

PRODUCT OVERVIEW

Premium Treasury Pricing: Giving Deal Team Members a Seat at the Table

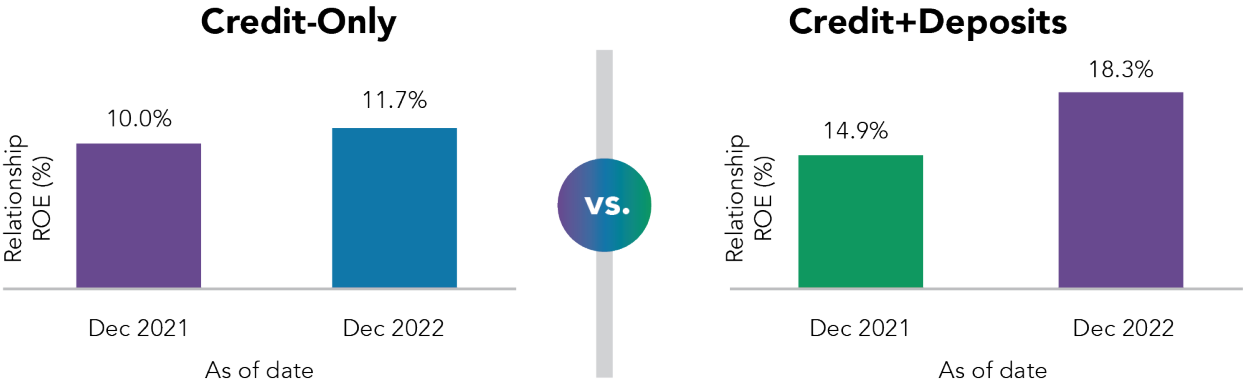
It's no secret that the state of the market is forcing financial institutions to be more strategic about diversifying their portfolios with non-interest income. But three prominent challenges make it difficult for them to establish primacy and capitalize on the true wallet potential of their treasury services:

1. Lack of collaboration between business units.

Due to disparate processes, tools, and incentives, there's often a disconnect between critical business units, such as credit and treasury. This causes loans to be closed before treasury officers are even brought to the table.

2. Treasury pricing is labor intensive and lacks context around holistic relationships.

Four to five manual re-entries per deal is common, and the consequences aren't cheap – one global financial institution told us that in a single year, they lost about \$800K all because of avoidable entry errors. Major gaps between pricing expectations and final profitability are also a common pain point, as there's often little to no accountability for promised services and products.



For relationships that existed in 2021, risk-adjusted ROE rose significantly in 2022. The credit-only group saw ROE rise by 1.7%, while relationships with deposits rose by about twice that level.

*Source: Q2 | PrecisionLender

3. Treasury services are being sold short.

With a lack of guidance around pricing methodology and minimal understanding of cross-sell potential among individual relationships, financial institutions are undervaluing their treasury services and leaving big revenue opportunities with their best relationships at the door. This customer's experience is unfortunately a common one: "To understand the true value of a client, it required us to go to about four people internally and it took a week to pull together the data. I received a spreadsheet that was 75 pages long."

Introducing Premium Treasury Pricing

Our Premium Treasury Pricing solution is a unified relationship pricing and profitability platform for all members of the deal team, replacing conventional pro forma tools and enabling RMs and treasury officers to price products across business units from one seamless experience within Q2 | PrecisionLender.

Understand Relationship Profitability Across Business Units

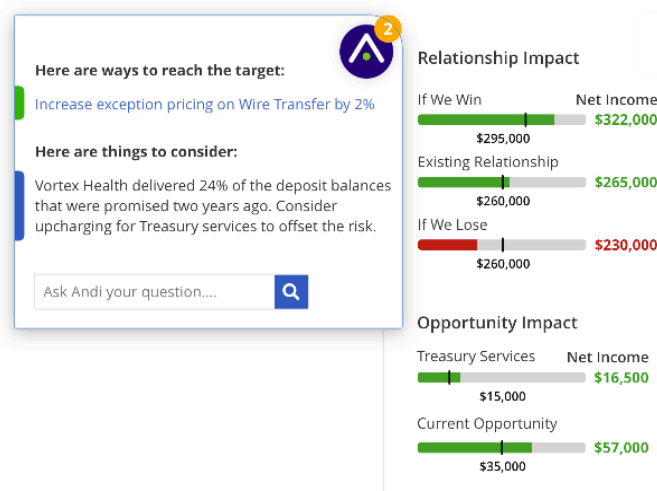
- Unify pricing decisions across the entire relationship into a single opportunity experience to understand relative trade-offs.
- Access existing accounts to better evaluate each relationship's profitability if won or lost.

Align Pricing Partners to Encourage Referrals and Collaboration

- Synchronize all deal team members to the same profitability details of a relationship.
- Leverage flexible role permissions and access to each stage of an opportunity.
- Drive faster, more efficient cross-selling through streamlining multiple systems and opportunity types in the CRM system into a single opportunity for the relationship.

Leverage Contextual Coaching and Improve User Experience

- Collect valuable insights on market, portfolio, and bank policies via Andi.
- Make better informed pricing and structuring decisions around product dependencies, profit margin trade-offs, market benchmarks, and more.
- Support flexible exception pricing.
- Drive efficiencies in pricing and managing a large volume of cash management products.
- Generate reports and dashboards for internal tracking.
- Create custom client print-outs and documentations.



Want to know more about how Premium Treasury Pricing can drive critical profitability in your financial institution's relationships? We'd love to chat! Contact us today at info@q2.com.