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THE GUIDE TO BANK PRICING: NAVIGATING THE RANGE



WHAT

Considering how to ease the headache of understanding bank fees.



WHEN

Thursday, May 9
2:00 PM – 2:50 PM EDT



SME

Lee Patton, Business Development Leader
Craig Jeffery, Founder & Managing Partner
Christin Cifaldi, Director, Product Development & Analytics



ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



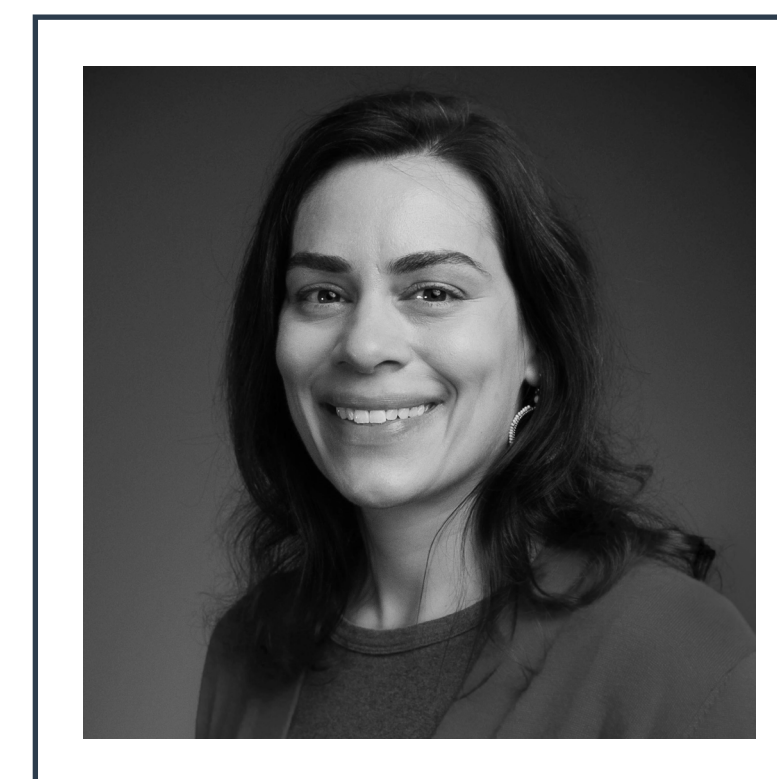
LEE PATTON

Business Development Leader



CRAIG JEFFERY

Founder & Managing Partner



CHRISTIN CIFALDI

Director, Product Development
& Analytics

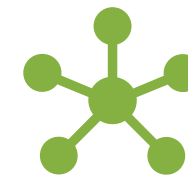
TOPICS OF DISCUSSION

KEY AREAS OF FOCUS



SEEKING UNDERSTANDING

TERMS AND CONTEXT



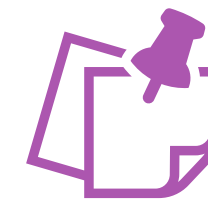
VIEWING FEES MORE ACCURATELY

A BETTER PERSPECTIVE



INSIDE THE GUIDE

DETAILS AND EXAMPLES



KEY TAKEAWAYS

AND FINAL THOUGHTS

UNDERSTANDING THE TERMS

DEFINITIONS

Account analysis statement

- Detailed invoice that includes multiple complicating factors for arriving at a price.

ECR (earnings credit rate)

- Interest paid on balances that is applied to bank invoices without calling it interest.

AFP codes

- The attempt to normalize invoice details and invoicing by banks.

Reserve requirement

- A percentage of deposits that must be held in reserve (not loaned out) by banks. This is a requirement of the Fed and has often been around 10%. It is currently 0%.

