

Executive Summary

The mutual fund industry has been growing at a rate of nearly 20% per year since 1970 versus the banking industry growth of a modest 7.6%. One point remains clear, community banks will continue to be challenged by fierce competition. That competition requires community banks to develop products and services banking customers want and need.

Bankers Financial Services, LLC has developed a revolutionary program called the Dow Jones Indexed CD program which allows community banks to **private label** and **issue** CDs with interest based upon the performance of the Dow Jones Industrial Average. **Deposits remain at the issuing bank providing a core deposit funding source or brokered deposit funding source.** We offer a turnkey program or can **customize** our service to **compliment the bank's product menu** for current and prospective customers.

Banks Win

The Dow Jones Indexed CD program is designed to help community banks **differentiate themselves** and **compete** directly for money flowing into equity indexed annuities, indexed mutual funds and other index products.

Customers Win

Indexed CDs are designed for today's investor with **no downside risk** through its **principal protection feature** and **FDIC insurance**. Indexed CDs can give customers an excellent rate of return on their deposit without sacrificing safety and without hidden fees.

Here is how your Bank will make money with Indexed CDs:	<ul style="list-style-type: none">• Attracting younger depositors and cross-selling other services• Gaining more customers assets• Low cost long term funding source• Program cannot be duplicated by your competition• No more CD Specials
The numbers:	<ul style="list-style-type: none">• Costs are less than rates charged from wholesale funding sources• Extends Deposit Maturities• The 5 Yr. historical average interest return of DJIA Indexed CD since 1950 is a 7.0 - 8.0% Return
Who can sell Indexed CDs?	<ul style="list-style-type: none">• Our core program is designed to be sold through the bank's New Accounts Personnel• A second program is designed to be sold through Registered Reps
What Bankers Financial Services adds?	<ul style="list-style-type: none">• Regulatory Review & Support• Advertising/Marketing Templates• Training Seminars• Accounting & Call Report Guidance• Customer Confirmations & 1099 reports• Flexibility to meet custom requirements• Product Design• Policy Assistance• Website Administration and Technical Support• National Distribution• Commitment to Service

Who are the Target Customers?

Individual Accounts

- qualified retirement plans
- college educational savings accounts
- trust accounts
- caregivers
- seniors
- other individual accounts

Commercial Accounts

- foundations, endowments, non-profits
- public sectors
- corporate
- small businesses
- bank investment portfolios
- other commercial accounts

While bankers might think that existing customers may be the primary target market for this product, the biggest market is customers that banks have already lost, active investors in the equity markets, or those doing business with another bank who does not offer Indexed CDs.

How can the ICD product be sold?

The program is designed to avoid complex investment descriptions. The sale is simple, direct and easy by asking, "How would you like the potential of stock market returns, no downside risk (with your principal protected), and FDIC insurance? "

- or - "Does your current investment provide:

- **Principal Guarantee?**
- **FDIC Insurance?**
- **No Sales or Management Fee?**
- **Only Upside Return Potential?**
- **Peace of Mind?"**

Compelling Reasons for Banks to Sign Up

1. To lower cost of core deposit funding
2. To offer a deposit program that your competition cannot duplicate
3. To extend deposit maturities
4. To attract depositors without having to meet inflated fixed-rate CD specials

For complete details regarding the Indexed CD program, please contact: **Lisa M. Smith**, VP-Product Manager or **Mike Sherzan**, President & CEO at 1-800-262-4422.