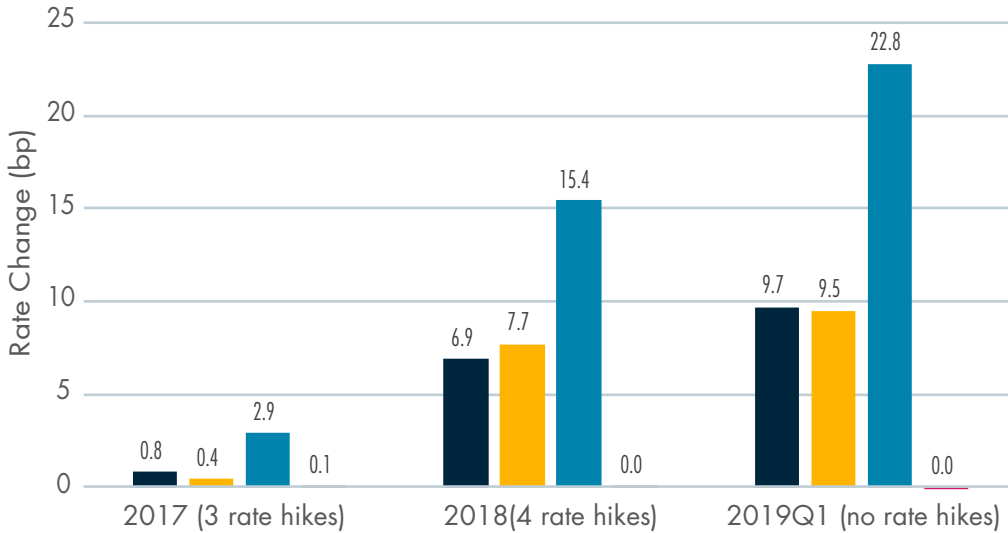


# PAYING UP

The Fed has stopped raising rates for now, but that doesn't mean banks are out of the woods. In fact, history tells us that rates typically keep rising after the Fed halts its increases. That trend is being exacerbated today by new entrants that are hungry for deposits and advanced technology that makes it easy to move balances. As a result, banks must pay more to retain their deposits.

## QUARTERLY CHANGE IN PORTFOLIO RATES

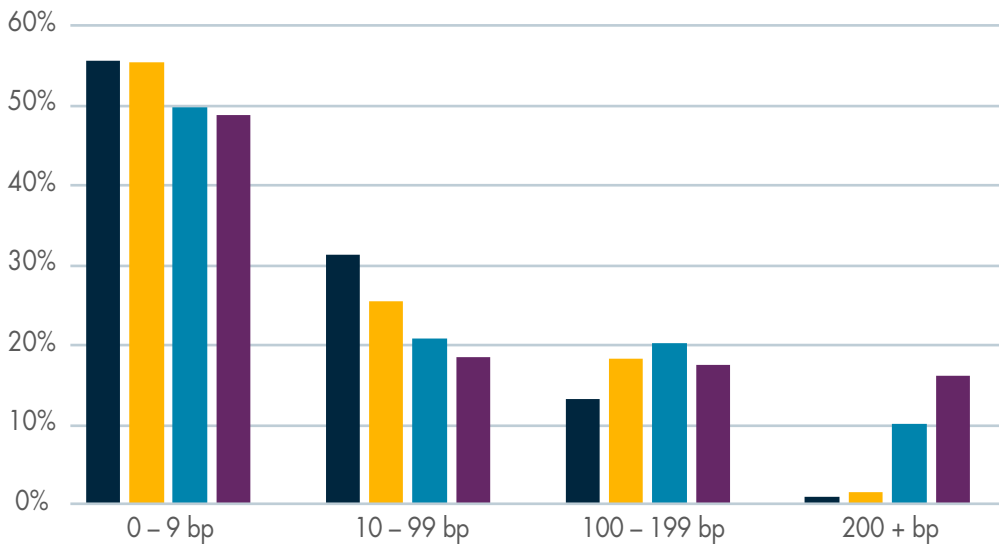
● All Products ● Savings ● CD ● Checking



Portfolio rates are increasing faster in 2019 than they were in 2018

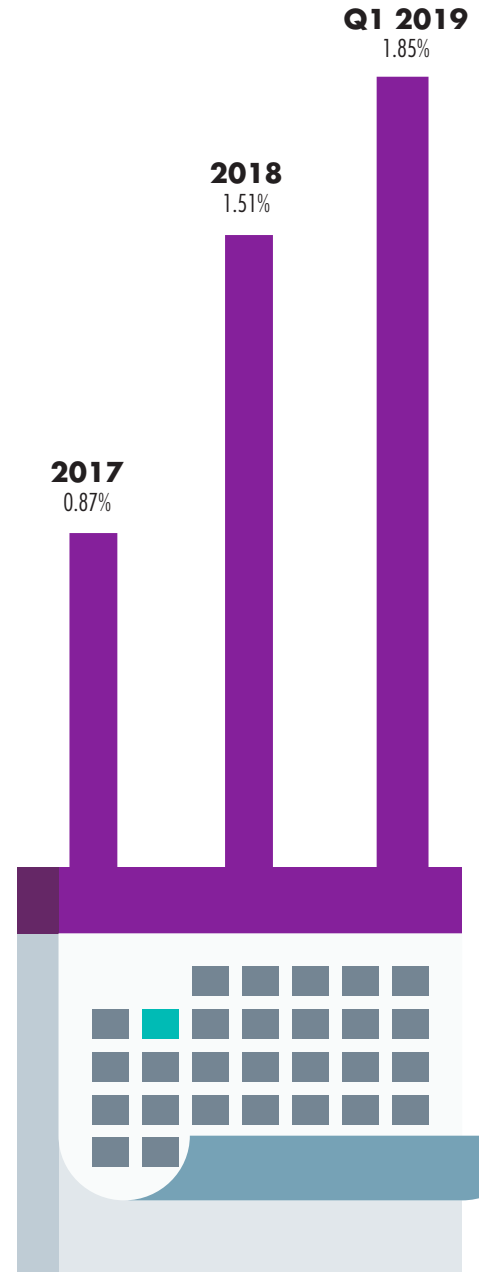
## PORTFOLIO BALANCE COMPOSITION BY RATE PAID

● 3/31/2017 ● 3/31/2018 ● 12/31/2018 ● 3/31/2019



In just three months, the amount of balances at 200+ bp has grown by more than 60%, contributing to a higher cost of deposits

## PERCENT OF PORTFOLIO SWITCHING TO HIGHER RATES PER MONTH



This increased cannibalization is contributing to the higher balances at high rates

Source: Novantas Comparative Deposit Analytics -U.S. Consumer