SYNTELLIS | AXIOM

UNDERSTANDING CREDIT UNIONS' ROI FOR SYNTELLIS' AXIOM FINANCIAL INSTITUTIONS SUITE

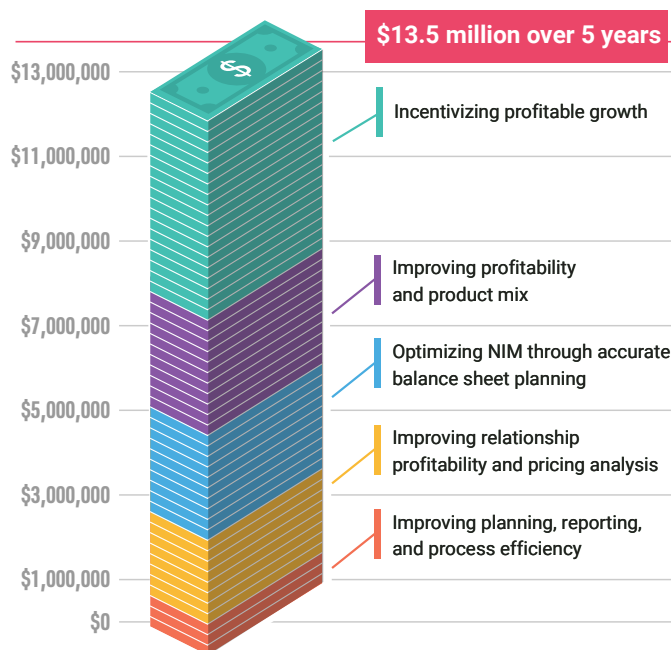## How Axiom software improves profitability and drives efficiency

Forward-looking financial institutions keen on overcoming market challenges must replace legacy systems and Excel-based financial management approaches that no longer meet their sophisticated planning, modeling, and transparency needs. But not just any tools will do — financial institutions need an integrated suite of solutions proven to drive profitability and efficiency by improving budgeting, reporting, relationship analysis, scenario modeling, and more.

Hobson & Company, a third-party research organization focused on total cost of ownership and return on investment (ROI) studies, conducted in-depth interviews with 12 financial institutions and found that Syntellis' Axiom™ Financial Institutions Suite drove exceptional efficiency and profitability.

Hobson & Company found that a typical credit union with $5 billion in total assets that invests in Axiom Financial Institutions Suite would see a **payback in 4.1 months** and generate a total **ROI of 631% over five years**. The monthly cost of not adopting the Axiom suite is $195,000.

Together, Axiom™ Planning, Axiom™ Funds Transfer Pricing (FTP) & Profitability, and Axiom™ Relationship Profitability and Pricing System (RPPS) form the Axiom Financial Institutions Suite — a robust set of budgeting, planning, profitability, and analysis software designed just for credit unions, farm credit associations, and banks. The integrated solutions work together to drive efficiency and profitability for dozens of credit unions across the United States.

Monetary benefits of Axiom Financial Suite

$13.5 million over 5 years

- Incentivizing profitable growth
- Improving profitability and product mix
- Optimizing NIM through accurate balance sheet planning
- Improving relationship profitability and pricing analysis
- Improving planning, reporting, and process efficiency

> *Users of the Axiom Financial Institutions Suite would see a **payback in 4.1 months** and generate a total **ROI of 631% over five years***

Disclaimer: The return on investment (ROI) and other financial calculations performed by Hobson & Co. are based on data provided by Syntellis clients and various assumptions and estimates only. The actual ROI realized by clients may vary from the estimates provided. Syntellis offers this tool to assist clients with evaluating performance management solutions; however, Syntellis and Hobson & Company are not responsible for the accuracy of any estimates.

33-60% More efficient planning, reporting, and analysis

Users of the Axiom Financial Institution Suite report the software helps them streamline processes by spending 60% less time on budgets, reporting, and profitability analysis; 50% faster scenario modeling and report distribution; and 33% less time performing relationship analysis.

"Using Axiom, we have cut multiple days from our budget process and improved accuracy, especially by not having to duplicate processes. The time savings is amplified throughout the entire budget process."
-Director of Finance

1.5 Basis points NIM improvement

Axiom Financial Institutions Suite users report the software helps facilitate more accurate balance sheet planning to optimize net interest margin (NIM). Axiom Planning uses interest rate forecasts, runoffs of existing balances and rates, prepayment assumptions, impact of new originations, and optional FTP rates to help users accurately predict projected earnings, balances, yields, and FTP spreads. Axiom also calculates cash flows at the record level, aggregating them into planning portfolios to improve accuracy in NIM planning.

"Axiom shows us our existing portfolio, what's running off, what's coming on the books. We can manage margins better because we have all the data to manage spread and manage interest rate risk."
-VP, Sr. Financial Analyst

3 Basis points ROA improvement through profitability management

Users of Axiom FTP and Profitability — part of the Axiom Financial Institution Suite — say they have enhanced visibility into value drivers for customers, segments, branches, and products. Additionally, they can create profitability models that take into account funds transfer pricing (FTP), cash flows, interest rates, product-based fee income, costs, and capital requirements. The solution helps them drive desired behavior

by aligning incentive compensation plans with institutional goals, incentivizing profitable growth rather than volume.

"We can see which products are more profitable and changes in deposits by region and branch — visibility we didn't have before using Axiom."
-SVP Financial Planning & Analysis

2 Basis points ROA improvement through relationship management

Loan officers, branch managers, and relationship managers use Axiom Relationship Profitability and Pricing System (RPPS) — part of the Axiom Financial Institution Suite — to maintain and understand the value of each account, customer, and relationship in their portfolio, and price new business to meet profitability hurdle rates (e.g. RAROC). The software's 30 reports and dashboards inform business decisions, and portfolio views provide deep account insights to guide real-time pricing decisions.

"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

Axiom Financial Institutions Suite brings together budgeting, planning, profitability analysis, pricing, and reporting to:

- Efficiently model scenarios and strategic initiatives
- Improve forecast accuracy with cash flow-based planning
- Objectively identify value drivers with efficient and highly accurate funds transfer pricing and profitability methods
- Aggregate analysis to branches, products, customers, or other dimensions
- Price, analyze, and manage portfolios based on relationship profitability
- Integrate source systems to streamline and improve reporting from a single source of truth

To get your own personalized ROI analysis for Axiom, contact your Account Executive, or contact us.

To learn more about how Axiom Financial Institutions Suite can help your institution, visit our website or request a demo.

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