Protecting Deposits & Enhancing Balance Sheet Flexibility

OCTOBER 2026

IntraFi

Recognized & Trusted For Over 20 Years Throughout the Industry

Largest Deposit Network

3,000+
U.S. financial institutions as members of the network

Broad National Reach

10
largest U.S. banks

19
of the top 20 banks

92
of the top 100 banks

90%
of U.S. banks above $10bn in assets[1]

~2,900
community banks[2]

Focus on Excellence and Ease of Use

98%+
customer satisfaction score[3]

1,800+
Integrations completed

- And 87% of Virginia-headquartered banks are IntraFi network members as are 74% of Maryland-headquartered banks.

Note: Includes members of one or more services of IntraFi. Bank asset sizes determined at the parent level as of March 31, 2026. [1] By number of bank charters [2] Bank charters with less than $10 billion in assets. [3] As of Q1 2026.

Today's Agenda

- Market Environment – What We Are Hearing From Our Network Banks Now
- Strategies for Retaining and Growing Relationships
- Liquidity Management
- Q&A

Market Environment – What We Are **Hearing**

Banker Perspectives

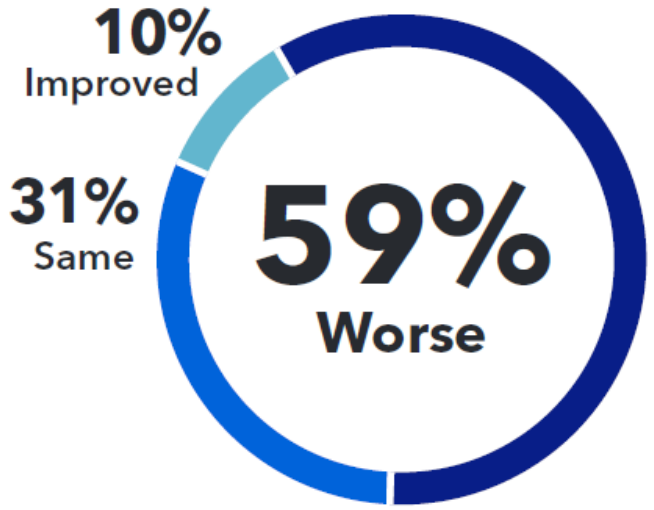
Deposit Competition

A majority of banks (55%) reported increased deposit competition, marking the first time this figure has exceeded 50% since the second quarter of 2024.

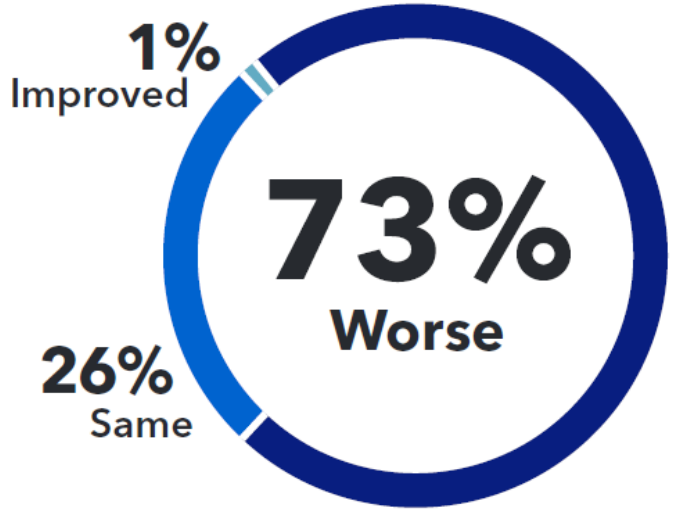
Expectations suggest that competition will continue to intensify, with 73% of respondents anticipating increased competition over the next 12 months. This level of concern has not been seen since the third quarter of 2023.

Source: Q3 2026 Bank Executive Business Outlook Survey.

Experience
Compared to 12 Months Prior



Expectation
Looking 12 Months Ahead



Banker Perspectives

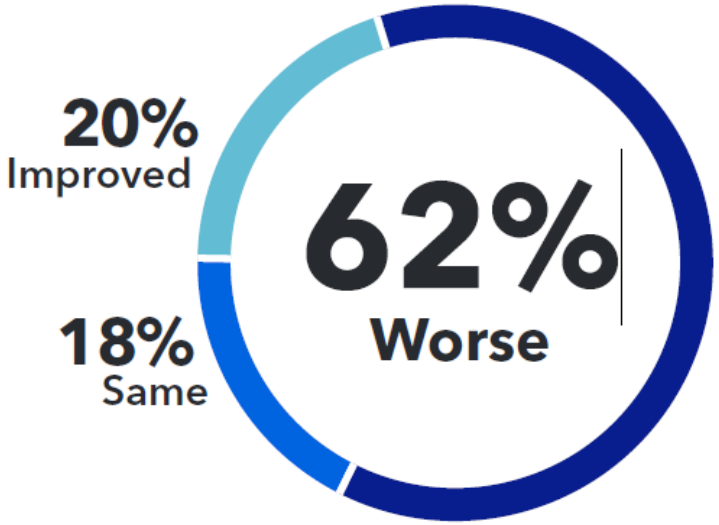
Funding Costs

Bankers' views on funding costs have shifted dramatically over the past year. Sixty-two percent reported that their banks are facing higher funding costs, a 53-percentage-point swing from the third quarter of 2025.

