



America's Correspondent Bank

Cash Advantage Account

Our Cash Advantage Account is an off-balance sheet sweep account that will allow your bank to pay interest to corporate customers. Your customers' excess balances are swept daily into repurchase agreements collateralized with U.S. government securities owned by Silverton Bank (SB). Your customers' balances reside on our balance sheet, which provides them with the greatest amount of flexibility.

A Cash Advantage Account is ideal for banks looking to add:

- A program with a competitive interest rate.
- A program that is off-balance sheet, which will allow your bank to retain high deposit customers regardless of capital restrictions.
- A program where customers legally purchase a specific security.
- A program that will generate fee income for your bank.
- A program that will not require you to use your securities as collateral.

To set up a Cash Advantage account, your customer simply signs a Master Repurchase Agreement, and you and your customer sign a Cash Advantage Account application with SB. You are required to have an automatic sweep DDA account with SB. Each day you will provide us with the daily change in your customers' sweep balances via e-mail using an excel spreadsheet we provide. We will debit/credit your account with us for each customer's daily change, and invest the new amount overnight. SB will create confirmations daily. Each day these confirmations are e-mailed to you and/or your customers. Once a month a statement showing daily activity and interest earned is e-mailed to you and/or your customer.

Interest on your customers' balances will accrue daily, but are credited monthly to your SB account. You will pass the interest credits along to your customers. The daily interest rate for each customer is tiered based upon the amount invested. The tiers are as follows, \$0 - \$49,999 = FF - 2.00%; \$50,000 - \$149,999 = FF - 1.50%; \$150,000 - \$499,999 = FF - 0.75%; \$500,000 - \$999,999 = FF - 0.50%; \$1,000,000 and up = FF - 0.40%.

Daily Procedures:

Each morning you change two fields in an excel spreadsheet we provide. The first is moving your New Cash Advantage Amount to the Previous Cash Advantage Amount, which updates your New Cash Advantage Amount, and the second is keying your customers ending DDA Balance from the previous day into the spreadsheet. This results in the Increase or Decrease Amount for your customer. If it is an increase for your customer, you will debit their DDA account and credit your SB general ledger. If it is a decrease, you will credit your customer's DDA account and debit your SB general ledger. You will e-mail the spreadsheet to us by 1:00 pm E.S.T, and when processed, it will post the increase/decrease amount to your bank's account at SB, clearing the entry off your balance sheet. It will also increase/decrease your customers Cash Advantage Account with SB by the same amount. After processing, an e-mail confirmation is sent, and you will verify the New Cash Advantage Amount from your spreadsheet matches the Principal Balance on your customer's confirmation.