



We Deliver Opportunities

United States • United Kingdom • Spain • Russia • UAE • Malaysia • Hong Kong • Australia

Profit Insight is a software enabled earnings enhancing consulting firm

Founded in 1973, Profit Insight works with financial institutions globally delivering:

- ◆ **Revenue Enhancement**: Review and optimize product parameters and processes to maximize earnings efficiency.
- ◆ **Revenue Protection**: Evaluate fees, interest calculations, procedures and controls, product structure and pricing calculation methods. Identify missed revenue, system complexity and financial gaps vs best practices.
- ◆ **New Revenues**: Design and introduce new products and services.
- ◆ **Cost Effectiveness**: Review and optimize product cost components and processes to improve product's revenue margins and improve scheme cost management.
- ◆ **Checklist**: more than 1,100 revenue generating ideas.
- ◆ **Resource Efficient**: Majority of work conducted off-site, low impact project.



**300+
CUSTOMERS**



**56
COUNTRIES**



**950+
PROJECTS
DELIVERED**



**\$40 BILLION
REVENUES
GENERATED**

Profit Insight has established various partnerships...



Microsoft field reps actively engage in assisting implementation of PI³ through the Microsoft Marketplace Azure Portal as SaaS



World leading global credit card payments processors for Issuers, Acquirers & Merchants



PI is a VISA Preferred Partner. We contribute with Portfolio Analytics and Revenue Strategies



Data Analytics through PI³ offered through Alibaba Cloud Services



Global cross-border payment solution enabling customers to pay for purchases with their cards by splitting the purchase into monthly instalments

Addressing the revenue gap – overview of Profit Insight

- ◆ Following the off-site audit of customer transactions and statements, product T's & C's and systems parameter settings, Profit Insight presents measurable, tangible strategies that enhance earnings and transactions across SME and Consumer Retail Banking Portfolios such as credit/debit cards, (incl. deferred), current and savings accounts, consumer loans and mortgages - globally
- ◆ This is achieved through the identification of locally, legally compliant, tactical ideas that optimise interest and fee revenues, reduce leakage and some operational costs
- ◆ Through the use of transaction level analytics, Profit Insight presents ideas that drive interest and fee revenues, account acquisition and spend whilst providing a segmented view of overall life-cycle and account profitability
- ◆ Client independent discovery conducted mainly off-site over 6/16 weeks results in the “formal” presentation of 15/20 ideas per portfolio, generating an average €5 to €8 per active interest bearing account per annum, €1 to €3 per non-interest bearing account, a 5 year RoI in excess of 1500%

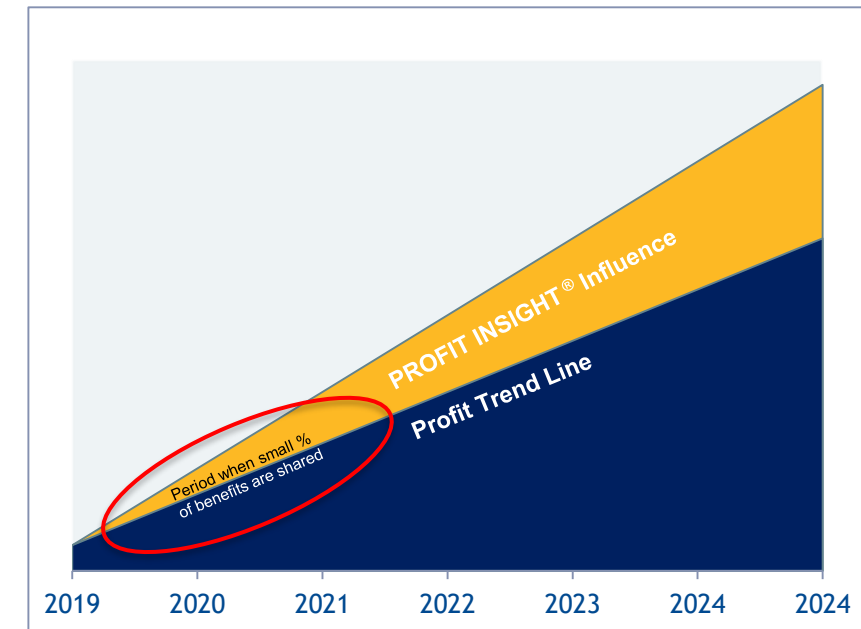
PROFIT INSIGHT®

recommends tactical strategies and solutions that generate exceptional

INCREASES in revenue

and

DECREASES in operational costs



Engagement Process

PROFIT INSIGHT® integrates market intelligence, an internally developed analytics engine, benchmarks and industry insight to identify and implement initiatives that improve earnings across all retail banking divisions and portfolios

◆ Bottom Up Independent Discovery

- Unique, tactical investigative techniques that highlight unusual occurrences and identifies leakage/transaction anomalies
- Independent, non-client influenced study reveals if abnormalities are true revenue opportunities – do not want to be biased by bank staff

