

Teradata Solutions for Financial Services

You have a lot on your mind.

Everything from fierce competition and changing rules and regulations to constantly evolving technology. Add to that millions of customers, hundreds of products and varied distribution channels. That's why financial institutions just like yours face a series of complex data and information challenges – challenges that must be met today if you expect to stay competitive and gain market share tomorrow.

But how do you face those issues? How do you strengthen and stabilize customer relationships? How do you drive growth by measuring the current and future value of everything from customers to delivery channels to geographic regions? How do

you more effectively manage risk and deploy capital? And how do you maximize the investment you've made in your technology infrastructure?

Make the First Step the Right Step

You can begin by simply making your first step the right step – to a Teradata solution. We offer a unique suite of products and services that allows financial institutions to grow through the use of simple, yet powerful, tools.

A Teradata solution provides you with unprecedented understanding of your customers, your delivery channels, your products and services. Just as important, it helps open the door to new opportunities, letting you better manage every aspect of your business, including:

Customer management – Know which customers create the greatest value and what you need to do to maximize customer relationships and revenue streams. Then, dramatically increase response rates and reduce costs with value-focused communications.

Risk management – Leverage the detailed data that exists across the financial institution to better manage all aspects of risk in an integrated fashion.

Channel management – Monitor and measure the status of your entire delivery system, anytime, anywhere. Streamline your infrastructure for both speed and growth.

Financial management – Clearly see the opportunities to better manage return on assets and capital, and provide Finance with an analytical environment to deliver greater value with the fewest resources.

Data management – Better manage your enterprise data for integration and analysis at the detail level, and leverage your data warehouse functions for even greater ROI.

Put Your Data to Work

In addition to helping create enterprise-wide information repositories, Teradata Corporation brings an array of applications to help maximize the data in your data warehouse... applications for business intelligence, financial modeling, profitability analysis, and customer communication. And we continue to uncover new business improvement opportunities by leveraging the information in your data warehouse, information you can put to work immediately in areas such as profitability optimization, capital optimization, and customer management.

We'll also show you how to look at your technology infrastructure as an investment. And how to make the most of that investment – maximizing value while cutting the cost of your information management infrastructure. Teradata will give you a solution that will grow right along with your business, while keeping its focus on a single view of your enterprise.



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Teradata Analytical Framework

To make the most of your technology infrastructure, however, you and your financial institution must coordinate distinct disciplines and capabilities across your entire organization. Again, Teradata has demonstrated time and time again that we can provide the necessary framework.

The Foundation

First, you must develop the capability to collect huge amounts of customer data. Teradata makes it possible to gather large amounts of data from disparate sources, then place them in a single data repository that can be accessed by anyone, anywhere in your organization. We offer a flexible, scalable infrastructure that deals directly with the data management needs of your institution.

Teradata's high-performance database is the foundation of the world's most successful data warehouses. It adds intelligence

to the complex data that comes with a transaction-intensive business like yours. In addition, the Teradata® Database provides:

Quickest time to solution – with the flexibility necessary for a quick start.

Lowest total cost of ownership – more data, more users, more complex queries doesn't mean more costly resources.

Complete support infrastructure – 24 hours per day, every day.

Effortless scalability – it grows right along with your business.

Complex and ad hoc query performance – no more asking your database to do something it wasn't designed to do.

Fast, safe data load utilities – no downtime when you load, update, archive, purge, or restore.

Active decisioning – continual updates, additions, and insights to make the most of opportunities as they present themselves.

Financial Services Logical Data Model

The Teradata Financial Services Logical Data Model (FS-LDM) addresses the unique business questions that help you better manage across four key areas:

- > Sales and Marketing
- > Profitability
- > Risk Management
- > Channel Management

It takes critical information – every event and concept from account numbers to specific product usage – and creates common understanding across all business functions. The Teradata FS-LDM lets you build faster and smarter. You'll save vital development time – and development dollars – while you minimize the risks associated with implementing a data warehouse.

