

# IBM Financial Crimes Geographic Risk Insight

Simplify and solidify regulatory compliance. Save time and resources while strengthening compliance programs with comprehensive geographic risk information.

**Watson  
Financial  
Services**



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## Highlights

- Financial Crimes Geographic Risk Insight solution assigns country risk ratings to support compliance programs.
- Use a tested methodology based on authoritative guidance from regulatory bodies, law enforcement agencies, a global network of financial institution peers and Promontory Financial Group experts.
- Access detailed and proven geographic risk assessments that replace the labor-intensive process of developing internal high risk country lists.
- Act with confidence using regularly updated geographic country risk ratings in your transaction monitoring systems, Know Your Customer programs, sanctions risk assessments and enterprise-wide risk assessments.

## Proprietary geographic risk assessment method rates country risks

Anti-money laundering (AML) and counter terrorist financing (CTF) laws, rules and regulations require financial institutions to assess money laundering and terrorist financing risks facing their organizations. AML compliance is increasingly complex, and expectations can stretch even the most well-funded and well-staffed compliance departments. Rising costs of non-compliance go beyond enforcement penalties and liability to lasting damage of organizational and personal reputations.

IBM® Financial Crimes Geographic Risk Insight, formerly known as Promontory Financial Group's AML & Sanctions Atlas, is a geographic risk assessment solution that rates countries according to their risk of money laundering and terrorist financing. Using IBM's proprietary methodology, each country is assigned a risk score, a risk rank, and a risk rating of high, medium, or low, based on the cumulative weight of risk factors. Financial institutions use this solution in their regulatory compliance programs to replace internally developed high risk country lists used in Know Your Customer (KYC) programs, transaction monitoring programs and enterprise wide risk assessments.

# Financial Crimes Geographic Risk Insight Dashboard

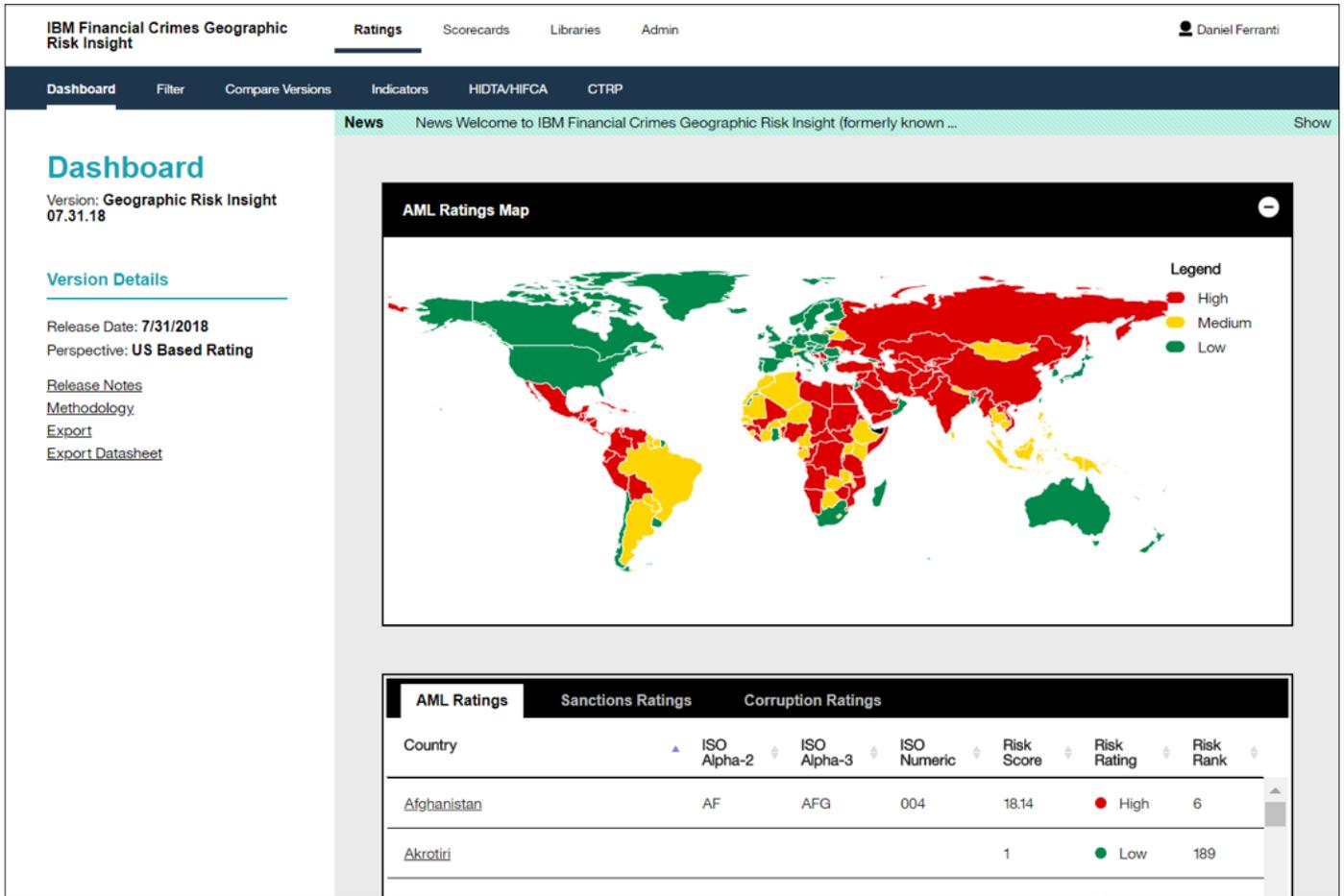


Figure 1: Financial Crimes Geographic Risk Insight Dashboard

## Gain insights and accurate risk evaluations based on expert sources

AML and CTF regulations typically require financial institutions to assess the risk of money laundering or terrorist financing according to risk factors that include geography, customer characteristics, and products and services characteristics. Generating up-to-date geographic risk ratings data can be time consuming and unwieldy given complex compliance rules.

