

CASE STUDY

CIB Bank Upgrades Core Banking to Grow Profits and Market Share



With Fusion Equation providing an agile and modern foundation for our core operations, we are well equipped to develop innovative digital offerings.”

Tamás Ákos
Deputy CEO, CIB Bank

**(THE FUTURE OF
FINANCE IS OPEN**



CIB Bank

At a Glance

Solution

- Fusion Equation

Partner



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About CIB Bank Zrt.

CIB Bank Zrt. offers a full range of commercial banking and investment services to nearly 450,000 customers throughout Hungary. A subsidiary of Intesa Sanpaolo Group, CIB Bank has more than 35 years of experience in universal banking.

The Challenge

Digital technologies have opened up a whole new world of opportunity for banks – enabling them to both expand their local presence and enhance their services. To increase its market share and drive greater profitability, CIB Bank set out to develop feature-rich, omni-channel banking applications that make life more convenient for both retail and commercial customers.

The Solution

As part of a broader initiative to modernize its in-branch and online offerings, CIB Bank worked with Finastra and business partner Ness to upgrade Fusion Equation 4.3 – opening new avenues for innovation.

The Result

Following its upgrade, CIB Bank expects to reduce the annual cost of running Fusion Equation by 35% on a five-year basis, and by 46% on a 10-year basis. The bank has both improved operational efficiency and paved the way to greater profitability, putting the bank on track to reduce its cost-to-income ratio by 20%. With a modern and flexible core banking platform underpinning its customer facing operations, CIB Bank can power innovative digital services designed to attract new customers.

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Tamás Ákos
Deputy CEO, CIB Bank

CIB Bank upgrades to latest-generation Fusion Equation technology to support differentiated digital services that attract new customers and drive profitable growth

The Challenge

Owing to the rise of digital technology, it is now possible to bank from almost anywhere, at any time on a variety of devices.

If banks are to grow their market share in the years ahead, it is essential for them to deliver the responsive and convenient digital experience that customers increasingly demand.

As the first bank in Hungary to offer personal loan services on a mobile application, CIB Bank is well aware of the importance of digital innovation.

Tamás Ákos, Deputy CEO at CIB Bank explains: “We recognize that the future of banking is digital. That’s why we have put the development of new online and mobile products at the heart of our strategy to increase our share of retail and commercial banking.”

As it set out to attract more customers with innovative offerings, CIB Bank recognized that it needed to enhance its core banking system to support more sophisticated requirements.

Tamás Ákos continues: “Our core banking system had become increasingly challenging and expensive to support, contributing to a high cost-income ratio of over 70%.

“Furthermore, we found that we were no longer able to run our mission critical operations at peak efficiency, which threatened to compromise the excellent quality of our service – a risk that we could not afford.”

The Solution

As part of a broader four-year strategy of digital transformation, CIB Bank upgraded its core banking system to gain the performance and flexibility required to support next-generation banking services.

Tamás Ákos says: “Leveraging the Fusion Optimize service from the Systems Advisory Group at Finastra, we put together a business case that convinced key decision-makers at CIB Bank that upgrading to latest-generation Fusion Equation 4.3 was the best way to support our strategic development.”

CIB Bank engaged Ness, its trusted business partner, to implement the new Finastra solution.

“Finastra and Ness provided excellent mutual support throughout the implementation, working co-operatively to help us achieve our goals,” continues Tamás Ákos. “We were particularly impressed by the dedication that the Finastra Global Services team showed throughout the process, always going the extra mile to help when we met any difficulties.

Keen to minimize disruption to the business and customers, CIB Bank followed the Fusion Advance approach to upgrade its core banking system as quickly as possible.

Tamás Ákos recalls: “Thanks to the dedicated support of both Finastra and Ness, we were able to complete this major upgrade in under nine months and within budget. Because the implementation was so rapid, we were able to significantly reduce disruption to our core business and keep our services running smoothly throughout the process.”

Bedrock for Next-Level Banking

By upgrading to Fusion Equation 4.3, CIB Bank has been able to significantly reduce its IT operating costs.

“Following the upgrade, we are on track to reduce the annual cost of running Fusion Equation by 35% on a five-year basis, and by 46% on a 10-year basis,” explains Tamás Ákos. “In turn, this is helping us achieve our goals of boosting profitability and reducing our cost-income ratio to under 55%.”

He adds: “As a state-of-the-art core banking solution, Fusion Equation is not only cost-efficient to maintain but also widely supported by industry experts in the technology community. As support is readily available, we have reduced risk while strengthening the security and resiliency of our most important IT asset.”

With a high-performance core banking system powering its mission critical operations, CIB Bank gains the agility to deliver best-in-class banking services for its customers.

“Across our system we have seen a great improvement in performance,” adds Tamás Ákos. “In particular, we have been able to dramatically reduce the time to deploy new products in our lending department.

“With Fusion Equation providing an agile and modern foundation for our core operations, we are well equipped to develop and support innovative digital offerings that set us apart from competitors and encourage more customers to bank with us.”

By partnering with Finastra, CIB Bank can draw on expert support, best practices and latest industry insights



Finastra continues to show focus and commitment, helping us get maximum value from our core banking solution.”

Tamás Ákos

Deputy CEO, CIB Bank

Partners in Knowledge

Tamás Ákos concludes: “Despite the fact that we are not the largest bank in Hungary, Finastra continues to show focus and commitment, helping us get maximum value from our core banking solution. As well as guiding us on how to develop our systems, Finastra also offers excellent knowledge of the industry.

“We regularly attend Finastra’s thought leadership events, which have provided us with invaluable information on upcoming challenges in retail and commercial banking and how to prepare for them. We will continue to draw upon such excellent support as we move deeper into the age of digital banking.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world’s top 50 banks use Finastra technology. Please visit finastra.com

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