

Top 10 US Card Issuer

Customer Characteristics

Type

A top ten North American U.S. credit card issuer.

This issuer processes its card products on Total Systems' TS2 platform.

Engagement Objectives

- Generate and optimize incremental revenues in the area of interest and non-interest income, pricing structures and calculation routines.
- Generate \$USD8 million USD in annual revenue lift within card business.

OVERVIEW

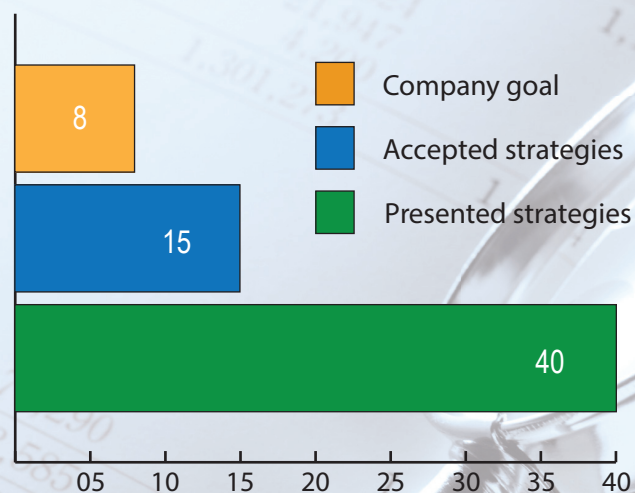
A top ten North American credit card issuer with a growing and profitable portfolio was facing earnings pressures in upcoming years and was eager to identify new revenue opportunities. The Client was wary of undertaking a revenue enhancement engagement within the card area as a result of a poor experience with a competitor of PROFIT INSIGHT® in another area of the bank. Nevertheless, the Client was impressed with preeminent market position of PROFIT INSIGHT®, outstanding track record and strong references within the credit card consulting arena.

CLIENT PERSPECTIVE

The Client was hoping the efforts of PROFIT INSIGHT® could deliver \$USD8 million in annual revenue lift despite a healthy list of active credit card strategies currently being implemented or under consideration. These strategies, controlled by internal groups, were excluded from the engagements to avoid any project overlap.

The Client is moderately aggressive and a market leader who reviews each new potential strategy with a critical eye as to how that strategy may negatively impact the Client/Customer relationship.

Strategies presented and accepted (\$USD millions)



Approximately \$USD40 million in annual benefits were presented to the Client within a 60-day period. Of these strategies, the Client accepted \$USD15 million for implementation.

The executive responsible for the Consumer and Business Card portfolios made the following comments:

"We originally engaged PROFIT INSIGHT® because we became convinced that they could help drive revenue growth within our card business with a minimal impact on our card team and our customers. They have exceeded our expectations in every way, not only by helping us identify nearly twice the revenue lift as we had originally hoped, but by becoming a true partner."

implementation and improved the results of several strategies.

- The intimate knowledge of PROFIT INSIGHT® with Total Systems and its processing system allowed us to work efficiently to develop strategies that were viable and would generate the greatest value for the client.
- Value of strategies presented to the Client far exceeded their expectations.
- Value of implemented strategies has exceeded the client's objective by nearly 100% with additional strategies still in development.

The Client was so impressed with the results, PROFIT INSIGHT® was retained to expand our work to encompass the Business Card portfolio. In addition, PROFIT INSIGHT® has recently been retained for a third engagement spanning the Client's retail deposits business.

POST ENGAGEMENT OPPORTUNITIES

In the months following strategy acceptance, PROFIT INSIGHT® continued to provide ongoing support and information at critical junctures in the project. PROFIT INSIGHT® worked with the Client in a collaborative manner to improve the results of a number of the strategies.

As a result of this process and interaction, PROFIT INSIGHT® credibility became apparent, and the Client began to seek a dialog with PROFIT INSIGHT® in business areas outside the scope of the initial engagement. This led to PROFIT INSIGHT® being engaged to conduct a second project within the Client's Business Card portfolio and, more recently, a broad scale review within the Client's Retail Deposits group.

PROJECT EXPECTATIONS

Along with the company's many strengths, PROFIT INSIGHT® has extensive experience with the TSYS processing system - an important factor in gaining client approval. PROFIT INSIGHT® has a long history and good working relationship with TSYS helping assist TSYS clients to ensure their card products are as profitable as possible. This relationship ensures that PROFIT INSIGHT® will have the most up to date knowledge of the TSYS system functionality and capabilities to maximize the benefit of any engagement. This strong relationship bolstered the ability of PROFIT INSIGHT® to assist the Client in meeting its objectives.

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As implementation moved forward, PROFIT INSIGHT® was included on the Client's internal project teams as members and advisors. Because PROFIT INSIGHT® has extensive knowledge of credit card systems and familiarity with the effect of the recommended strategies, PROFIT INSIGHT® was able to assist the internal project management staff in determining how the systems currently worked, including processing systems options. This guidance carried over to required customer communication and related disclosure requirements, as well as the level of impact PROFIT INSIGHT® strategies could be expected to have on customers (which in many cases would be minimal or non-existent).

OBSTACLES/CHALLENGES

A previous revenue enhancement engagement by a competitor in another area of the bank had ended poorly, with negative feelings on both sides. As a result, PROFIT INSIGHT® had to win over many managers and executives by demonstrating our partnership approach to the engagement such that Client team members "bought in" and participated directly in the strategy approval process.

ENGAGEMENT HIGHLIGHTS

PROFIT INSIGHT® exceeded the engagement objectives and became a true partner with the client's card team. The involvement of PROFIT INSIGHT® with the project teams streamlined

The Client's lean organization meant that PROFIT INSIGHT® carried more of the load in strategy development, analysis and execution than is normal. Our engagement managers had to become an extension of the Client's team.

APPROVAL AND IMPLEMENTATION

The first presentation was made within weeks of the project kickoff. Approximately \$USD40 million in annual benefits were presented to the Client within a 60-day period. Of these

THE PROFIT INSIGHT® DIFFERENCE

The PROFIT INSIGHT® Card Issuing Consulting practice helps clients significantly improve the profitability of their lending business. We partner with our clients to deliver short and long-term value by identifying, analyzing and implementing tactical solutions to significantly improve portfolio and operation performance while limiting impact to their customers.

Our consultants are recognized card industry experts and include former Federal Reserve officials, bankers, and card operations and marketing executives with expertise in Efficiency, Offer Targeting, Pricing, Interest Calculations and Operations.



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