

WINTRUST FINANCIAL CORPORATION

STANDARDIZING LENDING PROCESSES ACROSS 15 CHARTERS ENABLES WINTRUST FINANCIAL CORPORATION TO ENHANCE RISK MANAGEMENT.

WINTRUST FINANCIAL CORPORATION.

Wintrust Financial Corporation (Wintrust) is a financial services holding company based in Lake Forest, Illinois, with assets of \$11.5 billion. The company provides traditional community banking services, as well as wealth management and insurance premium funding. It is a community-oriented, personal and commercial bank that serves customers located in the greater Chicago metropolitan area through 15 wholly owned banking subsidiaries.

ASSESSING AND AGGREGATING LOAN PORTFOLIO DATA.

While the unique structure of 15 independent charters has been a large driver of Wintrust's success, it has also led to discrepancies across the charters, including:

- ◆ Lack of standardized lending processes
- ◆ Varied use of the loan processing system
- ◆ Management and board reporting

Wintrust chose to standardize the loan data capture process across the charters rather than collapse the charters and consolidate, because the separate charters have successfully propelled Wintrust's growth. Wintrust hoped that by standardizing the loan data capture process across the charters and reviewing the data elements of the existing portfolio, it would improve the ability to:

- ◆ Assess the risk and exposure of the individual charters
- ◆ Aggregate risk and exposure across the holding company
- ◆ Comply with regulatory and management requests

Facing an aggressive timeline in order to comply with regulatory reviews and meet its second-quarter reporting deadline, Wintrust turned to West Monroe Partners for assistance in designing and implementing a solution. West Monroe Partners offered broad financial services experience and deep technical expertise.

SUSTAINABLE IMPROVEMENTS ACROSS KEY OPERATIONS.

West Monroe Partners worked with Wintrust to assess the loan process discrepancies across the charters, design a detailed roadmap to repair the discrepancies, and implement the new loan data capture process across the charters. The two concurrent work streams included:

Loan Standardization

- ◆ Gain consensus on new loan data standards and lending practices
- ◆ Train credit, finance, and loan operations personnel on new requirements
- ◆ Implement standard lending practices successfully across the holding company

Loan Review

- ◆ Apply new loan data standards to an existing portfolio of more than 28,000 existing loans
- ◆ Upload data changes to the loan core processing system
- ◆ Reconcile loan data changes for each charter

The project team performed testing throughout the project to ensure the integrity of financial reporting streams. Additionally, it created report templates to standardize reporting across the 15 charters.

Wintrust was able to implement a standardized loan data capture process and accurately reclassify more than 300,000 loan data attributes for the existing loan portfolio. The project produced sustainable improvements in several areas:

- ◆ Enhanced data integrity
- ◆ Standardized system use
- ◆ Formalized data capture
- ◆ Enhanced controls
- ◆ Back-end data reporting
- ◆ ALLL precision
- ◆ Concentration monitoring

West Monroe Partners is an international, full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. With the experience to create the most ambitious visions as well as the skills to implement the smallest details of our clients' most critical projects, West Monroe Partners is a proven provider of growth and efficiency to large enterprises, as well as more nimble middle-market organizations. Our more than 300 consulting professionals drive better business results by harnessing our collective experience across a range of industries, serving clients out of offices across the United States and Canada.