UNDERSTANDING THE CONTEXT

BANK FEES SHOULD NOT BE VIEWED IN ISOLATION



Bank relationship

- Credit
- Level of risk
- Ideas/guidance
- Operational support
- Service fees
- Price x value



Bank relationship formality

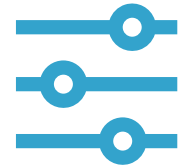
- Value: RAROC
- Relationship plans
- Call reports
- Maintaining organizational corrections

PARADIGM SHIFT

A MORE COMPLETE PERSPECTIVE ON FEES



Fees are one component of a relationship, not the only component



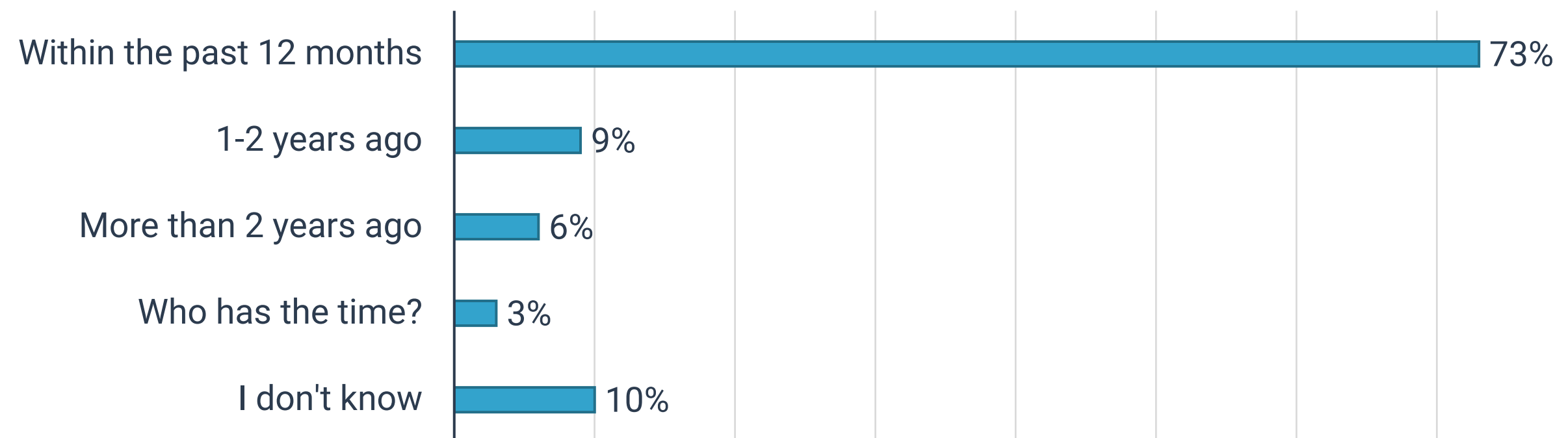
Think of fees in a range, not as a single point



Other factors influence relationship value besides fees

POLL QUESTION

Poll 1 - When was the last time your company reviewed bank fees?



Poll 2 - How do you utilize AFP codes?



