

SANCTIONS SCREENING MODELS & SANCTIONS COMPLIANCE

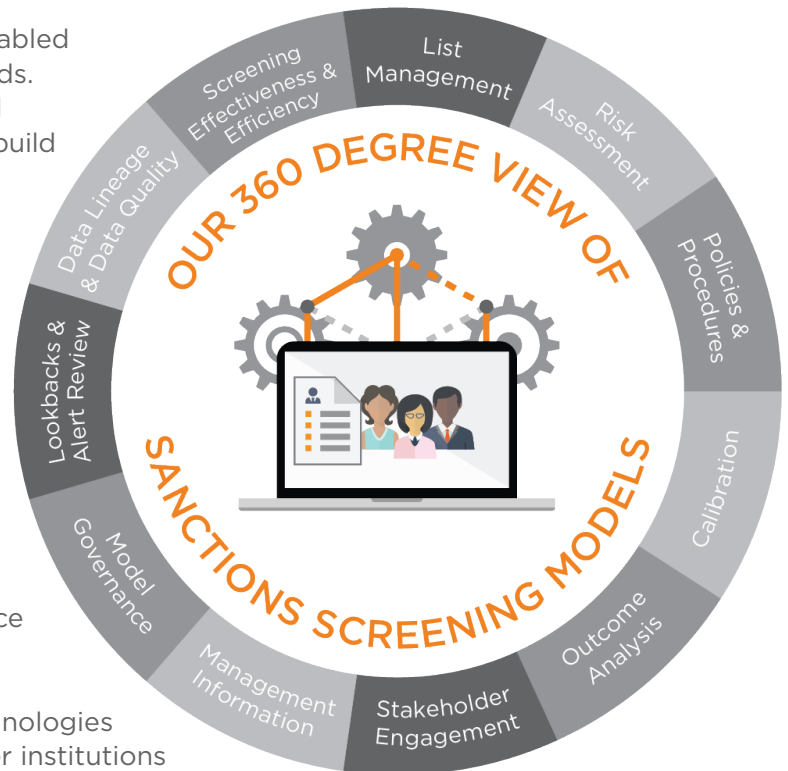
Assessing sanctions risk requires real industry experts.

Exiger's Advisory practice offers experienced professionals who understand how financial institutions work on the inside. Our team leverages their subject matter expertise, control testing capabilities and advanced data analytics to validate models, identify potential issues, and provide sustainable solutions.

INDUSTRY EXPERTS WITH TAILORED SOLUTIONS

Exiger is a global leader in providing technology-enabled solutions tailored for your respective program's needs. Our experienced professionals have provided model validation and risk assessment services designed to build and evaluate sanctions screening models supporting compliance functions since 2013. Our expertise is derived from a diverse, multi-disciplinary team of Technology and Compliance professionals based in the U.S., Canada, UK, E.U., Hong Kong, Singapore, and Australia who have worked in and with a wide range of major financial institutions across the globe.

Exiger's professionals not only understand and identify material risk exposure associated with the design and performance of sanctions screening related activities, but leverage our experience at banks to identify solutions tailored to financial institutions' sanctions risk. Our experts have experience with a vast number of sanctions screening systems, ranging from industry-leading solutions to custom solutions, and are subject matter experts in the technologies that underlie them. We baseline our clients with peer institutions and recent regulatory actions to ensure sanctions screening capabilities satisfy regulatory requirements and are consistent with SME informed views on screening engine configuration, both what should be screened and how to efficiently screen it. Exiger also harnesses its combined SME and analytics expertise to target critical areas of review during sanctions screening validations.



EXIGER OFFERS COMPLETE DATA DRIVEN ASSESSMENTS OF CONTROL FRAMEWORKS FOR:



Anti-Money Laundering (AML)



Know Your Customer (KYC)



Transaction Monitoring



Suspicious Activity Monitoring



Customer Risk Rating



Anti-Bribery & Corruption (ABC)



Fraud

CONCEPTUAL
SOUNDNESS

CONFIGURATION & DATA QUALITY

Exiger will assess whether all relevant payment message and customer data fields are being screened in the correct manner and against all required lists. This testing includes linking identified sanctions risks, products, and services to system configurations, and validating data lineage of all relevant payment and entity data thereby ensuring both that the data is subject to screening, and that the screening is performed correctly. Configuration testing also seeks to ensure that all lists are updated timely in line with client policies, through both testing of recent list changes as well as a review of list management procedures.

FUNCTIONAL
TESTING

EXACT AND FUZZY MATCHING PERFORMANCE

In addition to exact matching performance, Exiger examines approximate string matching (“fuzzy matching”) performance of sanctions screening systems. Exiger’s proprietary software can create thousands of distinct test records using a comprehensive catalog of over 50 name modification functions, ranging from simulated data processing errors, to phonological substitution, transliteration errors, and alternate name spellings. Exiger’s functional testing is comprehensive in nature and customized to the institution’s relevant risks. Areas of testing include:

- Fuzzy Matching typologies
- Cities, Towns, Regions, and Port list testing to ensure full geographical coverage
- Non-Latin character sets such as Cyrillic and Chinese characters
- Chinese Telegraphic Codes (“CTC”) and Pinyin
- Sectoral Sanctions
- SWIFT, SEPA, Fedwire, and IAT payment formats as applicable
- BIC testing
- Dual-Use Goods Screening

CALIBRATION

SCREENING SYSTEM CALIBRATION

Exiger’s combination of automated processes, analytics and subject matter expertise allow testing to be conducted at multiple systems sensitivity settings to find an optimal balance of detection and false alert rates. Exiger will review fuzzy matching threshold values and other configurations to identify where operational efficiencies can be realized while maintaining adequate risk coverage.



ANALYTICS EXPERTISE & INSIGHT

Exiger utilizes quantitative techniques to identify, analyze, and solve our clients’ most complex compliance challenges. The firm synthesizes data analytics and human insight to extract meaning from digital data:

- Identify systematic screening performance weak points from latent patterns in test case results
- Identify gaps in data lineage indicating populations not subject to screening
- Align configurations and overall system performance to the institution’s products and services and overall risk posture

About Exiger

Exiger is the global authority on financial crime and fraud revolutionizing the way banks, corporations and governments manage risk through its combination of practical expertise, award-winning technology and process excellence. In recognition of the growing volume and complexity of data and regulations, Exiger is committed to creating a more sustainable compliance environment through its holistic and innovative approach to problem solving. Powered by **DDIQ** and **Insight 3PM**, Exiger takes an analytics-led, technology-enabled approach to everything we do.

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