

Sub-Saharan African Bank

Customer Characteristics

A Sub Saharan Africa Bank specializing in retail banking & credit cards.

Highlights

Over 20 solutions were identified

Annual benefit of proposed solutions - \$10.9 million

Value and creativity of solutions presented to client far exceeded their expectations

Engagement Objectives

The engagement objectives were to identify revenue enhancement solutions focused on improving interest income, fee revenue and reduce expenses. Targeted Business Units:

- Retail Banking
- Credit Card Issuing (including ATM Operation Analysis)

THE BANK

The bank is a major financial institution in Sub Saharan Africa with combined banking assets of over \$6.0 billion, 40 branches and over 150 ATMs. They maintain foreign entities in several regional countries. Their global rankings (The Banker – July 2010) for the Top 1000 Banks are:

- Top 25 - Sub Saharan Africa
- Top 50 – Return on Assets
- Top 125 – Profits on Average Capital

BACKGROUND

Initial discussion with the bank began in late June 2011 with executive management recognizing the opportunity that PROFIT INSIGHT® could share with their organization. After a brief negotiation period the on-site engagement team began in late September 2011.

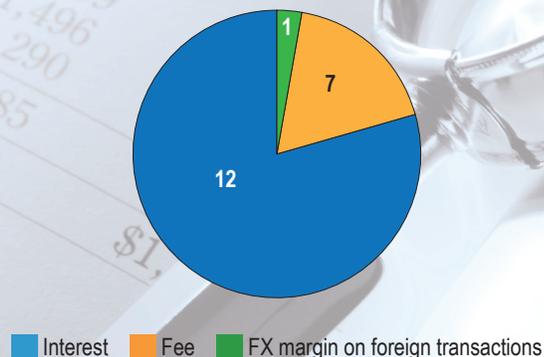
It was decided that PROFIT INSIGHT® would direct their focus on retail banking products and the credit card issuing portfolio. Both business units under review had a significant market share within the country and the bank was concerned about providing a high standard of customer service along with competitively priced products.

RESULTS

The 11 week on-site analysis produced 20 revenue solutions that were presented to the Executive Management Team. The breakdown by Business Unit is in the following table:

Business Unit	Number	Benefit Value
Retail Banking	9	\$9,500,000
Credit Card	11	\$1,466,667
Total	20	\$10,966,667

The following graph illustrates the revenue improvement by revenue source.



The Executive Management Team and the head of the individual Business Units approved 8 strategy solutions to be implemented during a Phase I implementation cycle. The combined value of the approved solutions equals \$1.7 million. The first set of strategies was scheduled to be implemented within 150 days after the completion of the on-site engagement.

PERCEPTION VS. REALITY

Throughout our typical sales process clients will often times question our ability to deliver the results PROFIT INSIGHT® promises to deliver. This is particularly true when dealing with "high performance" organizations which are accustomed to stellar results and expect nothing less. Prior to finalizing the sales process PROFIT INSIGHT® provided our client with an estimated benefit opportunity based on a preliminary review of financial results and account activity.

ENGAGEMENT OVERVIEW

During the course of the 11 week on-site engagement PROFIT INSIGHT® had two senior managers present at all times. Weekly status reports were provided to the Executive Management Team by PROFIT INSIGHT® for engagement monitoring and guidance.

The first several weeks of the engagement were spent reviewing the credit card products and the second half of the on-site review focused on the retail banking products. Both analyses were conducted in a similar manner. Interviews were conducted with both Business Unit managers to understand the strategic focus and the current product offering. Once familiar with the current product environment PROFIT INSIGHT® began their analysis to identify revenue enhancement solutions that met Executive Management's revenue objectives and the strategic plan of the business units.

PROFIT INSIGHT® met on a regular basis with team members from the different business units to discuss the existing product features and potential revenue enhancement opportunities. Throughout the analysis PROFIT INSIGHT® conducted additional meetings with legal, compliance, risk and core systems personnel to gain acceptance and address any issues that may impact the acceptance and implementation of the proposed solutions.

Based on information provided during the course of the engagement PROFIT INSIGHT® was able to estimate the annual benefit of the proposed strategies. These benefit estimates were confirmed with bank personnel to validate the benefit opportunity.

PROFIT INSIGHT® conducted weekly meeting with the Executive Management Team to review the potential solution list along with the feedback from the various business unit staff members. The Executive Management was very involved with the decision making process to determine which strategies would be considered for final presentation and acceptance.

Two formal presentations were held to present solutions related to the retail banking business unit and the credit card business unit.

Challenges

- Significant market share creates sensitivity within the market when introducing revised pricing, interest rate reduction or modifications.
- There were limited resources within the bank to assist with the analysis and implementation of accepted solutions.
- It is an extremely high performing bank which required solutions that provided substantial income while in line with the bank's overall marketing strategy

Success Drivers

The following factors contributed to the overall success of the engagement:

- The Executive Management Team's close involvement in the strategy solutions that were proposed, accepted and implemented.
- The support of the individual business unit team members in providing relevant data and assistance in reviewing benefit estimates and evaluating core system requirements.
- The client's willingness to review all strategy solutions without any preconceived restrictions.
- The ability for PROFIT INSIGHT® to work with the implementation team to ensure solutions met implementation time-lines.

ENGAGEMENT HIGHLIGHTS

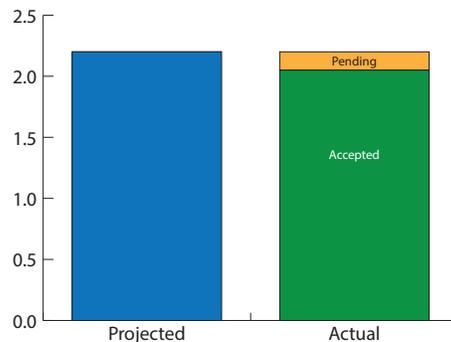
PROFIT INSIGHT® presented 20 solutions with an annual benefit value of over \$10.9 million.

- The initial contact with senior managers to engagement start date was less than 90 days, the on-site engagement lasted 11 weeks and the first solution implementation was within 4 months after the completion of the on-site analysis.
- PROFIT INSIGHT® conducted weekly status meetings with executive bank management and many of the proposed solutions resulted in minimal customer disclosure changes, minor system implementation issues and no significant impact on an individual account basis.
- Bi-weekly conference calls were then scheduled to monitor solution implementation requirements.

PROJECT REVENUE

The following graph details the performance results:

EPS % Increase



PROFIT INSIGHT® projected actual revenue improvement of approximately \$2.6 million and EPS increase of 2.2%. Based on actual engagement results the revenue projection will be \$2.7 million and an EPS improvement of slightly over 2.3%.

