

Advanced Earnings Methodology (AEMSM)

Lodestone works with community, regional & multi-regional financial institutions to **improve bottom line profitability** by examining core systems, policies and practices to develop, present and increase net-interest margin & non-interest income through our Advanced Earnings Methodology (AEMSM).

- It is Important to point out that all AEMSM income is achieved:
 - ▶ Without increasing fees
 - ▶ Without decreasing staff
 - ▶ Without cutting utility bills
 - ▶ The AEMSM is not an NSF focused project
- AEMSM recommendations represent **best practices** and **sound banking**. Seventeen years of Lodestone bank heuristics are essential to producing **results**.
- The AEMSM is an eight week project with a **singular focus** of improving each client's **bottom line**.
- During an AEMSM engagement, we examine and analyze core systems, products, policies and actual practices **digging deep** to find lost income **opportunities**. Our consultants have been referred to as "**Gurus**" & "**Mad Scientists**" and their work has been called a "**Forensic Diagnosis**."
- Our core system's **experience** and **expertise** include **Fiserv, Jack Henry, Metavante, Miser, Hogan, HFS**, amongst others. Lodestone has developed queries for each of these systems to help find lost income.
- We **immerse** ourselves into the financial institution keeping in mind operational and strategic plans, corporate and organizational culture, internal controls, customer impact, and the client's position in the market. One hour meetings each week with our clients keep the AEMSM project moving forward.
- AEMSM projects are thoroughly **documented** incorporating each client's own internal data. We dig deep into system settings and processes using **Lodestone AEMSM exclusive queries and methodologies**. Transactions are tracked from beginning to end to identify disconnects in how the system is intended to work vs. actual. Every Lodestone client sees that small adjustments on the core system translate into significant income opportunity.
- On completion of an AEMSM project we don't leave our clients stranded and struggling with how to capture the found income. **We transfer the knowledge**. Clients are provided with **detailed implementation** and tracking procedures so that implementation goes smoothly and the success of the AEMSM can be **tracked and measured**.
- AEMSM projects result in an **average increase of \$1 Million pre-tax annual earnings per \$1 Billion dollars in assets** – and we do all this without increasing fees, without reducing staff, and without analyzing utility bill efficiencies.