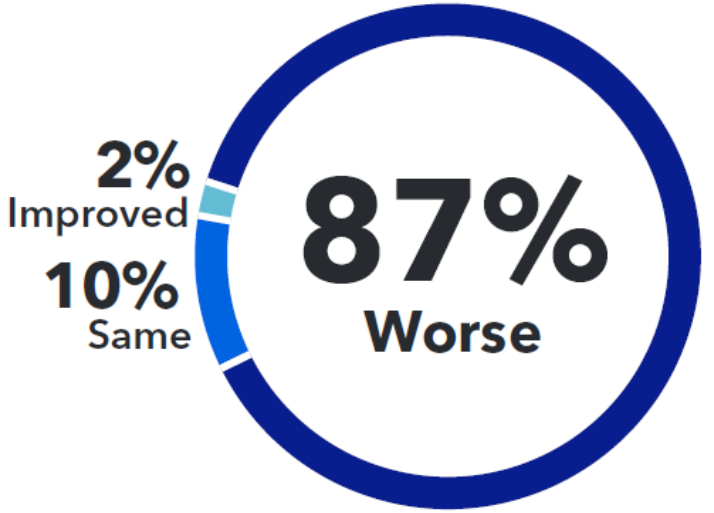
Expectations for the coming year are even more pronounced: 87% of respondents anticipate rising funding costs, an 84-percentage-point increase from the third quarter of 2025.

Source: Q3 2026 Bank Executive Business Outlook Survey.

Experience
Compared to 12 Months Prior



Expectation
Looking 12 Months Ahead



Banker Perspectives

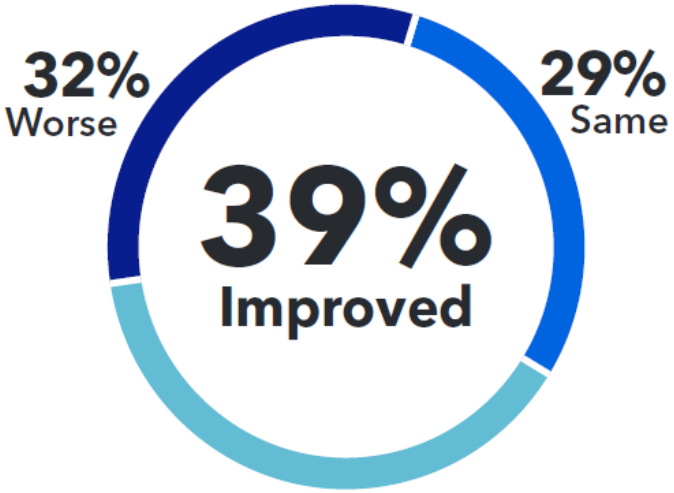
Loan Demand

A majority of respondents reported that loan demand had either weakened or remained unchanged over the past year. This finding is consistent with reports of declining demand for mortgage and auto loans.

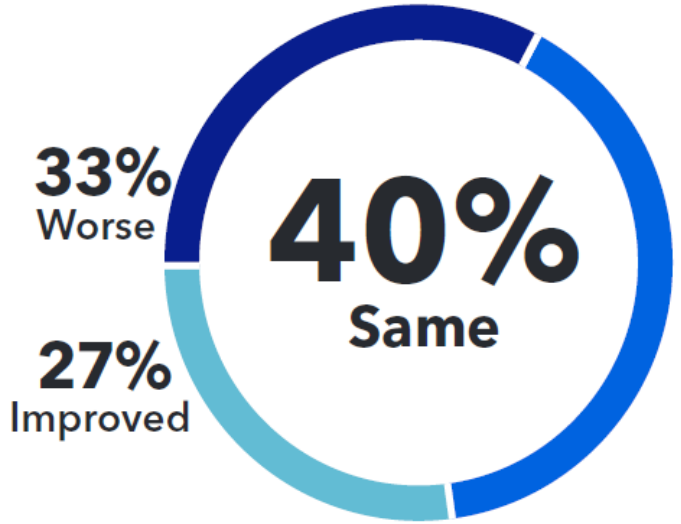
Expectations for future loan demand are also weakening. Only 27% of respondents expect demand to increase over the next 12 months, down 20 percentage points from a year ago.

Source: Q3 2026 Bank Executive Business Outlook Survey.

Experience
Compared to 12 Months Prior



Expectation
Looking 12 Months Ahead



Banker Perspectives

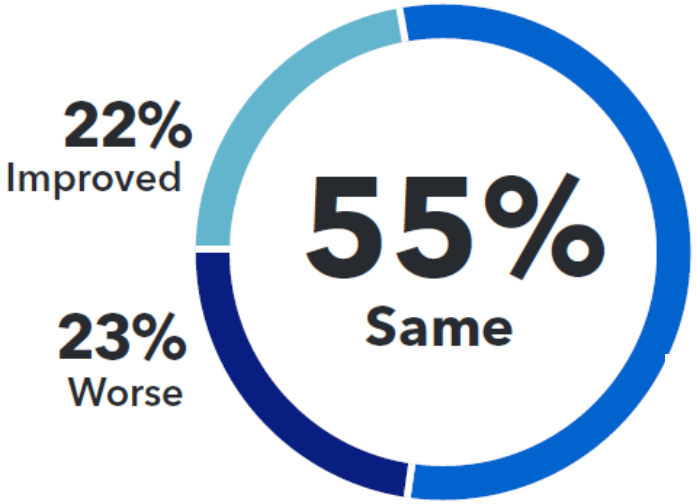
Economic Outlook

Bank executives' views on improving economic conditions reversed course from the previous quarter, with the share reporting improvement falling 7 percentage points to 22%.

