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NEWS

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ABA ENDORSES CDARS—AN INNOVATIVE NEW FUNDING TOOL FOR COMMUNITY AND REGIONAL BANKS

WASHINGTON, Feb. 10 – The American Bankers Association (ABA) today announced its endorsement of the Certificate of Deposit Account Registry ServiceSM (CDARSSM), an innovative new deposit placement service that helps banks, particularly community and regional banks, attract and retain larger local deposits. CDARS was developed by Promontory Interfinancial Network, a financial services technology company led by former Comptroller of the Currency, Eugene A. Ludwig.

“Our members have consistently told us that they need a long-term solution to attract the new deposits necessary to fund lending and investment activities in their communities,” said Donald G. Ogilvie, ABA president and chief executive officer. “CDARS is such a solution. Now smaller banks have the opportunity to promote a new, secure deposit choice that allows customers to keep their savings in a local institution. This is good for the banking industry and our economy. We encourage banks to take a closer look at CDARS and to put this tool to use.”

Using CDARS, banks can now distribute customer funds into FDIC-insured certificates of deposit (CDs) at different banks without the use of a broker.

And CDARS goes two important steps further:

- First, whenever customer deposits are sent out of the bank, an equal amount of deposits are brought bank into the bank from other banks in the network, essentially keeping the entire amount of the deposit in the local community.
- Second, when a bank initiates a CDARS transaction, the bank can choose its own interest rate. It does not need to pay an artificially high national brokered CD rate to attract new funds.

(more)

ABA CDARS ENDORSEMENT/P2

This endorsement is a result of the ABA Funding and Liquidity Steering Group's recommendation that ABA develop solutions to members' funding problems. The ABA and its affiliate, the Corporation for American Banking, conducted a review of CDARS and Promontory Interfinancial Network, evaluating a wide range of factors, including financial soundness, customer service, marketing capabilities, management experience and strength, as well as a thorough product review and analysis

"We are proud to have earned ABA's endorsement," said Eugene A. Ludwig, Chairman and CEO of Promontory. "Having the ABA independently review and endorse our service affirms our strong belief that CDARS is good for the banking industry and its customers."

About the American Bankers Association

The ABA brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership — which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks — makes the ABA the largest banking trade association in the country. ABA can be found on the Internet at www.aba.com.

About Promontory Interfinancial Network

Based in Arlington, Va., Promontory Interfinancial Network is committed to developing secure, consumer-friendly solutions that strengthen the banking system. CDARS is based on proprietary technology and intellectual property owned by Promontory.

In addition to **Eugene A. Ludwig**, former Comptroller of the Currency, the Promontory Board of Directors includes: **Alan S. Blinder**, former vice chairman of the Federal Reserve Board; **Mark P. Jacobsen**, former chief of staff at the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency; **James M. Culberson, Jr.**, former ABA president; **O Jay Tomson**, CEO of First Citizens National Bank, Mason City, Iowa; **L. William Seidman**, former FDIC chairman, **Edward W. Kelley, Jr.**, former Fed governor; former Senator **Warren B. Rudman**; **Frank N. Newman**, former deputy secretary of the Treasury; **J. Michael Shepherd**, EVP and general counsel at The Bank of New York and former OCC senior deputy comptroller; **Kenneth M. Duberstein**, former Reagan chief of staff; **Anne L. Armstrong**, former counselor to the president with Cabinet rank for Presidents Nixon and Ford; and **Frank G. Zarb**, former CEO and chairman of NASD and NASDAQ. The Promontory Bank Advisory Board is chaired by **William Isaac**, former FDIC chairman.

Promontory can be reached at 1-866-PROM-426 or www.promnetwork.com.

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