



Flexible & Focused

Renasant Bank

A CASE STUDY FOR SUCCESS: DEMAND DEPOSIT MARKETPLACE

Profile

Renasant Bank, established in 1904, provides a wide range of personal, business, insurance, and wealth management products and services through its branch network in Mississippi, Alabama, Florida, Georgia, and Tennessee. Renasant utilizes Fidelity National Information Services (FIS) as its core processing provider.

The Challenge

Implement a low-cost sweep program to ultimately replace existing bank sweep programs with a simplified, comprehensive, automated sweep solution that benefits all of the bank's customers (individual, commercial, municipality, trust, etc.), while providing balance sheet management flexibility to the bank.

The Solution

Demand Deposit MarketplaceSM (DDM). DDM is the most comprehensive sweep solution available. From a flexible, total balance sheet management solution that no CFO should be without, to a complete cash management platform that enables all bank customers to receive expanded FDIC insurance and earn interest, DDM is the most valuable program in helping community banks remain competitive in a constantly changing banking environment.

The Result

Through its core processing provider, FIS, Renasant Bank has implemented DDM's fully automated, daily deposit account sweep solution, which relieves its need to maintain multiple sweep programs, reduces the burden for the bank and its customers in administering a repo sweep program, significantly improves its customer offering, and better positions itself to manage balance sheet liquidity through any market environment.

The New Standard in Sweep Programs

Sweep programs have long been instrumental in helping community banks to address their customers' needs while improving client acquisition and retention efforts. DDM elevates this standard by providing more value to customers with an expanded FDIC offering while smartly providing sponsor banks with a complementary tool to better manage their balance sheets. "DDM is just a better way to implement a bank sweep program," says Renasant Bank Treasury Management Operations Officer, Derick Young. "In addition to offering my customers expanded FDIC insurance in a fully automated daily sweep, I now have the capability in place to take on additional deposits, or offload excess deposits on any given day—it's almost a disservice to call DDM just a sweep program when it does so much more than that."

DDM is the process and the technology that facilitates the orderly matching, sending, and receiving of bank deposits in a virtual marketplace. It enables banks to exchange deposits with other banks to maximize their FDIC offering, take on additional deposits, or off-load excess deposits, depending on their unique needs.

Renasant Bank

Institution: Renasant Bank

Website: www.Renasantbank.com

Headquartered: Tupelo, MS

Established: 1904

Treasury Management Operations Officer: Derick Young

Assets: \$13 billion

Deposits: \$10 billion

Branches: 164

Core Processor: FIS

Sweep Solution: Demand Deposit MarketplaceSM

Complementing An Overall Risk Management Strategy

Bank executives are focused on managing costs across all departments and are sensitive to potential infrastructure costs associated with complying with key regulatory changes and guidelines. Young adds, “DDM has enabled Renasant to diversify its funding sources, have a mechanism to maintain an appropriate balance between term and liquid deposits, and create a wonderfully efficient facility that supports our contingency liquidity plan. There is no other sweep solution out there that has this much flexibility and provides an inexpensive means to address regulatory mandates around bank liquidity.”

Risk Management

Having the ability to offer expanded levels of FDIC insurance has large appeal to high net worth individuals, business accounts, and municipal customers, and provides an ideal alternative to cumbersome repo sweep programs. “Implementing DDM has enabled Renasant to wean away from our repo sweep that is labor intensive for the bank and our customers. At the same time I can reduce the collateral that I need to post on a daily basis while providing our commercial customers with a solution that is FDIC-insured, which is in line with their deposit guidelines,” said Young.

Risk Management

DDM is an integrated sweep solution through FIS, where it and other FIS banks enjoy a seamless, fully automated, “off the shelf” sweep solution. FIS is one of the nation’s leading bank core processors that has acknowledged the value DDM offers its bank clients.

Complementing An Overall Risk Management Strategy

DDM is rapidly growing into a diverse mix of community banks that is transforming the way bankers view their sweep function. For every bank that needs deposits, there is another out there that is looking to offload them—all of them with high net worth customers, commercial accounts, and municipalities seeking expanded levels of FDIC insurance. “What I love about DDM is that at its core, it is all about community banks helping other community banks. This will ultimately make the banking system stronger, and likewise, the communities we all serve,” concluded Young.

Risk Management

DDM is the only major program that offers the flexibility of total balance sheet management by enabling banks to choose from several types of deposit relationships:

- Send only—send excess deposits off balance sheet to earn fee income, improve capital ratios, and offer customers expanded FDIC insurance
- Receive only—take on additional deposits to fund loan demand and supplement contingency funding plans
- Reciprocal—offer customers expanded FDIC insurance without decreasing your deposit base
- Reciprocal “Plus”—a reciprocal deposit relationship with the ability to receive additional deposits, which is ideal for creating or supplementing a contingency funding plan

Demand Deposit MarketplaceSM is provided by Reich & Tang.

To learn more about Demand Deposit Marketplace, contact us today at:

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