

CUSTOMER SUCCESS STORY

Super Regional Midwestern Bank

The Challenge

A Super Regional bank had challenges with stabilizing margins on their long-term funding sources while growing their deposits portfolio to be able to deliver more consistent profit results and fuel the lending side of the bank. They also wanted to be able to find sources of price sensitivity even in low interest rate environments. Underlying this challenge, was moving the bank from a largely manual, yet sophisticated, pricing process to a more software-driven and scientific approach.

Additionally, the forward thinking project leader was highly focused on readying the bank for what he knew would be a much more competitive environment as rates rose. "This may be the first rising rate environment where banks actually go out of business," he told us.

Outcomes

31x ROI

WITH INSIGNIFICANT IMPACT
ON BALANCES

30%

INCREASE IN THE ABILITY
TO ATTRACT FUNDING SOURCES
WHILE OPTIMIZING THE SPREAD



SIGNIFICANT VISIBILITY
IMPROVEMENT

Results

Over the course of 5 months, Nomis together with the bank partnered to deploy Nomis™ Price Optimizer for deposits. Nomis worked alongside their team to define models for all the products in the bank's deposit portfolio. By identifying price sensitivity across the deposits portfolio the bank was able to increase interest rates to retain its most sensitive consumers and lower rates for their least sensitive. Moving to Nomis™ Price Optimizer resulted in:

- A 31x ROI with insignificant impact on balances
- A 30% increase in the ability to attract funding sources while optimizing the spread
- A significant improvement in the visibility that this stable, growing, and profitable portfolio was delivering through key reports delivered by the Nomis solution, which has aided the bank in overall governance.

New Capabilities

With the new solution in place, the bank now enjoys capabilities that it did not have before the deployment. The bank now:

- understands and can frequently measure ALL the components that determine price sensitivity which includes new signals not previously measured by the bank.
- rebalances product durations consistently to emphasize long-term money at the best possible spread.
- makes science-based decisions that are data and software driven to reach their financial goals giving the field more confidence in the pricing function and senior leadership more insights into their process and results.



“Having additional insights and analysis in a way that is easily digested by partners in the field gives them a lot more confidence in what we’re doing. The capabilities improve the conversation.”

VICE PRESIDENT
RETAIL PRODUCT MANAGEMENT
LARGE MIDWESTERN REGIONAL BANK



The bank now considers Nomis™ Price Optimizer part of its standard analytical horsepower to optimize its deposit portfolio. The smart team of pricing analysts who used to be burdened with significant manual work for every pricing meeting, is now even smarter by leveraging automated, software-based

analysis to focus on creating better strategies and executing smarter decisions, not manually analyzing customer trends. The transition has moved the bank from a conversation of “what does this trend mean” to “what strategy should we adopt with this new insight.”



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About Nomis

Nomis is a fast-growing FinTech focused on ensuring on-going value creation for the world's smartest financial institutions through optimized, end-to-end, customer-centric pricing capabilities. Institutions of all sizes leverage Nomis' unparalleled domain expertise and their market-leading Nomis Platform™ to operationalize cutting-edge Big Data and AI to understand and anticipate customer demands, competitor actions, and market dynamics.

Nomis has a proven track record of increasing customer and stockholder value, returning nearly \$800 million to its partner banks every year.

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