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RIGGS BANK

Case Study

Conversion Assessment and Support

ADS Financial Services Solutions is a strategy consulting and systems integration firm dedicated to serving the needs of the financial services industry. ADS offers rapid, cost effective solutions to its clients' business challenges through its in-depth financial industry expertise, project management expertise, and technology expertise.

CLIENT

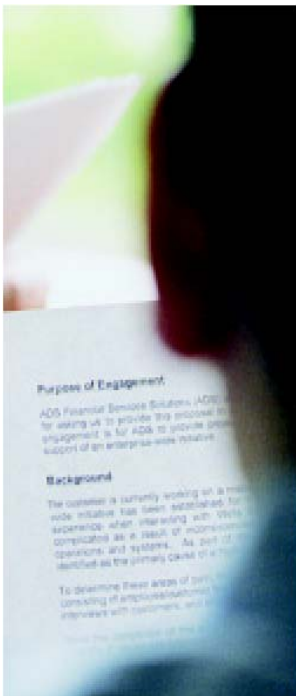
Riggs National Corporation ("Riggs") is a Washington, D.C.-based financial services holding company with banks in the Washington, D.C., metropolitan area; Miami, Florida; London, England; Jersey, and the Channel Islands. Its primary operating subsidiary, Riggs Bank N.A., serves the Washington, D.C. community with 28 locations in the District of Columbia, 14 in Virginia and 6 in Maryland. The corporation's common shares are traded on the NASDAQ National Market System under the symbol "RIGS."

SITUATION

Riggs National Bank had recently completed a bank-wide operational assessment designed to determine methods for reducing operational costs, enhancing business performance, and to provide a higher degree of service to their customers both domestic and international. Part of what the assessment revealed was that Riggs could realize an immediate \$4.8 million reduction in charges and operating expenses for 2002 and improve its customer service efficiency by upgrading its domestic technology system. To that end Riggs began the EPS (Enhancing Performance and Service) initiative. Riggs also knew that in order to successfully implement the new technology it would require that they make major process adjustments in some of their key operational areas.

CHALLENGE

When ADS was called in to help Riggs with their EPS initiative, the conversion portion, (converting the core banking system from Metavante to Fidelity Banking Systems) was experiencing difficulties and had been pushed back from end of 1st quarter to Labor Day weekend. This was the last date available for Fidelity National so Riggs had to be completely prepared. This was also the first and the largest conversion Riggs had undertaken in more than 8 years. Fidelity National was managing the implementation/conversion effort and they relied heavily on Riggs employees for support tasks. Additionally Riggs had just offered an early retirement incentive to its employees and many of the longer-term employees who held key knowledge, were retiring and leaving major gaps in the day to day operations management.



RIGGS BANK *(continued)*

The conversion would require the complete redesign of all operational procedures in the Consumer Loan and Deposit Services areas. Realizing the potential for exposure to risk, ADS was asked to assist in these areas. ADS initially supplied two resources for the Loans and Deposits areas. Riggs quickly recognizing that ADS' professionals possessed project management skills, industry knowledge, solutions oriented thinking and implementation experience expanded the team to 11 dispersed throughout the operations departments to act as partners with Riggs management to assist where needed in assimilating the new system processes into their existing business model, back-fill various vacant managerial positions, and stabilize the day to day activities in these areas

APPROACH

Because many of our consultants are former bank operations and conversion specialists, ADS could present Riggs with a team of individuals capable of determining and applying the new system processes to the existing bank operations. The ADS team would work with Riggs Management Staff and the Fidelity Implementation team to:

- Identify gaps in service and processes
- Identify additional training requirements
- Determine new procedures
- Restructure department functions
- Provide risk management assistance
- Advise and back-fill various operations management positions
- Train and support staff pre and post-conversion.

With our extensive background and experience working with projects of this size and complexity, the ADS team could provide Riggs with tools from our Project Management Methodology and conversion toolkits to help them control and stabilize the existing operations, resolve interim issues, track success, and monitor the status of the ancillary projects related to the initiative.

RESULT

ADS served as a partner to Riggs to help them successfully restructure and redesign their business processes, document new procedures, define a system balancing process, and define and document a process to achieve a balanced General Ledger. ADS' solution-focused thinking also allowed Riggs to develop a number of workarounds and interim procedures for processing gaps.

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RIGGS BANK *(continued)*

BENEFITS REALIZED

The ADS team that began with 2 ADS resources expanded from 2 to 11 within 45 days because Riggs realized ADS could provide solutions based on their experience proven capabilities within the financial industry. When the conversion concluded, 3 ADS personnel were retained to assist in the DDA reconciliation effort and an additional ADS team was requested to work on resolving outages in the Branch Cash Settlement accounts. The BCS team resolved two weeks worth of outages in 50 Branches amounting to more than \$50 million in unaccounted for transactions.

Astute observations from ADS employees provided visionary options to Riggs National Bank. Riggs met their conversion objectives. In addition, ADS provided the following long-term benefits:

- Streamlined Department processes - *(Loans, Reconciliation, Returns)*
- Improved internal communications - *(Call Center Implementation)*
- Conversion Readiness Assessment
- Trained staff - *(Windows, ALS, Fidelity Banking Products, Onyx)*
- Outstanding Item Reconciliation procedure - *(General Ledger, DDA Settlement)*
- Daily Balancing Process - *(General Ledger, DDA Settlement)*
- A balanced conversion
- Comprehensive loan department desk procedures - *(Consumer, Credit Lines)*
- Developed Interim Payment processing procedure - *(Lockbox failed to implement)*

The observations from the ADS employees provided the visionary options Riggs Bank needed to deliver a successful initiative. The bank was able to look at their operational structure with more objectivity and to develop practices that created efficiencies to benefit the bank for the long term.

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