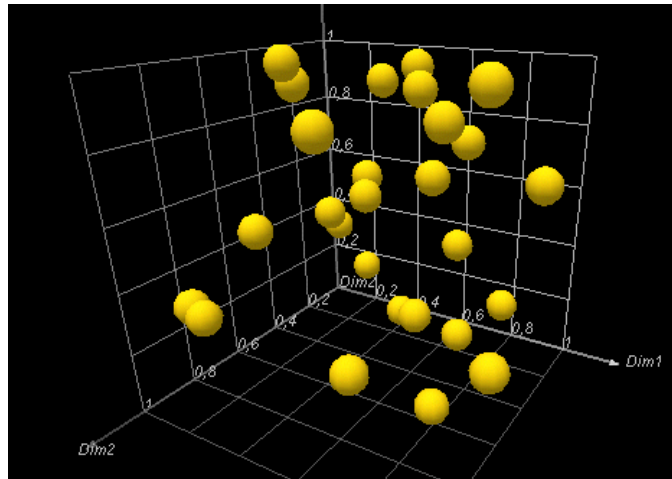


Pricing Indicators



National Pricing Indicators
For the week ending 11/27/09

Highlights

- A shift in customer-acquisition tactics used by banks to attract new depositors (page 2).
- Slight decline in the national-average APY for CD & MM (-0.01)
- Relatively low repricing volume. Less than one half (47%) of deposit products were repriced this week.

(Additional indexes and products inside)

For additional information contact:

Dr. Dan Geller

Direct: 415-448-8813

dan.geller@marketratesinsight.com



275 Greenfield Ave. San Anselmo, CA 94960 Phone: 415 448-8800, Fax: 415 259-0701
Email: info@marketratesinsight.com Web: <http://www.marketratesinsight.com/new>

Summary of Findings for this week

National APY

- Slight decline in the national-average APY for CDs and MM **-0.01**
- Highest increase, **MM Spl. +0.20**
- Highest decrease, CD 36 months Spl. **-0.17**
- Aggregated change in average APY since the beginning of the year **-91 bps (-38%)**
- Highest spread between average Regular and Special in 48 months CD **100 bps**
- Lowest spread between average Regular and Special in MM **55 bps**

Repricing Volume

- Relatively low volume. Less than one half (**47%**) of the products were repriced during the week.
- Highest repricing volume product - CD 60 Regular and CD Special 9 months (**78%**).
- Lowest repricing volume product - CD 3 months Special, (**0%**).

About The National Pricing Indicators

The National Pricing Indicators (NPI) is a weekly analysis of the national changes in the two main deposit products - CDs and MM.

The purpose of this analysis is to provide Pricing Executives with an indication of the state of deposit products on the national scope, and beyond specific pricing regions.

NPI contains four useful indexes - Weekly APY index, Premium APY index, Repricing Index, and historical APY . Each of these indexes is designed to provide Pricing Executives with a different prospective on pricing practices and trends.

NPI measures selected term and no term deposit products in its indexes. These deposit products are all at the \$10K tier level:

CD - Regular, and Special, 3, 6, 9, 12, 24, 30, 36, 48 and 60 months. MM - Regular and Special

NPI can be customized to specific regions upon request.

Pricing Advisory for this week

A shift in the customer-acquisition tactics used by banks to attract new depositors.

Regular CD products are not used as much to attract new balances. The average number of Regular CDs that were repriced weekly declined from a high of 109% (all Regular CDs were repriced, and some were repriced twice during the week) in January to a low of 37% during in October of 2009 (Figure 1).

At the same time, the number of Special CDs that were repriced weekly was kept high at an average of 69% throughout the year with occasional spikes of up to 111%, which means that all Special CDs were repriced weekly, and some were repriced twice during the week (Figure 2).