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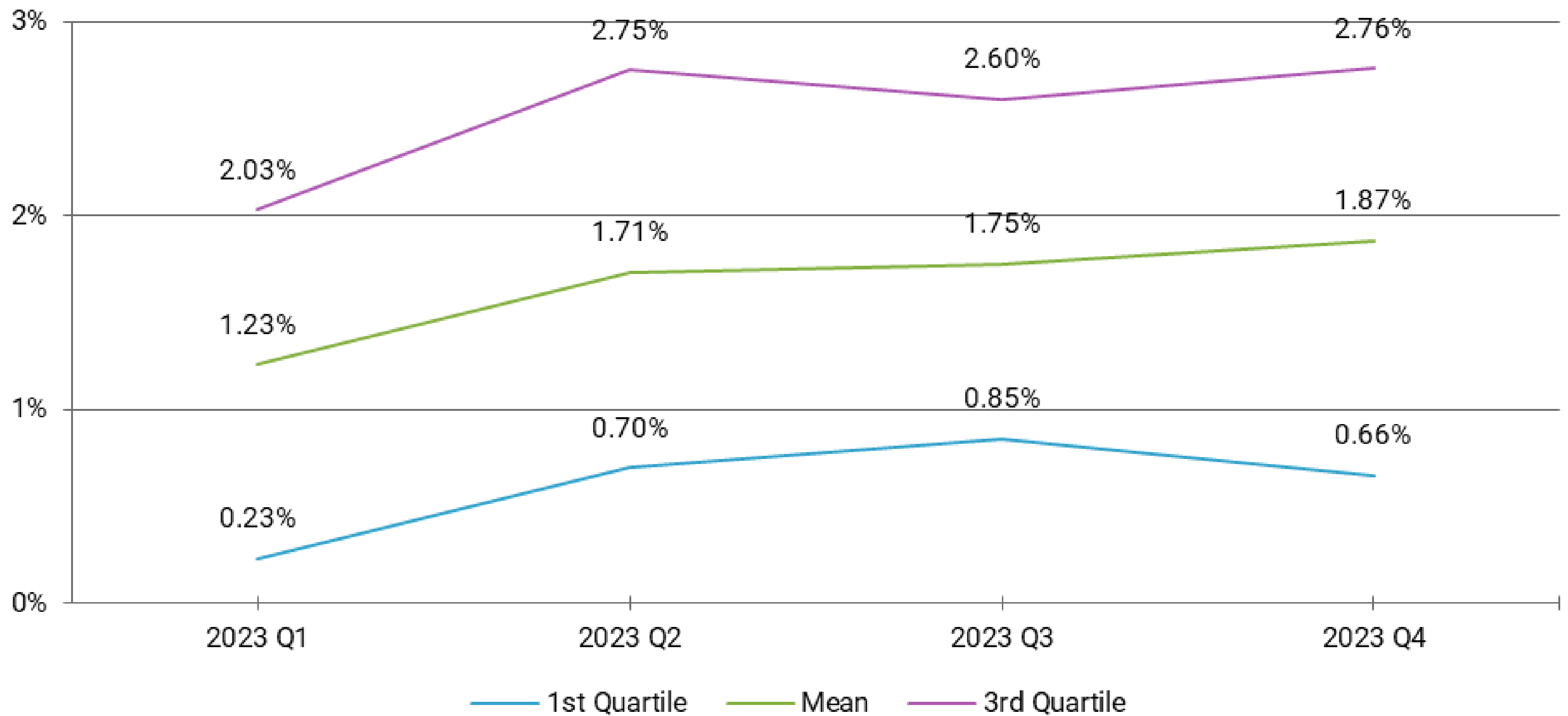
AN OVERVIEW OF THE GUIDE



- Earnings Credit Rate
- Negative Collected Balance Rates
- Balance Assessment Fees
- General Services
- Collections
- Disbursements
- Data Services
- Fraud Services
- Lockbox
