

FINANCIAL INSTITUTION GOVERNANCE AND REGULATION

Overview of Services

Representative Engagements

FTI Consulting was engaged by a large international bank as independent consultant to ensure the terms of the settlement with its U.S regulator were met. We monitored activity and BSA/AML and OFAC compliance, including transaction monitoring. We also evaluated the adequacy and effectiveness of the compliance program, internal controls, the organizational structure, and management oversight, reviewed and tested past transactions and investigated possible violations of laws and regulations.

FTI Consulting was engaged by a large international bank to review its specialized commercial real estate mortgage portfolio and identify ways to help strengthen its internal control framework. Our work focused on evaluating compliance with regulatory and client underwriting standards, collateral evaluation and independent analysis of internal risk ratings. Given the value we added in our analysis, the bank retained us to perform on-going reviews on a quarterly basis.

In response to concerns raised by its primary bank regulator relating to interest calculation errors for certain accounts, FTI Consulting was retained to independently review and evaluate a bank's corporate governance and risk management functions. We analyzed the root cause of control failures and recommended changes to enhance the bank's three lines of defense and related risk management practices to prevent future occurrences.

FTI Consulting, as a leading independent consulting firm, is a preferred provider of critical services to financial institutions in the U.S. and globally. We help financial institutions respond to, and effectively address critical challenges, including regulatory examinations, enforcement actions, litigation threats and economic challenges. Our multidisciplinary team assists management by delivering the specialized expertise, experience, and technical leadership skills of credentialed professionals through a disciplined and collaborative approach that adds value beyond the terms of engagement.

Who We Are

FTI Consulting's experienced financial institution professionals include former bankers, regulators and policy makers, forensic specialists, cybersecurity and technology professionals and communication experts. Our team includes former staff members of the Federal Reserve, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Securities and Exchange Commission, Department of Justice, Federal Housing Finance Agency and States Attorney Generals. These individuals have hands-on experience and specialized industry knowledge enabling them to provide practical solutions to specific client issues and add value in the process. Our financial professionals are CPAs, CFAs, attorneys, anti-money laundering professionals, forensic specialists and other financial professionals with expertise in compliance, enterprise risk management, financial and operational risk, information technology, asset valuation and strategic communications.

Meeting the Challenges

In today's highly competitive and heavily regulated environment, financial institutions are challenged to remain profitable while meeting the expectations of regulators, shareholders and a demanding public. Robust corporate governance, risk management and compliance programs are critical to comply with the many new and complex regulations, meet competitive challenges, and avoid unwanted regulatory scrutiny and litigation.

We help our clients meet these challenges through a portfolio of services designed to develop solutions that manage risk, meet compliance requirements, resolve critical enforcement or litigation challenges, enhance performance and provide lasting value. Our services are summarized in the following categories.

- Accounting and Financial Reporting
- Credit Risk
- Governance
- Regulatory Compliance
- Anti-money Laundering
- Forensic Accounting and Investigations
- Litigation Support
- Risk Management

Accounting and Financial Reporting

FTI Consulting provides comprehensive accounting, financial reporting and SEC advisory services to financial institutions. Our accounting professionals include former "Big 4" accountants who hold CPA or CFA certifications and are experienced working with representatives of the SEC, bank regulators and independent audit firms on complex accounting issues. Because we do not provide audit attestation services, we provide an independent perspective that is valued by regulatory agencies.

Representative Engagements and Services (Continued)

- In preparation for an upcoming exam, a large mortgage origination and servicing company retained FTI Consulting to independently evaluate internal controls in key operational areas and design a more formal enterprise risk management system. We designed a risk assessment methodology, conducted control reviews, and tested compliance and reporting to help upgrade risk management practices.
- FTI Consulting was retained by a large, regional bank to perform a gap analysis of the bank's incentive compensation plans for non-executive staff. We analyzed policies, interviewed staff, reviewed plans, audited payments and reviewed simulation analyses to evaluate the bank's compliance with regulatory guidance. We recommended changes to enhance compliance and risk management and board oversight.
- FTI Consulting was engaged to provide expert testimony and litigation consulting services in a matter involving the failure of a large regional bank. We delivered an expert report on the role of bank regulatory agencies, the examination process, and the duties of examiners. Our team, composed of senior professionals with significant bank regulatory policy and examination experience, leveraged their financial services and regulatory expertise to review and analyze regulatory policies, supervisory actions, transaction data, and other relevant documentation.

Anti-Money Laundering/BSA/OFAC Compliance

FTI Consulting provides a wide range of Anti-Money Laundering/Bank Secrecy Act and OFAC services to financial institutions. Our AML professionals are experienced in complex investigations initiated by regulators and law enforcement agencies. In addition to helping clients respond to regulatory examination and enforcement actions, we perform independent reviews and proactively help design compliance, governance and risk management programs.

Credit Risk

Our credit risk experts help financial institutions manage credit risk and implement policies and procedures that are consistent with industry best practice and regulatory expectations. We provide strategic, operational and transactional credit-related advisory services, evaluating and enhancing critical components of the credit life cycle to help clients meet regulator and investor expectations.

Forensic Accounting/Investigations

We assist financial institution clients respond to allegations of inaccurate accounting and financial reporting, fraud, or other improprieties. We react quickly and confidentially to safeguard assets and reputation, and resolve matters with minimum disruption to the business. Our approach enables us to efficiently gather facts, analyze the issues, and prepare reports and presentations that stand up to regulatory and judicial scrutiny.

Governance

We help clients ensure that their governance practices comply with regulatory expectations and industry standards, are appropriately documented, and consistently executed. In addition, we help clients improve their understanding and oversight of risk management activities, and identify necessary actions to minimize the risk of negative regulatory exams, enforcement actions, or other adverse implications.

Litigation Support and Expert Witness

FTI Consulting's professionals offer a diverse range of skills, expertise and testimony experience to assist clients and their counsel on litigation matters. Our financial institution-related disciplines include interpreting regulatory policy, evaluating internal controls and compliance relative to industry standards/regulatory expectations, and assessing the adequacy of risk management. We offer support across the complete litigation lifecycle, from initial inquiry, investigation or pre-filing, to resolution and post-resolution monitoring.

Regulatory Compliance

Our professionals have practical experience gained from both previous employment with a regulatory agency and through working closely with clients and regulators to respond to queries and remediate examination findings. We understand the regulatory perspective and work diligently to help clients avoid unwanted regulatory scrutiny or resolve identified compliance gaps in an efficient and timely manner.

Risk Management

We help clients improve their oversight of risk management activities and identify necessary actions to minimize the risk of negative regulatory exams, enforcement actions, or other adverse implications.



Thomas Rees
+1 601 254 4042
Thomas.Rees@fticonsulting.com

Stella Mendes
+1 212 841 9363
Stella.Mendes@fticonsulting.com

www.fticonsulting.com/industries/financial-institutions

About FTI Consulting

FTI Consulting, Inc. is an independent global business advisory firm dedicated to helping organizations manage change and mitigate risk: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us on [Twitter \(@FTI_FLG\)](#), [Facebook](#) and [LinkedIn](#).