Figure 1 - Repricing volume of Regular CDs

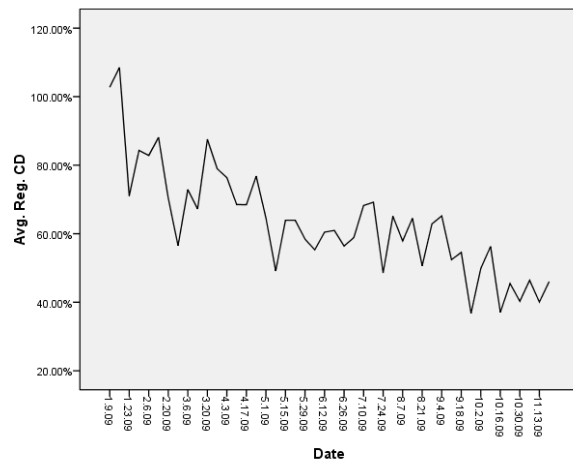
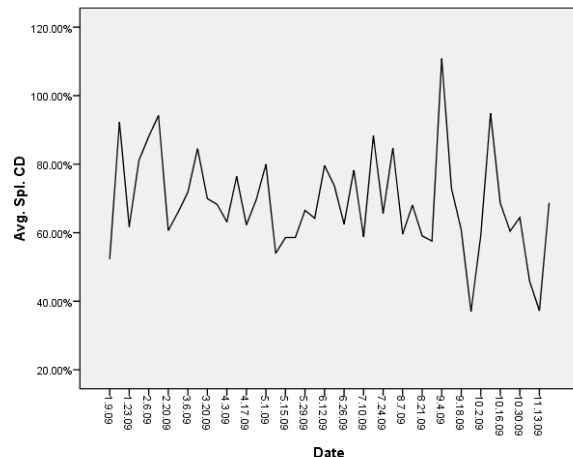


Figure 2 - Repricing volume of Special CDs



National APY Index

The APY index features national averages for the highest APY, lowest APY and average APY for regular (Reg) and special (Spl.) selected CD and MM.

In addition, it provides the average change from the previous week across all selected deposit products. Raw data is also provided.

CD & MM Regular

- Highest increase, **No increases**
- Highest decrease, CD 24 months **-0.03**
- Average increase/decrease, **-0.01**

CD & MM Special

- Highest increase, MM **+0.20**
- Highest decrease, CD 36 months **-0.17**
- Average increase/decrease, **0.00**

Figure 1
Average APY across all products

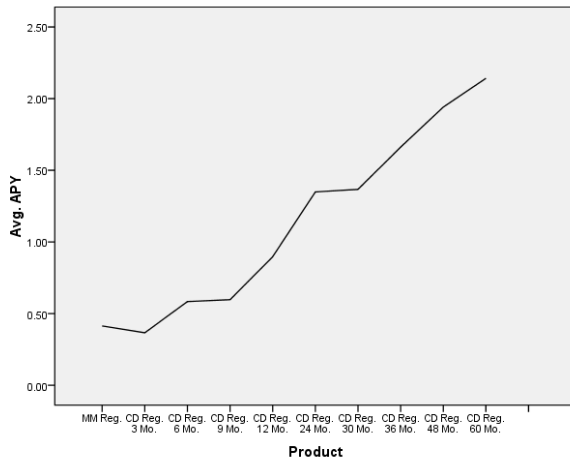


Figure 2
Average APY across all products

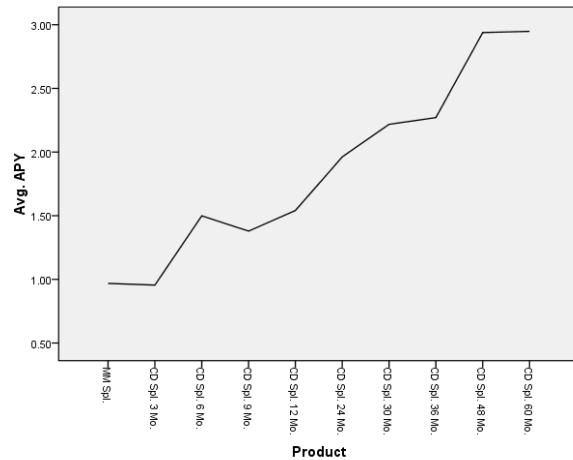


Figure 1
APY spectrum and variance

Product	Min. APY	Max. APY	Avg. APY	Last Wk.	Change
MM Reg.	0.01	2.00	0.41	0.42	0.00
CD Reg. 3 Mo.	0.01	1.50	0.37	0.38	-0.01
CD Reg. 6 Mo.	0.10	1.75	0.58	0.59	-0.01
CD Reg. 9 Mo.	0.10	1.70	0.60	0.61	-0.01
CD Reg. 12 Mo.	0.15	2.12	0.90	0.91	-0.01
CD Reg. 24 Mo.	0.35	2.63	1.35	1.38	-0.03
CD Reg. 30 Mo.	0.40	2.52	1.37	1.39	-0.02
CD Reg. 36 Mo.	0.65	3.03	1.66	1.67	-0.01
CD Reg. 48 Mo.	0.80	3.16	1.94	1.96	-0.02
CD Reg. 60 Mo.	0.85	3.51	2.14	2.15	-0.01