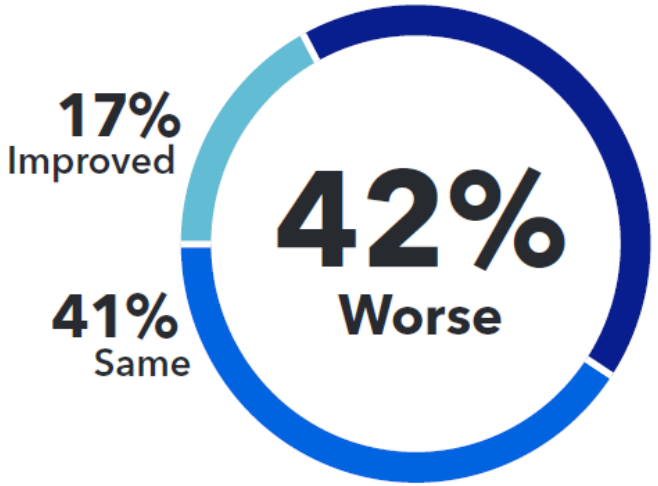
Pessimism continued to dominate the outlook, with 83% of respondents expecting economic conditions to either worsen (42%) or remain unchanged (41%).

Source: Q3 2026 Bank Executive Business Outlook Survey.

Experience
Compared to 12 Months Prior



Expectation
Looking 12 Months Ahead



Opportunities for Your Bank Today

What Can Your Bank Do Today to Prepare for the Future?

Among the actions recommended, and being taken by top banks

- Focus on high-value customer relationships
- Choose flexible liquidity management options
- Replace collateralized deposits
- Diversify wholesale funding choices

Attract and Retain High-Value Customers with a Deposit Placement Network



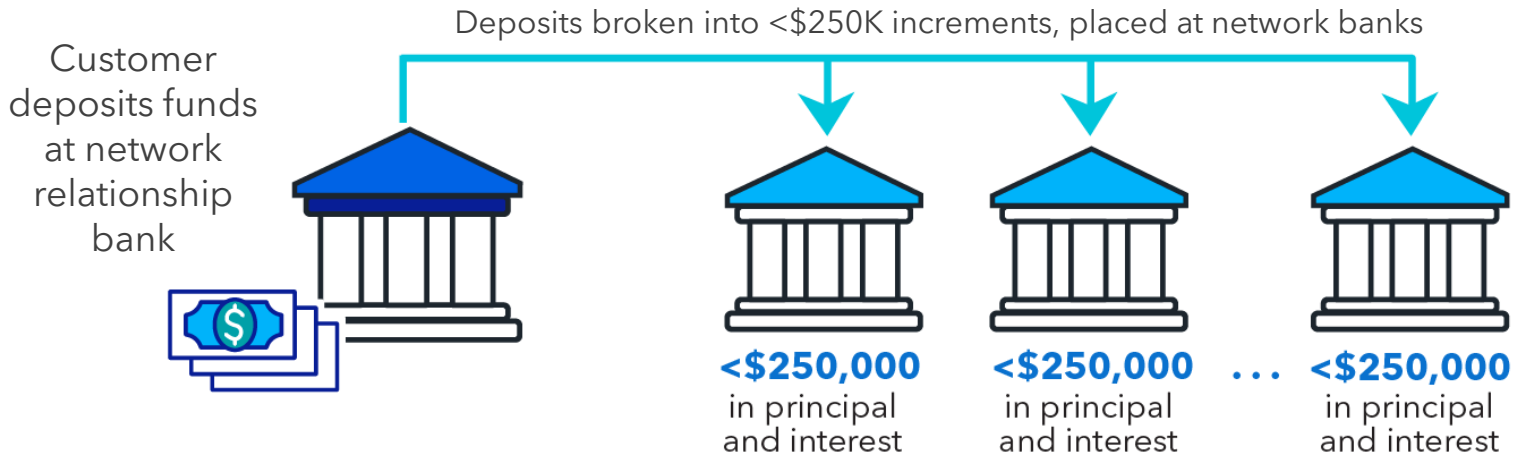
For many customers, safety of funds is a top priority—build loyal customer relationships by offering deposits eligible for FDIC insurance in amounts greater than $250,000 through a deposit network solution.

Customers appreciate the convenience of access to millions in aggregate FDIC insurance across network banks through a single bank relationship.[1]

[1] A network is not an FDIC-insured bank, and deposit insurance covers the failure of an insured bank. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply.