◆ Audit Process

- Review customer statements, product terms & conditions, software systems and product parameters / processes to identify solutions
- Develop tactical Retail Banking earnings solutions across all Consumer & SME asset and liability product portfolios

◆ Targeted Gap Analysis

- Experience has taught Profit Insight where to look first, as well as where leakage and optimisation opportunities exist

◆ Minimal Disruption

- Very low profile - 2 /3 analysts on and off-site with minimal disruption to daily workflow
- European-based secure data centre, protecting client's and their customers data integrity – tokenised or anonymised transactions
- Working with client, we set out key project milestones, provide ongoing implementation support and with PI³, regularly present new ideas
- A business model that means the partnership between client and Profit Insight continues long after the presentation of our findings

◆ Results

- Strategies, which when implemented, add significant, client trackable earnings from existing product portfolios

Revenue enhancement – a tactical approach

Holistic approach to identifying sustainable new, profitable earnings growth while ensuring local regulatory compliance and maintaining a fair customer value proposition

25% Protect Revenues Revenue Protection



- Identify leakage
- Review all pricing & billing parameters
- Review assessment methodologies & rules / policies (explicit or implicit)
- Review selected cost lines – Account Fees (admin & maintenance), Cost of Funds, Insurance and Loyalty

40% Drive Revenues Revenue Enhancement



- Optimise fee and interest income via a Checklist of 1,100 plus tactics and strategies
- Product mix, BIN and tariff optimisation
- Payment & revolving balance optimisation
- Credit line management
- Rewards optimisation & cost reduction tactics

10% New Revenues New Features, Products & Services



- Design and introduction of new product and services
- Market introduction strategies
- Identification of value-added services through many partners / specialists

5% Cuts Costs Operational Efficiency



- Customer Experience
- IVR optimisation – (revenue as opposed to a cost centre)
- Mailing & direct customer contact strategies
- Approvals & other process optimisation
- Scheme Billing - primary focus on penalty fees

15% Drive Transactions Analytics



- Customer acquisition, activation, retention
- Propositions, cross-selling & portfolio optimisation
- Declines & FX optimisation
- Profitability/price modelling
- KPI development & tracking
- Segmentation & modelling
- Campaign generating, tracking & reporting
- Trigger marketing

5% Enhance Revenues Partners



- Bancassurance
- Regulatory compliance
- Instalments
- Loyalty
- Open Banking
- PSD/2
- Electronic statementing

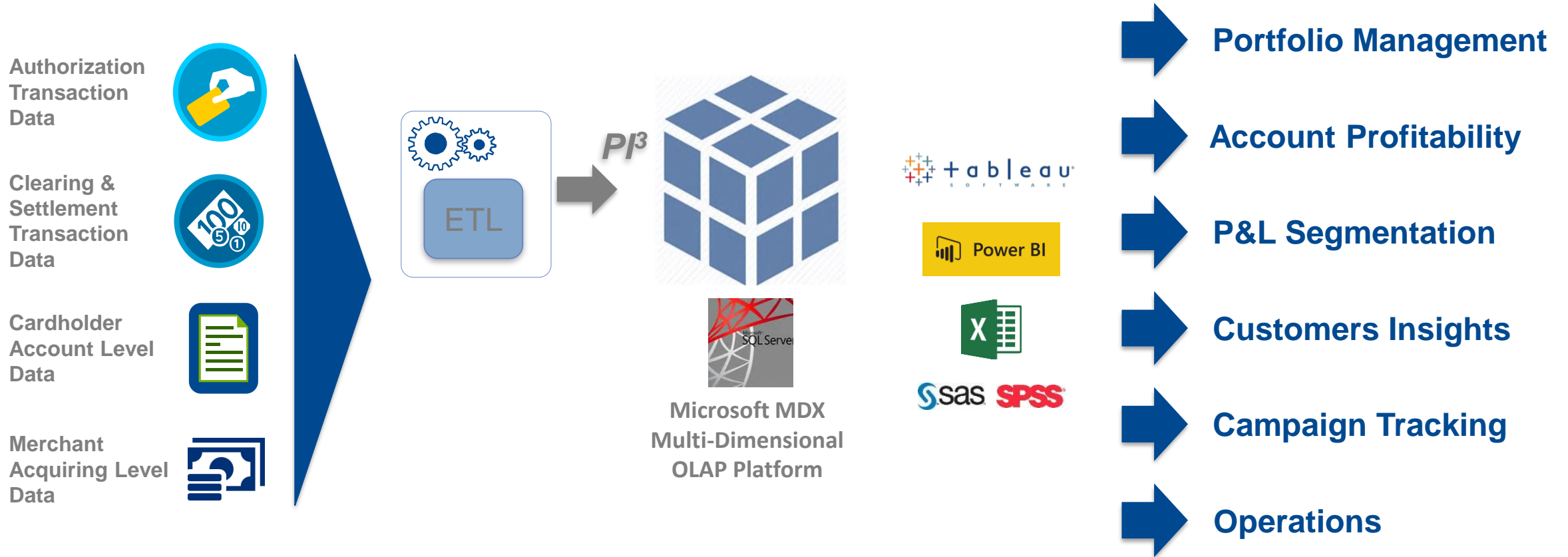
PI³ - democratising data across client's business to support organic growth

