MANAGEMENT SUMMARY

Regulatory/Audit

Fed Exam

- Starting in January 2014, Fed examiner started her review of the clearance of MRAs which AML/BSA Compliance received during 2012 exam.
    - Review of ATM limit ($9,999 for client population), CTR discrepancies (DB Taunus vs. DBTCA), QA of CTRs conducted by AML Compliance, Risk Assessment
    - DB AML to have biweekly meetings and monthly visits with the branch at 345 Park Avenue regarding cash activities.

Internal audit

- Audit was completed in December 2013.
- No significant findings

Projects/Work Efforts

Risk Assessments

- As a result of Fed exam, Risk Assessments for both the Private Bank and 345 Branch Operations need to be reassessed. Private Bank will solely focus on DBTCA and DB AG accounts.
- Working group created to streamline methodology across business lines.
- Data retrieval for 2012 and 2013 and analysis are in progress.

Semi-Annual Fuzzy Logic Testing

- Testing of Prime OFAC Fuzzy Logic in UAT was completed on February 27, 2013. Cross-field validation still not working as expected. Worked with GTO to test Production data in UAT before implementing changes in Production. However, due to issues with UAT environment, changes could not be made.
- Received training material from FIS. Plan is to test in 8.0.2 and 9.1 UAT environments after all other UAT testing (for Prime upgrade) has been completed.
- Testing was not done in 2013 as Clarissa Delafuente was on maternity leave when the Prime upgrade was completed. Testing rescheduled for mid 2014.

PB and PCS Annual AML Monitoring Program Review

- For the Private Bank, new alert parameters in 9.1 have caused significant spike in alerts. For example, repetitive alerts were generating approximately 116 alerts per month. In 9.1 this has spike to approximately 238 per month. Proposal to analyze alerts to consider recalibrating or adding more accounts on the exclude list.
- Recommend changing the review and recalibration schedule to an ongoing process. A set of alerts will be reviewed every 2 months. There are 6 groups of alerts – Cash, Dormant, HubSpoke, Repetitive, High Risk Country, and Velocity.

Exclude Lists