How Deposit Placement Networks Work

Example: With IntraFi Cash Service®, or ICS®, and CDARS®, your bank can provide customers with returns and protection for their cash balances directly through one bank relationship—yours—for deposits placed into demand deposit accounts, money market deposit accounts, and CDs.

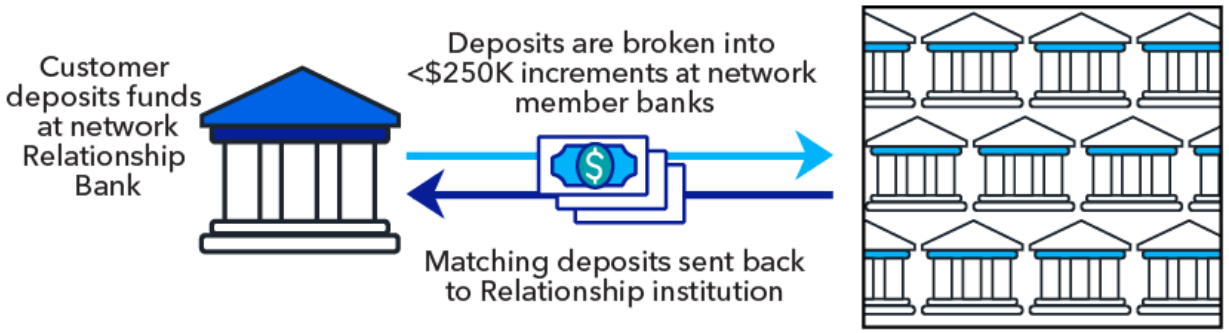


Note: Deposits are placed in demand deposit accounts or money market deposit accounts when using ICS, or CDs when using the CD option.

A list identifying IntraFi network banks can be found at www.IntraFi.com/network-banks.Deposit placement through an IntraFi service is subject to the terms, conditions, and disclosures in applicable agreements. IntraFi is not an FDIC-insured bank, and deposit insurance covers the failure of an insured bank. Deposits placed through CDARS and ICS are placed at FDIC-insured banks in IntraFi's network and are eligible for FDIC deposit insurance coverage at network banks. Deposits that are placed through an IntraFi service at FDIC-insured banks in IntraFi's network are eligible for FDIC deposit insurance coverage at the network banks. The depositor may exclude banks from eligibility to receive its funds. To meet conditions for pass-through FDIC deposit insurance, deposit accounts at FDIC-insured banks in IntraFi's network that hold deposits placed using an IntraFi service are titled, and deposit account records are maintained, in accordance with FDIC regulations for pass-through coverage. Although deposits are placed in increments that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA") at any one bank, a depositor's balances at the institution that places deposits may exceed the SMDIA before settlement for deposits or after settlement for withdrawals. The depositor must make any necessary arrangements to protect such balances consistent with applicable law and must determine whether placement through an IntraFi service satisfies any restrictions on its deposits.The IntraFi logo, IntraFi, ICS, and CDARS are registered service marks, and the IntraFi hexagon is a service mark, of IntraFi LLC.

Enhance Franchise with Reciprocal Deposits, which Tend to be "Sticky"

On Balance Sheet Solution



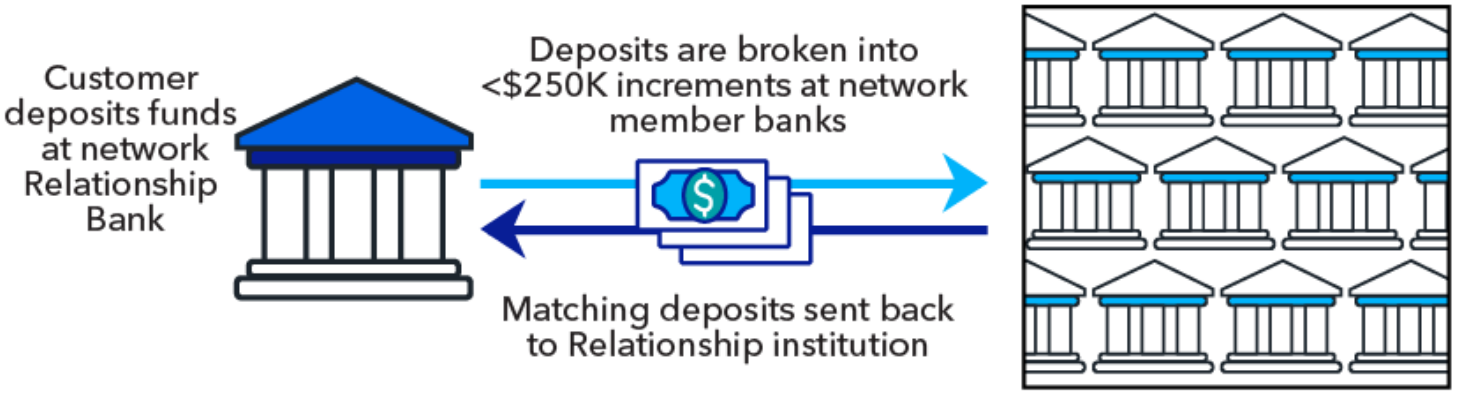
BNY Mellon – Custody, Settlement, Recordkeeping