The Analysis

Once the data has been collected, it must be analyzed. You must be able to look at customer behavior and preferences, for example, to uncover better ways to serve your customers. That means taking a 360-degree view of all customer relationships and interactions before implementing strategies to meet customer demands. You must also analyze operational components, such as capacity and sales effectiveness plus financial factors including customer profitability, risk, and capital allocation. Again, Teradata can help build this capability. We offer you both infrastructure components for analysis – query and data mining tools – plus specific analytical

Teradata Value Proposition for Financial Institutions

Provides an integrated analytical environment that:	Enabling you to:
> Integrates data from multiple systems.	> Significantly reduce IT infrastructure costs.
> Transforms data into usable information.	> Improve financial performance through better, more timely decisions.
> Delivers appropriate analytics to users when they need it.	> Effectively manage and adapt your organization by providing a single view of your business.

Teradata Solutions for Financial Services

Teradata provides innovative solutions to some of the world's leading financial institutions, including:

- > **GE Capital Services**
- > **Navy Federal Credit Union**
- > **Royal Bank Financial Group**
- > **ABN AMRO Bank N.V.**
- > **Allied Irish Bank**
- > **Barclays Bank Plc**
- > **Nordea Group**
- > **The London Stock Exchange**
- > **Commonwealth Bank of Australia**
- > **Shanghai Stock Exchange**
- > **DnB Nor**
- > **Banco Santander Santiago**
- > **Fukui Bank**
- > **St. George Bank**
- > **Westpac Banking Corporation**
- > **Cathay United Bank**

applications for customer and profitability analyses, segmentation and campaign management capabilities. We provide an integrated environment that gives users throughout your organization access to the tools best suited to their needs, tools that let them conduct the analytical tasks they require.

Teradata Warehouse Miner

Teradata Warehouse Miner is a powerful extension of your data warehousing capabilities that lets you proactively manage your business relationships and drive growth. It's a giant step ahead of traditional online analytic processing (OLAP) and query and reporting because it's a predictive analysis solution. It uses intelligent software to detect patterns through an exhaustive analysis of all the data in your warehouse. The result: the ability to integrate data mining insight

into all your analytic applications, including CRM, to predict future customer behavior.

Teradata Warehouse Miner allows analytic applications to scale up to the complexity of business problems, then delivers results in the form of scores, predictions, and descriptions. And, just as important, those results can be managed in a single location, providing your entire enterprise with access to the information you need for more informed decision making.

The Action

After analysis comes action. You must be able to maneuver a variety of organizational objectives across an immense customer base and through multiple channels. Teradata ensures your communications are targeted at the appropriate customers at the appropriate time through the most effective channels.

Teradata CRM Solution

Teradata believes customer relationship management (CRM) is not a technology; it's a strategy; a strategy that drives intelligent cross-channel personalization based on a common understanding of all interactions; a strategy that leads to enhanced customer knowledge and increased bottom-line profit.

Teradata's CRM solution comprises more than 20 applications, modules that fit into each of the six major sets of functionality:

- > Analysis
- > Modeling
- > Communication
- > Personalization
- > Optimization
- > Interaction

The Measurements

The final capability is measurement. For optimal results, you need to effectively measure not just specific strategies and tactics taken, but the results of actions not taken as well. It's here you can identify where the greatest opportunities for improvement lie.

Profitability Analytics – Clarity for the Sources of Value

Teradata has created a comprehensive Profitability Analytics Portfolio to help companies like yours look beyond classic profit and loss statements and summary profitability models to create a clearer calculation of value. It's a unique approach that provides accurate assessments of the

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value of customers, products, services, offerings, sales forces, distribution channels, even geographic regions.

Teradata Value Analyzer

Teradata's Value Analyzer provides consistent and accurate profit level analysis

across a complete set of business functions. It plays a pivotal role in helping you better understand just how profitable your business really is. Instead of the traditional "top-down" view, Value Analyzer brings a "bottom-up" approach that begins with your most fundamental unit – the account.

You can use Value Analyzer to derive detailed account profitability information on marketing, distribution, and management profit functions. Most important, it will add value by helping you move day-to-day account activities into profitable long-term relationships.

New Insight, New Opportunity

When RBC, Canada's largest and most profitable domestic financial institution, began looking for ways to better differentiate itself from its competition, it turned to Teradata. Specifically, the bank wanted to focus on the strategic use of information to better anticipate and serve clients' needs.

