

Contact:

Bill Cox
Experience Communications
208.381.0001
bill@experiencecom.com

Jakki Geiger
Director of Marketing at Nomis Solutions
650.588.9800 x 221
jakki.geiger@nomissolutions.com

Nomis Solutions Introduces Nomis Price Optimizer™ Suite 3 to Enable Profit-Based Pricing

Banks and Finance Companies Use Pricing to Gain Strategic Advantage and Increase Profits within Three Months

San Bruno, CA September 19, 2006 — Nomis Solutions, the leader in Profit-based Pricing for banking and finance, today announced the delivery of its Nomis Price Optimizer™ Suite 3. Available immediately, the suite enables financial services organizations to attain the next frontier in pricing: Profit-based Pricing. The solutions help maximize profits, while maintaining market share and revenues by utilizing customer response data to tailor pricing by product and customer segment.

Successfully deployed within innovative consumer lending, home equity lending, and auto finance businesses, Nomis Price Optimizer helps achieve higher profits through the strategic use of customer data. The solution provides an understanding of how specific customer segments value various financial products, and how price sensitive they are. Using this information, it generates the optimal rate and price that should be offered. All Nomis Solutions customers have achieved between 10-20 percent uplift in profits within the first three months of use and have generated a 10 times return on investment (ROI) within the first year of use.

While Price Optimization has been used successfully by industries such as airlines, hotels, manufacturing and retail, no Price Optimization solution thus far has been able to leverage the unique data and profitability dynamics of lending and deposit businesses. The majority of financial services firms still set prices based on cost, risk, market changes, and anecdotes. Because of the valuable data that banks and finance companies collect from customers, and the data collection investments they have made over the past 10 years, they are very well positioned to achieve significant financial benefits and gain valuable insights into how customers use and value their products and services.

"Historically, pricing as a discipline was undeveloped at HBOS and we had a one size fits all approach," said Douglas Craddock, head of pricing, loans, Halifax Bank of Scotland (HBOS), the third largest provider of Consumer Loans in the UK. "After partnering with Nomis Solutions to implement a Profit-based Pricing approach to our \$9 billion Consumer Loans business, we have improved the quality of our pricing decisions across the portfolio without compromising our volumes, recouped our investment, and gained significant insights about the business."

Utilizing sophisticated analytics, customer insights and optimization technology, Nomis Price Optimizer Suite 3 enables banks and finance companies to:

- **Better Tailor Prices and Maximize Profitability:** Three capabilities enable this benefit. First, by leveraging lost quote data, the solution provides a better understanding of customer price sensitivity. Second, incorporating business goals allows the solution to increase profits while maintaining volume and credit quality. Third, accounting for adverse selection enables the solution to understand the critical interactions between pricing and risk.

- **Enhance Customer Loyalty and Boost Lifetime Profitability:** Two key factors enable this benefit. First, the solution offers a full relationship view by taking multi-product information into account when determining price recommendations. Second, managing the impact of price attrition, pre-payment, and default ensures that profit improvements are sustainable over time.
- **Better Track and Control Pricing Decisions:** Two features enable this benefit. First, providing an integrated view of the entire pricing process provides the ability to monitor performance, analyze gaps and opportunities for improvement, and learn how the market responds to new rates and prices. Second, having a record of all pricing decisions and the factors that influenced price provides more control over disparate impact and enables banks to better meet regulatory requirements.

Dr. Robert L. Phillips, CTO of Nomis Solutions and author of [Pricing and Revenue Optimization](#), added, "Profit-based Pricing is about financial service organizations understanding customers, specifically the value they place on various products, in order to maximize the profits of each product offering. Nomis Solutions' customers realize tangible results within the first three months of deployment and then gain continual improvements as they gain more insights about their own customers."

Bobbie Britting, senior analyst of consumer lending at TowerGroup, recently published a report, titled: "Profit-Based Pricing: Time to Stop Leaving Money on the Table." Available at Nomis Solution's website www.nomissolutions.com, the report explains why the time is right for Profit-based Pricing.

About Nomis Solutions

Nomis Solutions is the leader in Profit-based Pricing for banking and finance. The award winning Nomis Price Optimizer™ Suite is designed to strategically use pricing to increase profitability while maintaining revenue and market share. Because of the unique needs of each banking and finance business, the suite includes specific solutions for the following: Direct and Indirect Auto Finance, Home Equity Lending, Consumer Lending, Deposits, Mortgage, and Treasury Services. Each solution is implemented in just 10 weeks, provides valuable customer insights, and increases profits by 10-20 % within three months. All Nomis customers have achieved 10 times return on investment (ROI). Headquartered in San Bruno, CA, Nomis Solutions has offices in Charlotte, NC, New York, and London, UK. Visit www.nomissolutions.com or call 650-588-9800 for more information.