- Balances associated with ICS and CDARS tend to be large and "sticky," thereby lowering customer acquisition costs and providing more cross-selling opportunities.
- With CDARS, deposits reinvest at a rate of approximately 80%.[1]

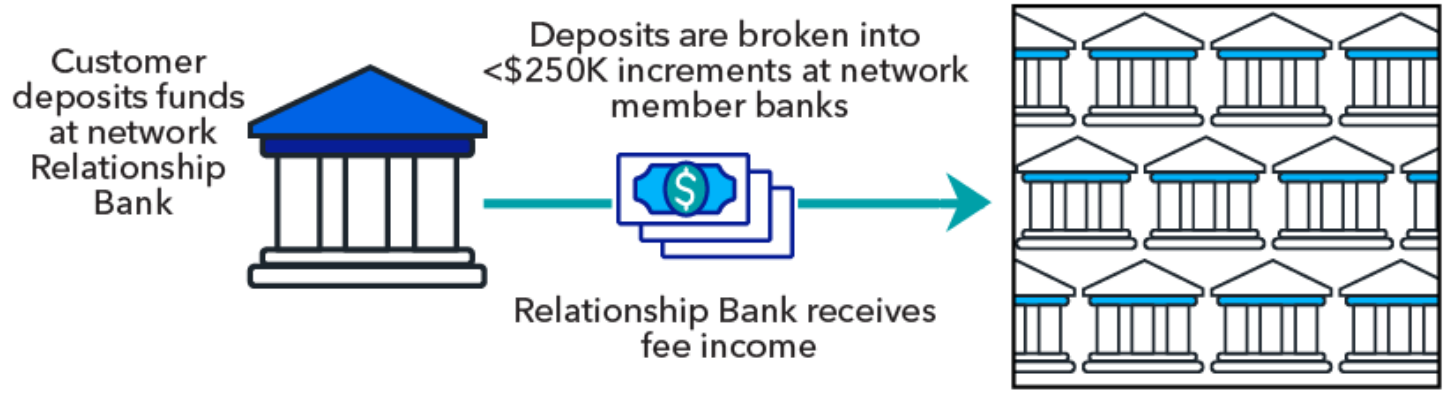
1 IntraFi calculates the reinvestment rate for CDARS as the percentage of the aggregate balance of deposits reinvested within 28 days of maturity.

Choose a **Flexible** Deposit Network

On Balance Sheet Solution



Off Balance Sheet Solution



BNY Mellon – Custody, Settlement, Recordkeeping

Questions to Ask

What to Look from a Deposit Network?

- Does the provider compete with banks for deposits?
- What are the limits available for placement of deposits? Does the provider have the capacity to support your bank as it grows?
- Does the provider offer multiple deposit service options for placement of funds?
- Does the provider ever have possession of customer funds?
- Is the provider's information security program consistent with your bank's program and expectations related to protecting the confidentiality, integrity, and availability of information?
- Does the provider have relationships with many banks who offer their services?
- Does the provider offer responsive customer service with the appropriate level of staffing and expertise?

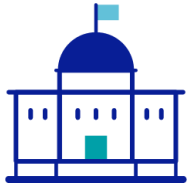
Safety-Conscious Target Customers



Businesses

- Corporations (public and private)
- Mid-size companies (public and private)
- Small businesses (partnerships, sole proprietorships, entrepreneurial ventures)
- Franchises

Why? Funds are safe and accessible. Easier and more efficient than repo sweeps of MMMFs.



Government Entities

- Government agencies
- Municipalities
- Police departments
- Fire districts
- Public colleges and universities
- Public hospitals
- School districts
- State funds
- Utility districts

Why? Reduce the need to pledge collateral. Meet state's investment guidelines.



Nonprofits

- Charities
- Religious institutions
- Colleges and universities
- Community foundations
- Endowment funds
- Foundations
- Homeowners' and condo associations
- Hospitals

Why? Access FDIC insurance to comply with investment policies, earn interest, and reduce collateralization requirements.



Individuals

- Financial institutions (for CRA credit or as earning assets)
- Escrow/Title companies
- Estate planners
- Private investors
- Trusts/Trustees
- 1031 exchange participants

Why? Access FDIC insurance and earn interest.

Corporate Customers in Particular May Value Outreach

In a Association for Financial Professionals Bank Relationship Management survey[1], among the factors corporate treasurers sited as considerations in choosing a primary relationship bank were

- Proactiveness in contacting me or my team, with 86% of respondents ranking proactiveness as very important or important.
- Selecting a provider that best supports the organization from a strategic/tactical standpoint, with 92% ranking this support as very important or important