- ◆ PI³ is an analytics platform that acts as middleware, using transaction data and account snapshots, on a single platform, enabling business users to readily access data from their desktop via tools such as *Power BI, Excel, Tableau, MicroStrategy, SaS etc.*
- ◆ This MS SQL platform is used to conduct Profit Insight's Earnings Enhancement Engagements, can be easily implemented and is compatible with existing data platforms and analysis tools, yet can be more flexible and cost effective than other more complex 'big data' analytics solutions as Profit Insight works with clients to continually identify new opportunities
- ◆ Make extensive use of partitioning and aggregation to deal with large volumes of data so users are only querying small slices of data - common queries are cached to optimise performance, meaning reports are available at the click of a button
- ◆ Once in place, it enables user friendly speed-of-thought analysis and reporting
- ◆ Developed by payments experts for payment experts, it has an extensive range of measures and dimensions commonly used in the management of retail banking portfolios as standard
- ◆ Supports management of the entire account life cycle, tracking spend by merchant, product and location etc.
- ◆ It is multi-purpose, and once in place, enables resource efficiencies as repetitive tasks and reporting are automated and refreshed as the data in PI³ refreshes
- ◆ Given Profit Insight's business model, (clients can have access to PI³ for up to six months free of charge in return for PI's continued access to data, enabling Profit Insight to present even more ideas), the Platform has a "zero cost-of-ownership"



Card processing with the power of advanced analytics

PI³ – an on-going, key differentiator, that just keeps on giving!



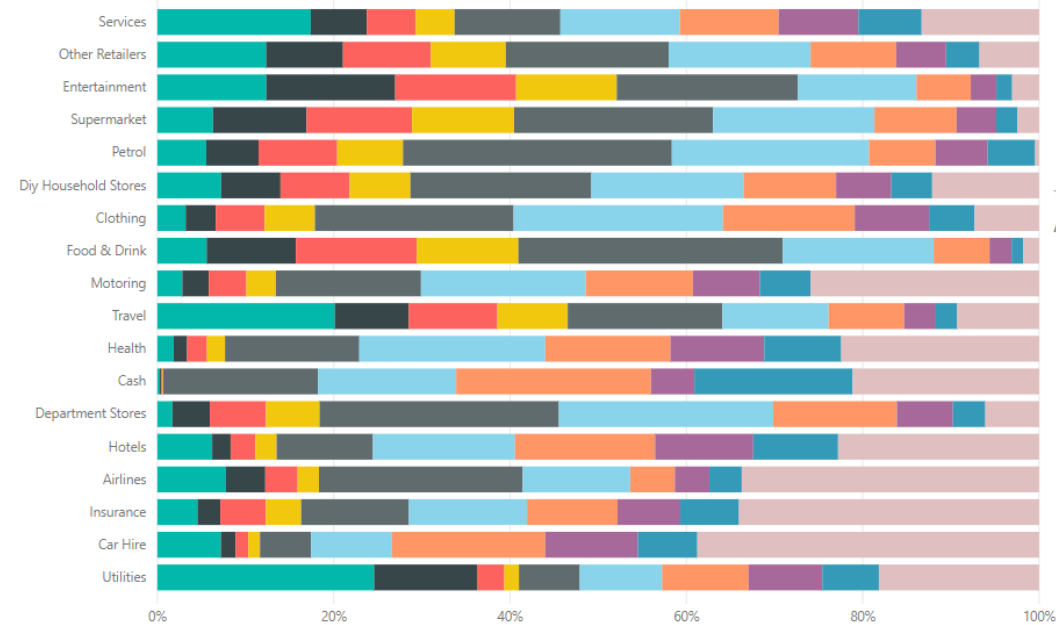
Profit Insight use the resulting analytics on an ongoing basis to identify numerous revenue, cost savings and campaign opportunities as part of their Earnings Enhancement Engagements

Client data remains onsite - provide copies of the PI³ data mart periodically - the Platform is processed & updated on-site by the import, (ETL), of data from client's data mart

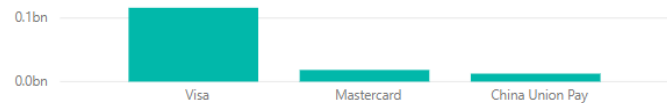
Analytics with maximum granularity

Number of Distinct Accounts and Number Of Cards by MCG and Transaction Band Name

Transaction Band Name: 01: <= \$5, 02: \$5-10, 03: \$10-15, 04: \$15-20, 05: \$20-50, 06: \$50-100, 07: \$100-150, 08: \$150-200, 09: \$200-250, 10: > \$250