- Online Portal

EARNINGS CREDIT RATE

ALL MARKET DATA



NEGATIVE COLLECTED BALANCE

RATES CHARGED

2023

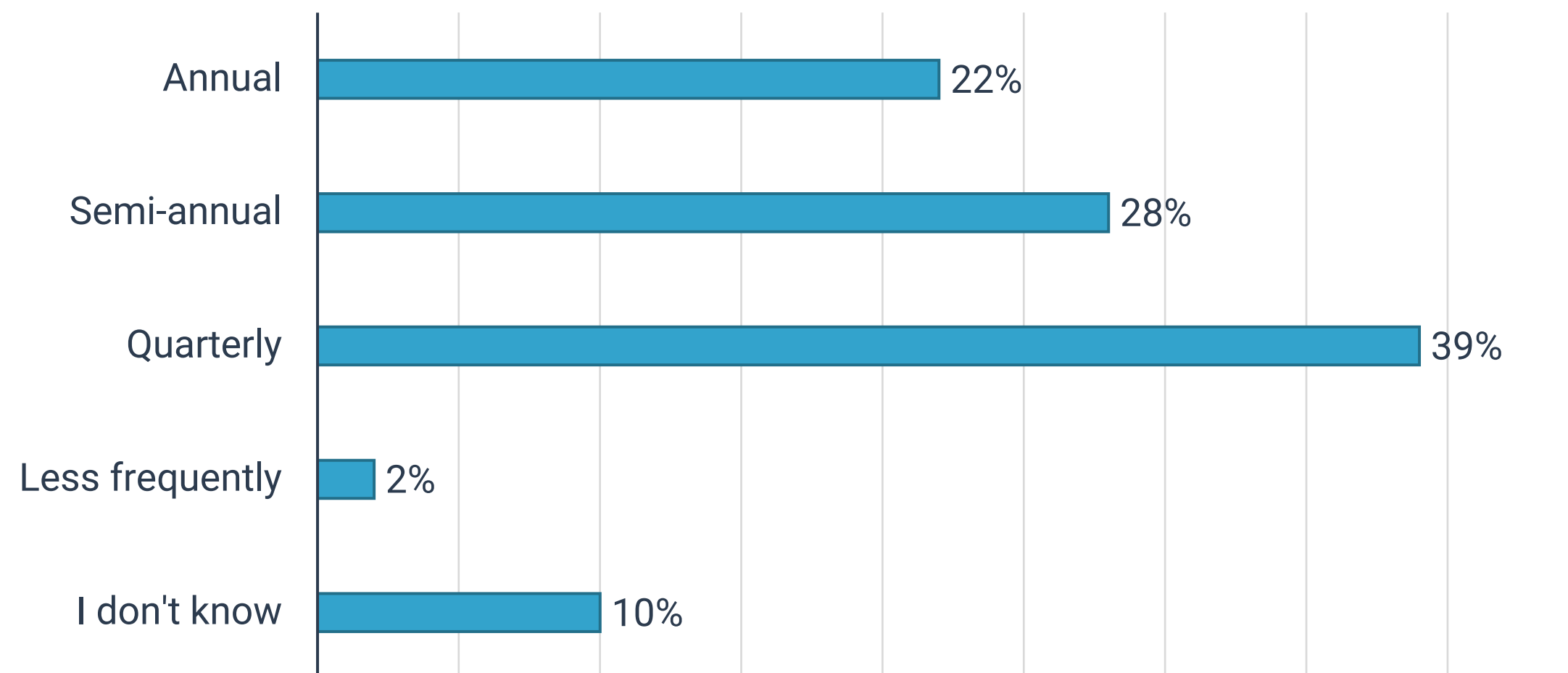
Average Ledger Balance	90 th	50 th	10 th
< \$500k	12.6%	11.9%	9.9%
\$500k – 5M	13.0%	11.0%	10.0%
\$5M – 25M	13.4%	12.3%	10.7%
> \$25M	12.6%	11.7%	10.7%

