

UNDERSTAND YOUR RETURN ON INVESTMENT WITH AXIOM RPPS

How Axiom Relationship Profitability and Pricing System (RPPS) improves relationship analysis and incentivizes profitable growth

To deliver consistent return on investment (ROI), relationship management solutions must empower managers to identify and nurture high-value relationships, focus on less profitable relationships, and make pricing decisions based on empirical profitability data. Leaders need analytical tools to understand the economic risks and opportunities in the portfolio and data to inform evaluation and compensation of relationship managers, loan officers, and branch managers.

Hobson & Company, a third-party research organization focused on total cost of ownership and ROI studies, conducted in-depth interviews with 12 financial institutions and found that Syntellis' Axiom™ Relationship Profitability and Pricing System (RPPS) delivered exceptional returns and efficiency. A typical institution with \$5 billion in total assets will:

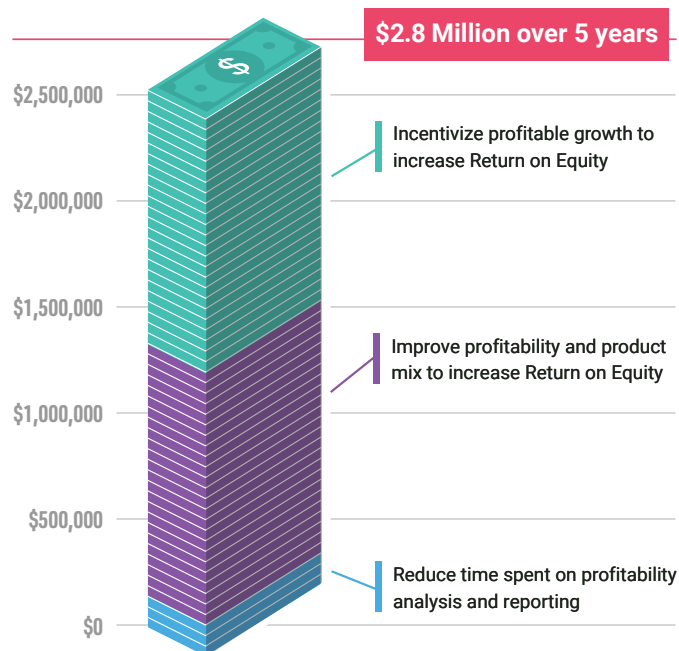
- Improve its relationship profitability and pricing analysis, **increasing return on equity (ROE) by 5 basis points** (banks and other financial institutions) or **return on assets (ROA) by 1.0 basis point** (credit unions)
- Incentivize profitable growth, **increasing ROE by an additional 2.5 basis points** (banks and farm credit associations) or **ROA by another 1.0 basis point** (credit unions)
- Reduce time spent on profitability analysis and reporting by **33%**

For a *credit union* with \$5 billion in total assets, payback would occur in **3.4 months** and generate a total **ROI of 409%** over five years (38.5% annualized) through improved efficiency and increased profitability. This return is based on

a net interest margin (NIM) of 3.1%, average earning assets of \$4 billion, average assets of \$4.4 billion, and ROA of 0.84% — with one finance manager and one finance analyst involved in relationship analysis.

For a bank or other financial institution with \$5 billion in total assets, payback would occur in **6.5 months** and generate a total **ROI of 165%** over five years (21.5% annualized ROI). This assumes NIM of 3.4%, average earning assets of \$4.6 billion, average equity of \$600 million, ROE of 15%, and the same staffing levels.

Monetary benefits of Axiom RPPS to a \$5 billion bank



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Axiom RPPS provides banks, credit unions, farm credit associations, and other financial institutions tools and insights to improve the accuracy and breadth of relationship profitability and pricing analysis — informing sound business decisions at the customer, relationship officer, and product levels.

33%

Less time spent on relationship analysis

Using an intuitive graphical interface, Axiom RPPS allows relationship managers to easily identify top and bottom performing relationships. This empowers strategic planning by making it easy to select a customer and quickly see relationships, account ownership, related clients, corresponding historical and projected profitability, and risk-adjusted return on capital (RAROC).

"Axiom is very slick and easy to use for relationship reporting. It used to take us a couple of weeks to produce our Top 25 customer list by region because the process was so manual. With Axiom, it takes just a couple of minutes."

- VP, Director of Financial Planning & Analysis

5 bp

Increase in ROE (banks) OR 1.0 bp increase in ROA (credit unions) through improved analysis

Axiom RPPS helps loan officers, branch managers, and other relationship managers build and modify relationships to understand the value of each account, customer, and relationship in their portfolio. Users can price new business based on the empirical profitability at the individual account level and at the full relationship level — including the current contribution and forecasted revenue — to ensure that profitability hurdle rates (e.g., RAROC) are met.

"Axiom includes more costs and profitability metrics that allow us to protect profitability opportunities on existing relationships and determine the risk of pricing."

- Director of Finance

2.5 bp

increase in ROE (banks) OR 1.0 bp increase in ROA (credit unions) by incentivizing profitable growth

Axiom RPPS empowers Finance teams to leverage over 30 reports and dashboards to inform business decisions. Intuitive portfolio views provide current and historical profitability for each account, calculating net interest margin based on matched-term funds transfer pricing (FTP), non-interest income and expense, provision for loan loss, and capital by customer and relationship. This enables loan officers and other relationship managers to make real-time pricing decisions that align with organizational growth and profitability goals.

"Axiom RPPS identifies profitable as well as unprofitable relationships, so we can maximize the return by appropriately incentivizing our relationship managers. We save money by reducing non-profitable relationships."

- Senior VP, Director of Financial Planning and Analysis

Accurately Price, Analyze, and Manage Portfolios to Optimize Profitability with Axiom RPPS

Axiom RPPS provides a single solution for frontline relationship managers and institution leaders to:

- **Build and manage complex relationships and portfolios**, linking individuals and businesses to a relationship with high accuracy through a flexible and intuitive interface
- **Precisely measure profitability** for every account, customer/member, and relationship
- **Accurately price potential new business**, seeing its effect on the entire relationship
- **Make informed business decisions** with analytics and insights at the institution, portfolio, and relationship manager levels

[Calculate your personalized ROI](#) for Axiom RPPS, or, [contact us](#) for a full ROI analysis on the Axiom™ Financial Institutions Suite.

To learn more about how Axiom Relationship Profitability and Pricing System can help your institution, visit our [website](#) or [request a demo](#).