

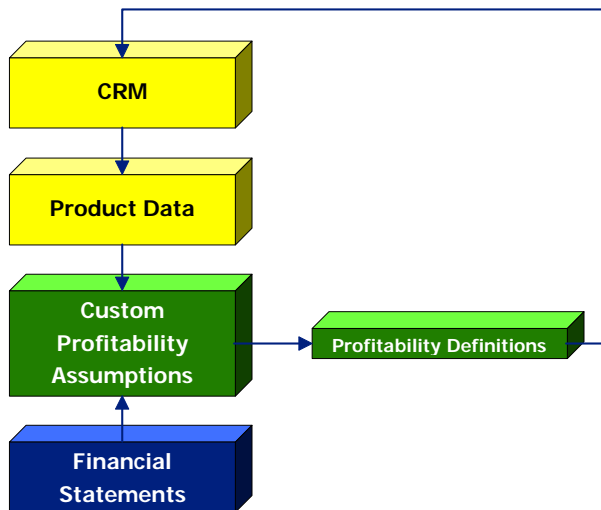
CUSTOM PROFITABILITY

PROFIT RESOURCES

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MAGNIFY YOUR  PROFIT!

CUSTOM PROFITABILITY



CUSTOM PROFITABILITY uses sophisticated models to link financial statement elements to product data to calculate income and expenses at the product level.

This service is designed to provide you with the profitability factors to use in your CRM. We also reconcile your CRM profitability to your financial statements.

CUSTOM PROFITABILITY provides a highly detailed and systematic approach that incorporates wide-ranging financial data. We will use the following methods in the analysis:

- Net Interest Income. Multiple pool, truly coterminous, funds transfer pricing with up to four yield curves
- Non-interest Income. Unit fees assigned to product groups. May use balance tiers and limited transaction data
- Non-interest Expense. Unit costs assigned to product groups using detailed general ledger reports and cost-accounting principles. May employ unique allocation methods and limited transaction data
- Provision for Loan Losses. Percentage amounts assigned to product groups, based on net charge-offs and current delinquencies

The resulting profitability definitions are applied at the product group level.

Your management will then be able to understand the profitability of your products and account holders!

SPECIFICATIONS FOR DELIVERABLES:

- This analysis provides you with the actual factors to load into your CRM. These factors are used to compute each account's profitability.
- A detailed report is used to reconcile your CRM's computed profitability to your financial statements.
- Reports Generated
 - Methodology Overview
 - Institution Summary illustrating average dollar, percentage and total amounts for each component of product profitability:
 - Net Interest Income
 - Non-interest Income
 - Non-interest Expense
 - Provision for Loan Loss

DATA NEEDED FOR THIS PROJECT:

FINANCIAL DATA

Detailed General Ledger financial statement in a tab-delimited flat file that contains these data fields:

<u>FIELD</u>	<u>DESCRIPTION</u>
Account #	General Ledger Account #
Amount	Current Balance for Balance Sheet accounts and "Year-to-Date Balance" for Income Statement accounts
G/L Description	General Ledger Description
Company	Institution's Name
Date	"As of" date of the data
Organizational Unit	Branch or cost center number

ACCOUNT-LEVEL DATA

- Account Number
- Account Holder Number
- Product Code
- Product Description
- Current Balance
- Average Balance
- Interest Rate
- Open Date
- Maturity Date