**Sample Calculation of Earnings Credit:**

1. Your **Average Investable Balance** is calculated:

   - Average Ledger Balance $6,680.00
   - Less the Average Uncollected Balance $280.00
   - Equals the Average Collected Balance $6,400.00
   - Less the Federal Reserve Requirement of 10% $640.00
   - **Equals the Average Investable Balance** $5,760.00

2. Your **Earnings Credit** is calculated:

   - Average Investable Balance $5,760.00
   - Multiplied by Earnings Credit rate (annualized) x 5.25%
   - Multiplied by number of days in cycle x 31
   - Divided by number of days in a year ÷ 365
   - **Equals the Earnings Credit** $25.68

   * Rate is for demonstrations purposes only

3. Your **Earnings Credit** is used to offset the service charges your Ag Partner Checking Account has accrued.

   Service charges are based on your transaction volumes. Ask your local American Federal Banker for more information.

Definitions used in monthly calculations:

- **Average Collected Balance** - Usable balance from deposits that have been collected from the customer's bank.

- **Reserve Requirement** - Federal regulations require that financial institutions hold a reserve equivalent to 10 percent of their total checking account collected balances in non-interest bearing accounts.

- **Average Investable Balance** - Determined by subtracting the 10 percent Federal Reserve Requirement from the average collecte balance. Earnings credit rate is applied to average investable balance.

- **Earnings Credit Rate** - Federal regulations allow financial institutions to apply an on-cash earnings credit based upon the account's balance, which can be used to offset service charges.