

Case Study



First Ukrainian International Bank

Major Ukrainian Bank Uses Integrated Currency Manager™ from Fiserv to Greatly Reduce Operational and Transfer Costs While Increasing Network Cash Availability

First Ukrainian International Bank (FUIB) is ranked No. 5 among Ukraine's top 100 banks and has been operating in the Ukrainian financial market for two decades. FUIB delivers high quality banking services and consistently works to enhance its customer service by remaining attentive to customer needs. When the bank needed to centralise its cash management process, it turned to Fiserv.



In 2012, FUIB was experiencing cash management challenges across its vast network of locations. The bank's cash management process was decentralised, which meant no standard method for cash forecasting, ordering or setting cash limits for its 200 outlets and 800 points of sale throughout Ukraine. ATM replenishment schedules, amounts and limits were extremely difficult to determine and even more challenging to manage. Further, the bank found its cash limits were not helping it keep up with future demand in many of its locations.

The Search for Help Leads to Fiserv

Realising the need to centralise its cash management operations, FUIB began the search for a solution. "Most of the technology vendors had no real experience with implementations in banks," said Maxim Salutin, head of Non-Trade and Cash Operations Division for FUIB. "We needed a professional team to support the installation and most vendors couldn't provide that for us."

The bank found a technology partner in Fiserv. "We received the strong support we were looking for with the Fiserv project team," Salutin said. "Beginning with the study and assessment stage, Fiserv experts gave us the detailed information we needed on all implementation processes, issues and business process improvements."



First
Ukrainian

Client Profile

First Ukrainian International Bank (FUIB) is rated No. 5 among Ukraine's top 100 banks and has been operating in the Ukrainian financial market for two decades.

- 200 outlets and 800 points of sale throughout Ukraine
- Over 30 thousand corporate customers and nearly 1.5 million individuals
- Asset size: 40 billion UAH (\$1.54 billion U.S. dollars)

Integrated Currency Manager provides robust web-based currency forecasting that addresses supplying, managing and transporting currency across multiple cash points and locations.

Implementation Goals

The level of expertise from the Fiserv team gave FUIB the confidence to move forward with implementing Integrated Currency Manager.

FUIB had high expectations for Integrated Currency Manager. First and foremost, the bank needed the solution to help create a centralised currency management process that optimised staff across its entire organisation. FUIB also needed to optimise cash levels to ensure customer needs were met while reducing cash balances at locations where demand wasn't as great. Operational expenditures needed to be reduced, and the bank was also looking for a quick return on its Fiserv investment.

The Numbers Speak for Themselves

The savings created by Integrated Currency Manager enabled FUIB to cover the implementation costs in just nine months. Other results achieved from implementing the solution include:

- Persons needed to manage the cash management process dropped more than 90 percent from previous numbers
- Operational and cash supply cost savings of more than half a million U.S. dollars quarterly compared to the previous period when the system was not in place
- Cash availability at the ATM increased from 99.25 percent to 99.75 percent
- Cash efficiency ratio (cash usage/cash balance) improved by 53 percent at the branch and 38 percent at ATMs

Results of Currency Management System Implementation

Indicator	Method of Calculation	Result Before Implementation (2Q 2012)	Result in 1 year After Implementation (2Q 2013)	Result in (2Q 2016)	Max/Min Value During 2012-2016
Quality of cash balances in branches	Customers cash turnover to cash balance in branch ratio	29%	42%	76%	88%
Quality of cash balances in ATMs	Customers cash turnover to cash balance in ATMs ratio	18%	28%	34%	45%
ATM availability	Duration of low money error	0,750%	0,220%	0,225%	0,055%
Operational costs of cash flow in branches	Operational (transport) cost-to-customer cash turnover ratio	0,08%	0,10%	0,07%	---
Operational costs of cash flow in ATMs	Operational (transport) cost-to-customer cash out ratio	0,021%	0,03%	0,026%	---
Staff optimisation	Persons in cash management process	42 FTE	4 FTE	4 FTE	4 FTE
Economic effect	Operational and transfer costs savings	---	1,8 mln UAH	14,1 mln UAH	14,1 mln UAH

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The Fiserv Advantage

Integrated Currency Manager provides robust web-based currency forecasting that addresses supplying, managing and transporting currency across multiple cash points and locations. Using advanced forecasting algorithms, the solution automates the forecasting needs of ATMs, branches, vaults and self-service devices, including in-branch currency dispensing units and recycling machines. The global, enterprise-wide solution manages hundreds of thousands of cash points and helps organisations optimise cash levels, streamline cash operations and reduce the costs of supplying cash to customers.

Challenge

One of Ukraine's top 10 banks with 200 outlets and 800 points of sale throughout Ukraine needed to centralise its cash management process in order to create a standardised method for cash forecasting and ordering. The bank had no efficient way to set cash limits, manage ATM replenishment schedules or balance cash levels to meet customer demand without excess cash overages.

Solution

FUIB implemented Integrated Currency Manager from Fiserv to help it create a true, centralised currency management process across the organisation.

Proof Points

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Connect With Us

For more information about Integrated Currency Manager, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.



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