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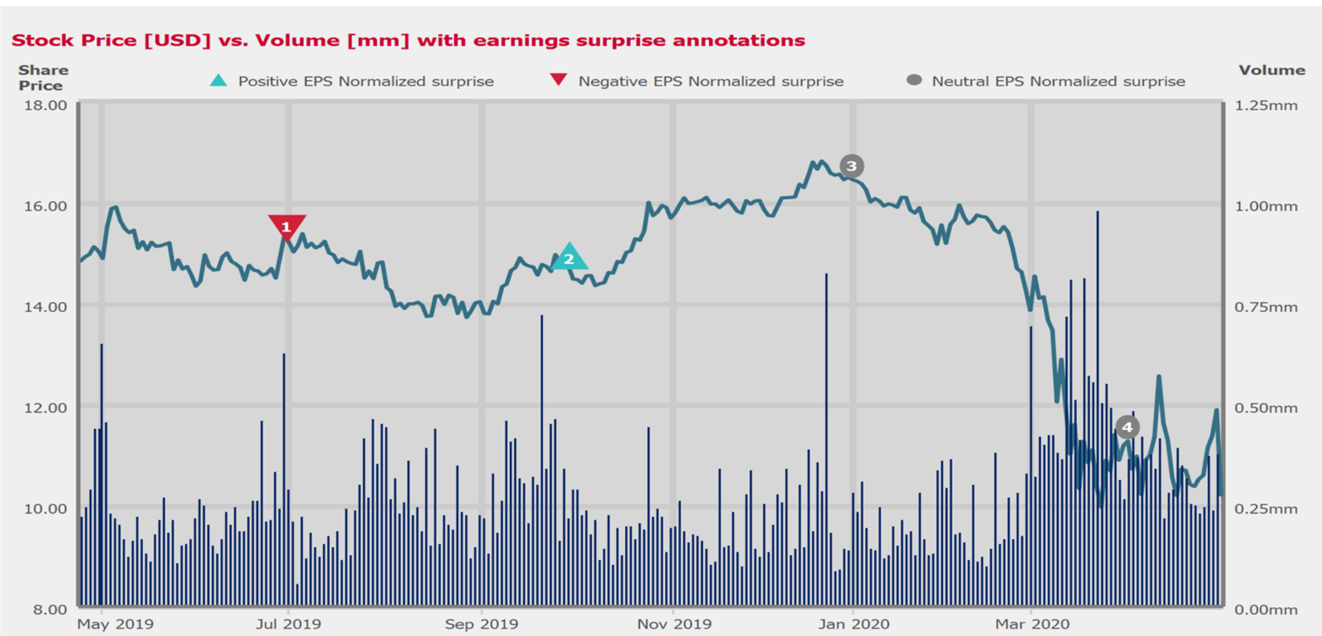
Market Intelligence

Brookline Bancorp, Inc. NasdaqGS:BRKL
FQ1 2020 Earnings Call Transcripts
Thursday, April 30, 2020 5:30 PM GMT
S&P Global Market Intelligence Estimates

	-FQ1 2020-			-FQ2 2020-	-FY 2020-	-FY 2021-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.22	(0.23)	NM	0.22	0.94	1.05
Revenue (mm)	69.33	71.04	▲2.47	69.17	280.33	292.40

Currency: USD
Consensus as of Apr-01-2020 3:40 AM GMT



- EPS NORMALIZED -	CONSENSUS	ACTUAL	SURPRISE
FQ2 2019	0.28	0.25	▼1 (10.71 %)
FQ3 2019	0.28	0.29	▲2 3.57 %
FQ4 2019	0.28	0.28	● 3 0.00 %
FQ1 2020	0.22	(0.23)	NM

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Call Participants

EXECUTIVES

Carl M. Carlson
Chief Financial Officer

M. Robert Rose
Chief Credit Officer

Marissa Martin
Associate General Counsel

Paul A. Perrault
President, CEO & Director

ANALYSTS

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Laurie Katherine Havener Hunsicker
Compass Point Research & Trading, LLC, Research Division

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Presentation

Operator

Good afternoon, everyone, and welcome to the Brookline Bancorp, Inc. Q1 2020 Earnings Conference Call. [Operator Instructions] Please also note, today's event is being recorded. At this time, I'd like to turn the conference call over to Marissa Martin of Brookline Bancorp. Ma'am, please go ahead.

