brokers, some of which may not be as well known to bank and could offer other high risk services such as establishing shell companies in high risk geographies	Moderate level of brokered deposits (≤15% but >5% of total deposits) from a few well known low risk brokers	Less than 5% of total deposits are brokered deposits from a few well known low risk brokers	1	Measured by comparing total brokered deposits to total bank deposits
18	Bank offers nondeposit investment products (NDIP) and insurance involving complex legal arrangements, rapidly moving large dollars, and portfolios controlled directly by clients (>5% of our customers)	Moderate level of traditional NDIP and insurance services with low risk regional partner (< 5% but > 2% of our customers)	No NDIP or insurance services offered by the bank (< 2% of our customers)	2	Analyze NDIP sales activity over the last 12 months
19	More than 30% of new accounts are opened via Internet, mail or telephone without prior relationship	More than 15% but less than 30% of new accounts are opened via Internet, mail or telephone without prior relationship, such that majority of accounts still opened in-person	Less than 15% of new accounts are opened via Internet, mail or telephone without prior relationship, such that vast majority of accounts still opened in-person	1	Compare total new accounts opened via the Internet to total new accounts over the past 12 months
20	Bank located in money center with more than 50% of branches located on a US border	Highly diverse metropolitan area or university located nearby more than 25% of branches but less than 50% of branches	Rural homogenous community bank with less than 25% of branches in higher risk metropolitan or US border areas	1	Analyze branch geographical dispersion
21	No aggregate cash reporting system or Anti-Money Laundering (AML) and fraud monitoring software	Automated aggregate cash reporting system but no AML monitoring software	Aggregated cash reporting system and AML monitoring software	1	
22	No centralized Suspicious Activity Report (SAR) monitoring or well documented internal referral system	Centralized SAR monitoring and reporting with an internal referral system	Centralized SAR monitoring with formalized internal referral system	2	
23	More than 20 suspicious activity reports (SARs) filed per year	10 to 19 SARs filed per year	Fewer than 10 SARs per year	1	
24	Inadequate BSA/AML training program on less than an annual basis	Adequate BSA/AML training including SAR program on at least an annual basis	Comprehensive BSA/AML and SAR training program with regular updates throughout the year	1	
25	High turnover (more than 15%), in key BSA/AML and SAR personnel positions and/or more than 25% turnover in frontline personnel	Low turnover of key personnel (15% or less), but frontline personnel in branches has changed significantly (more than 10% but less than 25% employees)	Low turnover in key positions (15% or less) and frontline personnel in branches has not changed significantly (10% or less turnover)	2	
	Overall Bank Secrecy Act and Anti-Money Laundering Risk Assessment Score High (61 to 75) Moderate (41 to 60) Low (25 to 40)			31	

* HIDTA/HIFCA – High Intensity Drug Trafficking Area and High Intensity Financial Crime Area