

FAQs:

Your Guide to CDARS



Are you looking for a safer way to save? Protect your nest egg with our Certificate of Deposit Account Registry Service®, known as CDARS®. Administered by Promontory Interfinancial Network, a trusted partner of more than 3,000 financial institutions in the U.S., the CDARS service allows you to maintain a single relationship with one bank while receiving FDIC deposit insurance on up to \$50 million, far more than the current limit of \$250,000 per bank. So, you can continue to deal with CBHOU, the community bank that focuses on you, while receiving the same benefit as would come from holding multiple savings accounts at different financial institutions. As an added bonus, member banks in the CDARS Network swap deposit amounts. This means that, although your savings is divided among different banks, the total amount you deposit in CDARS will go to your primary bank for use with local lending.

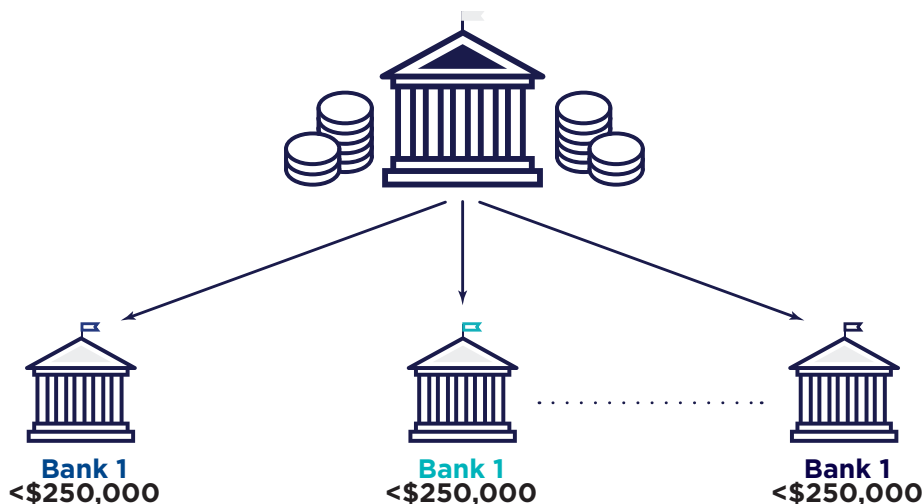
Learn the Benefits of CDARS

WHAT IS CDARS?

CDARS is a network of financial institutions. It is managed by the fintech (financial technology) provider Promontory Interfinancial Network. Each CDARS member sets its own CD rate, which you will receive on the entire sum you deposit in CDARS through your bank. Your financial institution also acts as the custodian of your entire CDARS deposit. The subcustodian is The Bank of New York Mellon (BNY Mellon), the largest financial custodian in the world.

HOW DOES CDARS WORK?

The concept is simple. Instead of manually opening savings accounts in different banks on your own, you can make one large deposit with your CDARS member-bank. After disclosing the financial institutions where you already have deposits, the CDARS network will divide your large sum into smaller amounts calculated not to exceed \$250,000 over the lifespan of the CD. Those smaller sums then become CD accounts at other member institutions across the country. However, through dollar-for-dollar swaps, your primary bank still receives the total amount of your deposit to use for local lending purposes.



WHO CAN USE CDARS?

Both individuals and businesses can take advantage of the benefits of using the CDARS network.

WILL I KNOW WHERE MY CDARS ACCOUNTS ARE DEPOSITED?

Yes, you will receive a list of all your CDARS deposits including the amount and the name of the bank. Additionally, you may request a confirmation of records and/or certified statement from BNY Mellon at any time in order to confirm the principal balance and accrued interest on all of your CDARS accounts. You will also receive regular statements from your custodian financial institution.

WHAT DOES THE FDIC THINK OF CDARS?

The FDIC has always permitted the use of multiple FDIC-insured financial institutions as a means of obtaining more deposit insurance than the single-bank amount.

WHO DOES CDARS FDIC INSURANCE COVER?

As explained on their website, "FDIC insurance covers depositors' accounts at each insured bank, dollar-for-dollar, including principal and any accrued interest through the date of the insured bank's closing, up to the insurance limit." The limit for FDIC coverage through CDARS is up to \$50 million.



Investing through one CDARS Network member allows you to receive FDIC insurance coverage from other institutions in the network.

Partner with Central Bank

As you can see, the CDARS network is a great opportunity to earn interest on up to \$50 million in savings without the risk of losing money in the stock market. Enjoy the peace of mind that comes with knowing your savings are protected by the full faith and credit of the federal government. As a longtime community bank serving the people and businesses of Houston, Central Bank is proud to offer the convenience and protection of the CDARS network to our business and personal banking clients.

CONTACT US TODAY TO LEARN MORE ABOUT CDARS AND HOW IT CAN HELP YOU REACH YOUR INDIVIDUAL FINANCIAL GOALS.

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