NRISK CASE STUDY

Montecito Bank & Trust Finds Risk Management Solution That Bends to Their Needs in Nrisk

Montecito Bank & Trust

Size: $2.3 billion

Location: Santa Barbara, CA

Customer Since: 2017

Primary Examiner: FDIC

Challenges:

- Heavily invested in pre-existing risks and controls
- No remote access
- Data only accessible to risk management team
- Time consuming, in-person risk assessments

Results:

- Fewer meetings
- Real-time risk view & reporting
- Easier exam prep
- Minimized headcount
- Simpler reporting
- Easy onboarding
- Amazing support

The Challenge

James Jefferson was looking to replace Montecito Bank & Trust's (MB&T) homegrown risk management solution when he discovered a big hurdle: Most automated solutions weren't customizable. Jefferson wouldn't be able to use the custom risks and controls he'd spent years developing. For example, the organization had cultivated a preferred language for labelling and reporting that was familiar to the board, executive management, and business unit owners.

"We'd have had to throw away everything that we had worked on already, and that's that," said the chief risk officer for the $2.3 billion-asset bank. "We'd have had to start from scratch."

Keeping the old solution was out of the question. A combination of Access database and Excel spreadsheets, it was increasingly cumbersome. "It was starting to become as much work to update and keep the Access database running as it was to do some of our risk assessments using that system," says Jefferson, who also oversees compliance, BSA, information security, fraud, vendor management, and business continuity and has a risk management staff of two.

The system also wasn't easily accessible to staff outside the department or more than one person at time, so Jefferson and his team had to schedule a face-to-face meeting with a business unit owner for each risk assessment.

The Solution

Montecito Bank & Trust found exactly what it needed in Nrisk, a secure online risk management solution built to meet financial institutions exactly where they are in the risk management process—whether that's starting out or looking to automate an existing program.

The cloud-based solution streamlines and automates compliance, making it easy for employees across the institution to contribute to risk management. Jefferson and his team assign risk and control assessments through Nrisk, and the software ensures the right risk assessments go to the right business unit owners at the right time. Automated reminders and task tracking make it easy to oversee the process.

Nrisk lets MB&T leverage its existing custom risk assessments and controls, and when a new risk assessment or control needs to be developed, the bank can rely on Nrisk's extensive library of risk assessments and controls. "It's really that ability to customize and retain what we wanted from our previous system. Nrisk developers merged in our existing processes."

Nrisk also delivered on value. "It was a price that made sense for us," Jefferson says.

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We already had strong risk management in place. We didn't need a system to teach
us that. We needed a system that could work with our existing approach.
For us, it was all about automation and customization.
— James Jefferson, Chief Risk Officer, Montecito Bank & Trust

The Results

Fewer meetings. "We gain the business unit owners' thoughts on their control effectiveness without having to sit down and schedule an interview. We let them work on it on their own time."

Minimized headcount. "The bank has doubled in size, yet we have the same number of staff working in risk management. We would have needed to add additional resources if we hadn't gone with Nrisk."

Easier exam prep. "As you get bigger, you get increased regulatory scrutiny and there's an expectation about doing more and different types of risk assessments. Nrisk helps us know what the regulators are looking for and what we need to be ready."

Risk in real-time. "Being able to see changes real time instead of having to update something manually and work on it later is great."

Simpler reporting. "I have the ability to go in and run a report and it's good to go."

Easy onboarding. "It was pretty easy to just, you know, pick up, and hit the ground running.
The training was there."

Amazing support. "We call to ask how to do things or request enhancements, not because the system is down. I always get a response in a few hours at most."