

CANADIAN LENDER USES NOMIS SOLUTIONS

to Expand Market Share and Gain a Significant Competitive Edge



COMPANY RESULTS

- ✓ \$100,000+ average annual increase in loan volume
- ✓ Advanced forecasting capabilities
- ✓ 1.10% average increase in net interest margin
- ✓ \$33 million total incremental margin revenue

AT-A-GLANCE

Concerned about its competitive position, a large Canadian bank set a three-year goal to increase its rank in personal lending from number five to number three. However, the bank found it difficult to increase market share in a highly competitive and crowded market with limited visibility into customer preferences.

Enter Nomis Solutions. Using advanced data analyses to create a brand-new rate grid that offered unique tiers to attract additional customers, the bank realized almost \$33 million in incremental margin revenue and ultimately, improved its competitive market position.

CHALLENGE:

Steady, Sustainable Growth



Bank executives understood that pricing had an important impact on a clients' choice of personal loan options, but they did not quite have the price sensitivity insights required to tailor their personal lending offering to different customer segments.

It was important to the bank that the planned growth strategy was steady and aligned with the overall market, as well as within acceptable risk tolerance levels. Executives were also committed to maintaining profitability as the portfolio grew.

SOLUTION:

Quick-win Process Enhancements



With the actionable, data-driven insight obtained using Nomis Solutions' advanced technologies for lending, the bank developed a new approach to implement quick-win process enhancements and product adjustments, as well as improve the customer experience across the lending process.

The pricing team leaned heavily on Nomis' advanced data analysis to create a new rate grid that offered unique tiers to attract more customers.

Upon implementation of Nomis Solutions' technology, the bank was able to:

- ✓ Increase loan volume an average of \$100,000+ annually for three consecutive years.
- ✓ Raise net interest margin an average of 1.10% annually for three consecutive years.
- ✓ Realize total incremental margin revenue of nearly \$33 million.

SOLUTION:

Leveling the Competitive Landscape



In addition to volume, margin, and revenue growth, the bank is now equipped to make more informed decisions that meet its specific business targets overall. Not only are team members able to visualize the impact of proposed rate changes before they happen and model multiple what-if scenarios, but pricing decision-makers can now respond quickly and confidently to market changes.

Further, the bank can now identify the most price-sensitive customer segments to better understand what rates are most appropriate for various clientele based on customer behavior and trends. Pricing can also be adjusted to support operational strategies and key objectives as the portfolio evolves.

Based on industry benchmarks and metrics that Nomis Solutions can access in its robust repository of data, this bank previously trailed competitors. Now, with a deeper level of competitive intelligence and operational transparency, the bank is a leader in many key categories.



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