Marissa Martin
Associate General Counsel

Thank you, Jamie, and good afternoon, everyone. Yesterday, we issued our earnings release and presentation, which is available on the Investor Relations page of our website, brooklinebancorp.com, and has been filed with the SEC. This afternoon's call will be hosted by Brookline Bancorp's executive team, Paul A. Perrault and Carl M. Carlson.

Before we begin, please note, this presentation is being done from several different locations. So if there's a delay or technical problem, we appreciate your patience and understanding.

This call may also contain forward-looking statements with respect to the financial condition, results of operations and business of Brookline Bancorp. Please refer to Page 2 of our earnings presentation for our forward-looking statement disclaimer. Also, please refer to our other filings with the Securities and Exchange Commission, which contain risk factors that could cause actual results to differ materially from these forward-looking statements.

Any references made during this presentation to non-GAAP measures are only made to assist you in understanding Brookline Bancorp's results and performance trends and should not be relied on as financial measures of actual results or future predictions. For a comparison and reconciliation to GAAP earnings, please see our earnings release.

If you can join us on Page 3 of the earnings presentation, I'm pleased to introduce Brookline Bancorp's President and CEO, Paul Perrault.

Paul A. Perrault
President, CEO & Director

Thanks, Marissa, and good afternoon, all. The quote, "may you live in interesting times", which some consider a blessing and some curse, often arises in times of crisis. And those of us who will have lived during some very interesting times know there's a beginning, a middle and an end. We certainly empathize with those who are suffering physically, emotionally or financially at this time. But we also recognize and appreciate the outstanding sacrifices, commitment and efforts of so many who rise to each challenge every day.

At our last earnings call on January 30, while the coronavirus pandemic was on all of our radar screens, we were not considering a near complete shutdown of the worldwide economy, unemployment claims surging into the millions on a weekly basis, interest rates going sharply to near 0 again and the need for trillions of dollars in fiscal and monetary economic assistance.

On February 1, Massachusetts confirmed its first case of coronavirus, a University of Massachusetts student who had just returned from Wuhan. Massachusetts was the second state in the nation to report a case. On March 1, Rhode Island confirmed its first 2 cases, which were related to a returning school trip to Italy in February. On March 9, Rhode Island Governor, Gina Raimondo, declared a state of emergency, and that was followed by Massachusetts Governor, Charlie Baker, on March 10.

As of today, both Massachusetts and Rhode island are operating in a stay-at-home environment, with only designated essential employees permitted to report to work. All nonessential retail businesses remain closed, and those that are allowed to open are doing so with restrictions in place.

I will touch on just a few areas and initiatives related to our preparation and response to this pandemic, and you can see that on Page 4 in the presentation. The most important thing is the health and safety of our employees and their families. We were able to shift to a work-from-home policy very early on due to our strong VPN and Zoom capabilities, which we were fortunate to have in place well in advance of the current environment. We remain as flexible as possible to accommodate those who have children at home or caring for a family member who may be ill.

At present, approximately 81% of the company's non-retail employees are working remotely and effectively. While traffic in the streets is quite low, you wouldn't know it from looking at the drive-up at the branches. We initiated a bank by appointment approach with minimal lobby access to further promote social distancing for both the bankers and the customers. We also staggered staffing schedules to minimize employee exposure while ensuring business continuity. All types of hand sanitizers and disinfectant wipes were distributed throughout the organization and enhanced cleaning went into place full time.

All customer-facing employees and those who are required to travel to company office have been provided with masks to minimize health risks to both employees and customers. We have had no furloughs and have actually been hiring for key positions, particularly in our call center and operations. Our bankers have never been busier in assisting new and existing businesses and retail customers with online banking and cash management services while also working to address any near-term cash flow concerns.

