



Innovative Funding Strategies & Tactics

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Our Moderator



Barb Rehm

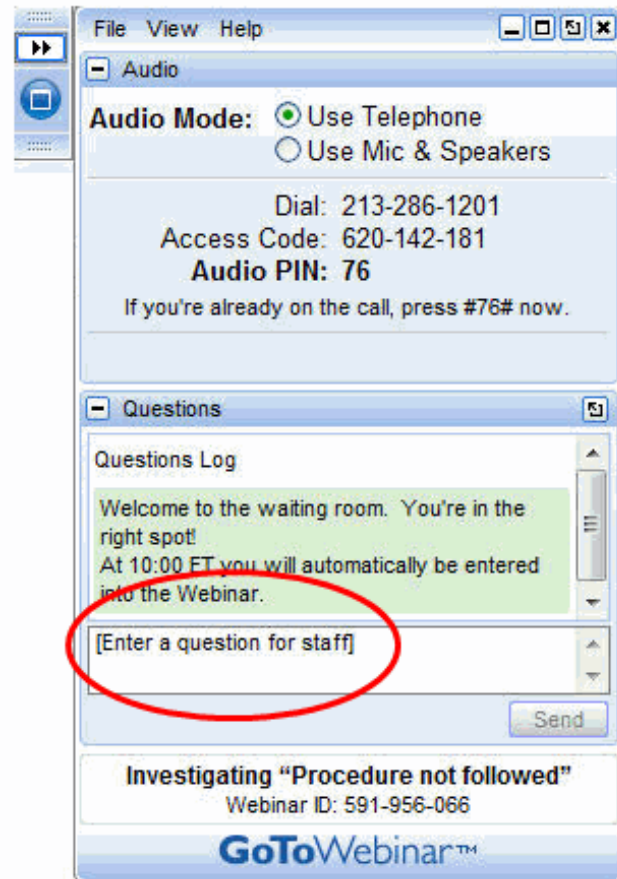
Senior Managing Director, Promontory Interfinancial Network

Barb Rehm is Senior Managing Director at Promontory Interfinancial Network. Formerly, she was Special Adviser at Promontory Financial Group. Prior to that, Ms. Rehm spent 26 years at *American Banker*, including as its Editor-in-Chief. During her last three years at *American Banker*, she wrote a widely followed column that informed and influenced debate on financial regulatory developments, like the Basel III capital regime, the push for large-bank resolution planning, and the turn toward consumer financial protection.

Housekeeping Items

Questions? Type your question in the box on the right side of your screen.

This webinar is being recorded and will be made available on Peer Intelligence. The opinions expressed in this webinar are those of the individual speakers only.



Our Speakers



Matthew Pieniazek

President, Darling Consulting Group

Mr. Pieniazek works with banks nationwide to ensure that their asset liability management process becomes a sustainable profit center through accurate risk assessment and the development of tailored solutions for earnings enhancement and risk mitigation. Mr. Pieniazek is a frequent speaker and author on balance sheet management topics. Prior to Darling Consulting Group's inception in 1991, Mr. Pieniazek was an audit manager and consultant at KPMG Peat Marwick. He has his MBA from the University of Chicago and BBA in Accounting from the University of Notre Dame.



Neil Stanley

Founder and CEO of The CorePoint and an Executive at TS Banking Group

After a 25-year career as a bank executive with First National of Nebraska/Lauritzen Corporation and Northwest Financial Corporation, Mr. Stanley founded The CorePoint in 2010 with a mission of revitalizing pricing strategies for retail deposits. The company provides clients across the country with powerful new ways of attracting and retaining properly priced retail deposits. In addition to leading The CorePoint, Mr. Stanley is an executive and director at TS Banking Group in Treynor, Iowa. TS Banking Group has three charters that operate in Iowa, Illinois, and North Dakota. The total assets of the banks are around \$900 million.

