

### THE CHALLENGE

A \$100 million bank in a major city had just received a regulatory order with a long list of requirements that the bank's management team had to meet by various dates, the earliest of which was just 30 days away. The management team, especially the president, was overwhelmed by the task they were facing and, frankly, the president was not sure they could meet the challenge.

The bank hired a top-notch banking attorney who quickly realized that the bank, in addition to all the legal challenges it faced, needed help complying with the specifics of the order, especially with regard to strategic planning, capital planning, loan policy, AML policy, and compliance. The attorney recommended Artisan Advisors. The bank engaged Artisan within a few days and we went quickly to work.

### THE EXPLORATION

- What were the most pressing issues in the regulatory order and what were the time frames that had to be met?
- What was the bank's level of expertise in strategic planning, capital planning, policy development, etc.?
- Because the bank had a small staff, all of whom would be busy with day-to-day responsibilities, would the management team feel comfortable letting Artisan take the lead on all matters relating to the order?
- Were there any plans, policies, or procedures in place to build upon or was Artisan starting from scratch?
- How would Artisan address criticisms in the order aimed at disaster recovery, technology management, and vendor management?
- It was clear that the bank would be investing not only a significant amount of time in correcting its regulatory deficiencies, but also a sizeable sum of money as well. Was there a way to increase the bank's very low loan-to-deposit ratio to generate more interest income and help with the costs of remediation?

### THE APPROACH

Artisan Advisors developed an outline of deliverables and a deadline-driven timeline, using the regulatory order as a guideline to prioritize the work. Because there were many tasks to be performed, which required various skill sets, Artisan utilized its team of experienced consultants to address a wide range of strategic and operational issues.

Artisan met with bank management, its board of directors, and bank counsel on a regular basis in order to provide project updates and manage resources. And it employed its industry-wide connections to source a number of residential loan opportunities for the bank.

### THE RESULTS

As a result of Artisan Advisors' efforts, the bank was released from its regulatory order in half the time it normally takes to satisfy an order as extensive as theirs. Artisan developed the bank's first strategic plan, a capital plan, and an ALM plan, all of which were accepted by the regulators without recommendations or comment. They improved the bank's loan policy to meet industry best practices, with all revisions accepted by the regulators without recommendations or comment. Artisan addressed all compliance and CRA issues to the satisfaction of the regulators.

Additionally, Artisan successfully developed a technology plan for the bank and created and implemented a disaster recovery plan. To assist in generating higher yielding assets, Artisan, using its industry connections, helped the bank add a portfolio of high-quality residential mortgages to its loan portfolio, dramatically improving its earnings levels.

**“Artisan Advisors was key to the release of our regulatory order, and, as a result of their work, we are not only regulatory compliant, but we are a healthier and more profitable institution.”**

[info@Artisan-Advisors.com](mailto:info@Artisan-Advisors.com)

244-633-2100

[Artisan-Advisors.com](http://Artisan-Advisors.com)



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