



FOR IMMEDIATE RELEASE

Latest Market Rates Insight Analysis Shows Banks Adopting Traditional Retail Industry Tactics to Attract New Depositors

Banks are keeping regular interest rates low and unchanged, and attract new depositors with special offers at higher interest rates

SAN ANSELMO, Calif. (December 1, 2009) – A new market analysis from Market Rates Insight (MRI, www.marketratesinsight.com), a leading research firm that tracks rates for deposits, loans, and fees for financial institutions, has identified a shift in the customer-acquisition tactics banks are using to attract new depositors. The new tactics mirror those used by the retail industry – keep regular prices (interest rates) the same, and attracting new customers with special offers.

The analysis found that banks are not changing the interest rates on their regular certificates of deposits (CDs) as often as they did earlier in the year. For example, in January of this year, banks changed their rates on regular CDs once a week on average. However, in October of this year, rate changes for regular CDs declined to only one-third of regular CD products.

Conversely, the number of rate changes on special CDs has remained high throughout the year. From January to November of this year, the interest rates on two-thirds of all special CDs were changed on a weekly basis, and during some weeks special CD rates were changed twice a week.

“Banks are taking a page out of the classic retail-industry book; they keep their regular prices (their rates) the same, and attract new customers with promotions,” said Dan Geller, Ph.D. Executive Vice President at Market Rates Insight. “This means that to compete effectively, banks must closely monitor competing Special offers, and react quickly to avoid losing both balances and customers.”

The complete analysis can be viewed on the Market Rates Insight website at this location: <http://marketratesinsight.com/docs/sa12.1.09.pdf>.

About Market Rates Insight

For more than two decades, Market Rates Insight (MRI) has been helping subscribers price with precision by providing banks, thrifts, credit unions, and other financial institutions with accurate market intelligence on deposits, loans, and fees. MRI uses deposit surveys, mortgage and consumer loan surveys, fee and feature studies, scanned

ads, new product alerts, and market share and money fund reports to give subscribers the intelligence they need to profitably react to emerging trends. MRI's products include customized, web-enabled market research tools that report on rates, as well as online searchable databases, gauges, alerts, and dashboards that aggregate key client data to provide real-time views on how they stack up against market competitors.

Market Rates Insight is located in San Anselmo, California. For more information, see www.marketratesinsight.com.

Contact:

Dr. Dan Geller
Market Rates Insight
415-448-8813
Dan.Geller@MarketRatesInsight.com

Tom Woolf
Market Rates Insight
(415) 259-5638
tom.woolf@marketratesinsight.com