NPO for Unsecured Personal Lending

Achieve growth, profitability, and risk/stability goals for your portfolios through advanced software and a strategic, scientific, and closed-loop pricing process. Proven to deliver results, Nomis Price Optimizer™ allows managers at retail banks to analyze portfolios, run what-if scenarios, and develop pricing strategies that are optimized for their specific goals.

Unique Capabilities

Know what happened — and why — as you manage your unsecured personal lending portfolio using key metrics that drive your business.

Portfolio Reporting and Analytics

Tap into a rich suite of pre-defined, product-line-specific reports

- Monitor and analyze historical and ongoing portfolio performance.
- Track and review standard metrics, including your own rates, competitive rates, volume, expected losses, and profitability (e.g., marginal net income after taxes).
- Evaluate performance at a granular level by interactively slicing, filtering, and drilling down into the data.
- Analyze your data more deeply by exporting the views and associated data to other applications.
Understand what might happen as you forecast balances, margin, and other KPIs

Predictive Models: Forecast relevant customer behavior and the corresponding impact on volumes as a function of multiple key factors

• Build your view of customer behavior using price, competitive factors, and customer, market, and product characteristics.
• Leverage proven Nomis predictive models (booked-to-approval), and optionally, those built by your own analytics team.

Profit Model: Generate key cost/loss, income, and profitability metrics.

• Define your own inputs using industry-standard, parameterized, product-line specific profit models.
• Analyze at any level, from individual customer accounts all the way up to your full portfolio.

Global Assumptions Management: Manage input parameters and assumptions.

• Ensure that model assumptions are relevant to the underlying predictive and profit models.
• Maintain version control and make audits easy.
• Develop global assumptions and enforce them in all scenarios and pricing actions.

• Support local assumptions that apply to user-specific scenarios.
• Easily manage assumptions by importing from and exporting to Excel.

Scenario Analysis and Reporting: Forecast the impact of proposed pricing tactics with various business, competitive, and market assumptions.

• Compare business-as-usual baselines to alternate scenarios.
• Project impact of decisions on volume and profitability KPIs.
• Calculate expected metrics across hundreds of thousands of micro-segments.
• Evaluate alternate pricing tactics and assumptions and understand the resulting expected KPIs.
• Analyze the results and drill down to understand the impact on individual micro-segments.
• Export results to Excel and PDF for pricing committee reviews.
Optimize Prices and Set Constraints Based on your Specific Business Goals

- Portfolio Price Optimization: Simultaneously determine a complete set of prices that will optimally achieve your desired business goals while satisfying constraints and operational pricing rules.
- Maximize performance by analyzing hundreds of thousands of segments.
- Leverage our industrial-grade, constrained, non-linear optimization solver through a business-friendly UI.
- Create pricing scenarios with a primary portfolio objective to maximize net income after taxes.
- Include secondary goals or limits such as to maintain current forecasted volume levels.
- Limit the extent of price changes with operational pricing rules (constraints); impose a specific relationship between the rates of different segments (for example, rates increase with risk and decrease with amount).
- Lock prices for cells where prices cannot or should not be changed.
- View optimized rates and recommended changes, along with the corresponding results, in detailed scenario reports.
- Override prices post-optimization, blending science, art, and experience to produce a nuanced pricing strategy proposal.

Strategic Efficient Frontier Analytics

Visualize a series of optimized pricing scenarios that achieve the optimal trade-off between volume and profits

- Generate multiple efficient frontiers based on varying sets of assumptions.
- Support strategic conversation about what is achievable through pricing and the opportunity and cost of each scenario.
- Access the detailed pricing and results underlying each scenario.

Price List Management

Create and publish price lists from pricing scenarios.

- Export approved final price lists to import into your rate distribution or core systems.
NPO for UPL also offers: Performance monitoring to track actual portfolio performance against expectations, with actual-vs-forecast reports to identify segments that have a high variance and to understand the reasons why; strategy analysis to compare and analyze the actual performance of alternate in-market pricing strategies between test and control markets or champion and challenger strategies (a key component of a closed-loop test and learn process); and secure big-data management, with a variety of primary and third-party data feeds that are processed through Nomis’ data and analytics. NPO for UPL is a part of a comprehensive suite of advanced decision-support and frontline pricing solutions for retail bank deposits, mortgage, and lending. If you are responsible for the UPL portfolio in a retail bank and would like to leverage NPO for UPL to help you and your bank reach your goals, please contact Nomis at (650) 588-9800 or info@nomissolutions.com