

## Interest-Bearing Deposit Best Practices Checklist



- Develop an efficient and effective system to offer interest-bearing deposit accounts with pricing that is systematically in each category 1) Disclosed, 2) Promoted, 3) Negotiated, and 4) Retention
- Extend offers in sequence rather than a mass dump and assuming an order-taking posture.
- CD specials should be rare and offense oriented. Time and define CD promotions by maturity schedules.
- Use the Balance-Builder approach with standard tiering and incentive pricing for ongoing deposit growth.
- Display dollars. To bring relevance to the decision-making process of each depositor, the representative should be equipped to talk to their depositors in terms of dollars.
- Show how offers stack up to the competition in dollars.
- Use customized CD maturities to fit depositor needs and wants and address offers of competitors.
- Offer an invitation-only Limited Edition Savings account for retention of maturing time deposits.
- Offer and promote partial withdrawal options of CDs with compensation expected only on withdrawn amount.
- Promote that early withdrawal will not be restricted and that accrued interest will never be withheld.
- Promote that critical aspects of time accounts are not subject to change by F.I. before maturity.
- Promote that presentment of physical certificate is not required at redemption.
- Take the unnecessary punishment out of CD early withdrawal penalties with Enhanced Withdrawal Options.
- Publish in online and mobile banking applications today's redemption value.
- Establish competitive CD loan programs and promote them at point of sale.
- Negotiate one-time jump-up CD offers.
- Design situational limited special time deposit offers (Election Day and Landlord CDs).
- Buy one, Get one — Get a promotional debit-only deposit account with attractive yield and no commitment when you pair it with a new CD. These are typically referred to as Companion Deposit Accounts.
- Offer an even higher interest rate on Companion Accounts where the owner also has a rewards DDA account like Kasasa Cash that qualifies on a monthly basis for premium pricing over the regular Companion Account rate.
- Promote refinancing of CDs prior to maturity to get growth when interest rates rise.
- Use a welcome message following new CDs opening to promote Companion, Refi, and DDA opportunities.
- Don't publish standard rates broadly. What can you possibly gain by publishing your standard CD rates on the website?
- Offer some accounts with no fees and no minimum balances when the fees and minimum balances aren't needed (think Capital One advertising) Ideally use Companion Deposit Accounts for this.
- Agilely assess FDIC insurance coverage with EDIE.
- Target promotional campaigns at the time of competitor's maturing promotional specials.
- Utilize CRM and data analytics to get the right offering in front of the right person at the right time.
- Be intentional about equipping and training the frontline.
- Send a welcome message to all new CD account holders full of relationship expansion opportunities.
- Use Funds Transfer Pricing to measure and report profitability of new and renewed activity in addition to price and volume.
- Calibrate pricing
  - **Companion Deposit Account** – Should be our highest rate publicly offered for savings. Promote.
  - **Standard** – Competitive with the bottom portion of the market. Publicly disclosed, but not promoted.
  - **Promotional Specials** – Time and define. Only offer rarely and design to be compelling action.
  - **Customized CDs** – Set to win needed volumes in the top 1/3<sup>rd</sup> of the market. Only privately offered.
  - **Limited Edition Savings** – Start with weighted average of recent new and renewed CDs and adjust for the market and liquidity needs. Only offered privately. Can offer in time series