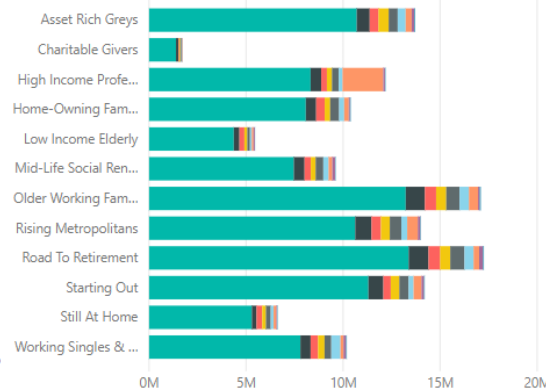
Transaction Amount by Issuer Card Brand



Account Activity Bands	Number of Distinct Accounts
01: <= 30 days	26,867
02: <= 60	3,222
05: <= 180	2,330
04: <= 120	1,932
03: <= 90	1,907
07: <= 365	1,878
06: <= 240	1,457
08: > 365 days	864
09: No Account Activity	390
Total	40,847

Transaction Amount by Segment and Account Activity Bands

Account Activity Ban... 01: <= 30 days, 02: <= 60, 03: <= 90, 04: <= 120

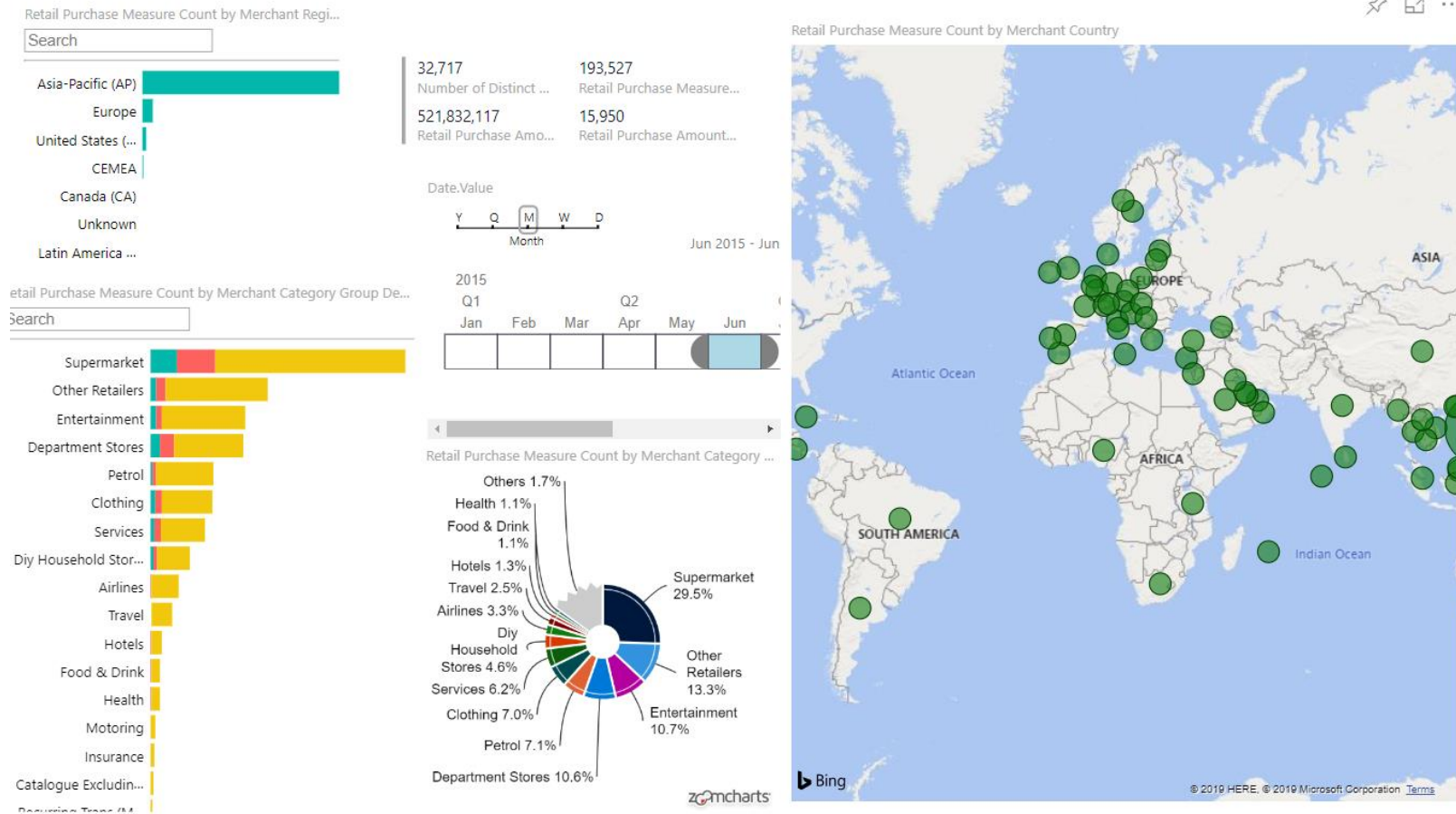


3.60K Value per Account
42.90 Transactions per Account

Analysis can be taken to cardholder/account holder level allowing for maximum granularity:

- ◆ The example represents a view of card usage applying different segmentations.
- ◆ PI³ can be used to track accounts that have slowed down their card use, or stopped completely
- ◆ By crossing segments, transactions bands and activity bands, one can target those specific accounts, that are below the activity threshold, with “Spend campaigns” to incentivise card use.


Enhanced visuals for one-click analytics



The diagnostic and other analysis performed takes us through the journey of card usage.

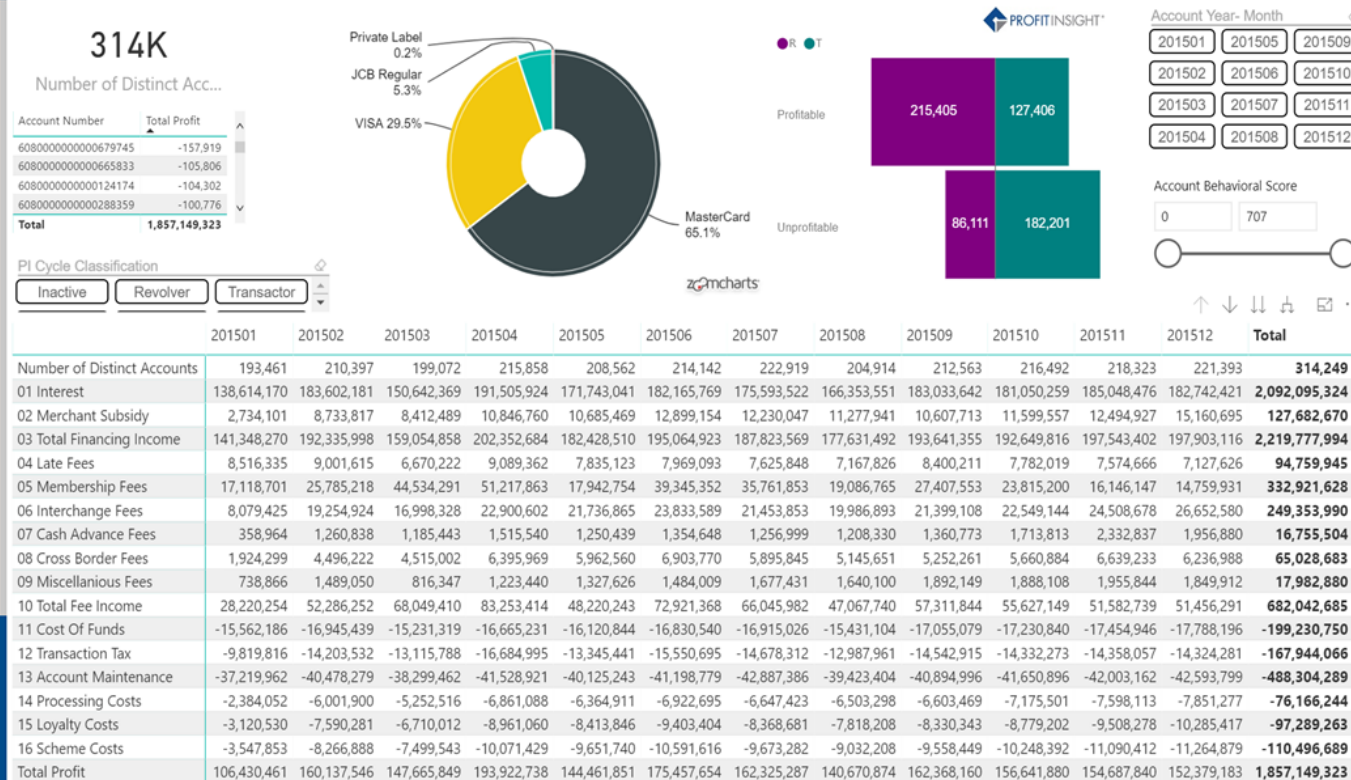
- ◆ With our platform, reports can be easily designed and created.
- ◆ Using the data provided, “at a glance” view analytics can be performed.
- ◆ On the report to the left, Issuers have a quick overview of where (region, country, merchant), when and how much cardholders are spending internationally. By clicking through the fields, Issuers can arrive to the “who” level granularity.

Using PI³, you'll be able to control results anywhere...



