



COMMUNITY BANKERS

B A N K

Resourceful. Responsive. Reliable.

Excess Balance Accounts

An Excess Balance Account or “EBA” is a limited-purpose account at the Federal Reserve Bank for maintaining the cash balances of institutions that are eligible to earn interest on excess liquidity. These accounts are managed by an agent on behalf of the participants. Community Bankers’ Bank (CBB) is the only bankers’ bank with an EBA serviced by the Federal Reserve Bank of Richmond.

CBB and the Bankers’ Bank Council were instrumental in persuading the Federal Reserve Board of Governors to sanction EBAs for the benefit of community banks.

Benefits of CBB’s EBA

- **Higher yield on overnight Fed Funds investments**—By combining CBB’s EBA Program with our existing Agency Fed Funds Program, you should receive a higher average yield on your overnight funds.
- **Improved capital ratios**—A zero percent risk-weighting is assigned to the portion of your overnight investments that is placed at the Fed in a CBB EBA account. The portion of overnight investments allocated to the CBB Agency Fed Funds pool carries a 20% risk weighting.
- **Greater risk diversification**—Your overnight fed funds investment risk is presently diversified by allocation to a large number of banks. Your risk will be further diversified since a participating bank’s balance in the CBB EBA represents a direct liability of the Federal Reserve Bank.
- **Daily Interest Credit**—Interest is paid daily to CBB client banks. Statements showing your daily EBA investment and interest are delivered through CBLink, our proprietary online communication system.
- **Availability**—Funds in an EBA have identical availability to all the current overnight Fed Funds investments.

Financial institutions may designate only one agent bank for this service. Only participants in the CBB Agency Fed Funds/ EBA program will realize these enhanced earnings and capital ratio benefits.

For more information, or to activate your CBB EBA, contact your Customer Relationship Manager or the Operations team at CBB.

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