

CASE STUDY:



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In July 1999, Illawarra Credit Union (ICU), based in Wollongong, New South Wales, became the first organisation to pioneer the Credit Union version of BANCS, the state-of-the-art retail banking solution provided by Financial Network Services (FNS) of Sydney.

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FNS BANCS Platform Underpins Expansion Strategy

ICU Chief Executive, Mr Mike Halloran said he is impressed with the reliability and flexibility of the BANCS platform.

“We are able to complete our month end processing on the last night of the month and have statements in members’ hands within one working day,” Mr Halloran said. “All reports are also available on day one of the following month and we relay our MMD data to CUSCAL on day one.

“The flexibility of the system allows us to deliver new products to the market within weeks. In the past year, we have delivered BPay, Internet Banking, Pay Anyone, an All in One Home Loan, new Statements to comply with FSR, Credit Union Decision Point and some new deposit products very quickly and at low cost,” he said.



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"We are also comforted by the strong client support provided by FNS."

The FNS BANCS platform now forms the basis of ICU's expansion strategy, evidenced by its recent merger with Unicom Credit Union.

Mr Halloran said the merger has raised the combined entity's asset levels to \$370M and expanded its branch network to 16 and its number of ATMs to 36.

"After a number of years of under performance, Illawarra Credit Union is back with a bang following our successful merger with Unicom Credit Union," Mr Halloran said.

“ Our integrated marketing plan has attracted \$180M in new business over the last 12 months, ” he said. “Our products per member ratio has gradually increased and our value per member is also well above average. ”

Australian credit unions are currently facing increasing regulatory and financial pressures, including the pressure of interest margins, fees and expenses, as well as rapid advances in technology. This has led to consolidation in the industry, with many credit unions joining forces to take advantage of the economies of scale provided by larger organisations.

ICU's expansion strategy allows its partner Credit Unions to access a broader range of products and services, with a stronger financial position and opportunity for growth, while maintaining their own unique identity. Underpinning this strategy is the sophisticated BANCS solution, which has the advantage of unlimited scalability.

Under the merger, Unicom Credit Union retains its branches, products and branding, while ICU provides the back end systems to support the products, real time transactions, generation of fees and charges and sophisticated reporting capabilities.

BANCS allows partner Credit Unions to retain their own member and account numbers, while seamlessly linking them to a unique account identifier in the BANCS core system. This is in keeping with ICU's growth philosophy, where like-minded partner Credit Unions maintain their individual branding and continue to support their members and local community.

The conversion of Unicom Credit Union's system to BANCS is planned for May 2004.

FNS BANCS Solution:

- ▶ Unlimited scalability
- ▶ Advanced product build features
- ▶ Sophisticated reporting capabilities
- ▶ Real time straight through processing across all products and delivery channels
- ▶ Superior data mining capabilities

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