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Pricing and Profitability
Management for
Financial Services

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Auto Finance Market Profits from Pricing and Profitability Management Suite from Nomis Solutions

*Suite Leverages Strategic Pricing and Offer Optimization Capabilities to
Improve Financial Performance*

SAN BRUNO, Calif. December 2, 2008 -- [Nomis Solutions](#), a leader in best-in-class Pricing and Profitability Management for financial services companies, today announced the immediate availability of its suite of solutions and services specifically tailored for auto finance companies. The Nomis Pricing and Profitability Management Suite™ for Auto Finance capitalizes on Nomis Solutions' domain expertise within auto finance and includes pricing, offer and portfolio optimization capabilities. Through a combination of advanced analytics, innovative technology, and tailored business practices and processes, the Suite for Auto Finance improves financial and operational performance.

A number of the world's leading auto finance and bank executives were granted an exclusive preview of the Nomis Solutions Pricing and Profitability Management Suite at the [Global Pricing Optimization Forum in New York](#). John William Snow, chairman of Cerberus Capital Management and former Secretary of the Treasury, delivered the keynote address and said, "Mis-pricing leads to misallocation of resources and waste in the system. In the current situation, mis-pricing has led to cataclysmic results. But, businesses that are going to make it and break through to the other side are going to have to use analytics to really understand their customers in a way that's beyond what they are doing today. We are doing it at Cerberus because we know it's critical to success."

Burdened by a combination of decreasing auto sales, declining margins, increasing losses, and a scarcity and higher cost of capital, auto finance executives need to be proactive and look for new approaches to pricing and profitability management. With the ability to quantify consumer response to pricing, executives can align pricing goals and a pricing strategy with business objectives and financial performance targets. This approach also supports an intelligent debate on the inevitable tradeoffs such as profit, volume and risk goals, tier/term mix, credit score distribution, and loan-to-value (LTV). Once performance goals are set, prices can be optimized to achieve profit, volume and credit mix targets from the portfolio level down to the micro-segment level.

Auto loans are the second largest subsector of asset-backed securities (ABS). Auto finance companies that are reliant on the ABS market are finding capital scarce and investors are demanding to know more about the underlying assets. This combination has resulted in an extremely selective secondary market that is requiring loan portfolios that are "originated-to-order" – meaning investors want transparent loan portfolios that offer only certain types of financing

products to certain types of borrowers. However, most executives don't have visibility into the makeup of the portfolio they would build based on the prices they are planning to put into the market. With Nomis Solutions Pricing and Profitability Management Suite, auto finance executives are able to forecast what they can expect to acquire as a result of a pricing action before putting prices into the market. The ability to predict the impact of price on consumer response enables them to optimize their credit and term mix within the context of their risk and ABS conduit tolerances.

The Pricing and Profitability Management Suite for Auto Finance includes:

- **Nomis Offer Optimizer™:** The Nomis Offer Optimizer is built for credit analysts that engage in deal-by-deal negotiations and want to customize offers to meet the needs of the auto finance company, the Finance & Insurance Manager, and end-consumer. This solution centralizes all the key data inputs required to make an informed decision, such as the characteristics of the borrower, vehicle and dealer, dealer history and the proposed deal terms. It also provides simulation and optimization capabilities for deal structuring and pricing so that credit analysts understand the impact of various options on key performance indicators (KPIs) such as profits and deal conversion before responding to the dealer.
- **Nomis Navigator™:** Designed specifically for senior management responsible for one product, a line of business with multiple products, or multiple lines of business, the Nomis Navigator is an executive dashboard that provides enhanced visibility into critical banking metrics for auto finance companies. This includes capturing actual and forecasted performance over time and highlighting areas of exposure in new originations by providing cautionary guidance and profit opportunities in the existing portfolio. It can be configured to meet the needs of a bank executive that is interested in better tracking KPIs such as volume, profit, credit mix, by product, geography and customer segment. In addition, alerts can be set up to quickly identify, diagnose and respond to emerging problems.
- **Nomis Price Optimizer™:** Created for executives responsible for pricing loan and deposit products who want to capitalize on strategic pricing to drive financial performance from the portfolio down to the micro-segment level. The award-winning Nomis Price Optimizer is the backbone of the Pricing and Profitability Suite and delivers a clear understanding of consumer response and how price impacts performance. By leveraging this information, pricing teams can quickly pinpoint which segments are incorrectly priced and better tailor pricing decisions to meet performance targets. Nomis Price Optimizer also helps build a more attractive portfolio mix to meet the "originations to order" requirements of the securitizations market.

"Nomis Solutions' continued focus on the Auto Finance market in the U.S. and Canada is changing the way in which traditional and non-traditional lending institutions compete and service their customers," said Frank Rohde, chief marketing officer at Nomis Solutions. "Auto Finance has always been astute at creating pricing models that account for the depreciation of the asset, incorporating customer response data and market and attitudinal changes. Nomis Solutions' Pricing and Profitability Management for Auto Finance provides an integrated platform allowing executives to make decisions to better manage and optimize lending practices for profit improvements."

Today's announcement of Pricing and Profitability Management Suite for Auto Finance is complemented by the release of the Pricing and Profitability Management Suite for Retail Banks. Both solutions were unveiled to more than 75 bank and finance executives at the [Pricing and Profitability Executive Forum](#) in New York, and at the [Pricing & Profitability Executive Summit in Europe](#) that was co-hosted by TowerGroup and Nomis Solutions.

About Nomis Solutions

Nomis Solutions enables best-in-class Pricing and Profitability Management for financial services companies. Through a combination of advanced analytics, innovative technology, and tailored business processes, the Pricing and Profitability Management™ Suite delivers quick time-to-benefit, and improves financial and operational performance throughout the customer acquisition and portfolio management processes.

The Pricing and Profitability Management™ Suite of business solutions includes the award-winning Nomis Price Optimizer™, the Nomis Offer Optimizer™, the Customer Portfolio Optimizer™, and the Nomis Navigator™. These solutions are designed to meet the specific requirements of auto finance, home equity lending, personal lending, mortgage, and deposits executives. Select customers include Abbey, AmeriCredit, Bank of Montreal, Chrysler Financial, HBOS plc, and Royal Bank of Canada. Headquartered in San Bruno, CA, Nomis Solutions also has offices in London, United Kingdom. Visit www.nomissolutions.com or contact us at info@nomissolutions.com or 650-588-9800.

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