

FARMERS BANK AND TRUST

CSI Case Study

"We know that, year after year, we have seen improvement in our information security because of CSI."

-Chris Cook, executive vice president at Farmers Bank and Trust



Protecting customers' personal information has never been a bigger priority for banks than it is today. Banks must fight to keep up and comply with such regulations as the Gramm-Leach-Bliley Act (GLBA) and the Bank Secrecy Act (BSA), all the while operating efficiently and providing top-notch customer service. But how do banks know, for sure, that they are in full compliance with GLBA and BSA requirements?

That's the question that troubled Chris Cook, the executive vice president at Farmers Bank and Trust in Marion, Ky., before he found CSI's Compliance Services in 2003. CSI's Compliance Services provided thorough reviews of Farmers Bank's GLBA and BSA compliance programs – and has been doing them ever since.

A TRUSTED ADVISOR

"Their knowledge was key," said Cook, recalling his first meeting with CSI's Compliance Services consultants. "We knew we had a technical gap, and CSI had the knowledge to fill it. They also had the technology to do everything we needed to do when it came to GLBA and BSA."

There are three key components to GLBA: the Financial Privacy Rule, the Safeguards Rule and the Pretexting Provisions. The components combine to determine how institutions can collect information and how they are required to ensure

the security and confidentiality of that information. BSA regulations require financial institutions to implement policies and procedures to address specific guidance as it relates to money laundering, customer identity, foreign assets control, terrorist activity monitoring and other areas identified within bank secrecy/anti-money laundering and USA PATRIOT acts.

For many financial institutions, keeping up with GLBA and BSA can prove too much to handle in-house. "In 2003, we were just getting full swing into GLBA compliance programs. We began to feel that pressure, and we knew that we could not meet the requirements of GLBA alone. GLBA is highly technical and the focus of our strategic initiative was to find a strong partner. From there we found CSI, and they've been with us ever since."

Farmers Bank and Trust officers heard of CSI from a business partner and reached out to its Compliance Services consultants. Cook said the initial meeting with CSI's team was impressive to the point his bank stopped looking for other potential partners. "We really had no intention of talking to any other service providers. We were that thrilled with CSI's service," Cook said.

TOTAL COMPLIANCE, PEACE OF MIND

Founded in 1899 and with assets reaching \$135 million, Farmers Bank and Trust asked CSI's Compliance Services to go over its GLBA and BSA compliance in detail. CSI examined the bank's policies, procedures, physical security and technology throughout the institution and offered a variety of information training sessions. CSI's Compliance Services team also provided the institution with its GLBA map solution, which helps Farmers Bank and Trust conduct its own risk assessments of its information security program and vendor management efforts. "We know that we are far stronger and more secure today than we were nine years ago. We know that, year after year, we have seen improvement in our information security because of CSI."

CSI's Compliance Services consultants impressed Cook with not only their knowledge of banking industry regulations, but also their superior customer service. And CSI did something no other vendor has ever done for Cook, by assessing the level of work needed to maintain compliance and cutting its price after the first year of service.

"When does that ever happen? You just don't see that kind of service anymore," Cook said. "CSI continues to be the most cost-effective service provider in the market."

Impressed by the improvement to the institution's GLBA compliance program, Farmers Bank and Trust contracted with CSI to perform its BSA compliance reviews as well. "We're much stronger and much more compliant in regard to BSA due to CSI. That has been confirmed multiple times by state and federal examiners," Cook said.

Farmers Bank and Trust personnel noticed a change in the way examiners acted on site. CSI has a solid reputation, and the thoroughness of the bank's reports and procedures led to a smooth and quick review by examiners.

"Examiners let us know what great service we are getting from CSI," Cook said. "Farmers Bank and Trust leaders pass that reassurance on to customers who deserve to know just how safe their information is at this institution. Their information is as secure as it can be, thanks to the reviews performed by CSI."

For BSA compliance, CSI's team conducted exhaustive risk assessments during on-site reviews at the bank. CSI provided its exclusive BSA risk assessment tools to help the bank's leaders, but above all, the process gave Farmers Bank and Trust staff the peace of mind of knowing they were in total compliance with federal regulations.

Farmers Bank and Trust has had no GLBA or BSA issues since partnering with CSI's Compliance Services team nine years ago.

A LASTING PARTNERSHIP TURNED FRIENDSHIP

"CSI's team has become more than a service provider to Farmers Bank and Trust. In the past nine years of our partnership with CSI, everyone we've met has been fantastic. Our relationship is very personal. You feel like you're developing friendships, and that just doesn't happen nowadays," said Cook, who has become close friends with the CSI Compliance Director. "We call CSI any time we have a question on tools in addition to GLBA and BSA. We're very fortunate to have the level of compliance we have, the trust and respect we receive from examiners, and the friends we've made – all thanks to CSI's Compliance Services."



Farmers Bank & Trust

Location: Marion, Kentucky

Founded: 1899

Assets: \$135 Million



ABOUT CSI REGULATORY COMPLIANCE

Managing today's complex regulatory requirements can be challenging for any business, and CSI Regulatory Compliance serves as a trusted partner, simplifying compliance and risk management. With more than 5,000 customers globally, CSI provides a full range of compliance solutions for the requirements of GLBA, USA PATRIOT Act, OFAC, BIS, BSA, Regulation E and more.