PI3 Issuer Profitability Power BI Demo

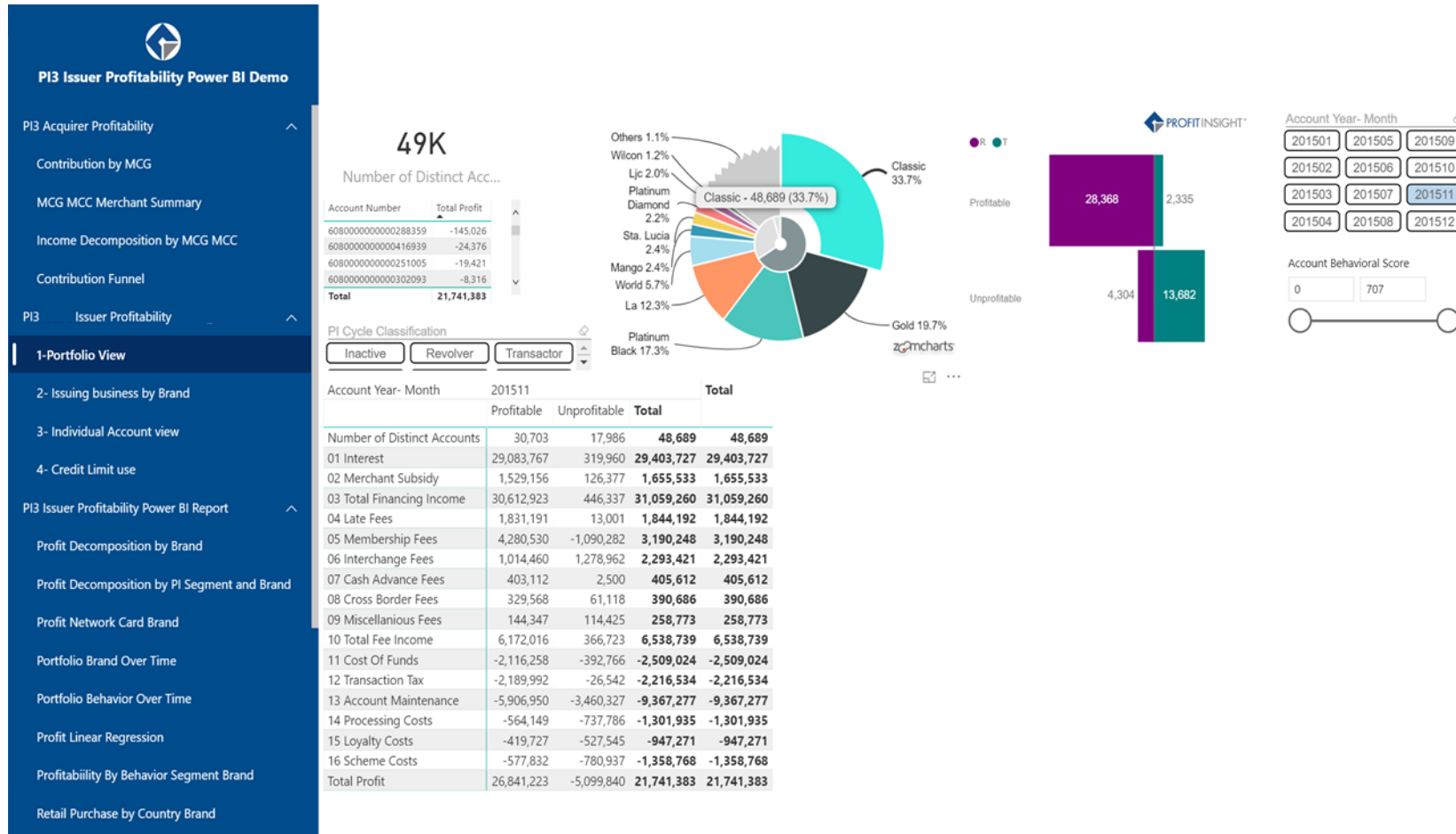
- PI3 Acquirer Profitability
- Contribution by MCG
- MCG MCC Merchant Summary
- Income Decomposition by MCG MCC
- Contribution Funnel
- PI3 Issuer Profitability
- 1-Portfolio View**
- 2- Issuing business by Brand
- 3- Individual Account view
- 4- Credit Limit use
- PI3 Issuer Profitability Power BI Report
- Profit Decomposition by Brand
- Profit Decomposition by PI Segment and Brand
- Profit Network Card Brand
- Portfolio Brand Over Time
- Portfolio Behavior Over Time
- Profit Linear Regression
- Profitability By Behavior Segment Brand
- Retail Purchase by Country Brand



PI³ contains both prebuilt and co-developed analytic views and reports which are available 24/7 for your organization so that you don't miss a step.

- ◆ The example represents a portfolio's 12 month P&L.
- ◆ It also let's you split it by month, Revolvers and Transactors, account Behavioural Score, Brand and product.
- ◆ The P&L can also be drilled down further as shown in the following slide.

