Marginal Cost Analysis / Deposit Portfolio Pricing Strategies Tool

- The tool includes two versions to illustrate the marginal cost of funds concept:
  1. Marginal Cost Analysis: simpler, more concise version
     - Provides ability to illustrate the cost of implementing a retail strategy versus using FHLBank advances
     - Allows for cost comparison between acquiring purchased deposit funds or using FHLBank advances
  2. Portfolio Pricing Strategies: builds on the Marginal Cost Analysis with increased scope and capabilities
     - Provides ability to show the impact of restructuring the cost components of the deposit portfolio and the related inter-portfolio movement of funds
     - Can illustrate various retail funding strategies compared to wholesale funding strategies, or a blend thereof
     - Demonstrate the impact of various funding strategies in both rising rate and falling, or zero rate, environments
     - Compares up to three potential strategies to find the optimum strategy from the perspective of the lowest cost alternative

FHLBank Topeka