	Minimum	Median	Mode	Mean	Maximum	Range	U.S. Prime Rate ¹
2023	9.5%	11.5%	11.5%	11.4%	13.5%	4.0%	8.50%
2022	5.0%	10.2%	10.2%	10.4%	18.0%	13.0%	7.50%
2021	6.3%	8.3%	18.0%	12.4%	18.0%	11.8%	3.50%

1: St. Louis Federal Reserve Economic Data (FRED), *Economic research website*, United States government, accessed 12 April 2024

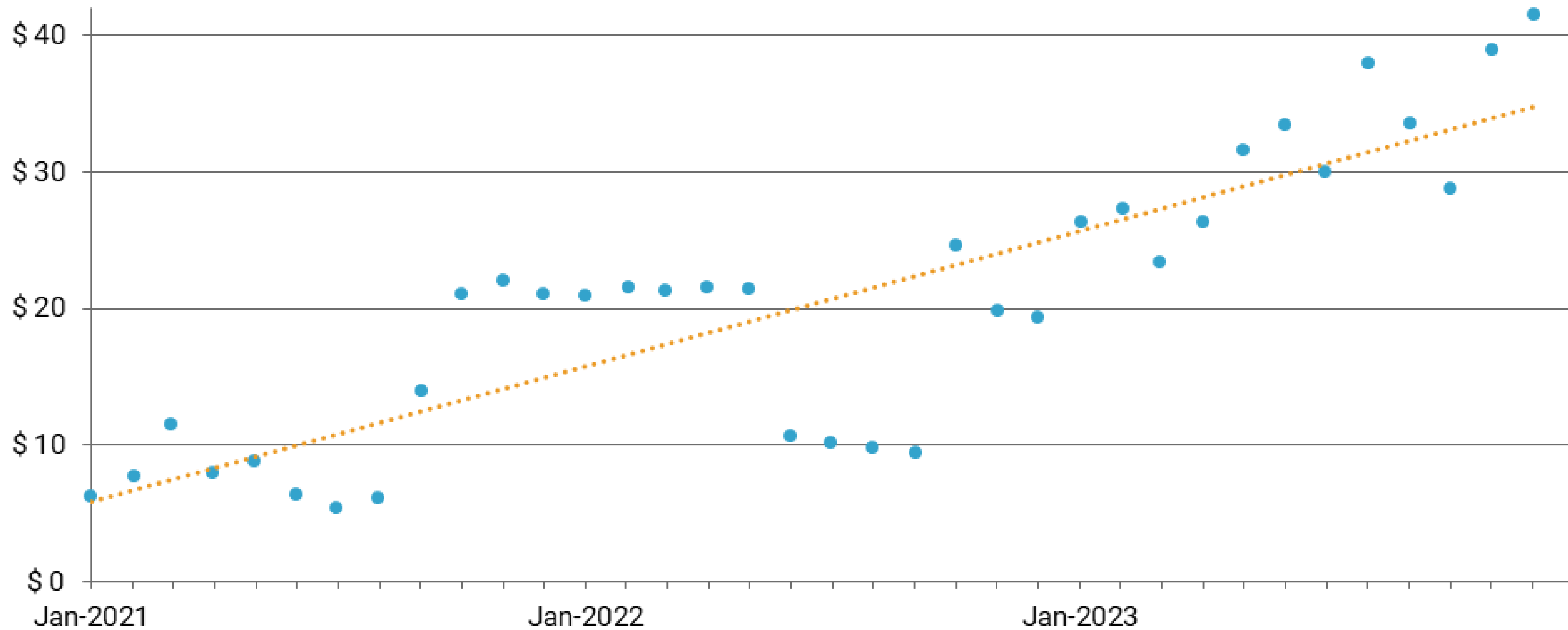
POLL QUESTION

Poll 3 - What is the frequency of check-ins with your relationship manager?



