



Promontory Contact: Phil Battey  
Phone: (703) 292-3357  
Email: pbattey@promnetwork.com

**BANK CUSTOMERS TO ENJOY**  
**\$20 MILLION IN FDIC INSURANCE COVERAGE**

**Arlington, VA (June 9, 2005)** – Promontory Interfinancial Network today announced that it has raised to \$20 million the level of FDIC coverage its member banks can offer a customer through its premier service, CDARS.

“This increase is timely -- as interest rates continue to rise, certificates of deposit become increasingly attractive to investors, both individuals and institutions,” said Alan Blinder, Princeton University economist, former Vice Chairman of the Federal Reserve Board and one of Promontory’s founders.

The Federal Funds rate has tripled over the past year. Analysts expect continued increases.

More than 850 banks currently belong to the Promontory Network. Promontory member banks have offices in all 50 states, the District of Columbia, and Puerto Rico. Institutions – primarily businesses, nonprofit organizations, and local governments -- account for 80 percent of all CDARS transactions. Individuals account for about 20 percent.

Deposits placed through CDARS meet the pass-through insurance coverage guidelines established by the Federal Deposit Insurance Corporation (FDIC).

“The largest financial services company in the country cannot offer anything safer than CDARS,” noted Mark Jacobsen, President and COO of the Promontory Network, and a former chief of staff at the FDIC. “There are few guarantees in life – FDIC insurance is one of them.”

CDARS is a deposit placement service. To offer CDARS, a bank must be a member of the Promontory Network. When a customer places a large deposit with a Network member, the bank arranges for the placement of funds into certificates of deposit issued by other Network banks – in increments of less than \$100,000 to ensure that both principal and interest are eligible for full FDIC protection. CDARS – pronounced “cedars” – is short for “Certificate of Deposit Account Registry Service.”

-- Continued --

“When we started just 30 months ago, our banks offered \$260,000 in FDIC insurance coverage,” said Gene Ludwig, Promontory Network Chairman and CEO. “As the Network grew we were able to announce new levels – first up to \$1.5 million, then \$5 million, then \$10 million last October, and now up to \$20 million.

“Our member banks asked for the higher limits to meet customer demand,” added Ludwig, a former U.S. Comptroller of the Currency and former Vice Chairman of Bankers Trust/Deutsche Bank. “As the Network grows, coverage will continue to rise.”

From the bank customers’ point of view, CDARS is one-stop shopping. Regardless of the number of CDs they receive, customers work with only one bank, sign only one agreement, and receive one interest rate and one account statement. Individuals receive one 1099 tax form.

The Bank of New York handles all record keeping for the CDARS service.

About Promontory Interfinancial Network: Based in Arlington, VA, Promontory Interfinancial Network was founded in 2002 to develop and provide creative solutions to issues confronting bank management. To learn more about Promontory, go to [www.promnetwork.com](http://www.promnetwork.com). To learn more about CDARS, go to [www.cdars.com](http://www.cdars.com).

\*\*\*\*