... and deep dive into the data...




With a few clicks, you can drill down to better understand where profitability is coming from:

- ◆ Taking the example from the previous slide, we've drilled down the Mastercard Classic portfolio to see:
 - ◆ A specific month;
 - ◆ The split between profitable and unprofitable Mastercard Classic accounts in that month;
 - ◆ The list of the 49k accounts that are contributing to that month's results.

We can then take this a step further and in the next slide we look at specific account to better understand its profitability behaviour throughout the year.

...to have a closer view of a pool of customers...



PI3 Issuer Profitability Power BI Demo

PI3 Acquirer Profitability

Contribution by MCG

MCG MCC Merchant Summary

Income Decomposition by MCG MCC

Contribution Funnel

PI3 Issuer Profitability

1-Portfolio View

2- Issuing business by Brand

3- Individual Account view

4- Credit Limit use

PI3 Issuer Profitability Power BI Report

Profit Decomposition by Brand

Profit Decomposition by PI Segment and Brand

Profit Network Card Brand

Portfolio Brand Over Time

Portfolio Behavior Over Time

Profit Linear Regression

Profitability By Behavior Segment Brand

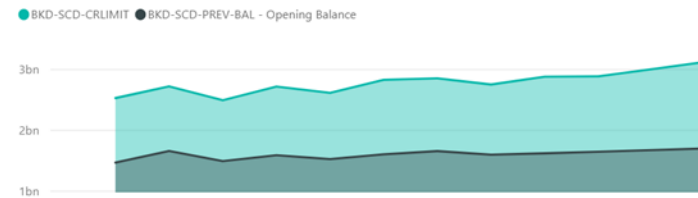
Retail Purchase by Country Brand



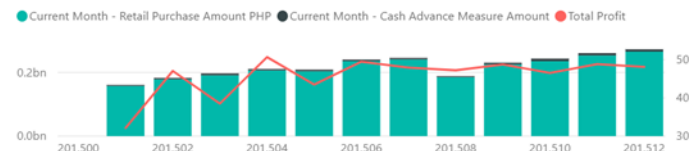
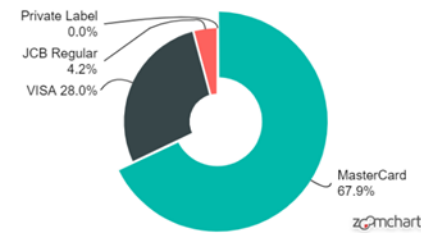
Credit Utilisation % by Account Year- Month



PI Cycle Classification	Inactive Revolver	Revolver
PI Profitability - Profit 01 - Profit YN	Profitable	Profitable
Product	Number of Distinct Accounts	Number of Distinct Accounts
	Credit Utilisation %	Credit Utilisation %
Citrus Classic	83	135
Classic	4,626	7,474
Corporate	4	8
Fully Booked	16	35
Gold	2,209	3,859
Hbc	6	12
La	1,457	2,269
Ljc	226	327
Mango	246	514
Personal Liability	1	1
Platinum Black	785	1,754
Platinum Citrus	2	2
Platinum Diamond	155	463
Sta. Lucia	317	544
Wilcon	263	208
World	146	303
Total	10,542	17,908
	71.52 %	65.07 %