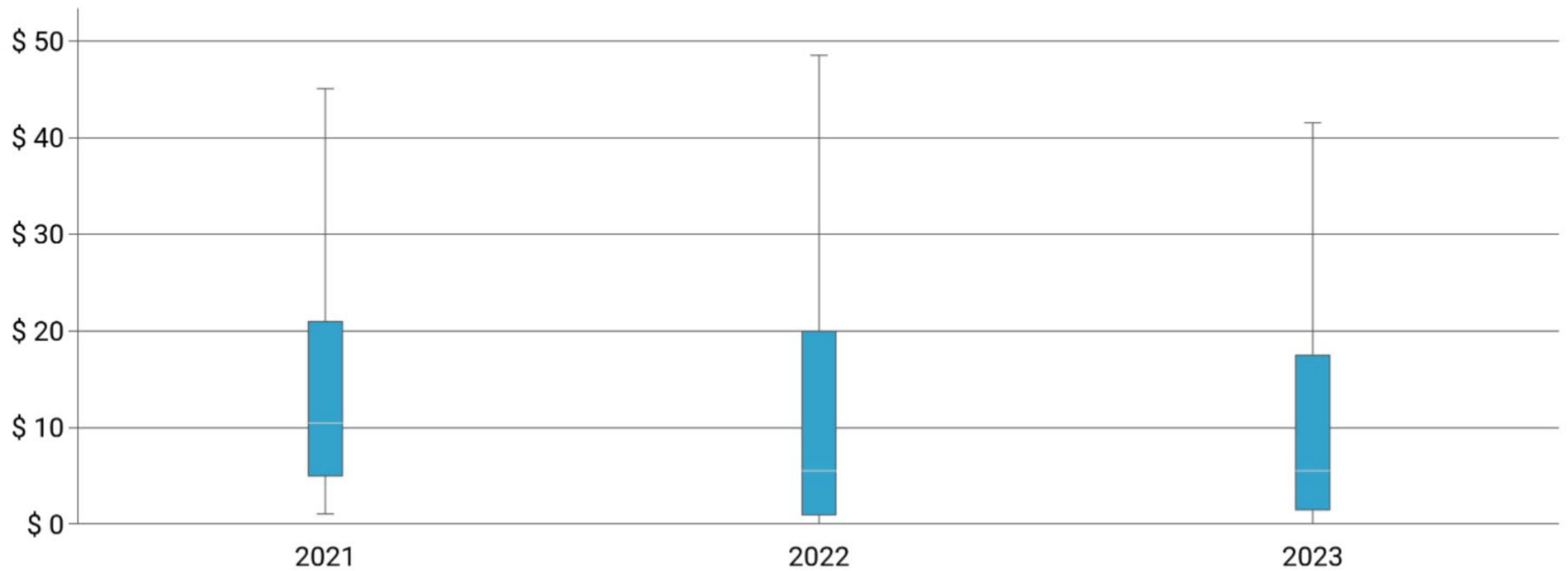
GENERAL SERVICES

COST OF ACCOUNT FEES



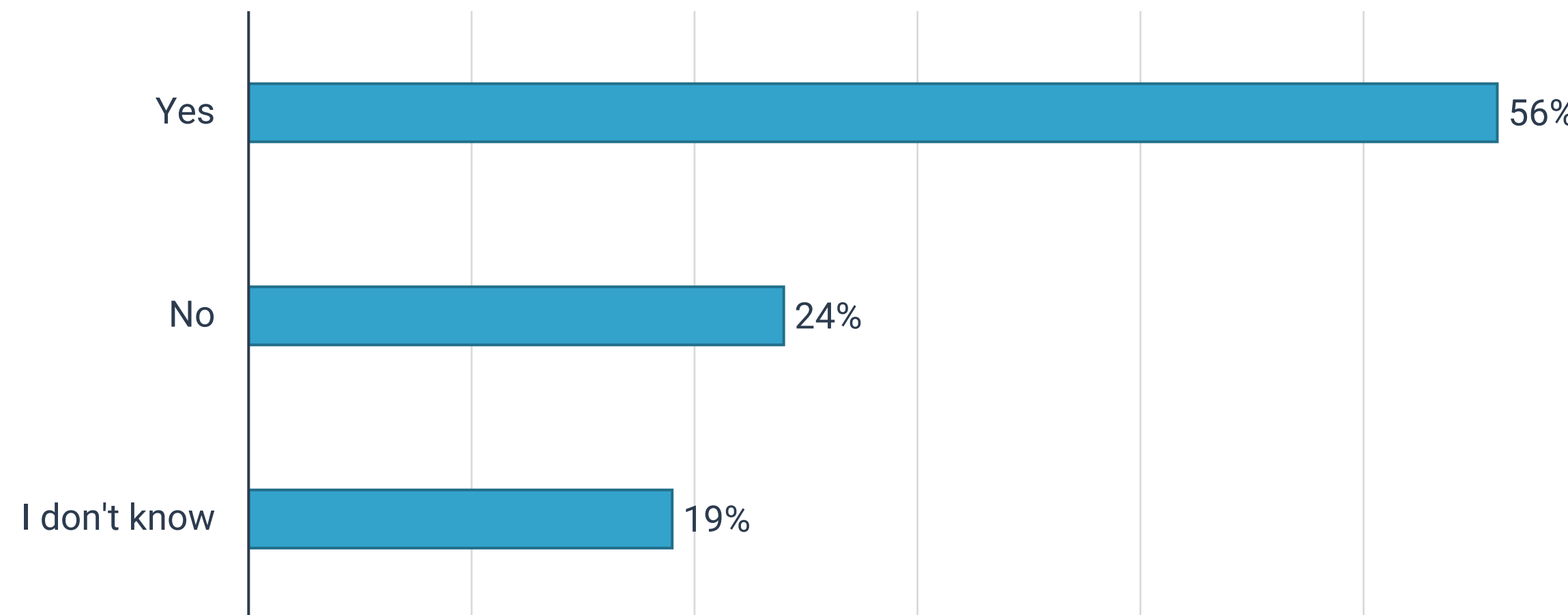
ONLINE PORTAL

COST OF FILE TRANSMISSION



POLL QUESTION

Poll 4 - Has your earnings credit rate increased/decreased in step with market fluctuations?



PRICING COMPARISON

HOW TO HANDLE

Product family (7)

Subfamily (30)

Line item (3600+)

Collections



General deposits



1 – Check deposit

2 – ACH deposit

3 – Inbound wire

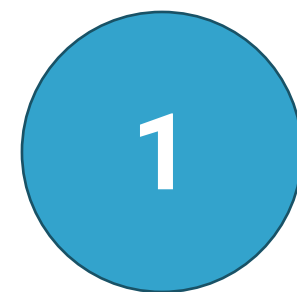


Approaches to negotiations

- Specific rather than across the board
- Don't ask for 3.5% off on 120 items
- “Seeing better value,” not “You are overcharging”

HOW TO GET THE GUIDE

SAVING ON FEES



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Access credentials

FINAL THOUGHTS

HOW TO PROCEED



COMPREHENSIVE RELATIONSHIP VIEW

- How are your banks helping your organization?
- What is the service quality?
- Access to capital?



