



FIFTH THIRD BANK

Effective Fiduciary Governance Process and Reporting

The 2023 FIRMA National Training Conference

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The “C”s of Governance

Collaboration

Central Repository

Centralization

Committees and Councils

Communication

Second Line (sounds like “C”)

Collaboration

- *Definition “Process of two or more people, entities or organizations working together to complete a task or achieve a goal”*
- Partnership between all three LODs
 - Invited guests at various committees/councils
 - Utilize external Roundtables to obtain advice on how other banks are handling different scenarios
 - Pre-Risk Tracker
- Partnership between sub-LOBs
 - Administration/Operations/Investments
- Self Identification of Issues within 1st LOD



Central Repository



Acceptance Hierarchy

Approval Grid



Conflicts of Interest

Create a repository of Conflicts of Interest controls



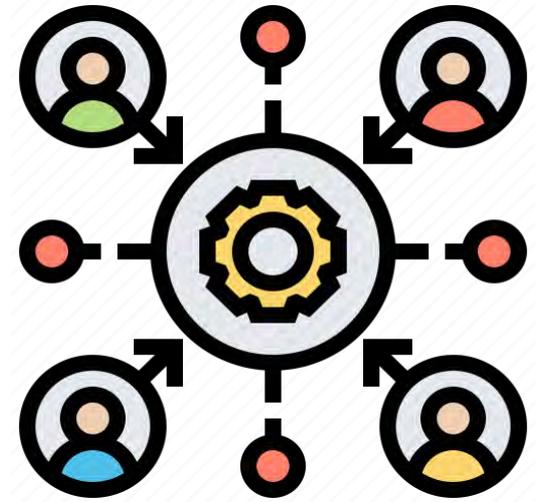
Framework Documents

Collateralization
Regulation R

See appendix for example of COI Repository

Centralization

- Acceptance of new business
 - Approvals of trusts
 - Approvals of Unique Assets
- Account Opening
 - Distribution of client paperwork (e-sign)
- Cash and Asset Movement
 - Centralized Authentication
- Administrative Reviews
 - Exceptions charged to relationship manager, but cleared thru centralized team
- Account Closing

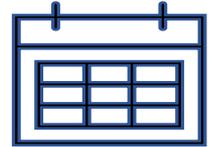


Committees and Councils

- Committees/Councils should include all risk items
 - Line of Business reviews
 - New/Closed accounts; Discretionary approvals
 - Policy/Procedure changes
 - Risk programs
 - Risk Assessments
 - Change Management
 - KRIs/KPIs
 - Operational Losses
 - Regulatory Change
 - Open Issues
 - Complaints
 - 1 LOD QC results
 - Exception monitoring
 - Administrative Review exceptions
 - Overdrafts
 - Uninvested Cash
 - Investment Exceptions (NETBH, Concentrations, Bancorp Holdings)
 - Categorization/Trending
 - 2nd and 3rd Line Reporting
 - Minutes
 - Good quality minutes are important – Minutes should stand on their own

Communication

- Escalation
 - Don't be hesitant to communicate when there is an issue
- Guardrails around closure dates
 - Low/Moderate issues – close within 18 months
 - High/Regulatory issues – close within 12 months
 - Build in cushion to show sustainability of resolution



Second Line Partnership

- Rely on Second Line for expert opinions
 - Regulatory Compliance
 - Operational Risk
 - Legal Risk



Appendix – COI Repository Example

Conflicts of Interest Area	Reference in W&AM Policy	Procedure Name	Pre-Acceptance Control	Council/Committee Oversight/Reporting	Reporting	Controls	Who owns the control	Frequency
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- Used the OCC Conflicts of Interest Handbook to document the Conflicts of Interest Area
- Reference the Article # from the Fiduciary Policy
- Reference the LOB procedure name and applicable section
- Mark an X if there is a control within the Pre-Acceptance process
- Mark an X if there is documentation being presented to a committee or council
- Mark an X if there is reporting in place
- Detail verbiage of the control within the Controls column
- Reference the Controls Owner
- Reference the Frequency (Daily/Weekly/Monthly/Annually)

Disclosures

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Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio and the indirect parent company of Fifth Third Bank, National Association, a federally chartered institution. As of June 30, 2022, Fifth Third had \$207 billion in assets.

Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending, and Wealth & Asset Management. Wealth & Asset Management is comprised of Fifth Third Private Bank and Fifth Third Institutional Services. Franklin Street Trust Company, Franklin Street Advisors, Inc., MainStreet Investment Advisors, LLC, and Fifth Third Wealth Advisors, LLC are all indirect, wholly owned subsidiaries of Fifth Third Bank, National Association, and Fifth Third Bancorp. Through these Trust and Registered Investment Advisory businesses, Fifth Third ranks among the largest money managers in the Midwest and, as of June 30, 2022, had \$512 billion in assets under care, of which it managed \$54 billion for individuals and organizations of all types and sizes. Investor information and press releases can be viewed at [53.com](https://www.53.com). Fifth Third's common stock is traded on the Nasdaq® Global Select Market under the symbol "FITB." Fifth Third Bank was established in 1858.

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