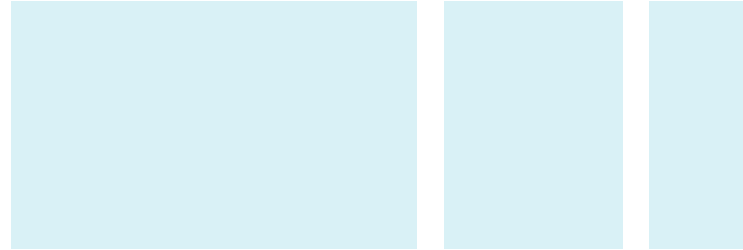


DIEBOLD DELIVERS REVOLUTIONARY CURRENCY EXCHANGE SOLUTION TO RUSSIAN BANK



A strategic alliance with Diebold helps Master Bank offer advanced self-service functionality while realizing increased revenues.

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Client: Master Bank

Location: Moscow, Russia

Network Size: Master Bank is a 2.2 billion rubles corporation. Founded in 1992, Master Bank has 87 branches across Russia and nearly 1,000 full-function ATMs. The bank offers both domestic and foreign customers a wide range of banking, financial and insurance products.

Currency exchange in Russia is one of the most popular banking services offered as consumers traditionally keep their savings in either dollars or euros. However, even the largest financial institutions are unable to meet consumer demand for this service. As a result, currency exchange points have become prevalent across Russia. Most of these businesses either belong to small credit organizations or are operating under an agreement with a bank and keeping its share of the profits. In places with immense currency exchange demands – such as train stations and airports – this service is not always available 24 hours, 7 days a week.

Working together to solve this market issue, Master Bank and Diebold proposed a revolutionary solution – to utilize the bank’s ATM network to offer currency exchange services. By using Diebold’s Opteva advanced function ATMs, which have proven experience of enabling a wide range of non-traditional ATM transactions such as currency exchange, Master



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Alexander Bulochnik, first deputy chairman of the management board, Master Bank

Bank will be able to efficiently and effectively increase revenue and profitability while minimizing its cost investment.

Offering currency exchange via the ATM provides many advantages to the consumer and the financial institution. Customers will now have the freedom to do their banking anytime of the day and no longer have to rely on when the bank branches or currency exchange businesses are open. Master Bank will be able to realize savings on transaction costs, limit the bank’s security risks associated with “human error” and internal theft while lessening its risk of receiving counterfeit banknotes and have greater mobility on where to locate its currency exchange points. Plus, Master Bank will receive additional benefits by extending its reach to non-customers who utilize this service.

Innovative solution transforms ATM Channel into a versatile currency-exchange network

With no ready-made solutions available Master Bank and Diebold jointly developed an innovative solution that automates the exchange of currency through Master Bank’s self-service channel. Utilizing Diebold’s Opteva® 720 ATMs equipped with Bulk Note Acceptor (BNA) and coin dispenser, clients can deposit banknotes in a stack of up to 100 notes and receive the precise amount of cash back, right down to the last penny. One of the most important functions implemented by Diebold specifically on account of Russian market demands was the ability to accept and dispense three different currencies – rubles, dollars and euros. The cash transaction can either be applied to an ATM card or another bank account, with the deposited currency further being converted to that account’s currency.

Master Bank’s security concerns were resolved through the high degree of reliability of the BNA module. Diebold’s solution incorporates best of breed note transport and recognition technology and the latest in fraud-prevention mechanism to reduce risk exposure to counterfeit banknotes. Each note is separately validated and denominated. The built-in detector distin-

guishes the face values of between 30 and 250 banknotes of various currencies, including dollars, euros, and rubles. In selecting a control method for automated currency exchange operations, the management of Diebold and Master Bank concluded that the most efficient way would be to control all stages of the currency exchange operation using a single bank host.

“Our bank is dynamically developing and we are constantly offering our clients new cutting-edge technological services,” states Mr. Alexander Bulochnik, first deputy chairman of the management board, Master Bank. “Optimization of retail banking is a key concept for Master Bank. By introducing new services on full-function Diebold ATMs and transferring a number of traditional banking operations in the self-service sector we provide better service for our clients, who no longer depend on working hours and location of the bank’s branches.”

Delivering superior functionality and enhanced convenience to customers

With Opteva’s flexibility and modular design, Master Bank has been able to integrate future technology



and functionality easily, quickly and economically. The bank installed nearly 500 currency exchange terminals in high volume areas such as Russia's five largest airports: Moscow's Sheremetyevo, Domodedovo, Vnukovo, Saint Petersburg's Pulkovo and Volgograd International Airport.

The bank immediately saw results. More than 30 percent of its currency exchange transactions were completed through these ATMs in 2007.

"We also considerably reduced the time needed for a transaction," added Bulochnik. "It helped us to improve the efficiency of our operations and created the image of a highly technological bank."

Opteva ATMs are capable of performing more than currency exchange operations. These are advanced function next generation self-service banking terminals

that offer clients a wide spectrum of services ranging from the simple issue of cash to automated processing of checks and payment bills. Because of the module's architecture and its ability to add new applications and functions, the Opteva ATM's will not exhaust its full potential for a very long time to come. Master Bank has been constantly expanding the functionality of its ATM networks. Today, the bank's clients may also use Diebold ATMs to pay their utility bills, pay their credit (including those taken in other banks), transfer funds from one card to another, add cash to their accounts or pay off their taxes or telecommunication service bills. In essence, the bank has created a network of automated mini-branches. It now offers numerous automated cash and account operations that may be performed around the clock, not only by cardholders but also clients who had not been previously covered by banking services.

Call on Diebold for the latest in product, service and security solutions.
Since 1859, Diebold has put the customer first.

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