

One-Way Sweeping Deposits Drives Fee Income and Balance Sheet Optimization for Community Banks

One-way swept deposits earn EFFR of fee income

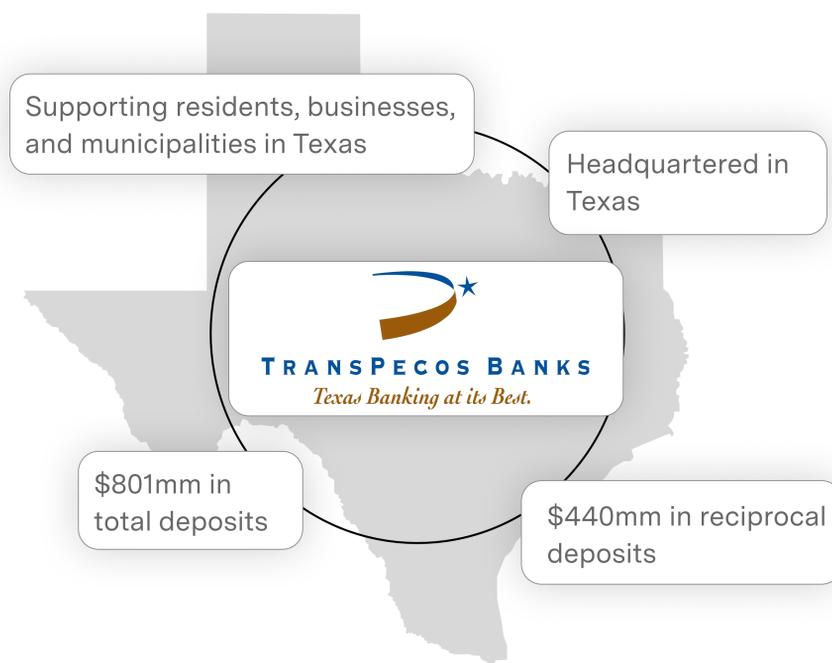
Large value depositors can access up to \$20mm of insurance through program banks*

NBID supports 450+ member banks through its deposit network, including 230+ with less than \$1bn in assets

About TransPecos Banks

With historic roots in Pecos, TransPecos has served generations of farmers, ranchers, businesses, and communities in the West Texas area since 1924. As a community bank with ~\$800mm in deposits, TransPecos has built a strong client base leveraging reciprocal deposits and one-way sweeping excess liquidity.

TransPecos joined the NBID network to take advantage of preferential pricing for member banks, NBID's profit sharing model, and an advantageous one-way sweeping network rate. NBID's one-way sweep solution enables banks to generate fee income from excess deposits while optimizing their balance sheet without losing the customer relationship.



The Challenge: Managing Deposits and Capital Constraints

TransPecos holds many long-standing relationships with high value depositors as well as fintechs through its sponsor bank model. Community banks like TransPecos face a persistent challenge: maintaining deposit relationships while managing balance sheet constraints and capital requirements at low costs.

Community banks often are unaware of or underutilize solutions where they can earn significant fee income through deposit networks to help bolster their balance sheet. Traditional deposit network solutions often come at a cost of funds that doesn't make sense for the average community bank, leaving fee income on the table and forcing a difficult choice when loyal customers outgrow standard FDIC coverage limits.

The NBID Solution: Turning Deposit Pressure Into Opportunity

For TransPecos, NBID solved two connected challenges at once. On the relationship side, it enabled the bank to offer long-tenured customers up to \$20 million in aggregate FDIC insurance through the network, allowing the bank and its customers to keep those deposits in the local community. On the economics side, NBID's reciprocal deposit network allows TransPecos to sweep excess deposits off its balance sheet and earn a rate that tracks the effective federal funds rate, materially higher than alternative solutions.



Low Cost:

NBID members currently pay 5 bps or less for this service



Superior Fee Income Generation:

One-way sweep rates that track the median effective fed funds rate, significantly above other alternatives



Profit Share:

Member banks earn profit share based on one-way sweeping and reciprocating deposits



Customer Retention:

*Maintain depositor relationships with additional insurance coverage through program banks**



Pat Kennedy
*Executive Chairman,
TransPecos Banks*



Community banks have historically been forced to choose between turning away good customers or accepting deposits that hurt their margins and tie up capital. NBID's one-way sweep rate and economics change that equation entirely. Banks can now maintain those relationships, keep deposits local, generate fee income, and earn effective fed funds while keeping their balance sheets optimized. It's a significant advantage in how community banks can approach deposit gathering.



Looking Ahead: A New Deposit Standard for Community Banks

*Illustrative Example:
March 2026*



NBID's technology platform enables deposit sweeps with minimal operational lift. Banks maintain full customer relationships and control while NBID handles network placement and compliance.

Contact NBID at contact@nbid.com to learn how one-way sweeping can optimize your balance sheet while generating fee income.

Learn more about how you can start growing with NBID today

[Click here to learn more](#) →

*NBID LLC is not a bank. Deposit insurance covers the failure of insured institutions, not NBID. Deposits are placed at FDIC-insured network institutions and are eligible for pass-through insurance up to \$250,000 per institution. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply. A list of participating banks appears at <https://www.nbid.com/bank-list>.