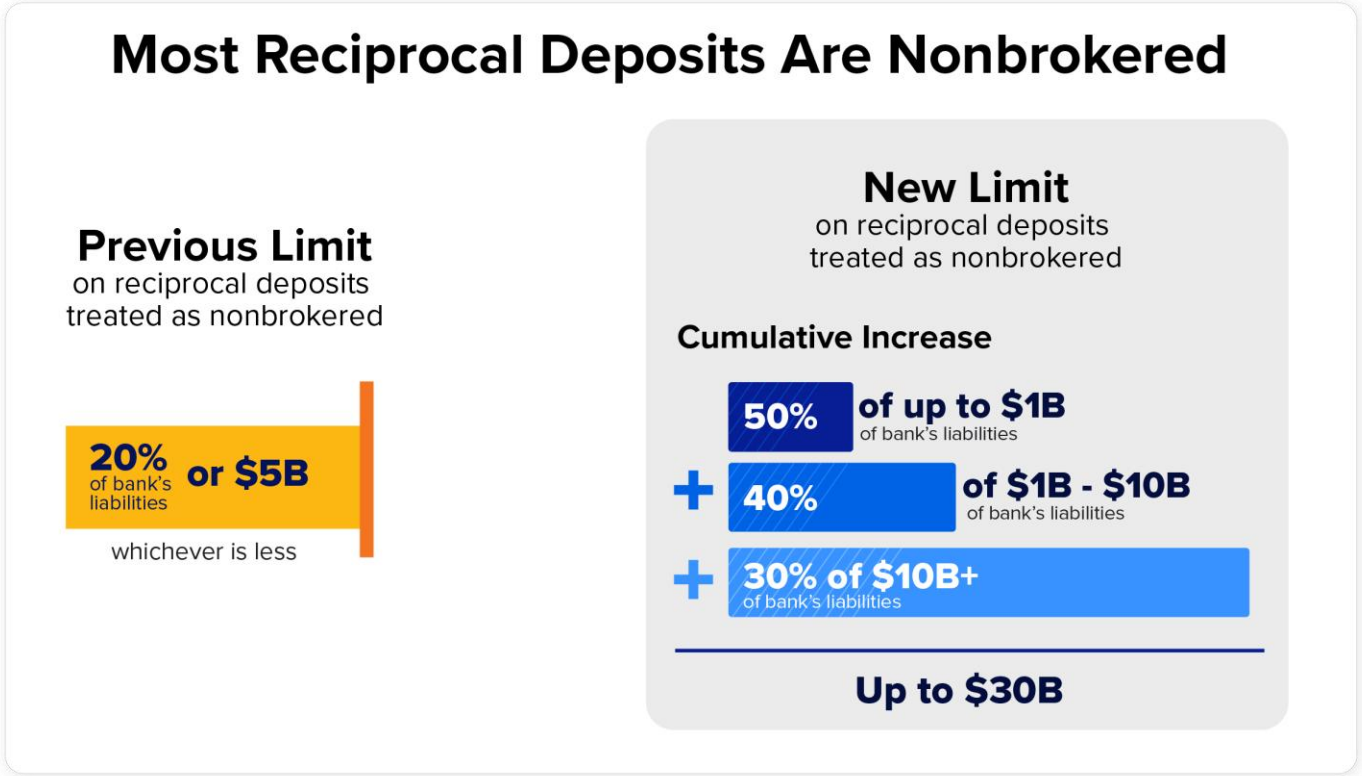
Market environment changes are a natural reason for outreach and would likely be welcome.

Interestingly, in the same survey, 71% ranked the bank's ability to provide attractive yield on deposits as very important or important. **So, while deposit rates are a consideration, proactiveness and strategic support were cited as being more important.**

1 2024 AFP Bank Relationship Management Survey Report, https://www.financialprofessionals.org/training-resources/resources/survey-research-economic-data/Details/brm-survey..

