

UNDERSTAND YOUR RETURN ON INVESTMENT WITH AXIOM FTP & PROFITABILITY

How Axiom FTP & Profitability improves profitability and product mix, incentivizes growth, and streamlines reporting

To deliver consistent return on investment (ROI), profitability management and funds transfer pricing (FTP) solutions must empower institutions to accurately measure risk-adjusted profitability across segments.

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™ FTP & Profitability solution delivered exceptional results and efficiency. A typical institution with \$5 billion in total assets will:

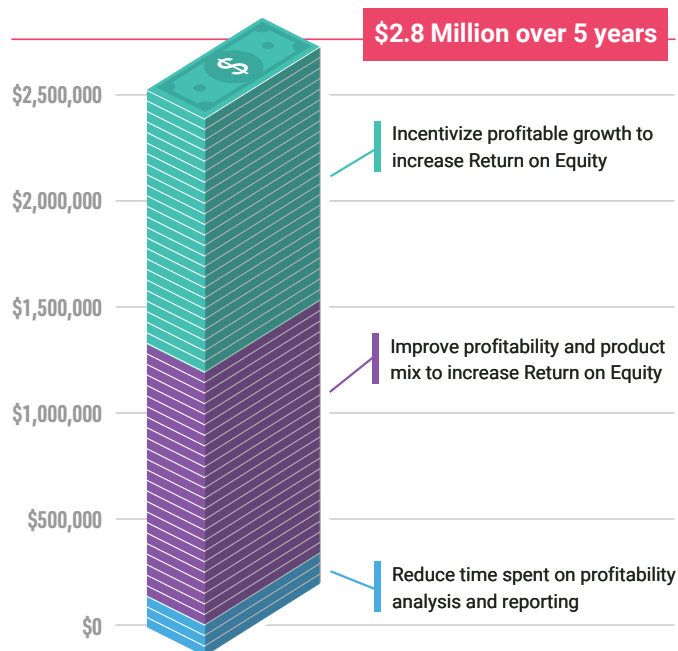
- **Increase Return on Equity (ROE) by 5 basis points** (banks and other financial institutions) or **Return on Assets (ROA) by 1.5 basis points** (credit unions) by improving profitability and product mix
- **Increase ROE by an additional 5 basis points** (banks and farm credit associations) or **ROA by 1.5 basis points** (credit unions) by incentivizing profitable growth
- Reduce time spent on profitability analysis and reporting by **60%**

For a *credit union* with \$5 billion in total assets, payback would occur in **5.1 months** and generate a total **ROI of 487%** over five years (42.4% 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 return on assets (ROA) of 0.84% — with one finance manager and one finance analyst involved in profitability reporting.

For a *bank or other financial institution* with \$5 billion in total assets, payback would occur in **11.1 months** and generate a total **ROI of 171%** over five years (22.1% annualized ROI). This assumes net interest margin 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 FTP & Profitability to a \$5 billion bank



A typical \$5 billion bank would see **payback in 11.1 months** and generate an **ROI of 171%** through analysis and reporting efficiencies, improving profitability and product mix, and incentivizing profitable growth.

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Axiom FTP & Profitability provides banks, credit unions, farm credit associations, and other financial institutions with visibility into the true drivers of profitability. The software provides a profitability framework that ensures both accuracy and consistency by measuring, attributing, and allocating all components at the individual instrument and transaction level.

60%

Less time spent on profitability analysis and reporting

Axiom FTP & Profitability integrates data from multiple systems to calculate and report profitability for any organization level, branch, product, officer, customer/member, or account. Standard and custom reports and dashboards provide easy access to analysis through a browser interface or automated report distribution. The solution calculates FTP and expense and capital allocations with detailed and transparent measurement processes, presenting analysis in actionable ways to fuel decision-making.

"We can now do reports on the fly; they are really simple. Reporting now takes a few hours instead of the days we used to spend finding all the data and definitions to build reports."

- SVP, Managing Director of Finance

5 bp

Increase in ROE (banks) / 1.5 bp Increase in ROA (credit unions) through improved profitability and product mix

Axiom FTP & Profitability improves visibility into the profitability drivers for customers, officers, products, and branches by creating forward-looking profitability models that include funds transfer pricing, cash flows, interest rates, product-based fee income, costs, and capital requirements.

"With Axiom, we can see what products are more profitable and changes in deposits by region and branch – visibility that we didn't have before."

- SVP, Financial Planning and Analysis

5 bp

5 bp Increase in ROE (banks) / 1.5 bp Increase in ROA (credit unions) by incentivizing profitable growth

Axiom FTP & Profitability aligns front-line staff behavior with organizational strategies to ensure incentive compensation plans support corporate performance through profitable growth, not just volume.

"Conservatively, using Axiom resulted in a 30% earnings increase in a product line by providing information on the most profitable product mix."

- VP Accounting and Performance Analysis

Boost profitability, improve accuracy, and streamline analysis and reporting with Axiom FTP & Profitability

Axiom FTP & Profitability helps financial institutions accurately analyze and manage profitability. The finance-owned process starts at the transaction level to:

- **Process millions of transactions and generate full profit and loss (P&L) reports** for any dimension, such as branch, department, product, or officer
- **Create actionable reports and analyses**, including segmentation, ranking, trend, and periodic P&L statements, for all desired levels
- **Calculate risk-adjusted return on capital (RAROC)** through allocation of economic capital
- **Prepare shared service allocations** to assign costs accurately across the organization
- **Support a unit costing framework**, calculating and applying unit costs at a transaction level
- **Create specific rules to calculate and adjust the FTP rate** on a fully matched-term basis at the individual instrument level
- **Drive desired behavior** by aligning incentive compensation to institution goals

To get your own personalized ROI analysis for Axiom, [contact us](#) or your Account Executive.

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