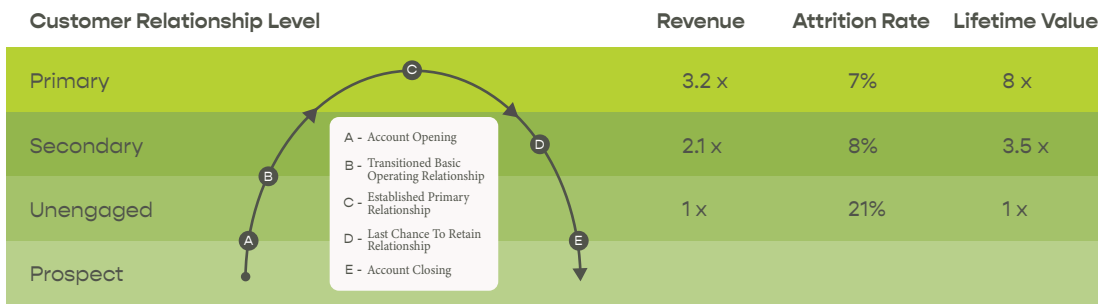


# 5 Questions to Determine A Profitable Client Relationship



## 1 Do we have the client's primary transacting accounts?



- ▶ Owning the Primary Transacting Account is the key correlating factor to having a profitable relationship.
- ▶ Customers with primary operating relationships generate 3.2x revenue and 8x lifetime value.

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## 2 Are loans priced and sized appropriately for term and risk profile?

### Loan Pricing Must Account for Risk and Duration

**NIM** | take into account the duration of the loan when pricing.

**RANIM** | look at risk associated with each loan.

## 3 Does the client have the optimal Treasury Management services?

### TM Matters for Untapped Profitability

**\$1300** | Average annual TM revenue per client

**3x** | Profit for a TM client vs. Non-TM client

**10%** | Minimum TM penetration for business clients

\*based on live client data

## 4 Are lines priced and sized appropriately?

### Don't Incentivize Unprofitable Products

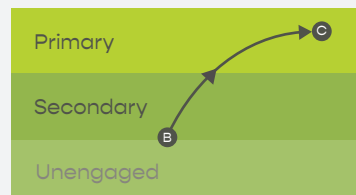
**>50% Utilization** ▲ 36% RAROC  
▲ \$16MM of Net Income  
▲ \$44MM of Econ Capital

**<50% Utilization** ▼ 4% RAROC  
▼ \$1MM of Net Income  
▼ \$25MM of Econ Capital

\*based on live client data

## 5 Do we have the business owner's personal deposit, wealth, and investment balances?

### Low Risk Options to Maximize Wallet Share

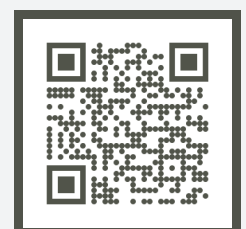


When a banker moves a client from a basic relationship to an established primary relationship, then getting deposit, wealth and other balances are low risk options.

## Get Your Bankers Involved

- ▶ Data needs to be available, accessible, and part of all decision-making.
- ▶ Provide bankers with tools to show profitability and help them with pricing to ensure profitable relationships.
- ▶ Track and display performance to help bankers know they are meeting expectations.

## BONUS: Give Your Bankers An Actionable Dashboard



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