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Nomis Solutions Study of Canada's Unsecured Personal Lending Market Reveals Pricing Practices Are a Top Priority of Market Leaders

BenchMark Consulting International unveils results of pricing practices survey sponsored by Nomis Solutions that the majority of UPL pricing decisions are based on a limited number of predictive models. Most use a risk-based pricing approach adjusted for competitive rates. 34% consider reaching profit or volume targets to be their greatest challenge in 2007. 83% of participants have plans to improve pricing processes in the next year.

[Nomis Solutions](#), the leader in Profit-based Pricing for banking and finance, and BenchMark Consulting International today disclosed the results of a comprehensive study of Canada's unsecured personal lending (UPL) market. The study, available immediately through Nomis' website, www.nomissolutions.com, captures the current pricing practices of Canada's key lending institutions as well as the movement towards enhancing current pricing practices to achieve greater profits without sacrificing market share.

BenchMark's study revealed that the majority of UPL pricing decisions are based on a limited number of predictive models. Most use a risk-based pricing approach adjusted for competitive rates. 34% consider reaching profit or volume targets to be their greatest challenge in 2007. 83% of participants have plans to improve pricing processes in the next year.

While each surveyed organization shared similar products for unsecured personal loans, the level of pricing sophistication varied among four out of five largest banks in Canada. The report details the various pricing approaches in practice in Canada, the factors considered when making pricing decisions, and the growing appetite for a Profit-based Pricing approach in the unsecured personal lending market.

"All lenders surveyed have goals to increase volume and increase margins in 2007," said Brian King, consumer lending practice manager at BenchMark Consulting. "Canadian financial institutions are realizing the value of advanced analytics and price optimization to most effectively price their products to their various customer segments in order to better achieve their business performance goals."

Specific findings of the survey reveal that

- * The level of pricing technology varied somewhat between organizations.
- * Most participants use some predictive modeling, but of these, most use only one or two models.
- * While pricing responsibility is distributed across a variety of groups within the lending organizations, Product Management resources have the most significant impact on pricing.
- * The number of price points for unsecured personal lending products was fairly limited, with most institutions reporting ten or fewer price points.

"BenchMark's research validates what we have seen in our work with our customers in Canada and around the world. There is a notable shift towards using pricing to enable a bank's overall customer-centric strategy," said Dr. Robert L. Phillips, founder and CTO of Nomis Solutions and author of [Pricing and Revenue Optimization](#). "An additional benefit of a rigorous pricing approach that incorporates advanced models and analytics is the ability to meet the growing need to demonstrate regulatory compliance surrounding each lending transaction."

About BenchMark Consulting International

BenchMark Consulting International has specialized in improving the financial services industry since 1988. The company is a management consulting firm that improves the profitability of its financial services clients through the delivery of management decision making information and change management services to realize the benefits of business process changes. BenchMark Consulting International's expertise is in the designing, managing and measuring of operational processes.

The firm has worked with 39 of the top 50 (in asset size) commercial banks, all 14 automobile captive finance corporations, several of the largest consumer finance corporations and many regional banks throughout the United States. Internationally, BenchMark Consulting International has worked with the five largest Canadian commercial banks, more than 40 European organizations in 11 different countries, in addition to financial institutions in Latin America, Asia and Australia. The company is a wholly owned subsidiary of Fidelity National Information Services, Inc. BenchMark has dual headquarters in Atlanta, GA and Munich, Germany. For more information please go to www.benchmarkinternational.com.

About Nomis Solutions

Nomis Solutions is the leader in Profit-based Pricing for banking and finance. The Nomis Price Optimization Suite™ is designed for executives whose top priority is to strategically use pricing to increase profitability while maintaining revenue and market share. Because of the unique needs of each banking division, the suite includes specific solutions for the following industries: Direct and Indirect Auto Finance, Home Equity Lending, Unsecured Personal Loans, Deposits, Mortgage, and Foreign Exchange. Each solution is implemented in 12 weeks, provides valuable insights about the business, and increases profits within three months. All Nomis customers have achieved 10X ROIs. Headquartered in San Bruno, CA, Nomis Solutions has offices in Charlotte, NC, New York, and London, England. Visit www.nomissolutions.com or call 650-588-9800 for more information.

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