Figure 2
APY spectrum and variance

Product	Min. APY	Max. APY	Avg. APY	Last Wk.	Change
MM Spl.	0.55	1.75	0.97	0.77	0.20
CD Spl. 3 Mo.	0.70	1.21	0.96	0.96	0.00
CD Spl. 6 Mo.	1.40	1.75	1.50	1.50	0.00
CD Spl. 9 Mo.	0.75	2.05	1.38	1.23	0.15
CD Spl. 12 Mo.	0.58	2.25	1.54	1.58	-0.04
CD Spl. 24 Mo.	1.50	2.50	1.96	2.02	-0.06
CD Spl. 30 Mo.	2.00	2.76	2.22	2.22	0.00
CD Spl. 36 Mo.	1.75	2.65	2.27	2.44	-0.17
CD Spl. 48 Mo.	2.27	3.00	2.94	2.94	0.00
CD Spl. 60 Mo.	2.14	3.51	2.95	3.04	-0.09

Methodology: The statistical analysis in this report is based on a convenience sample of 1,300 institutions as was determined by a-priori, two-tailed test. The t-Test was based on the following parameters: Alpha=0.05; Power=0.95; Effect size=0.20.

Premium APY Index

Premium APY index measures the spread between regular CDs and MM APY and Special CDs and MM APY

This spread is the premium that institutions are offering on Special products in order to attract balances.

- Highest APY premium, CD 48 months **1.00**
- Lowest APY premium, MM **0.55**
- Average APY premium, **0.74**

Figure 3

APY premium variance this week

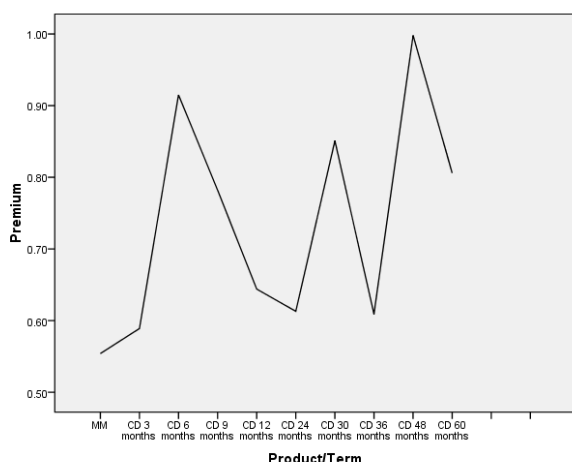


Table 3

APY premium variance this week

Product/Term	Reg. Avg.	Spl. Avg.	Premium
MM	0.41	0.97	0.55
CD 3 months	0.37	0.96	0.59
CD 6 months	0.58	1.50	0.92
CD 9 months	0.60	1.38	0.78
CD 12 months	0.90	1.54	0.64
CD 24 months	1.35	1.96	0.61
CD 30 months	1.37	2.22	0.85
CD 36 months	1.66	2.27	0.61
CD 48 months	1.94	2.94	1.00
CD 60 months	2.14	2.95	0.81

Historical APY Index

- Average APY beginning of the year **2.41**
- Average APY this week **1.50**
- Cumulative increase (decrease) **-0.91**