While much has changed over the last couple of months for the institution, much has remained the same. For our customers, we continue to reach out to ensure they know we are here for them. A company's culture is in the mission or a value statement. A company's culture is the sum of its actions and attitudes on a day in and day out basis of those who make up the organization in good times and bad. I am very proud of our company's culture, which is one of empathy for customers and colleagues in everything we do and what we also call our core 4 of accountability, teamwork, adaptability and leadership. They have truly been on display.

I will now turn you over to Carl, who will review the company's first quarter results.

Carl M. Carlson
Chief Financial Officer

Thank you, Paul. Our company entered this year and this crisis in a position of strength, record 2019 earnings, strong growth in commercial and consumer banking and a fortress balance sheet, defined by excellent asset quality, strong reserves and a robust capital base. In many ways, we are headed for a promising start to 2020, solid loan originations, supported by good deposit growth and fee income. We also successfully completed the merger and consolidation of First Ipswich Bank into Brookline Bank in mid-February. Soon after the weekend of our data conversion, our preparation and response to the global pandemic became our highest priority.

On Slide 6, we've provided summary income statements for the quarter, prior quarter and prior year. We recognized a net loss of $17.3 million for the quarter, which was driven by a provision for credit losses of $54.1 million. The significant increase in the provision was due to the potential deep and rapid decline in economic activity as our communities practice social distancing, schools and many businesses closed and nearly all events and activities were canceled. Also significant is our decision to continue forward and implement the new accounting standard commonly known as CECL, which shifted from estimating probable losses to estimating losses over the life of the loan using models based on future economic forecasts.

Our pretax pre-provision net revenue decreased $2.6 million from a very strong performance in Q4 and as net interest income declined and operating expenses increased, driven by higher professional fees, FDIC insurance and seasonality associated with compensation and benefits.

As illustrated on Page 7, net interest income declined $2.2 million as our net interest margin compressed 12 basis points. The yield on the loan portfolio declined 28 basis points as the pricing of over $1.8 billion in adjustable rate loans was significantly impacted by the sharp decline in prime and LIBOR rates. Linkedquarter declines in prepayment fees of $1.3 million and $153,000 in purchase accounting as well as an increase of $337,000 in amortization of deferred fees contributed 10 basis points in the decline in loan yields for the quarter. Overall, our cost of interest-bearing liabilities declined 13 basis points, which consisted of an 11 basis point decline in the cost of interest-bearing deposits and a 20 basis point decline in the cost of borrowings.

If you could follow me to Slide 8, you can reference our comparative but summary balance sheets. In the first quarter, we had solid loan growth of $85 million or 5% on an annualized basis, and deposits grew $60 million or 4% annualized. Also notable is the $52 million growth in the allowance for loan losses and related $16 million growth in the reserves for unfunded loans. We also added significantly to our cash and securities to prudently position ourselves to meet the potential financial needs of our clients. The loss in the quarter, as well as the modest stock repurchase activities, reduced our tangible book value per share by $0.31.

Slide 9 reflects the growth and composition of our significant loan and deposit categories. In the first quarter, we continued to have strong net loan growth in commercial real estate, while net deposit growth was driven by noninterest-bearing demand deposits and savings. Commercial real estate, which includes both investor and owner-occupied commercial real estate, makes up 55% of our loan portfolio. DDA represents 20% of our deposit base.

If you follow me to Slide 10, we have illustrated the near-term impact of the implementation of CECL in estimating the allowance for credit losses. At year-end, our total reserves for credit losses was $62.9 million, representing a reserve coverage of 78 basis points of total funded and unfunded loan commitments. There are 2 components: the allowance for loan losses, which was $61.1 million or 90 basis points of reserve coverage on loans outstanding; and a reserve of $1.9 million for unfunded credits. Accounting renewals were based on incurred or probable losses in the portfolio formulated on historical performance.

