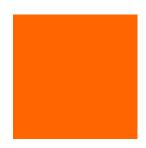
Case Study



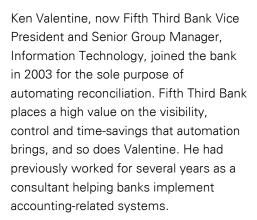
Fifth Third Bank

Top U.S. Bank Partners with Fiserv to Drive Efficiency, Visibility and Standardization in the Financial Close With Frontier™ Reconciliation

As Fifth Third Bank grew, its decentralized, manual reconciliation process didn't meet the bank's high standards for efficiency, accuracy and data transparency. An expert was hired to drive automation of the reconciliation process, and the expert turned to Frontier Reconciliation from Fiserv.



Like most financial institutions, Fifth Third Bank relied on Excel for reconciliation. But when the bank acquired Old Kent Financial Corporation in 2001, the volume of transactions increased substantially. The inefficiencies of the labor-intensive and decentralized manual reconciliation process became apparent. It was time for a change.



Valentine explained, "When a financial institution grows, it needs automation to reconcile accounts in an easily auditable, cost-effective way."

In evaluating reconciliation solutions for Fifth Third Bank, Valentine chose Fiserv because of its solid reputation in financial services and for the partnership opportunity Fiserv offered. "I had a voice in creating the reconciliation solution," he



Client Profile

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio, and the parent company of Fifth Third Bank, an Ohiochartered bank. As of March 31, 2019, Fifth Third had \$168 billion in assets and operated 1,207 full-service banking centers and 2,559 ATMs with Fifth Third branding in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Georgia and North Carolina. In total, Fifth Third provides its customers with access to approximately 52,000 feefree ATMs across the United States. Fifth Third operates four main businesses: commercial banking, branch banking, consumer lending and wealth & asset management. Fifth Third is among the largest money managers in the Midwest and, as of March 31, 2019, had \$394 billion in assets under care.

said. "I had a constant dialogue with Fiserv and other users. We would suggest enhancements based on our needs as well as regulatory changes. The people at Fiserv really listened to us."

Frontier Reconciliation is an enterprise reconciliation solution that forms a complete account reconciliation picture across the organization to make exceptions instantly visible and reduce or eliminate manual interventions.

Workflows fully automate labor-intensive processes and ensure compliance with corporate and regulatory controls. Frontier Reconciliation minimizes the risk of financial misstatement with transaction-level matching and a full audit trail, driving a faster and more accurate financial close.

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Ken Valentine

Vice President and Senior Group Manager Information Technology Fifth Third Bank

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One System for Standardizing Reconciliations

The goal in implementing Frontier
Reconciliation was to centralize and
standardize the reconciliation process
across Fifth Third Bank so reconciliations
could be easily tracked in one place.
"Reconciliations were done by four to
five decentralized groups. But we wanted
one primary system for standardizing
reconciliations and improving visibility into
data," Valentine said.

The bank identified and included account reconciliations enterprise-wide, such as demand deposit accounts (DDA), general ledger, trust ledger and securities. The

bank has since added checks and other payment types.

"We have 98 percent of our balance sheet on Frontier Reconciliation," Valentine said. "There are 17,781 accounts being reconciled by 37 daily reconcilers (centralized) and 26 accounting reconcilers (month-end only). Automation enabled us to reallocate 125 fulltime employees who had been doing reconciliations under the decentralized, manual process."

With the segregation of duties within Frontier Reconciliation, users cannot manipulate data and results like they can in an Excel spreadsheet. This provides protection against fraud and misstatements.

"Auditors can see that all reconciliations are occurring, that the bank is doing true exception management and charge-off management. It verifies segregation of duties.

"We get clean reconciliations because everything is auditable and everything is automated. People have roles and responsibilities and their entitlements match those roles and responsibilities," Valentine said.

Why Not Automate?

Valentine challenges other financial institutions who are not automating reconciliation. "Ask yourselves 'why not automate'? Why would a manual process be better than an automated process?"

Valentine added, "If you're using an automated solution like Frontier Reconciliation, you can be certain you have strong internal controls that meet regulatory requirements such as Sarbanes Oxley. With Frontier

Reconciliation, Fifth Third has achieved incredible operational efficiencies.

"If you have any kind of appreciable volume, I don't know how an organization can perform true exception management through manual reconciliation.

"If you've got hundreds of thousands of transactions per day, it's a lot of work to load them all onto a spreadsheet, making sure to get the right balances, making sure you get everything matched up. I've got to believe the risk is high in those areas that are manual."

Not Just for Reconciliation

With its widespread reconciliation usage throughout the bank, Fifth Third Bank has also leveraged Frontier Reconciliation beyond typical reconciliations.

- A second instance of Frontier
 Reconciliation is used for the
 enterprise data warehouse. In
 conjunction with its profitability
 system, the bank captures all of the
 bank's revenue into the enterprise
 data warehouse for reporting. There is
 a "quick reconciliation" to make sure
 general ledger and enterprise data
 warehouse match.
- The bank uses Frontier Reconciliation to do a fraud check when a Fifth Third bank check is presented for cashing

- at a banking center. The bank verifies that it is a valid bank check.
- fraud items associated with credit cards by separating the card activity depending on what happened at the transaction level (signature, pin, manual pin and so forth). This puts the activities in separate classes for follow-up research and handling, making exception management easier.

"Frontier Reconciliation is not just for reconciliation. It can do so much more," Valentine said.

"When a financial institution grows, it needs automation to reconcile accounts in an easily auditable, cost-effective way."

Ken Valentine

Vice President and Senior Group Manager Information Technology Fifth Third Bank Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit fiserv.com to learn more.

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Challenge

Like most financial institutions, Fifth Third Bank relied on Excel for reconciliation. But when the bank acquired Old Kent Financial Corporation in 2001, the volume of transactions increased substantially. The inefficiencies of the labor-intensive and decentralized reconciliation process became apparent. It was time for a change.

Solution

The bank turned to a system expert who chose Frontier Reconciliation to automate reconciliations throughout the enterprise. Frontier Reconciliation minimizes the risk of financial misstatement with transaction-level matching and a full audit trail, driving a faster and more accurate financial close.

Proof Points

- Reconciled 98 percent of balance sheet on Frontier Reconciliation
- Reallocated 125 fulltime employees who had been performing manual reconciliations
- Centralized reconciliations in one standardized system
- Reduced risk through segregation of duties and inability to alter data
- Enhanced visibility into reconciliation and exception management

Connect With Us

For more information about Frontier Reconciliation, call us at 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.

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