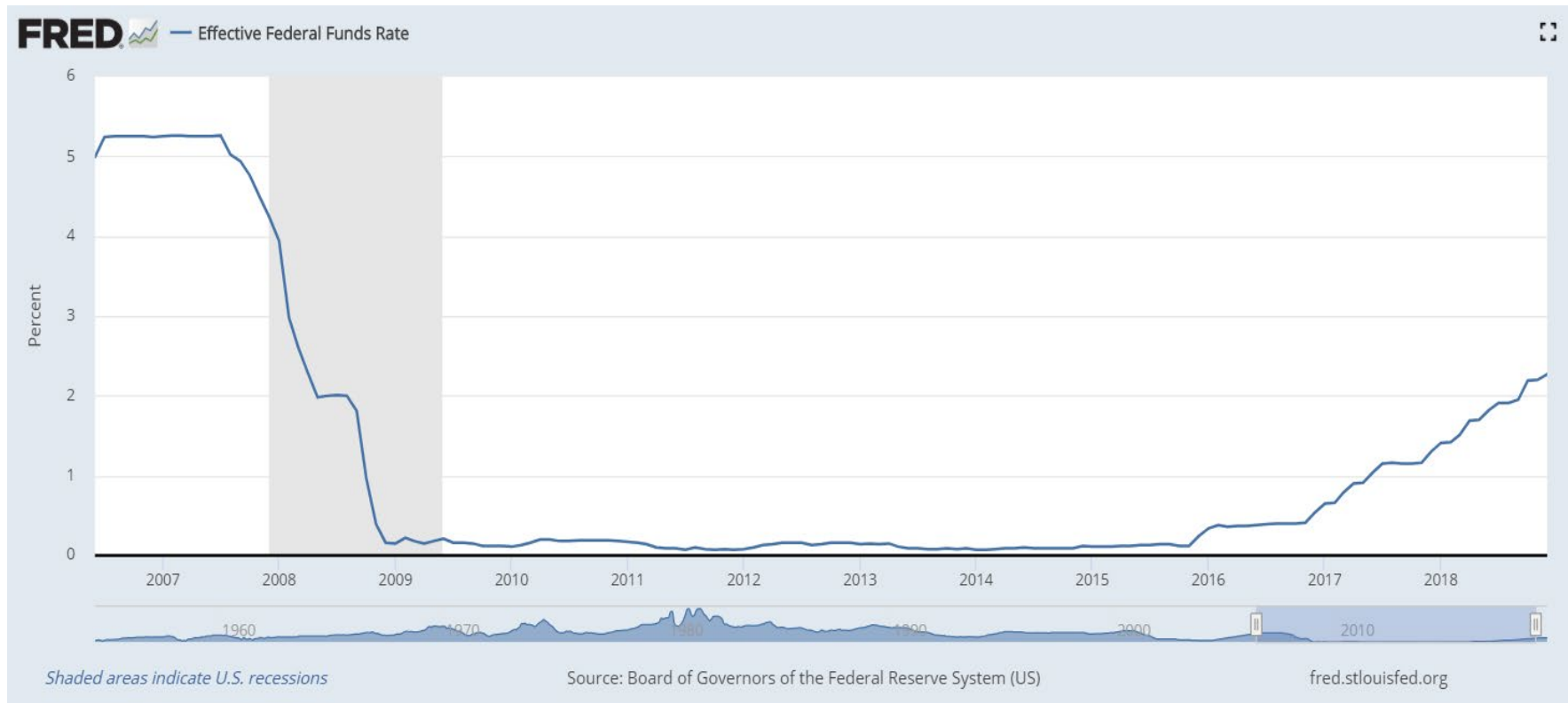
A Shrinking Deposit Pie for Smaller Banks

Roughly 4,000 banks are competing for 10% of the deposit market. Here is the market share held by the largest institutions:

25 Banks	60.1%
49 Banks	70.2%
122 Banks	80.0%
509 Banks	90.0%

Source: The CorePoint

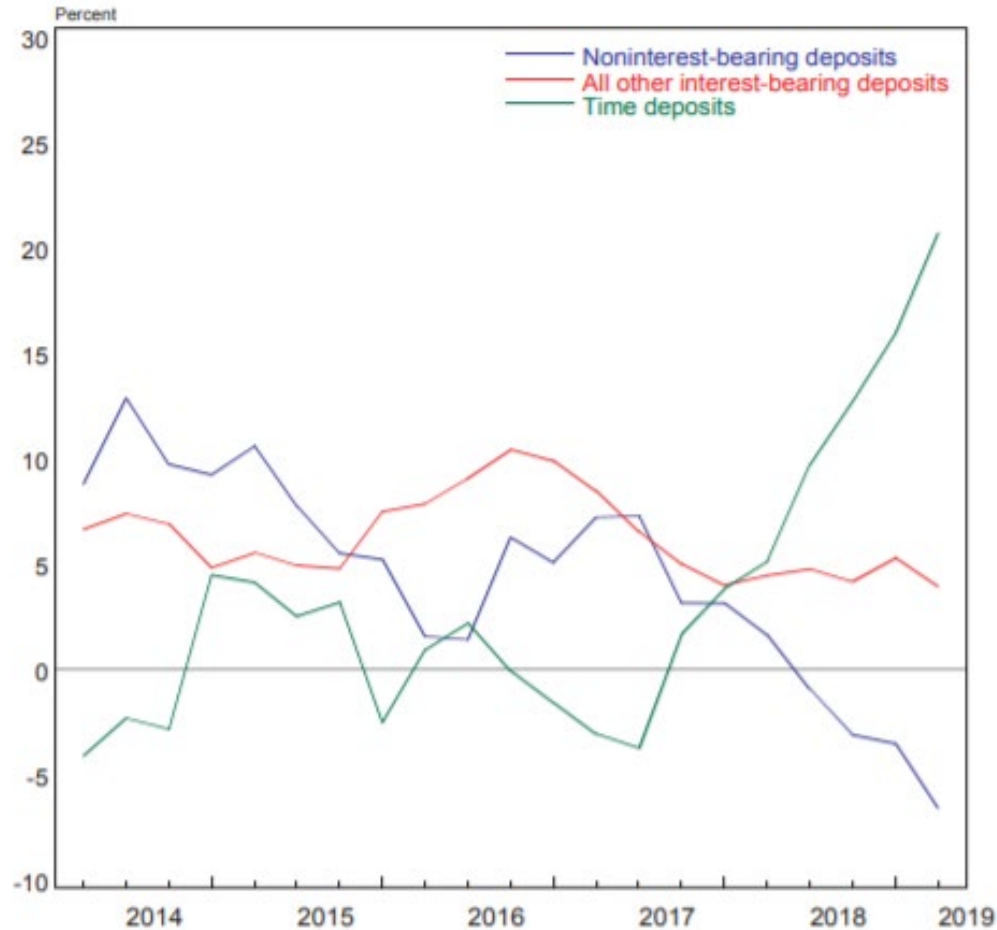
Fed Funds Rate Historical Chart



Source: Board of Governors of the Federal Reserve System (US)