The new accounting standard, which was implemented on January 1, requires estimates for losses to be forward-looking over the life of the loan based on economic forecast. We chose to use Moody's ImpairmentStudio as well as Moody's economic forecasts to develop our estimates. We also chose to prudently calibrate the loan loss models to the performance of a peer group of Northeast banks since our historical loss data was considered too infrequent and too low. At year-end, we used the economic forecast as of December 14, 2019 and determined the total reserve for credit losses, also known as the allowance for credit losses or ACL, to be $78.5 million or 97 basis points of total funded and unfunded loans. This was an increase of $15.6 million or 25% from the prior accounting methodology.

At March 31, we decided to wait for the most updated Moody's economic forecast as of April 4, instead of using the mid-March version, which was less severe. The calculated ACL was $130.4 million, an increase of $51.9 million from our day 1 estimate. This increased our coverage on total commitments from 97 basis points to 161 basis points.

On Slide 11, we provide details on our reserve coverage on funded and total commitments by key segments and selected subset of our portfolio. The construction component of our commercial real estate portfolio experienced the highest change in coverage, rising from 148 to 513 basis points at March 31, requiring an additional allowance of $14.7 million in the quarter. We've also provided some of the key economic variables from the forecast driving our loss estimation models. It illustrates the significant expected deterioration from December to April in the economic forecast. Unemployment for the full year was expected to be 3.6% in the December 2019 forecast as compared to 6.3% in the April forecast, which had unemployment peaking at 8.7% in the second quarter before coming down to 6.5% at the end of the year. The commercial real estate price index also showed a significant 14.3% deterioration between the 2020 forecast.

On Slide 12, we have provided industry breakdowns for our major loan segments. Note, we have included owner-occupied commercial real estate and commercial loans and also reflect $64 million of commercial real estate loans within our equipment finance business. Investment commercial real estate of $3.2 billion comprises 47% of our outstanding loans. Apartments represent our largest segment. You can provide -- comprise 29% of our investment CRE portfolio, followed by office at 20% and retail at 17%.

Our commercial portfolio is $1.2 billion or 18% of our portfolio, and within commercial, food and lodging represents 15%, followed by manufacturing at 12%. Equipment finance at $1.1 billion represents 16% of our portfolio, which is led by a focus on laundry, tow truck and fitness equipment. Consumer loans of $1.2 billion is comprised of 1 point -- 1-4 family residential and home equity loans. Note, we have no direct exposure to airlines, auto lending, consumer credit cards, student loans or energy. We've also included some information in the appendix for the presentation -- of the presentation, providing various metrics and details about the portfolio, including loan to values and vintages, which illustrate the strong culture of credit underwriting, underlying our reputation for asset quality.

We've maintained the same portfolio segment on Slide 13 to provide insight into our loan payment deferment activity as well as illustrate our commitment to prudently respond to customer needs during this crisis. We have provided 90-day relief on loan payments on either principal or principal and interest. And these short-term modifications had no impact on our internal credit ratings related to these credits or accrual of interest or accounting for these assets at this time.

In total, loans with outstanding balances of $1 billion were granted a loan payment modification for approximately 15% of the portfolio as of April 17. The largest impacted categories were in our equipment finance units. We also provided deferred payment information by some selected segments we are tracking. As I mentioned earlier, apartments are our largest component of our investment commercial real estate portfolio. It is an area we pay close attention to. We have seen little need or requests for deferment. Another category we provide here is health care, also with few requests for deferments, where as an example, dentist offices are basically closed and only doing emergency procedures at this time. We certainly expect that activity to accelerate as offices will need to catch up on cleanings and other procedures.

As the stay-at-home restrictions are lifted, we also expect coffee and donuts to bounce back, folks to be focused on their health, laundries to be busier and, unfortunately, traffic accidents and breakdowns to resume. I want to highlight these are well-run businesses, and we're all in good standing before the economy basically shut down.

We have also been very active facilitating access to the SBA payroll protection program for our clients before the first round of funding closed on April 16, which we show on Slide 14. The company-funded its first PPP loan on Friday, April 3. And as of Friday the 24th, the company has originated 2,183 loans with balances of over $518 million. Portions of these loans will be eligible for forgiveness over the next several weeks, and we will also be tracking and reporting on the activity next quarter. We are very proud of the tremendous teamwork, adaptability, commitment and pure do-whatever-it-takes attitude we saw at every level and in every department across the organization. When the program reopened on Monday, as you would expect, we were back at it. However, the volume will be significantly less since we were very successful in helping our customers during the first round.