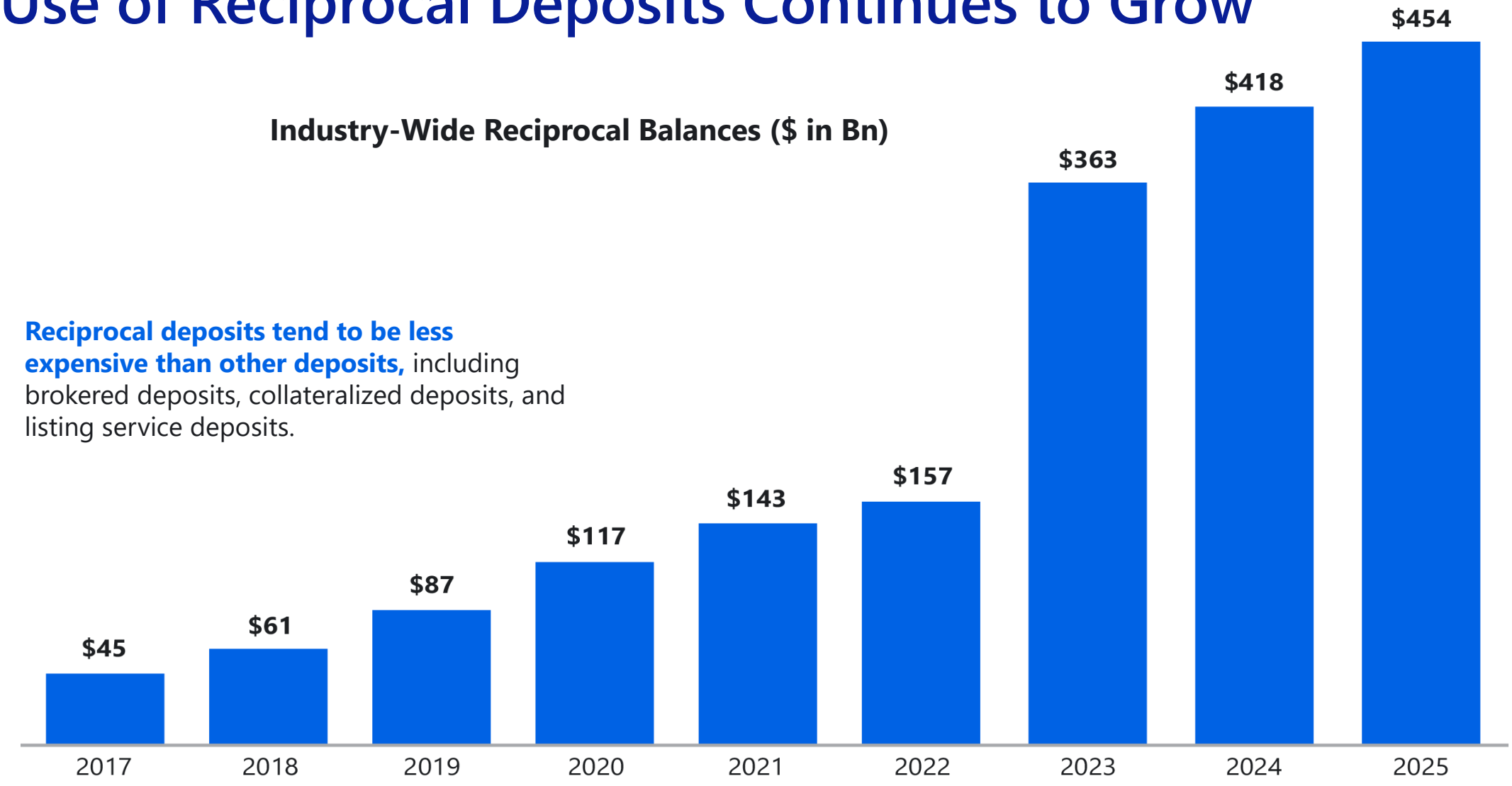
Reciprocal Deposit Limit Raised

- Section 902 of the recently enacted 21st Century ROAD to Housing Act significantly increased the amount of reciprocal deposits that can counted as nonbrokered.
- Previously, reciprocal deposits counted as nonbrokered funding were capped at the lesser of 20% of liabilities or $5 billion. Now, limits consist of cumulative tiers that scale with the bank's size.
- The new limit presents a greater opportunity for banks to use reciprocal deposits, like ICS and CDARS reciprocal deposits, to attract even higher amounts of stable, relationship-based funding.



Use of Reciprocal Deposits Continues to Grow

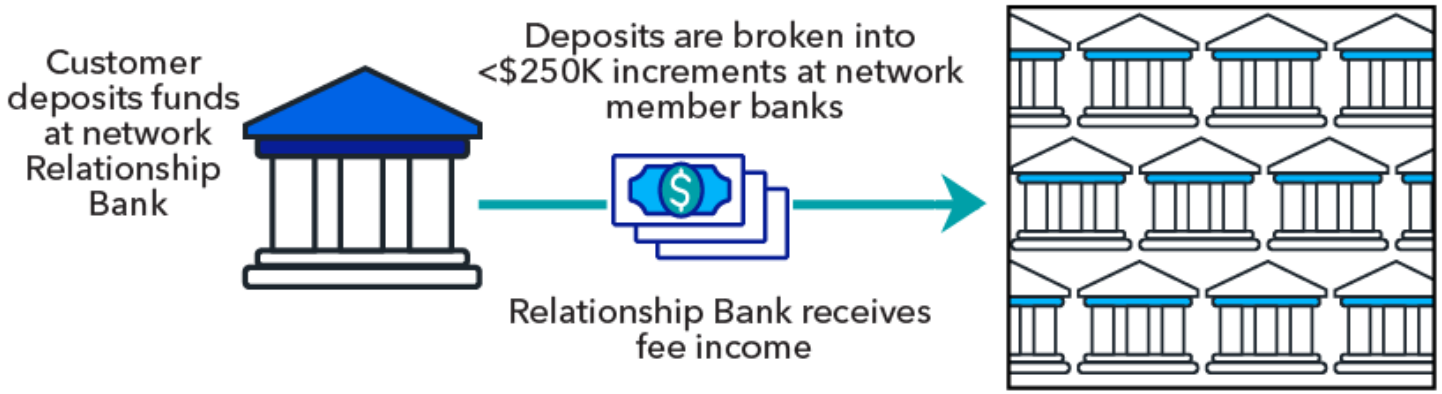
Industry-Wide Reciprocal Balances ($ in Bn)



Reciprocal deposits tend to be less expensive than other deposits, including brokered deposits, collateralized deposits, and listing service deposits.

Proactively Manage **Liquidity**

Off Balance Sheet Solution



BNY Mellon – Custody, Settlement, Recordkeeping

Utilize One-Way Sell®

A One-Way Sell® feature can help your bank offer a higher rate to its most valued customers and **earn fee income without adding deposits to its balance sheet**.

Your bank can **say "yes" to valuable, franchise-building customers** and accept large deposits that it may have been reluctant to take before due to concentration risk or other balance sheet concerns.

