

AMBIT BANCWARE RELATIONSHIP MANAGER

Today, your bank's customers have more choices of where to do their banking than ever before: community banks, large national banks, international mega-banks, online banks, credit unions. Competitive pricing has become the norm just to keep your existing customers.

Unfortunately, in this time of lean margins, slowing loan growth, and commoditization of products, you also need to demonstrate to your board and stakeholders that the customers you keep and acquire are going to contribute to the profitability of your institution. This can only be achieved by expanding relations with the highest value customers and by renegotiating or minimizing the relationships that provide poor returns or erode profitability. How can you tell which is which? At the point of origination, can your account officers make an informed choice?

Most often, relationship managers do not have the right tools at their disposal to understand the impact to the organization's profitability as they make pricing decisions. By enabling them to understand the impact of their pricing decisions prior to those decisions being made, you can better align their incentives with your bank's strategic risk and pricing goals.

Maximizing Value in Customer Relationships

SunGard's Ambit BancWare Relationship Manager helps banks determine which commercial, small business and high net worth relationships should be preserved or won.

- Senior management can enhance the bank's profitability and performance by instilling relationship pricing strategies that incentivize front-line staff to pursue highest value, instead of highest volumes.
- Relationship managers can pinpoint the economic break-even levels on the weakestperforming relationships and determine the right combination of fees, pricing adjustments or higher margin spreads required to meet your bank's established hurdle rates and offset higher risks, costs to serve and optionality.
- Loan originators can clearly see how credit quality, loan structure characteristics and other banking products affect capital requirements-allowing them to craft an effective offering that meets the customer's needs, while providing the bank with an attractive return on equity.

Instead of simply pricing to market, banks can use risk-based pricing to gain market share among the best customers and make strategic lending decisions that result in the highest long-term value for the institution and the relationship.

Key Features and Functionality

- Offers easy-to-use, Web-based interface that provides a one-screen view of current profitability and performance across related relationships, customers, and accounts.
- Provides robust modeling environment that captures the changes to profitability on renegotiated and proforma positions.
- Provides valuation methodologies that can be kept completely consistent across actual and proforma profitability calculations and analysis.
- Is a fully-integrated component of BancWare's Performance Measurement solution, as well as compatible with other profitability and funds transfer pricing systems.
- Helps banks make consistent, well-informed decisions on risk adjusted relationship pricing at the point of origination.
- Enables the finance and treasury areas to cultivate and enforce a strategic pricing discipline throughout the organization.
- Bundles related customer/account relationships for a complete view of existing business, renegotiated terms on existing business, and new business.
- Allows your bank's relationship managers to immediately understand and value the contribution of existing relationships.
- Provides a comprehensive performance measurement framework in which varying products can be accurately valued in regard to a new customer's relationship over time, and quickly determine the change in value created by renegotiating or offering a new product or group of products.
- Optimizes the investment in your profitability and/or funds transfer pricing solution by allowing proactive analysis of proposed pricing decisions using existing profitability assumptions.

"To put it succinctly, the ability to calculate customer profitability and effectively develop and execute a customer centric strategy and tactics based on this knowledge have a substantive impact on both the top and bottom lines. And it is an advantage that few financial institutions share."

Celent, Evaluation of Customer Profitability Analytics Vendors, September 2007

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SunGard's solutions for banking are used by more than 800 banks in 70 countries including 41 of the world's top 50 banks. SunGard provides a comprehensive core banking solution and best-of-breed point solutions for retail, commercial and private banking, straight through enterprise processing, treasury management, finance, risk and compliance, including Apsys, BancWare, STeP and System Access.

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