As shown on Slide 15, the company continues to be very well capitalized, exceeding all regulatory requirements as well as our own internal policies and operating targets. At March 31, we had capital buffer of 2.6% or $183 million over regulatory well-capitalized standards. During the first quarter, the Board expanded the previously announced stock buyback plan from $10 million to $20 million. The company announced on March 24 it was suspending any further purchases and, at that time, had completed the repurchase of 848,000 shares for $10.4 million.

Slide 16 provides a history of our regular dividend payout, which continued this quarter as the Board approved a quarterly dividend of $0.115 per share, which will be paid on May 29 to stockholders of record on May 15. Our dividend remains constant for the remainder of the year. Full year per share dividends would be $0.46, a 4.5% increase over 2019 and currently approximates a 4.4% yield.

This concludes my formal comments, and I'll turn it back to Paul.

Paul A. Perrault
President, CEO & Director
Thanks, Carl. Joining us for the question-and-answer session today is Robert Rose, our Chief Credit Officer; and Michael McCurdy, our Chief Risk Officer and General Counsel. Brookline is very fortunate to

have the expertise and experience of these gentlemen, particularly during this time, and I'm happy to say they represent the commitment and leadership I see across the organization. And now we will take questions.

Question and Answer

Operator

[Operator Instructions] And our first question today comes from Mark Fitzgibbon from Piper Sandler.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

I wondered if you could -- first off, you guys gave great detail on the slides. So thank you. It makes our life easier. I wondered if you could share with us maybe the areas or segments of the portfolio where you're most concerned where you feel as though the borrowers are most distressed and/or areas where you think the potential loss content would be greatest.

Paul A. Perrault
President, CEO & Director

Bob?

M. Robert Rose
Chief Credit Officer

It's hard to pinpoint extremely precisely. But when you think of the things that will return to health relatively quickly and things that won't, in our equipment finance segment, I would be a bit concerned about a portion of our exercise studios. Planet Fitness and other low-priced components such as YMCAs and JCCs are about 50% of that, and they tend to not have fallout in difficult times. It's the middle-priced and the higher-priced ones that seem to have that fallout. So I would say, a segment of the fitness portfolio would concern us a little bit.

Our hotel exposure, while modest in size at about $126 million, is about 58% vacation-oriented, recreation-oriented. It is all in New England, places where you can get to in a car or a ferry. And we have -- those customers have observed some cancellations of summer plans, but we are hopeful that they will benefit from people canceling airfare fly to type vacations, where people want to be closer to home and be able to get home quickly. The other part of that portfolio would be business hotels, but they are all in this area. There aren't that many of them. So those would be 2 that stand out.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. Great. And then -- and I know this is very difficult to answer. There's a lot of moving parts and such. But how are you thinking about the provision, say, in the second quarter? And any guidance you could provide would be super helpful.

M. Robert Rose
Chief Credit Officer

Well, I'm not a fortune teller and I'm not a health care expert, but we are paying close attention to how our customers are doing. We are talking with them all the time. We're especially talking with them in the key segments that were highlighted on Page 13. We've also instituted a program of trying to project forward 90 and 180 days out as to what the customers are thinking. So I really cannot say. I do believe that this level of provisioning that we've hit because we took a very late forecast, the latest one we could find, I think this gain in altitude that we've achieved will be helpful in coming quarters.

Paul A. Perrault
President, CEO & Director

I would add a little something to that, Mark, which is that CECL is new for everybody. It's new for us. And we took Moody's models as they came through the door, and we did not try to match it up with our actual experience in our portfolio and say we've got these exposures here, which Moody's is treating is harshly, but it appears ours have been in very, very good shape. We certainly took it as they came with that harsh outcome.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. And then, Paul, based on what you know today, do you feel like you have enough capital to sort of ride out the storm?

