

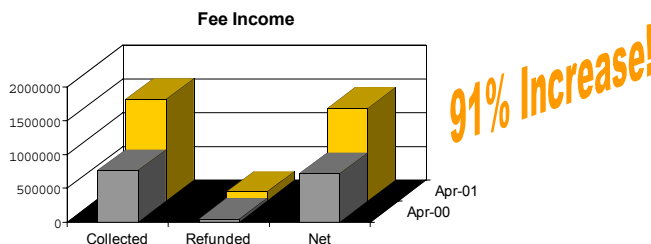


LIBERTY BANK GAINS OVER \$1 MILLION IN NEW FEE INCOME USING EXTENDED OVERDRAFT CAPABILITIES FROM FIDELITY IFS

As the oldest mutual savings bank in Connecticut, Liberty Bank has always focused on providing services for the individuals, businesses and communities in their market. With \$2 billion in assets and 33 banking offices, Liberty Bank's progressive approach has also made them one of the largest banks headquartered in Connecticut.

From its origins as a consumer bank, Liberty has grown to a full-service institution whose lines of business include commercial banking, trust, home mortgages and investment services. In recent years, Liberty has focused on expansion through acquisition and new branch openings, while delivering new products and services that contribute to profitability and benefit customers.

At a Glance



Business Situation

In 1991, Liberty Bank began an evaluation of how they were doing business and whether they should raise fees. During the evaluation, it was discovered that the bank's exception items were being handled manually, and the decisioning process was inefficient and inconsistent at best. Liberty determined that if they could automate exception handling through extended overdraft, the process could be centralized and additional NSF fee-income could be generated.

The Solution

To achieve the automation and integration needed for handling extended overdrafts, Liberty Bank sought a solution from their technology partner, Fidelity Integrated Financial Solutions (IFS). Working with Liberty Bank, Fidelity IFS enhanced its MISER™ core processing system to include extensive functionality for automated extended overdrafts.

"By implementing extended overdraft capabilities in MISER, we not only streamlined our daily branch process, but also increased our fee income from overdrafts by nearly 91%!"

Larry Nawrocki
Vice President

Now, customers have the flexibility to overdraw their personal checking accounts up to a certain limit based on the quality of the account as determined by an automated decision matrix. This means fewer returned checks and increased funds availability when needed most. Liberty Bank has centralized their exception handling and, with a majority of the decisioning being done automatically, realized greater consistency and operational efficiency.

The overdraft extension is available for all channels, with the decision matrix allowing for different criteria to determine the appropriate amount of overdraft available through each. A true win-win solution, the extended overdraft functionality in MISER automatically assesses service charges against the overdraft, resulting in additional fee income for the bank. In the first year alone, Liberty Bank increased fee income by over \$1million while increasing profitability in all channels. According to Larry Nawrocki, vice president, "The best part about the product is its automation. By automating the process, we treat all customers consistently, and NSF fees have almost doubled. Our fee income increased over \$1 million in the first year! And as we continue to expand checking, that number will only go up."

The Results

Liberty Bank increased total fee-income by over \$1million annually through expanded service charge opportunities rather than raising fees.

The customers of Liberty Bank are more satisfied, with fewer personal checks returned for insufficient funds.

Liberty Bank has increased operational efficiency by centralizing exception processing and ensuring consistent handling.