Figure 4

Time series Historical APY

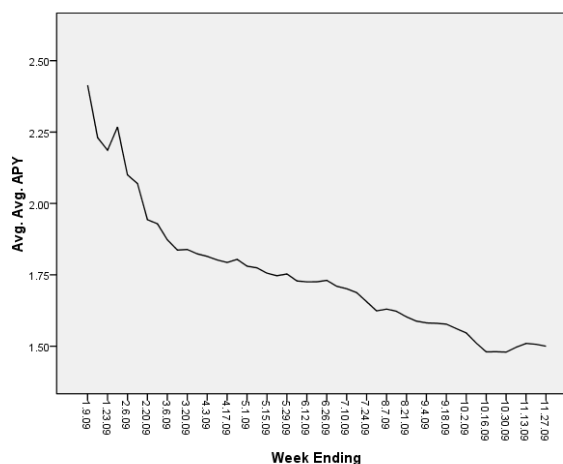


Table 4

Historical average-APY

Week Ending	Avg. RePrice Volume	Avg. Min. APY	Avg. Max. APY	Avg. Avg. APY	Avg. Last Wk.	Avg. Change
7.17.09	72%	1.03	2.74	1.69	1.70	-0.01
7.24.09	54%	0.98	2.86	1.66	1.69	-0.03
7.31.09	71%	1.02	2.50	1.62	1.66	-0.03
8.7.09	55%	1.02	2.53	1.63	1.62	0.01
8.14.09	62%	1.00	2.51	1.62	1.64	-0.01
8.21.09	50%	0.95	2.51	1.60	1.62	-0.02
8.28.09	58%	0.94	2.51	1.59	1.60	-0.01
9.4.09	85%	0.93	2.50	1.58	1.59	-0.01
9.11.09	57%	0.93	2.48	1.58	1.58	0.00
9.18.09	54%	0.93	2.49	1.58	1.58	0.00
9.25.09	37%	0.92	2.39	1.56	1.58	-0.02
10.2.09	51%	0.92	2.36	1.55	1.56	-0.02
10.9.09	69%	0.90	2.33	1.51	1.55	-0.04
10.16.09	50%	0.90	2.33	1.48	1.51	-0.03
10.23.09	50%	0.89	2.34	1.48	1.48	0.00
10.30.09	51%	0.88	2.32	1.48	1.48	0.00
11.6.09	44%	0.85	2.35	1.50	1.48	0.02
11.13.09	35%	0.85	2.34	1.51	1.50	0.01
11.20.09	54%	0.88	2.35	1.51	1.51	0.00
11.27.09	47%	0.85	2.37	1.50	1.51	-0.01

Methodology: The statistical analysis in this report is based on a convenience sample of 1,300 institutions as was determined by a-priori, two-tailed test. The t-Test was based on the following parameters: Alpha=0.05; Power=0.95; Effect size=0.20.

Repricing Volume Index

Repricing Volume Index features the level of rate changes during the week. An index of 100% means that, on average, all available rates of the sample products have been repriced.

The Repricing volume Index is helpful in observing the repricing activities for the featured week, and identifying products that are being repriced more frequently than others.

CD & MM Regular

- Highest repricing volume, **CD 60 months 78%**
- Lowest repricing volume, **MM 10%**
- Average repricing volume, **46%**

CD & MM Special

- Highest repricing volume, **CD 9 months 78%**
- Lowest repricing volume, **CD 3 months 0%**
- Average repricing volume, **47%**