Paul A. Perrault
President, CEO & Director

Yes.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. And then, lastly, Carl, just 2 things on modeling. I'd be curious as to your thoughts about the outlook for the margin and the effective tax rate.

Carl M. Carlson
Chief Financial Officer

Sure. Regarding the margin, we've got a lot of internal models that we've been running. There's just so much uncertainty and so much variability here. I'm not going with -- out with any external guidance on the margin at this time.

As you can see, we've grown the balance sheet quite a bit with cash and securities. We're also putting on quite a bit in loans and offsetting that with a lot of deposits as well. So we'll -- you can kind of try to work up your own numbers in that, but there's a lot of variability, and I'm not really comfortable trying to give you an estimate on what the margin is going to be.

Paul A. Perrault
President, CEO & Director

Tax rate.

Carl M. Carlson
Chief Financial Officer

Tax rate, tax rate is going to be right around 25%. We did have a discrete item that was a benefit this quarter of about $750,000 associated with the CARES Act. So we were able to recognize that, which had an impact on taxes this quarter.

Operator

Our next question comes from Laurie Hunsicker from Compass Point.

Laurie Katherine Havener Hunsicker
Compass Point Research & Trading, LLC, Research Division

Just wanted to echo Mark's comments. This deck is amazing. I really appreciate your transparency. It's really helpful. Just one quick question here. Just kind of looking back and forth between Slide 12 and Slide 13, I just want to make sure I've got this right. So Dunkin' Donuts exposure of $165 million, is that primarily C&I?

M. Robert Rose
Chief Credit Officer

Yes. Yes, it is.

Laurie Katherine Havener Hunsicker
Compass Point Research & Trading, LLC, Research Division

Okay. And so that's what's found, I guess, embedded in that $180 million on Page 12. Is that correct?

M. Robert Rose
Chief Credit Officer

Correct. Correct. Food and lodging is dominated by Dunkin'. And I will say, to the extent that there's some real estate, Laurie, sometimes Dunkin' operators, the better ones, like to buy little strips for themselves, but the part of that, that they operate would be included in there. But restaurant exposure outside of Dunkin' is rather small.

Carl M. Carlson
Chief Financial Officer

Laurie, thank you for the comments on the slide deck, but you did catch something on Slide 13, that 78% exposure. It's really more like 90%. It represents 90% of our restaurant or food exposure.

Operator

[Operator Instructions] Our next question comes from Collyn Gilbert from KBW.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Just starting on the reserves. You guys took a really big reserve build, and it obviously sounds like you took a very conservative stance, which is great. But just wanting to dig into that a little bit more. I guess the one part that I found interesting was just the assumption within the CRE, assuming the reserve build on that book, what kind of was the thought there? And I understand -- and maybe it was as simple as just using Moody's forecast. But I don't know, I just -- I was surprised by the reserve build, specifically within the CRE book. If you could just give a little bit more color to the thoughts there.

Paul A. Perrault
President, CEO & Director

Actually, I may have been more surprised than you. I'll let Bob answer it. It's really as simple as you described. But Bob, do you want to give a little color there?

M. Robert Rose
Chief Credit Officer

As you know, it did surprise us as well. And if you noticed, it's a little punitive on commercial -- on construction, and that surprised us. I think that they are assuming that when you finish something and offer it up to be used, that no one will come and you'll have to take some form of loss.

There's nothing particularly odd or difficult in that portfolio. In fact, there's about $70 million of it is build-to-suit that's going to be used by people when it's completed. So that part, I don't think makes a lot of sense. As to the other parts of our real estate portfolio, when you go through them, they appear to be behaving fairly well in rent collection activity, the part that might be student, the part that might be workforce-related, the part that might be a and b, the range of collections are close to 100% down to as low as 75% in that workforce range.

So we're pleased with the way things are holding up. The retail segment or the slightly mixed use segment, mixed use is usually retail and other things, beginning to see some request there, but we don't think there's anything particularly not good about our real estate assets, Collyn.

