

FREQUENTLY ASKED QUESTIONS

1.) Who is PMA?

PMA has been working with public units for over 35 years, currently serving over 2,800 public entities in 12 states. PMA provides integrated financial solutions to public entities, offering investment management, financial advisory and comprehensive services for Local Government Investment Pool (LGIP) clients, which include portfolio management, fund administration and marketing. PMA is a leading provider of fund services working for 13 different LGIPs in various capacities.

PMA is at the forefront of creating flexible and stable deposit relationships with financial institutions of all sizes. PMA has multiple funding options which deliver diversified sources of depositors. This type of funding can be utilized on a primary or contingency basis depending on the financial institution's needs. By working with PMA, a financial institution expands their footprint without disrupting their local markets ("quiet funding").

2.) Why would a financial institution want to work with Public Unit Depositors?

- Typically, a large deposit source (secured and unsecured¹ options)
- Compliant Friendly – BSA/AML/KYC, "Know your Client"
- Local presence, familiar depositor

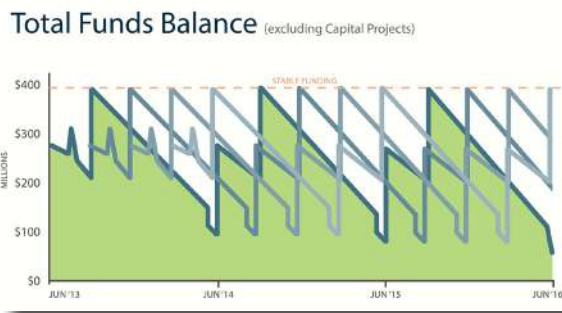
3.) How do Public Unit Depositors receive their revenue?

Schools, Municipalities & Others (Libraries, Water & Park Districts, etc.):

- Local Property Taxes², Sales Taxes, State Sources, Federal Sources and User Fees

4.) Key attributes to PMA's program:

- Provide diversification – PMA invests for a large number of public unit depositors
- Tailored Solution – Small (<\$250k) or Large (>\$250k) individual funding, FDIC insured or collateralized options, specific or laddered approach
- Compliance Friendly – Depositor base comprised of public units of deposit
- Reduce cyclicalities associated with a single entity or concentration of entities within footprint



A typical public unit depositor receives funds throughout the year and "spends down" to meet their liabilities, creating cyclicalities in their balances. By working with PMA, cyclicalities can be mitigated by pursuing funding diversification among public unit depositor entities (schools, municipalities, etc.).

5.) What types of deposit programs does PMA offer?

PMA is able to design a number of deposit programs to fit your financial institution's needs. PMA can provide funding from both Individual political subdivision clients and Local Government Investment Pools (LGIP).

- FDIC/NCUA Insured Deposits (Term) - *unsecured*¹
- Pledged Securities (Term or Liquid) - *secured*
- Federal Home Loan Bank Letters of Credit (Term or Liquid) - *secured*
- Reciprocal Deposit Programs (i.e. CDARS or ICS)(Term or Liquid) - *secured*
- Excess FDIC Insured Deposit Bonds (Term or Liquid) - *secured*

¹ Unsecured funding based on S&P rating of financial institution and available through LGIPs

² Usually distributed annually or bi-annually

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