

Seifried
& Brew
LLC

Marginal Cost of Deposits

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$$\text{M COD} = \frac{\text{Increase in Interest Expense}}{\text{Net New Funds}}$$

Current Position

- Total deposits = \$100 million
- Average cost of deposits = 0.40%

Deposit Promotion

- Special rate of 1%
- Total funds collected \$11 million

Marginal Cost of Deposits Matrix

		Internal Money Flow										
		(\$000)										
Special Rate		-	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
		0.50%	0.50%	0.51%	0.52%	0.54%	0.56%	0.58%	0.62%	0.68%	0.77%	0.95%
0.60%	0.60%	0.62%	0.64%	0.68%	0.71%	0.77%	0.84%	0.95%	1.13%	1.50%	2.60%	
0.70%	0.70%	0.73%	0.77%	0.81%	0.87%	0.95%	1.06%	1.23%	1.50%	2.05%	3.70%	
0.80%	0.80%	0.84%	0.89%	0.95%	1.03%	1.13%	1.28%	1.50%	1.87%	2.60%	4.80%	
0.90%	0.90%	0.95%	1.01%	1.09%	1.19%	1.32%	1.50%	1.78%	2.23%	3.15%	5.90%	
1.00%	1.00%	1.06%	1.13%	1.23%	1.34%	1.50%	1.72%	2.05%	2.60%	3.70%	7.00%	
1.10%	1.10%	1.17%	1.26%	1.36%	1.50%	1.68%	1.94%	2.33%	2.97%	4.25%	8.10%	
1.20%	1.20%	1.28%	1.38%	1.50%	1.66%	1.87%	2.16%	2.60%	3.33%	4.80%	9.20%	
1.30%	1.30%	1.39%	1.50%	1.64%	1.81%	2.05%	2.38%	2.88%	3.70%	5.35%	10.30%	
1.40%	1.40%	1.50%	1.62%	1.78%	1.97%	2.23%	2.60%	3.15%	4.07%	5.90%	11.40%	
1.50%	1.50%	1.61%	1.74%	1.91%	2.13%	2.42%	2.82%	3.43%	4.43%	6.45%	12.50%	

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