FUNDING SOLUTION FOR FINANCIAL INSTITUTIONS

DEPOSIT PROGRAM HIGHLIGHTS

Silver Springs Public Fund Deposit Program provides financial institutions access to diversified funding through liquid or term deposits. Whether the need is primary or for contingency funding, Silver Springs can design a program to complement an institution's current funding strategy. Large and small deposits can be customized to meet laddering or specific duration needs both on a secured and unsecured basis. By listening to your needs Silver Springs will provide a funding plan specific for your financial institution.

Collateralized options:

1.Pledged Securities

- Public fund deposits which are greater than the FDIC insured limit, require collateralization. Pledged securities such as municipal bonds and agency securities can be utilized when safe kept at a third party custodian and meet the depositor's investment policy.

2.Federal Home Loan Bank Letters of Credit

- An additional form of excess FDIC collateralization can be provided by issuing an FHLB letter of credit (LOC). By utilizing this form of securitization, a financial institution can avoid having to pledge their liquid securities and can provide their depositor the safety of a government sponsored enterprise. The Letter of Credit is a highly customizable form of collateralization that can be utilized on both term and liquid deposits. The issued balance amounts can be fixed or fluctuating and can be renewed "manually" or via evergreen clause if desired.

CRITERIA FOR DESIGNING YOUR FUNDING PROGRAM

- Desired Funding amount
- Individual Deposit amounts (Min & Max)
- Terms and Rates
- Types of deposit programs
- Available collateral if applicable

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Non-Collateralized Options:

1. Direct Deposits – FDIC Insured

⦿ The Silver Springs FDIC insured deposit program is designed to allow financial institutions access to a broad array of political subdivision depositors individually investing in denominations under the FDIC insured limits. When aggregated, the individual public entity deposits can be a significant and non-collateralized source of funding. Additionally, by utilizing depositors on different revenue streams, Silver Springs can nullify volatility and create a stable and reliable deposit program. The typical program can range from $1MM to upwards of a $100MM in size that is continuously maintained.

2. Reciprocal Deposits –

⦿ Reciprocal deposits (Liquid or term) allow financial institutions to attract political subdivision deposits without having to pledge collateral. These programs help financial institutions reduce collateralization burdens by offering customers access to multi-million-dollar FDIC insurance on funds placed through the reciprocal network. Deposits are exchanged with other network members on a dollar-for-dollar basis, bringing the full amount of the original deposit back to the originating bank.

3. Excess FDIC Insured Deposit Bonds

⦿ Another method Silver Springs can offer is an excess FDIC insured deposit bond. This is a great alternative for a financial institution seeking larger deposits and do not have the ability to pledge securities or issue and FHLB LOC. This type of collateralization is issued by third party insurance companies and requires approval.

4. Custodial Deposits

⦿ Custodial deposits provide financial institutions large deposits of aggregated individual depositors below the FDIC insured level – allowing these individual depositors to maintain FDIC insurance. This allows the financial institution to take large deposits without the need of providing collateral and Excess FDIC Insurance bond. These deposits are made in the name of a financial institution acting as custodian.

Diversified funding without disrupting your local market or other institutional funding options.