

Fifth Third invests in 5-year network upgrade as part of \$112M contract

BY PENNY CROSMAN

Fifth Third Bancorp has made a major investment in its electronic network as part of an effort to modernize its branches and partner with fintech firms.

The Cincinnati company discussed the five-year project to upgrade its network Thursday at American Banker's Retail Banking 2017 conference in Miami. Part of a \$112 million renewal of a preexisting contract, the upgrades will allow customer video-conferencing with remote experts, Wi-Fi inside branches, distance learning and real-time data feeds to fintech partners.

Fifth Third has already begun piloting self-service video kiosks in its branches. People tend to be intimidated at first, but once they use a video teller they become comfortable, said Jerry Frederick, chief infrastructure officer at Fifth Third. Wi-Fi in the branches is allowing staffers to help customers using computer tablets.

A benefit of the new software-defined, wide-area network is that it can be adjusted quickly, Frederick said. Previously a request for higher bandwidth took 60 days for the network provider to execute, but using new software-defined routers from Viptela, provided by Verizon as a managed service, can increase network speed at a location within a few days.

Empowerment: "If the network is not available, the work is not being done," Jerry Frederick, chief infrastructure officer at Fifth Third, said



in explaining the fundamental benefits the company's network upgrade would provide branch workers and others.

"If you have a cable box in your house and you want to go from 10 megs to 30 megs, no one comes out to your house – they do a software push," Frederick explained. The Verizon service is similar for the bank as changes are made through software rather than hardware.

This should improve efficiency throughout the bank, according to Frederick.

"If the network is not available, the work is not being done," Frederick said. Branch employees are said to have already noticed their applications run faster, and the higher-performing network helps with data-loss prevention and backup.

In addition to enabling video and Wi-Fi in the branches, the faster network foundation is helping the bank move to agile development, use a nimbler web-services architecture and partner with fintechs, said Nimesh Amin, chief enterprise architect at Fifth Third.

"We're trying to go in that direction – more API-driven, more web-services driven," Amin said, referring to application programming interfaces.

Fifth Third is working to centralize data to improve compliance and customer analytics. "We have a lot of overhead when it comes to compliance and regulatory," Amin said.

And the bank hopes its new network will help it share real-time data with fintech partners.

"You can either try to fight fintechs or you can work with them," Frederick said. "Good ideas come from everywhere. If someone has developed it further, faster, why not" take advantage of that, he said. "If we're sharing data with credit card processors, why wouldn't we do the same thing with fintechs?"

"To think that we can do it better than they can is not logical," Amin added. "If someone's already done it, and it's secure data and it works, why not leverage that?"

Corrected March 26, 2017 at 2:17PM: Based on information provided by a Fifth Third executive, an earlier version of this article said the company was investing \$112 million in the five-year networking project with Verizon. After publication, a spokesman for the company contacted American Banker and said the \$112 million figure referred to the renewal of a preexisting contract, only a small portion of which will be used for network upgrades.