FOCUS ON DETAILS

- Examine the details
- Focus on the most impactful items
- What changes in your services or behavior matter?



METHODICAL

- Whether you get help or go it alone, follow a strategy
- Be specific in your request: amount, time
- Affirm the value of the relationship
- Follow up
- Report the result

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS



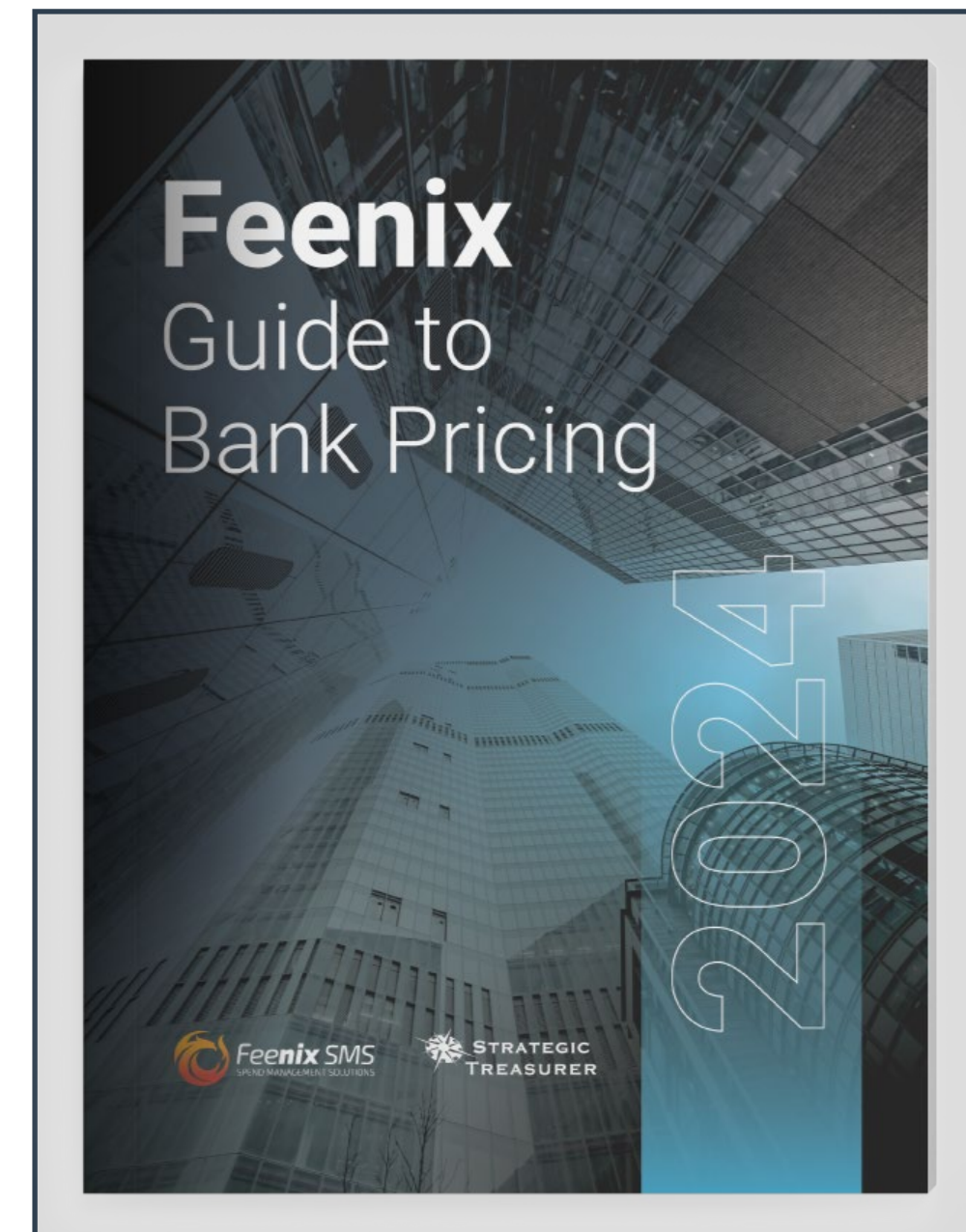
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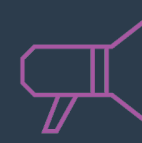
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