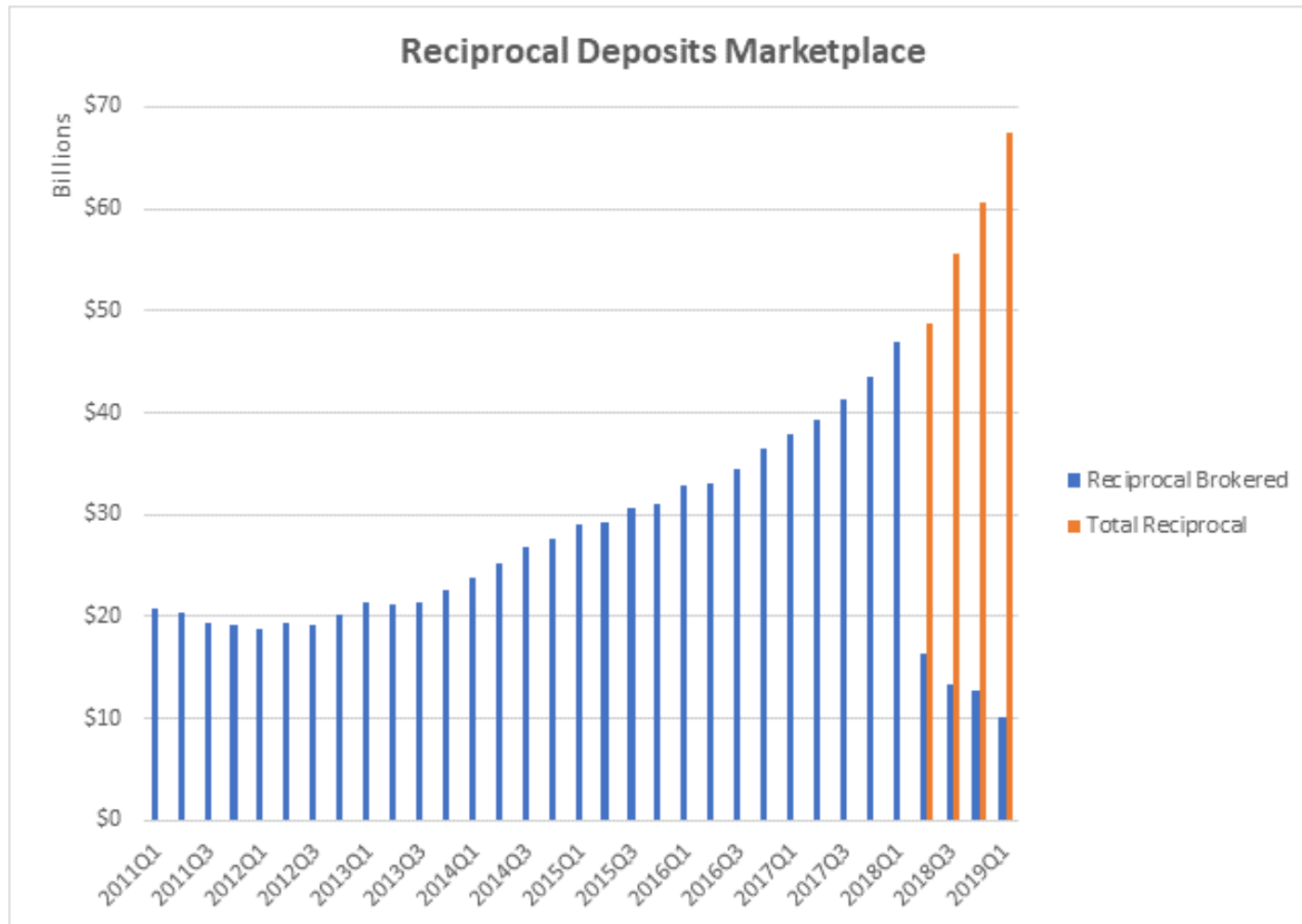
Growth of Time Deposits Has Soared

12-Month Growth Rates of Domestic Deposits



Source: FDIC Quarterly Banking Profile

Reciprocal Deposit Growth



Source: S&P Global Market Intelligence

Tactics for Attracting New Deposits

- Extend offers in sequence, rather than a mass dump, and assume an order-taking posture.
- Pair checking account offer with a promotional debit-only deposit account with attractive yield and no commitment.
- Don't publish standard rates broadly.
- Show depositors how offers stack up to competition in terms of dollars.
- Offer and promote CDs with partial-withdrawal options.
- Customize CD maturities to fit depositor needs and wants.
- Offer an invitation-only, limited-edition savings account.
- Use CD specials frugally.

Matt's Takeaways

- Don't let fear, competition, or minority of deposits dictate deposit strategy.
- Listen—your balance sheet and growth strategy “Talk.”
- Segment deposit base into logical strategy segments.
- Create value with differentiated pricing and product strategies.
- Data matters—appropriate analytics matter much more.
- Ensure appropriate preparedness and “Buy-In” for deposit strategies.
- Philosophy matters—wholesale funding strategy, policies, and contingency liquidity planning.

Neil's Takeaways

- Attracting and retaining properly priced deposits will be increasingly difficult.
- No franchise value is created when you outsource funding of your balance sheet.
- Train your frontline to go beyond merely showing depositors your posted terms and rates.
- Winning in this deposit market requires new products and a sequential offering approach.
- Deposit strategy has evolved much more than most bankers realize. It's possible to seize the advantage.

Questions?