

HOW FIRST STATE MAKES PROGRESS



MANAGING M&A TECHNOLOGY CHALLENGES WITH FISERV

When banks deal with acquisitions and mergers, they prepare for what can be a lengthy transformation period, including completing the business deal, executing the merger, and understanding bank culture—all while serving and maintaining customers. Officers at the Lincoln, Nebraska-based Wilber Company tackled these daunting tasks and topped it off with a major technology shift.

With three different banks running three different core software applications, the holding company quickly determined to address how technology could successfully evolve the different units to form the single \$225 million First State Bank. After evaluating its two existing core vendors, bank executives selected Fiserv, Inc. (formerly Precision Computer Systems), as the best fit for the new bank's business and growth strategies. The real-time online delivery channels offered by Fiserv were particularly attractive to the bank.



CHALLENGE

Merge three banks on different systems to form the single \$225 million First State Bank

SOLUTION

Progress-based Fiserv core banking system Vision™ and Fiserv's Software as a Service (SaaS) offering

BENEFIT

Reduce technology costs by an estimated 20 percent, accelerate the bank's ability to expand or acquire new businesses

“We thought Fiserv was the easiest way we could make that transition. They could assist us with that big jump which was going to be a significant step forward for us,” says Tom Oerter, chief financial officer at First State Bank.



MAKING THE MOVE TO SOFTWARE AS A SERVICE

Fiserv first guided the holding company through a merger/conversion in 2006. The Bank of Yutan (Yutan, Nebraska), which was operating on Fiserv’s BAIS in-house core system, migrated to the PCS Vision™ in-house solution. That set the stage for a merger into First State Bank (Lincoln, Nebraska), which also operated Vision in-house.

First State Bank then worked with Fiserv to leverage the benefits of outsourced Vision processing through the Fiserv Resource Management Division (RMD). Although the migration took place right before year end, the bank quickly experienced the benefits of SaaS.

“RMD saved us a lot of troubles at year end,” says Oerter. “When we were in-house, our staff stuck around to ensure all the year end processing and updating worked. That first year, RMD pretty well took care of it for us—that’s probably the biggest thing.”

The bank has since merged a third institution into First State Bank. Fiserv converted Saline State Bank (Wilber, Nebraska) from another vendor to Fiserv RMD using SaaS. The new First State Bank now operates from its main location in Lincoln as well as 10 branches.

REALIZING SIGNIFICANT BUSINESS BENEFITS

Because some of the bank locations are nearly 100 miles apart, it is important that Fiserv technology delivers efficiencies for the bank. As First State Bank migrated to RMD, it also replaced a third-party check imaging vendor with the Director document storage solution from Fiserv. The combination of Director, Fiserv Back Counter distributive capture and Virtual Item Exchange (VIE) powers improved item processing and image exchange.

This equips financial institutions to strategically shift from a paper-based environment to an image-based environment.

First State Bank expects benefits such as reduced courier costs and faster funds availability. Those applications and MPLS, a Fiserv solution providing multiple data line connections among the bank's locations and RMD, also translate into improved redundancy for contingency planning for the entire institution.

Once all the locations settle into the transition, Oerter expects the entire new suite of Fiserv solutions to "cut the bank's technology costs by 20 percent." Many of these cost savings come from the Vision RMD SaaS offering.

"RMD works really well for us. The people at Fiserv are easy to work with and help us with some of the sophisticated tasks that we have to do. Plus, Fiserv offers a high quality product, which is a real advantage to our business," says Oerter. "The Vision software is really straightforward and easy to use. That makes it user-friendly for our staff, which is particularly important for those new to the system."

SUPPORTING FUTURE GROWTH AND INNOVATION WITH FISERV

Oerter also expects the bank's partnership with Fiserv to be a major factor as it grows and competes in the marketplace. "We're pleased that Fiserv seems to be on the cutting edge with new products. We're competing with numerous banks on different core systems as well as large national banks. I think Fiserv enables us to compete by leveling the playing field for us," adds Oerter.

First State Bank counts on Fiserv to support the bank in accomplishing its long-term growth objectives. "With Fiserv as our partner, we think we've set the stage to open up a new branch with very little up front cost, or if we would acquire, the money we've spent on the Vision system should make the process fairly easy because we now have the infrastructure in place," concludes Oerter.

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*Tom Oerter
Chief Financial Officer
First State Bank*

FISERV



Recognized for its advanced core banking processing, Fiserv is a nationwide supplier of innovative banking solutions designed to power bank growth easily and cost-effectively.

PCS Vision™, the company's flagship system, is complemented by a full line of optional modules that include Internet banking and e-commerce, document management and imaging, transaction processing, risk management and fraud protection, platform and marketing

applications. Located in Sioux Falls, S.D., Fiserv provides both in-house and outsourced solutions to more than 760 banks ranging in size from de novo to more than \$10 billion in assets. More information about Fiserv can be found at www.fiserv.com

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

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