

## *Bank raises float revenue 15%; gains \$1.4 million a year in deficit fees*

### Client

A top 30 commercial bank with average float of approximately \$600 million.

### Business Problem

Float system deficiencies and lack of appropriate resources negate the client's ability to manage float pricing and implement change effectively.

### Financial Incentive

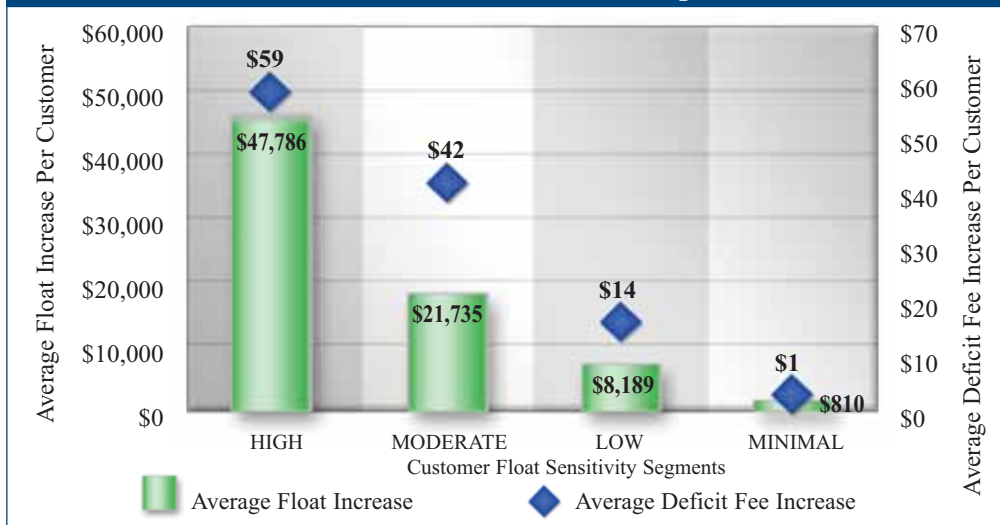
To realize a significant annual benefit through increased float allocation to commercial analyzed accounts.

### Selection Process

The client chose to take advantage of the business partnership between AFS and Spears and Associates to implement a new float management system and to leverage its use through the application of AFS' payments expertise. Particular emphasis was placed on the ability of AFS to provide analysis of competitive availability schedules, segment the customer base by pricing sensitivity, model results based on actual customer deposit mix, and implement effectively.

### Resulting Benefit

**AFS Bank—Float Sensitivity Segmentation Analysis**  
Float Increase and Deficit Fee Increase: Impact Per Customer



### From Contract to Delivery

AFS conducted a three month analysis that resulted in a stratification of the customer base and recommendations for multiple new availability schedules that were competitive and increased float revenue for the bank. Implementation of the new schedules was supplemented by AFS' participation in testing system output and the development of new policies and procedures for bank staff. In addition, AFS provided benefit measurement methodologies and ongoing tracking of results.

### Mandate ...

Manage float to generate a new revenue stream.

### ... Achieved

- ♦ Realized a 15% float revenue increase across base of commercial analyzed accounts
- ♦ Anticipate \$120,000/month in increased deficit fees
- ♦ Implemented more competitive float pricing
- ♦ Established float as a price point with customers
- ♦ Attained revenue with virtually no customer reaction
- ♦ Maximized revenue and minimized risk by active management of exception pricing
- ♦ Implemented fractional availability where applicable to recover unplanned float costs