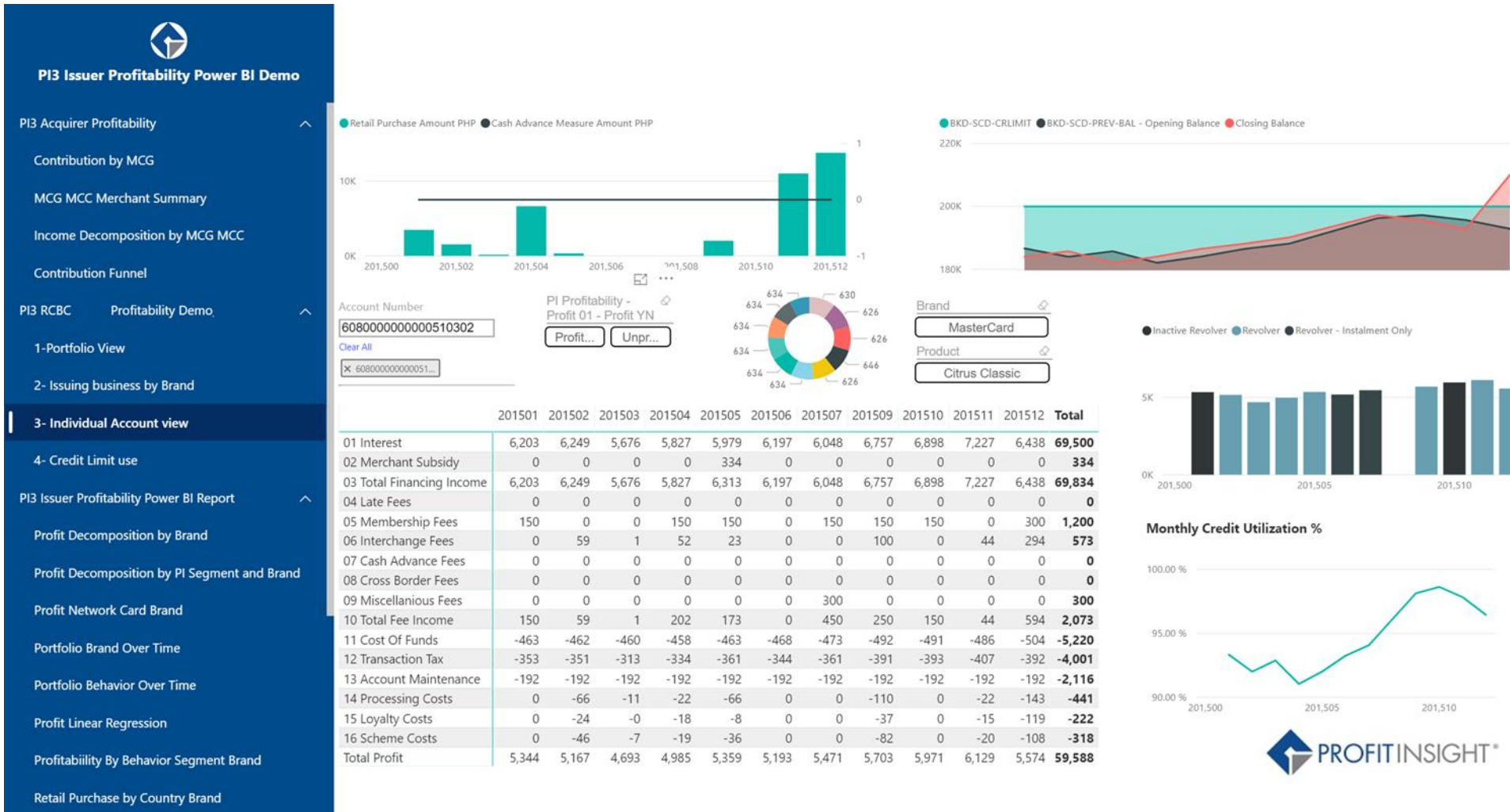


Account Number	Total Profit
6080000000000679159	-10.862
6080000000000669199	-10.636
6080000000000583915	-10.359
6080000000000697087	-8.981
6080000000000506109	-6.801
6080000000000458104	-6.649
Total	48,859,015



- ◆ With PI³, Credit Line management tools can be available for managers to access and detect trends that require actions.
- ◆ Managers can use information related to pinpoint marginal customer pools that can be reconsidered for credit increases by filtering:
 - ◆ Behaviour scores,
 - ◆ Card usage,
 - ◆ Profitability and others

...and pinpoint individual customers.



Maximum level of granularity is obtained through the use of the App.

- ◆ Managers drill down into the customer pools to zoom customer details and obtain insights:
- ◆ Income drivers
- ◆ Historic behaviour scores
- ◆ Card activity
- ◆ Credit limit usage
- ◆ others

Profit Insight – Global Experience

40 • 6 • 40
YEARS • CONTINENTS • \$BILLION

For over **40 years**, customers on **6 continents**, have realised over **\$40 billion of** incremental financial opportunity.

300 Customers
56 Countries
950 Engagements

Americas

- Bank of America (7)
- Royal Bank of Canada (7)
- MBNA (6)
- American Express (4)
- Wachovia (4)
- ABN AMRO (3)
- Bank of Montreal (3)
- G E Capital Finance (3)
- HSBC (3)
- CIBC (2)
- J P Morgan Chase (2)
- Wells Fargo (2)
- Banamex
- Banco Santander
- Bank of Nova Scotia
- Citizens Bank
- Rogers
- Toronto Dominion
- Numerous Community Banks

EMEAR

- BNPP (6)
- Addiko (5)
- Raiffeisen Bank International (5)
- Royal Bank of Scotland (5)
- Santander Group (5)
- Co-Operative Bank (4)
- Lloyds Banking Group (4)
- BBVA (3)
- Citibank (3)
- Deutsche Bank (3)
- Eurobank (3)
- UniCredit (3)
- Allied Irish Banks (2)
- Capital One (2)
- HSBC (2)
- MBNA (2)
- F N B South Africa (2)
- Nedbank (2)
- Piraeus (2)

Asia/Pacific

- ANZ Bank (3)
- Metrobank Card (3)
- BankWest (2)
- ANZ Indonesia
- Am Bank
- American Express
- China Everbright Bank
- China Merchants Bank
- Cosmos Bank
- David Jones
- FEIB
- G E Money
- Guangfa Bank
- State Bank of India
- HDFC
- Kotak Mahindra Bank
- Mauritius Commercial Bank
- RCBC
- Standard Chartered