



## 2020 Community Bank Case Study Competition

### Overview & Community Banker FAQ

The Community Bank Case Study Competition, facilitated by the Conference of State Bank Supervisors (CSBS), is a nationwide academic competition for undergraduate students. Through this competition, undergraduate student teams will partner with local community banks to conduct original case studies on relevant topics. The 2020 Case Study Competition will address how community banks are meeting the requirements of the Bank Secrecy Act and Anti-Money Laundering Act.

In addition to providing undergraduate students with an excellent opportunity to engage and gain valuable knowledge of the banking industry, the case study competition serves as a platform for community banks to tell their individual stories. It is an opportunity to build a further understanding of the community bank business model and the role community banks play in local communities, and it is a mechanism for connecting academics and millennials with the community banking industry.

#### Competition Overview

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- Student teams will consist of 3-5 undergraduate students.
- All case study work will be conducted under the guidance of a school faculty advisor.
- Student teams will have discretion to meet with and interview the members of their partner community bank as often as agreed upon by the bank.
- Each student team will be responsible for submitting a paper that thoroughly discusses their case study findings, and a video that highlights their case study paper. The paper is to be no more than 25 pages, and include visualizations that illustrate student findings.

#### Competition Timeline

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- **September 9<sup>th</sup>, 2019** – The Case Study topic is released to the public
- **November 22<sup>nd</sup>, 2019** – To participate, faculty advisors must submit a Statement of Interest on the CSBS Community Bank Case Study Website by this date. Faculty advisors are **not** expected to have a full student team or community bank partner when the Statement of Interest is submitted. Teams without a Statement of Interest will not be considered.
- **November 22<sup>nd</sup>, 2019** – Student registration opens.
- **February 3<sup>rd</sup>, 2020** – Deadline for students to register and for community bank partnerships to be secured.
- **April 20<sup>th</sup>, 2020** – Final papers and videos are due by 12:00 noon local time

## Case Study Topic

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### Part I, Financial Analysis

Using the FFIEC 041/051 Call Report, Uniform Bank Performance Report (UBPR), and other publicly available data sources, students should analyze and provide a summary analysis of the following:

- Earnings Performance
- Loan Portfolio Composition, broken out by loan type (e.g. consumer loans, mortgage loans)
- Asset Growth
- Capital Levels
- Liquidity

To facilitate uniform analyses amongst teams, this financial analysis should be completed on a year over year basis covering five years.

### Part II: Bank Secrecy Act and Anti-Money Laundering Act (BSA/AML) Compliance Assessment

(address the questions most pertinent to the institution)

1. What process, methods, and information does the bank utilize to conduct its BSA/AML risk assessment?
2. How many dedicated employees does the bank have for BSA/AML compliance?
3. What portion of the banks overall compliance costs are dedicated to BSA/AML? Are there ways in which the bank has been able to reduce costs associated with BSA/AML compliance?
4. How is the bank's BSA/AML compliance function structured to meet the Bank Secrecy Act requirements?
5. Have there been any recent changes to the bank's structure or approach to compliance?
6. What challenges does the institution face under the current BSA/AML compliance framework?

### Part III: Technology, Innovation, & Collaboration

(address the questions most pertinent to the institution)

1. How has the institution used new or existing technology to meet BSA/AML requirements? What software does the bank currently use and why? How has this software assisted the bank in meeting BSA/AML requirements? What could the software better?
2. In October 2018, FinCEN and the federal banking agencies issued a [joint statement](#) explaining how community institutions with low-risk profiles could share BSA/AML resources in order to reduce compliance costs. Is the bank

currently collaborating with any other financial institutions as part of their BSA compliance efforts? If not, would the bank be interested in exploring this further?

3. Does the bank have insights to share regarding their BSA-related interactions with local or state law enforcement, FinCEN, state and/or federal examiners?
4. Does the bank have any plans or ideas to change their BSA compliance methods through the use of innovative technologies or collaboration?

#### **Part IV: Policy Recommendations & The Future Of BSA/AML Reform**

(address all questions)

1. Are there areas where FinCEN and the regulators could be helpful in clarifying key components of the Act and compliance expectations?
2. Identify measures policymakers could take to:
  - a. Modernize some of the Act's provisions;
  - b. Reduce the burden of BSA/AML reporting;
  - c. Improve the quality of information to meet the goals of the Act.
3. How can FinCEN and law enforcement better inform the bank on the effectiveness of their SAR and CTR submissions?

#### **Frequently Asked Questions (FAQs)**

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##### **What is the Conference of State Bank Supervisors (CSBS)?**

The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking and financial regulators from all 50 states, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Established in 1902 as the National Association of Supervisors of State Banks, CSBS is uniquely positioned as the only national organization dedicated to protecting and advancing the nation's dual-banking system.

For more than a century, CSBS has given state supervisors a national forum to coordinate supervision and develop policy related to their regulated entities. CSBS also provides training to state banking and financial regulators.

## **Is there any other organization, agency, or entity involved in facilitating or hosting the case study competition other than CSBS?**

CSBS serves as the sole facilitator of the Community Bank Case Study Competition. State financial regulators support the competition and may, at their own discretion, promote the competition within their states. As a prize, winners of the competition may present their work at the jointly hosted annual CSBS-Federal Reserve Community Banking in the 21<sup>st</sup> Century Research and Policy Conference.

## **How can my bank partner with a university student team?**

If your bank is interested in partnering with a student team, you may directly reach out to a university/college to share your interest in partnering with a potential team. You may also reach out to the Case Study Manager Katie Hoyle ([khoyle@csbs.org](mailto:khoyle@csbs.org)), who can assist with an introduction to community institutions within your state.

## **What is the competition process?**

Once the student team and community bank have agreed to partner, all parties must sign a legal disclaimer before commencing case study interviews and sharing bank information. After all parties have signed the necessary document(s), the bank and student team (under the direction of the faculty advisor) may begin scheduling meetings and interviews to conduct case study work. An initial meeting between the faculty advisor and bank management may be necessary before meeting with the student team.

Typically, the chief loan officer, bank president or vice president, and communications or marketing representative meet with the students as they conduct their case work. Student teams may need to meet with bank representatives three to five times throughout the competition period to complete case work. An additional day or two may be necessary for shooting the case study video.

## **How much information should or should not be shared?**

Banks have full control over what and how much information is shared with the student teams. Banks are not expected to share confidential information. Keep in mind student teams have access to publicly available information, such as Uniform Bank Performance Reports and Call Report data.

## **What if the bank disagrees with the students' analysis of gathered information?**

It is the responsibility of the student team, faculty advisor, and bank representatives to ensure all data included in the case study is factual and clear. While student analysis should be based solely on the facts gathered publicly and provided by the bank, the case study analysis is at the full discretion of the students. Student teams may share case study work with the partner bank before submitting the final work for judging.

**Learn more about the Community Bank Case Study Competition at <http://www.csbs.org/bankcasestudy/>**

### **Who will see the case study papers and videos?**

All case study papers and videos will be made public and available on the CSBS website after May 21<sup>st</sup>, 2020. Case studies will be available to the media, colleges and universities, and the general public.

For questions or comments, please contact Katie Hoyle at [khoyle@csbs.org](mailto:khoyle@csbs.org) or 202-808-3556.