At the outset of its new CRM program, RBC had an "average client profit measure," but no tools to measure the subtle changes and new trends in client behaviors. But after implementing Teradata Value Analyzer, RBC gained some valuable new insight including:

- > Averages hide valuable insights that event-level detail can provide.
- > More than 75% of the client base has changed two or more deciles.
- > Change was most evident at the "high" and "low" ends, where segments representing the majority of clients traditionally viewed as "low value" actually moved higher due to the detailed behavioral-transaction detail and actual fees captured in the new measurement model.

Other highlights of RBC's program include:

- > 61% improvement in marketing cycle time.
- > Increase in number and average profitability of high-value clients.
 - Realization of increase in high-value customer base by 20%.
 - Increase in client profitability by 13%.
- > Accurate view of customer value contribution.
- > Increase in direct marketing response rates (>40%).
 - 11% increase in RSP deposits based on targeted marketing program.

In fact, based on its experience with the new model, RBC now says:

"Having this tool helps us understand more about our clients, their behavior, and the value they bring to the bank. And it helps us understand whether we're moving the needle forward in all of our business objectives. Like a Swiss army knife, it's one tool that helps us analyze, make decisions, and measure performance."

- Ted Brewer, Vice President, CRM and Information Management, Royal Bank Financial Group

Powerful Partnerships

Teradata also provides powerful partnerships to serve you better. Our open system architecture helps run the applications you're using today, only better – while providing seamless integration. We've joined forces with some of the financial industry's leading technology providers, systems integrators, and consultancies to expand our portfolio of products and industry-specific applications. Together, we can offer you industry insight and innovation not available anywhere else – and the kind of flexible, total solutions you can only find through Teradata.

Why Teradata?

Teradata has a rich history of providing analytical solutions that solve real-world problems. We've given financial institutions just like yours the knowledge and technology to drive strategic and operational decisions and to create close, personal relationships with every customer. Teradata also brings you the power to proactively manage your business and drive growth. Our solutions help provide analysis to expedite fast, accurate, and consistent decision making across your entire enterprise.

TERADATA
Raising Intelligence

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In addition, our Professional Services team can offer consulting, integration, management, and maintenance services, as well as vital support in data mining, analytics, and customer education. We'll help you determine what data your warehouse needs to deliver the results you're looking for and help answer your business questions, not just your technical concerns.

Teradata also brings you extensive experience in the financial services industry. A full 40% of the world's leading institutions are our customers. We have more experience than any other supplier in deploying customer-centric technology solutions to top tier companies.

For More Information

To learn more about how Teradata Solutions for the Financial Industry can expand and enhance both your data warehouse and your ability to build a better, stronger business for tomorrow, contact your Teradata representative or visit us at Teradata.com.

Teradata Solution Top Ten Reasons

Need another reason why Teradata is the partner and solution you need? How about 10 of them?

- 1 The Teradata Database**
Teradata Database is the powerful, scalable, self-managing, parallel foundation of Teradata solutions.
- 2 Effortless Scalability**
Start small and grow your database with your operations seamlessly.
- 3 Ease of Management**
Spend less time doing database administration tasks and more time solving business problems.
- 4 Reduced Risk**
Teradata focuses on data warehousing solutions so you can focus on your core strategy.
- 5 Industry-leading Data Solution Expertise**
Teradata pioneered data warehousing and offers the world's best and most experienced people using a patented methodology.
- 6 Seamless Mainframe Integration**
Teradata offers optimized bi-directional, high-speed channel connectivity to mainframe environments.
- 7 Mission-critical Availability**
Teradata solutions are the proven industry leaders with the highest data warehouse availability.
- 8 Investment Protection**
More data volume + more users = a whole new system? Not with Teradata. Easily expand on your original system investment as your business needs grow.
- 9 Quickest Time to Solution**
Teradata delivers an integrated solution that's ready to work right out of the box.
- 10 Proof Beyond Claims**
Don't take our word for it. Ask the companies who are leaders in their industries, putting Teradata to work every day.

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