



COMMUNITY BANK FUNDING COMPANY

Innovation • Integrity • Relationships

A Republic Financial Company



CORPORATE FACT SHEET

Company Overview

Community Bank Funding Company (CBFC) is a financial services organization providing **innovative and diverse wholesale funding solutions**. Our funding programs are uniquely tailored for the nation's 8,000 community banks with assets less than \$10 billion. CBFC presently serves the funding needs of over 450 community bank customers in nearly all 50 states.

CBFC helps community bankers by providing:

- Three wholesale funding solutions.
- Funding efficiency, diversification and increased financial performance.

- **A Trusted Advisor Relationship Model** used to analyze and understand each banker's liquidity and funding requirements.

Growing Need for Wholesale Funding

CBFC helps community bankers address a critical industry void caused by the **continuing erosion of retail deposits that is likely to be exacerbated by the creation of new banks (GMAC, AMEX, Goldman Sachs, etc.)**.

Core Deposits Continue a Declining Trend

- The community bank wholesale funding market has grown to over \$400 billion and continues to grow at 13% (\$50 billion) per year. (Source FDIC Call Reports)

- In 1992, 82% of an average bank's funding came from retail deposits; today only 54% comes from retail deposits.

Wholesale Funding Product Suite

CBFC provides three funding solutions that can be used separately or in combination to provide blended funding sources, durations and rates to raise short-, medium- and long-term deposits in the most efficient way. There are no upfront fees, no pledged collateral and no stock purchase required.

CBFC WHOLESALE FUNDING SOLUTIONS FOR YOUR BANK

C O M I N G S O O N



eCD™ – an automated CD portal (market exchange) hosted by SunGard® enables community bankers and institutional investors to conduct CD transactions without traditional hassles and administrative costs. It is a faster, more efficient and cost-effective solution to CD issuance.

- **Achieve Better Rate Execution** – issuing banks determine what rates/amounts to post and sell CDs directly to **institutional investors** online at 10 to 15 bps better than broker rates.
- **Reduce the Costs of Traditional CDs** – automated platform reduces the costs of issuing, documenting, accounting and tracking of CDs.
- **Automated Point-and-Click Ease of Use** – automation features eliminate the numerous hassles of signature cards, back-and-forth negotiations and CIP requirements. **All eCD participants are CIP exempt.**



Multiple Broker CD – forming trusted advisor relationships enables CBFC to analyze specific funding needs. CBFC partners with multiple top name Wall Street brokers to provide the best rates, flexibility and customer service.

- **Multiple Rate Leverage** – rates generated from multiple sources provide the best execution for each maturity and size.
- **95% of Quotes Are Guaranteed Rates** – helps clients *lock in rates* versus best efforts. No “bait-and-switch.”
- **Funding Diversity** – expands your options to fund your balance sheet.
- **Lower Costs** – no annual fees, no collateral and no stock purchase.



Capital Market CD™ (CMCD) – a new way to raise consistent, low-cost deposits. CMCD provides community bankers access to low-cost **term wholesale funding** from institutional investors **without the need to pledge collateral or buy stock**. CMCD is the only patented, securitized CD process providing a reliable way to raise low-cost deposits, funding diversity and address critical regulatory guidance on liquidity management.

- **Better Rate Execution** – rates equal to or better than FHLB rates and up to 50 bps better than broker rates (depending on maturity).
- **Monthly Funding Access** – \$1 million to \$25 million per maturity.
- **No Pledged Collateral** – no stock purchase requirements or fees.
- **Strategically Ladder in Term Deposits** – lock in margins and reduce interest rate risks.
- **Diversified Funding** – consistent non-correlated funding to mitigate liquidity risks and address key regulatory concerns.

Wholesale Funding Comparison

There are many funding alternatives available to community bankers. These are often bewildering and difficult to compare in determining which funding sources offer the best value.

Below is a chart that shows important characteristics that can help compare CBFC funding solutions with FHLB and Brokered Deposit programs.

Wholesale Deposit Alternative Comparison					
	CBFC Funding Solutions			Other Wholesale Funding Sources	
	\$ eCD	\$ MULTIPLE BROKER CD	\$ CAPITAL MARKET CD	Federal Home Loan Banks (FHLB)	Brokered Deposits
Size	\$75k to \$5 million	\$1 million to \$100 million	\$1 million to \$25 million	\$1 million and up	\$1 million and up
Rate Comparison vs. FHLB 1 Year*	-29 bps	-14 bps	-22 bps	1.79%	-14 bps
Maturities	30 days and up	30 days and up	1 to 10 years	30 days and up	30 days and up
IDC/LACE	Well-capitalized to participate	Dependant	Well-capitalized to participate	Dependant on high ratings	Dependant
Confirmed Rates	Yes – based upon agreed spread	• Guaranteed • Best Efforts	Yes – 2 days before trade	Yes	• Guaranteed • Best Efforts
Transaction Costs (Per Annum)	15 bps	25 to 45 bps	All in CMCD rates	Factor in stock, collateral and audit costs	25 to 45 bps
Availability	Daily	Negotiation/Close in 10 days	Monthly	Daily	Up to 10 days to negotiate
Annual Fees	No	No	No	No	No
Pledged Collateral	No	No	No	Yes	No
Stock Purchase	No	No	No	Yes	No
Ease	One-time agreement Point, click, post and sell CDs	One-time agreement Call or email	One-time agreement Call or email	One-time agreement Stock/collateral/ issues	One-time agreement

*Rates as of March 2009

Company Ownership

Community Bank Funding Company is a majority-owned subsidiary of Republic Financial Corporation, a privately held investment company founded in 1971 and located in Colorado. Republic has acquired transactions valued in excess of \$1 billion over the last five years. This international firm has multiple divisions operating in many financial sectors including Aviation, Asset Management, Special

Assets, Private Equity, Structured and Project Finance. Over the years and throughout various economic cycles, Republic has remained profitable, while continuing to create mutually prosperous relationships with lenders, sellers, buyers and brokers alike.

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