



Cost of New Funds Calculator Example



Calculate the true cost of your local CD special.

QwickRate®

Considering a local CD special? In many markets and certain interest rate environments, this can be a costly move — as a certain percentage of your current deposits are at risk to move internally (reprice) when you run specials.

Calculate your actual costs with our Cost of New Funds Calculator (www.qwickrate.com/costoffunds).

We'll help you compare the advantage of raising funds in the QwickRate marketplace versus your local market. Here's an example.

Cost of New Funds Calculator

Total amount in money market and savings accounts?

\$15,000,000

Blended interest rate on deposits listed above?

0.30%

(Savings and money market accounts – not CDs.)

Amount of new deposits to be generated by CD special?

\$3,000,000

Current CD rate offered by local banks?

1.50%

Local Market – Cost of New Funds

Cost of new deposits \$45,000

Conversion cost - see table.
(Assumes conversion rate of 20%) 36,000

Total* cost of CD special \$81,000

Effective rate paid on new deposits 2.70%

**Advertising cost should also be considered.*

QwickRate Marketplace Comparison

In this example, a local CD special with a 1.50% one-year advertised rate, and a 20% repricing of existing deposits, would amount to a total cost of funds of \$81,000 on deposits raised. Compare this cost with the advantage of generating national deposits through QwickRate's closed, institutional marketplace—there are no consumers so you can bring in funds without upsetting your local deposit base. Contact us before you run your next local special.

Conversion Costs Results

Conversion Percentage	Effective Rate	Conversion Cost
05.0%	1.80%	\$9,000.00
10.0%	2.10%	\$18,000.00
15.0%	2.40%	\$27,000.00
20.0%	2.70%	\$36,000.00
25.0%	3.00%	\$45,000.00
30.0%	3.30%	\$54,000.00
35.0%	3.60%	\$63,000.00
40.0%	3.90%	\$72,000.00
45.0%	4.20%	\$81,000.00
50.0%	4.50%	\$90,000.00
55.0%	4.80%	\$99,000.00
60.0%	5.10%	\$108,000.00
65.0%	5.40%	\$117,000.00
70.0%	5.70%	\$126,000.00
75.0%	6.00%	\$135,000.00
80.0%	6.30%	\$144,000.00
85.0%	6.60%	\$153,000.00



Call QwickRate today at **800.285.8626**.

