



Regulatory and Risk Management Services Offered Through Affiliate Bankers Service Corporation

Bankers Service Corporation stays current on the latest changes in rules and regulations to help your bank remain in compliance...with professional consultation, audits, and reviews for all critical areas of your operations, including:

• **Loan Review**

Our internal loan review program incorporates a comprehensive analysis of credit quality and loan administration procedures. We typically conduct reviews annually, semi-annually, or up to four times during a twelve-month period or tailored to individual needs. At the conclusion of each review, a comprehensive report will be prepared and presented to the Directors and management, as requested.

• **Compliance and Fair Lending Audits and Consulting**

Community banks must have a sound Compliance Management System with adequate policies and procedures. Our Compliance Audit Services will help assist in this process. Compliance audits are performed for loans, deposits, Privacy, CRA and other consumer protection areas. The reviews are conducted in accordance with regulatory guidelines and include all aspects of loan and deposit compliance. We also provide fair lending reviews.

• **Bank Secrecy Act and Anti-Money-Laundering Audits**

According to BSA regulations, an independent party must perform an independent test of a bank's Bank Secrecy Act compliance program every 12 to 18 months, depending on the Bank's risk profile. Comprehensive procedures performed in our independent BSA Review are conducted in accordance with the FFIEC's BSA/AML Examination Manual. Each review's procedures and findings are submitted to the Board of Directors in a written report.

• **ACH Compliance Audits**

This audit is intended to assist the bank in complying with the annual audit requirement of the National Automated Clearing House Association (NACHA) for banks providing receiving and origination functions for ACH items. NACHA requires that this audit be completed prior to December 31 each year.

• **Internal Audits and Controls**

The internal audit process utilizes risk assessments in order to identify those functions and areas of bank operations that pose the most significant risks to strong and efficient bank performance. From that risk assessment, a program specific to your bank is developed including obtaining an understanding of internal controls

in place within the institution over key business processes and how the organization's personnel function under existing controls and manage their assigned responsibilities. The adequacy of existing controls is evaluated through performance of internal audit procedures in the various operational areas of the institution.

• **Asset and Liability Management(ALCO) Audits, Including Backtesting**

We will review the Bank's policies and procedures relating to interest rate risk, liquidity, and funds management. We will review the Bank's third party model, if utilized, as well as "back-test" the assumptions used in the model.

• **Examination and Investigation Consultation / Problem Banks**

For institutions that have been placed under regulatory enforcement action, our staff will work with bank personnel in order to assist in developing needed policies, procedures, and training programs that will enable them to correct the problem areas noted by the regulators.

• **Strategic Planning Consultation**

We can assist your institution with a variety of strategic planning needs.