Fee income can increase profitability, as well as return-on-assets and return-on-equity.



Replace Collateralized Deposits



If you have customers that currently require collateralization, consider replacing these deposits eligible for FDIC insurance. They are likely to appreciate the reduced collateralization burden.

Your customers can save time by eliminating the need to track changing collateral values on an ongoing basis or having to footnote uninsured deposits in financial statements.

Tip: **Focus on security-backed public fund deposits. State law permits public entities to use ICS and CDARS in all 50 states**

Replace Collateralized Deposits



By replacing collateralized deposits with deposits eligible for FDIC insurance, your bank can

- Replace higher-cost funding
- Improve asset liquidity
- Generate additional revenue by repurposing funds invested in collateral into higher-earning assets
- Reduce collateral-tracking burdens and associated costs
- Lower the risk of shortfall due to collateral-value deterioration

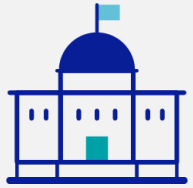
Protecting and Growing Relationships



Pursue Corporate Deposits

A deposit placement network can help compete against the nation's largest banks.

- Take away perceived size advantages that safety-conscious customers may give larger banks by offering access to multi-million-dollar FDIC insurance through network banks
- Leverage marketing, account-opening, and other new customer acquisition costs over a larger average deposit size.
- Can help put the focus back on a local, hometown bank advantage.
- Benefit from cross-selling opportunities.
- Grow franchise value.



Government Entities

- Government agencies
- Municipalities
- Police departments
- Fire districts
- Public colleges and universities
- Public hospitals
- School districts
- State funds
- Utility districts

And, Pursue Public Funds Deposits

- Average ICS and CDARS outstandings for governmental depositors tend to be quite large. **($8.8MM for ICS and $4.8MM for CDARS.)**[1]
- Government finance officers seem to like such placements; thousands of governmental depositors place billions of dollars through deposit placement network services each year and are often required to keep deposits local (in addition to protected).

1 As of 8/31/26.

Reach Out to Customers with Balances Hovering Just Below the Standard FDIC Insurance Maximum

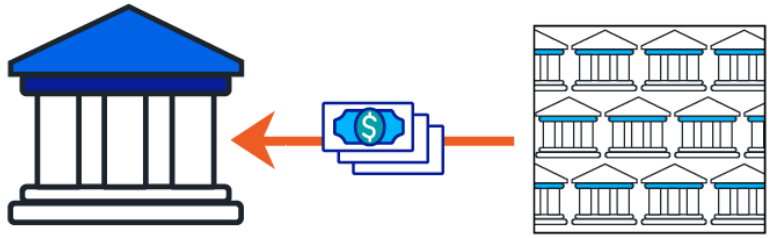
Leverage internal analytics to identify decision-makers with account balances between $200,000 - $250,000 and use a reciprocal deposit network provider's services to offer prospects access to aggregate FDIC insurance beyond $250,000 through just your bank.

- Organize customer information by branch or by cost center for ease of dissemination and tracking purposes.
- Create a spreadsheet that includes each prospect's name, title, company/organization name (if applicable), city, state, zip code, phone number, email address, and other key information, like their amount of holdings and their main point of contact at the bank.
- Reach out with calls and direct mail materials if made available by your deposit placement network provider.

Wholesale Funding
Options

Diversify Funding Solutions

IntraFi is one of the largest providers of wholesale funding.



- IntraFi's ICS® service can provide floating-rate, short-term funding that reprices quickly
- This can be done through the ICS One-Way Buy® feature. With One-Way Buy, banks can access floating-rate funding at select terms (from overnight to multi-year) without collateralization requirements.
- Institutions looking to reduce the burden of longer-term liabilities who still desire fixed-rate funding may benefit from leveraging CDARS® One-Way Buy, which allows banks to acquire large blocks of fixed-rate, wholesale funding and mitigate margin compression – while paying a single all-in rate with no transaction fees.

In Summary

Pressure is building: 73% of bankers expect more deposit competition and 87% expect higher funding costs in the next 12 months.

Relationships are your edge: Using a deposit network like the IntraFi network to offer access to aggregate FDIC insurance above $250,000 across deposit network banks through a single bank relationship can help you keep and win large depositors and reduce collateral.

New reciprocal deposits limits: Banks have a greater opportunity to use reciprocal deposits to strengthen their balance sheet.

Flexibility is the plan: Off-balance-sheet deposit solutions and wholesale funding let you tailor liquidity to your bank's needs.

IntraFi is not an FDIC-insured bank, and deposit insurance covers the failure of an insured bank. A list identifying IntraFi network banks appears at https://www.intrafi.com/network-banks. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply.



Questions?

IntraFi has built the largest deposit network in the country

Recognized & Trusted Leader for 24 years

- **Founded** 24 years ago by former regulators
- **Leading provider** of deposit placement
- **Invented** the concept of reciprocal deposits
- **Scale** that enables industry-leading levels of FDIC insurance at network banks for depositors
- **Technology** that has undergone stringent due diligence by the largest banks in the U.S.
- **Examined** by the federal banking agencies since 2010 using FFIEC Information Technology

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