Paul A. Perrault
President, CEO & Director

It is our legacy business, and we do have a lot of expertise in real estate around here.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Yes. Okay. Okay. Good. And then any chance you guys have what the number would have been, the reserves differential between adopting the April Moody's baseline versus had you adopted the March? Most of your peers adopted March. So as you said, you may be one step ahead of everybody. I'm just curious if you can quantify what that difference would be.

M. Robert Rose
Chief Credit Officer

It was virtually the same. As to the January -- the 1/1 number that's the middle bar in Carl's slide, we were surprised that it hadn't moved much at all, Collyn.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Okay. And then I guess just to round out the comments. I mean, it's interesting. So your stock is down a fair bit today, but yet, it seems as if, if I take a step back, that a lot of these disclosures are just -- are really erring on the side of you guys being ultra, ultra conservative. Even with your -- as you kind of segment where you have industry exposure, that's not necessarily where you're seeing trouble.

Paul A. Perrault
President, CEO & Director

I think that's right, Collyn. And when you think about a great fourth quarter, a pretty robust first quarter, put the provisioning aside for a second, a little bit of a margin squeeze, which is identifiable and manageable as we go forward, everything is in place to repeat our past performance, except for the pandemic and the new kind of provisioning policies, the CECL, if you will. That's what's different.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. One last question before I get to a NIM question is the -- I'm just looking -- sorry, I'm just looking through this now. But I guess perhaps the one area of concern is to how higher education is going to look as we move into the fall. I mean you guys are on the hot bed. Obviously, you have a lot of academic institutions. Do you have a sense of what exposure you have to that segment? I know you mentioned it on that -- you're still seeing rents being paid on that part, Bob. But just other exposures you might have to kind of academia, student housing and all of that?

M. Robert Rose
Chief Credit Officer

Yes. Yes. Look, I'm going to give you a couple of numbers here, but I'm going to tell you that this is a dragnet. We have looked at the ZIP codes for in and around the colleges in Providence, Boston, Cambridge, and Tufts over in Somerville. So it is a pure dragnet of exposure. And that dragnet of exposure would pick up about $220 million worth of apartments in those ZIPs and about $100 million of so-called mixed use CRE, which would have a retail component to it.

So you might call that 300 and what, $320 million roughly. But I will tell you that, that is a pure dragnet and mixed in with students who go to Harvard Square, and there are lots of people who live over in Cambridge that have nothing to do with education. So it is not correct to think of that as pure 1:1 exposure, but that is sort of the nexus of things that we will watch closely as the year unfolds.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Great. And then just lastly, Carl, I understand you're not really desiring to give any kind of NIM guidance, but on the funding side, which seems like one segment that you do have a little bit more control over, how do you see that trending? I mean, you guys are still sitting with CDs, I guess, at like 2 22. It just seems like there'd be a lot of room still to move on the deposit side.

Carl M. Carlson
Chief Financial Officer

Well, that's true, and we'll see that benefit going forward. Certainly, we have a lot of things that are maturing but -- and we'll be repricing down.

Collyn Bement Gilbert
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Can you tell us where your -- either where your CD rates were at the end of March or where you're putting on new CDs today, 1-year CDs?

Carl M. Carlson
Chief Financial Officer

1-year CDs, I think we may be in about 70 basis points, in that range, and maybe even lower at this point. We got with a little bit of specials here and there with the -- we're not even -- we're seeing the appetite for CDs disappear. Folks are more or less getting more and more liquid as we look at deposits.

Just to give you a little sense on that, we look at our deposit accounts, individual deposit accounts, and break it up into deciles. And we're seeing basically every category grow significantly since February. And that's really, I think, you're getting a lot of the government stimulus money that's coming in as well as people just being very conservative and saving more and holding more liquidity. And we're seeing people move out of CDs and basically put it in the money market or savings.

Operator

[Operator Instructions] And ladies and gentlemen, at this time, showing no additional questions, I'd like to turn the conference call back over to Paul Perrault for any closing remarks.

Paul A. Perrault
President, CEO & Director

Thanks, Jamie, and thank you all for joining us today, and we look forward to talking with you next quarter.

Operator
Ladies and gentlemen, that does conclude today's presentation. We do thank you for joining. You may now disconnect your lines.