To eliminate risk rating uncertainty, Geographic Risk Insight aggregates AML and CTF related indicators to present up to date geographic risk ratings. With a centralized, enterprise wide geographic risk database, your team can focus on analysis and risk mitigation, rather than the data acquisition process.

Geographic Risk Insight analyzes ninety data points from eighteen authoritative sources to rate the risk of each country. Sources include the United Nations, World Bank, Financial Action Task Force (FATF), Organisation for Economic Co-operation and Development (OECD), the European Council and the U.S. Departments of State and Treasury. IBM Geographic Risk Insight supplements the public data sources with AML risk information received from our informal channels around the world including:

- Promontory Financial Group, an IBM company, one of the world's leading financial services consultancy, with deep domain expertise in regulatory compliance
- Regulators and officials in law enforcement agencies
- The community of IBM Geographic Risk Insight subscribers

## Compare dynamic country ratings updates

IBM understands that financial institutions need to be able to justify their ratings to their examiners. Geographic Risk Insight is kept up to date with three updates per year in March, July and November. Subscribers are provided the tools needed to fully comprehend the ratings including:

- Regularly reviewed methodology documents detailing the indicators used, why they are used, how they are weighted and how they are combined, so that subscribers can explain how the ratings are determined

- Release notes detailing the scoring changes since the previous release sorted by both indicator and country so that subscribers can understand how the ratings have changed since the previous release
- Country scorecards showing all the data collected for a country and the associated risk scores so that subscribers can easily identify the drivers of each country's risk rating

All previously published versions of the risk ratings are archived within the offering so that subscribers can review older ratings and data sets.

## IBM Financial Crimes Geographic Risk Insight summary of features and benefits

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### Tested methodology

- Based on guidance and feedback from regulators and leading financial institutions.
- Cumulative model in which the risk score increases as negative data is identified and weighted.
- Includes indicators related to sanctions, advisories, terrorism, drugs, tax havens, corruption, and governance.

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### User group community feedback

- Benefit from the feedback from experienced professionals at over 70 subscribing financial institutions.

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### Sanctions and corruption specific ratings

- Both sanctions specific and corruption specific sub-ratings are also provided.
- Optional ratings are generated by using sub-set of indicators used in AML ratings.

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### Customizable ratings

- Change indicator weightings to match your institution's risk tolerance.
- Make adjustments to specific jurisdiction based on your institution's experiences.

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### Country scorecards

- View data and risk scoring for each country in an easy to follow format.
- Export to PDF for easy to share format.

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### Functionality

- Exportable ratings tables.
- Compare country risk ratings of any two versions to see how and why scores and ratings change.
- Links to data collection sites.

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### Fully documented

- Comprehensive methodology detailing which indicators are used, why they are used and how they are weighted.
  - Release notes detailing scoring changes since previous ratings update.
  - Subscribe admin and user guides providing step by step instructions on how to use product functions.
  - Model validation reports conducted by outside party.
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## Country scorecards example

**IBM Financial Crimes Geographic Risk Insight** Ratings **Scorecards** Libraries Admin Daniel Ferranti

**Scorecards**

**Scorecards** AML Ratings Sanctions Ratings Corruption Ratings

**Country:**  
Afghanistan

**Version:**  
Geographic Risk Insight 07.31.1

**Go**

Country: <b>Afghanistan</b>	ISO Alpha-2: <b>AF</b> ISO Alpha-3: <b>AFG</b> ISO Numeric: <b>004</b>	Risk Score: <b>18.14</b>	<b>High</b>
Sovereign Parent: <b>Afghanistan</b>	Perspective: <b>US Based Rating</b>	Risk Rank: <b>6</b>	<a href="#">PDF Scorecard</a>

**Indicators contributing to Risk Score**

Indicator	Value	Score
<i>Sanctions and Special Measures</i>		
Office of Foreign Assets Control Sanctions ( <a href="#">Visit Source</a> )	Not Sanctioned	
European Union Sanctions ( <a href="#">Visit Source</a> )	Narrow Sanctions	
United Nations Sanctions ( <a href="#">Visit Source</a> )	Narrow Sanctions	

Figure 2: Country scorecards example

### Why IBM Financial Crimes Geographic Risk Insight

IBM provides essential geographic risk data solutions for effective AML and counter-terrorism financing programs. Financial Crimes Geographic Risk Insight helps your organization maintain compliance and improve analyst productivity with relevant, accurate analytics. Keep your teams focused on high-value mitigation and analysis with a single-source database.

#### For more information

Explore the IBM Financial Crimes Geographic Risk Insight solution at: [ibm.com/us-en/marketplace/geographic-risk-insight](https://ibm.com/us-en/marketplace/geographic-risk-insight). To learn more about IBM financial risk and regulatory compliance solutions, visit [ibm.com/RegTech](https://ibm.com/RegTech) and follow us on Twitter [@IBMFintech](https://twitter.com/IBMFintech).

### About IBM Watson Financial Services

IBM works with organizations across the financial services industry to use IBM Cloud™, cognitive, big data, RegTech and blockchain technology to address their business challenges. Watson™ Financial Services merges the cognitive capabilities of IBM Watson® and the expertise of Promontory Financial Group, an IBM company, to help risk and compliance professionals make better informed decisions to manage risk and compliance processes. These processes range from regulatory change management to specific compliance processes, such as AML, KYC, conduct surveillance and stress testing.

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