Figure 5

Repricing volume level this week

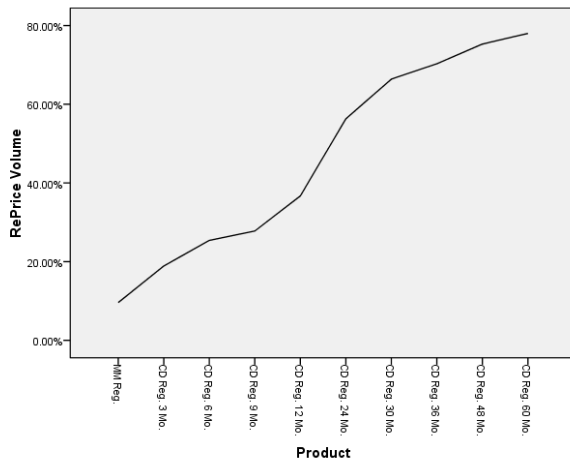


Figure 6

Repricing volume level this week

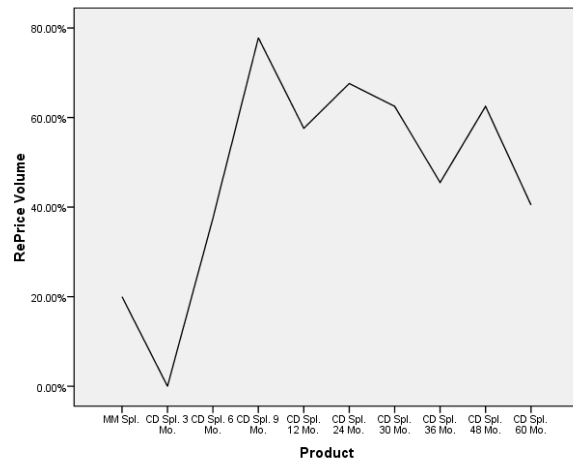


Table 5

Repricing volume level this week

Product	RePrice Volume
MM Reg.	10%
CD Reg. 3 Mo.	19%
CD Reg. 6 Mo.	25%
CD Reg. 9 Mo.	28%
CD Reg. 12 Mo.	37%
CD Reg. 24 Mo.	56%
CD Reg. 30 Mo.	66%
CD Reg. 36 Mo.	70%
CD Reg. 48 Mo.	75%
CD Reg. 60 Mo.	78%

Table 6

Repricing volume level this week

Product	RePrice Volume
MM Spl.	20%
CD Spl. 3 Mo.	0%
CD Spl. 6 Mo.	38%
CD Spl. 9 Mo.	78%
CD Spl. 12 Mo.	58%
CD Spl. 24 Mo.	68%
CD Spl. 30 Mo.	63%
CD Spl. 36 Mo.	46%
CD Spl. 48 Mo.	63%
CD Spl. 60 Mo.	41%

Methodology: The statistical analysis in this report is based on a convenience sample of 1,300 institutions as was determined by a-priori, two-tailed test. The t-Test was based on the following parameters: Alpha=0.05; Power=0.95; Effect size=0.20.

About Market Rates Insight

Market Rates Insight (MRI) is the premier provider of competitive-pricing information and analysis to the banking industry. MRI focuses on serving the pricing needs of financial institutions—not consumers. Therefore, only MRI offers the higher level of pricing comprehensiveness and sophistication of systems demanded by the industry.

In addition to competitive-data that MRI provide to financial institutions, MRI also provides analysis and tracking of industry indexes to thought leaders worldwide. Among them are The Wall Street Journal, American Banker, Credit Union Times, Thomson Reuters and others. MRI's analysis and indicators are viewed weekly by many thousands of banking and credit union professionals

THE WALL STREET JOURNAL

Banks Wage Rate War for Deposits

By *DAVID ENRICH*

Consumers Benefit as Institutions Move to Shore Up Funds, but Profit Margins Suffer

Unlike previous periods of turbulence, the Fed's rate-chopping campaign isn't relieving the pressure this time. In the past, reductions in the federal funds rate have helped level off interest rates on CDs and savings accounts, according to **Market Rates Insight Inc., which tracks pricing trends for financial institutions.** "This time around, it's much more fierce," says Dan Geller, executive vice president of the San Anselmo, Calif., firm.

BusinessWeek

Should You Test-Drive a Hybrid CD?

By *David Bogoslaw*

Since June, rates for indexed CDs have climbed an average of 8.1%, while non-indexed rates have declined more than 14%, according to Dan Geller, executive vice-president of **Market Rates Insight, which provides competitive-pricing information and analysis to the banking industry.**

"This is the type of deposit that low-risk-minded people can take and sleep well at night because, unlike investing in the stock market or a mutual fund, it will not impact your principal adversely if the market goes down," he says. "Granted, the return potential is not as

AMERICAN BANKER

On Focus and In Depth

To Predict Deposit Rates, Take a Look at Jobs Data

By *Katie Kuehner-Hebert*

When the unemployment rate is high and economic activity low, the need for deposits to fund loans is less acute, said Dan Geller, executive vice president at **Market Rates Insight, a San Anselmo, Calif., firm that tracks deposit pricing.** That means banks can pay "the minimal amount they can get by with on deposits."

The Market Rates Insight study found that nearly 80% of the movement in the national average rate on

CREDIT UNION TIMES

Short-Term CDs a Hot Commodity

By *Michelle Samaad*

"It's a mixture of uncertainty and the job market," said Dan Geller executive vice president of **Market Rates Insight, a San Anselmo, Calif. firm that tracks rates loans, fees and rates.** "The bottom line is people prefer to make short-term commitments in case they need the funds."

According to 1,300 banks and credit unions tracked by **Market Rates Insight,** the premium paid on short-term CDs increased from 66.3% in January to 100.4% in September, an increase of 34.1%. Short-term CDs are defined as those with a one year or less term. Mean-