

Demand Deposit Marketplace® (DDM®) Program for Depository Institutions

Access to Expanded FDIC Insurance Coverage with our Flexible Cash Management Program

Strategically manage your deposit funding needs and the expanded FDIC or NCUA insurance needs of your customers with the Demand Deposit Marketplace® (DDM®) daily cash management program.

The DDM program enables banks and other depository institutions to offer their customers access to millions of dollars in FDIC or NCUA insurance coverage, strategically manage daily liquidity, and offer interest rates that are competitive with other cash sweep options.¹

A depository institution can participate as a send-only, receive-only, or reciprocal institution, with the ability to increase or decrease the level of deposits on its balance sheet at any time.

Program Advantages

Additional Source of Funds

Retain higher levels of insured, non-brokered reciprocal deposits, and access stable wholesale funding.²

Balance Sheet Flexibility

Increase or decrease deposit levels at any time. Manage the ratio of insured/uninsured balances.

Customizable

Send, receive or reciprocate deposits based on business line or customer needs.

The DDM program serves as a flexible balance sheet management tool — providing access to wholesale funding and a ‘reciprocal deposits’ feature with the ability to increase or decrease the deposit amounts on your balance sheet at any time. Whether your institution has excess liquidity, requires more deposits, or seeks to maintain deposit levels while offering your customers access to expanded FDIC or NCUA insurance coverage, the DDM program has a deposit solution that is right for you.

Offer Your Customers

- Ability to access expanded FDIC or NCUA insurance coverage
- Daily liquidity on funds placed into demand deposit accounts³
- Interest rates that are competitive with other cash sweep options¹

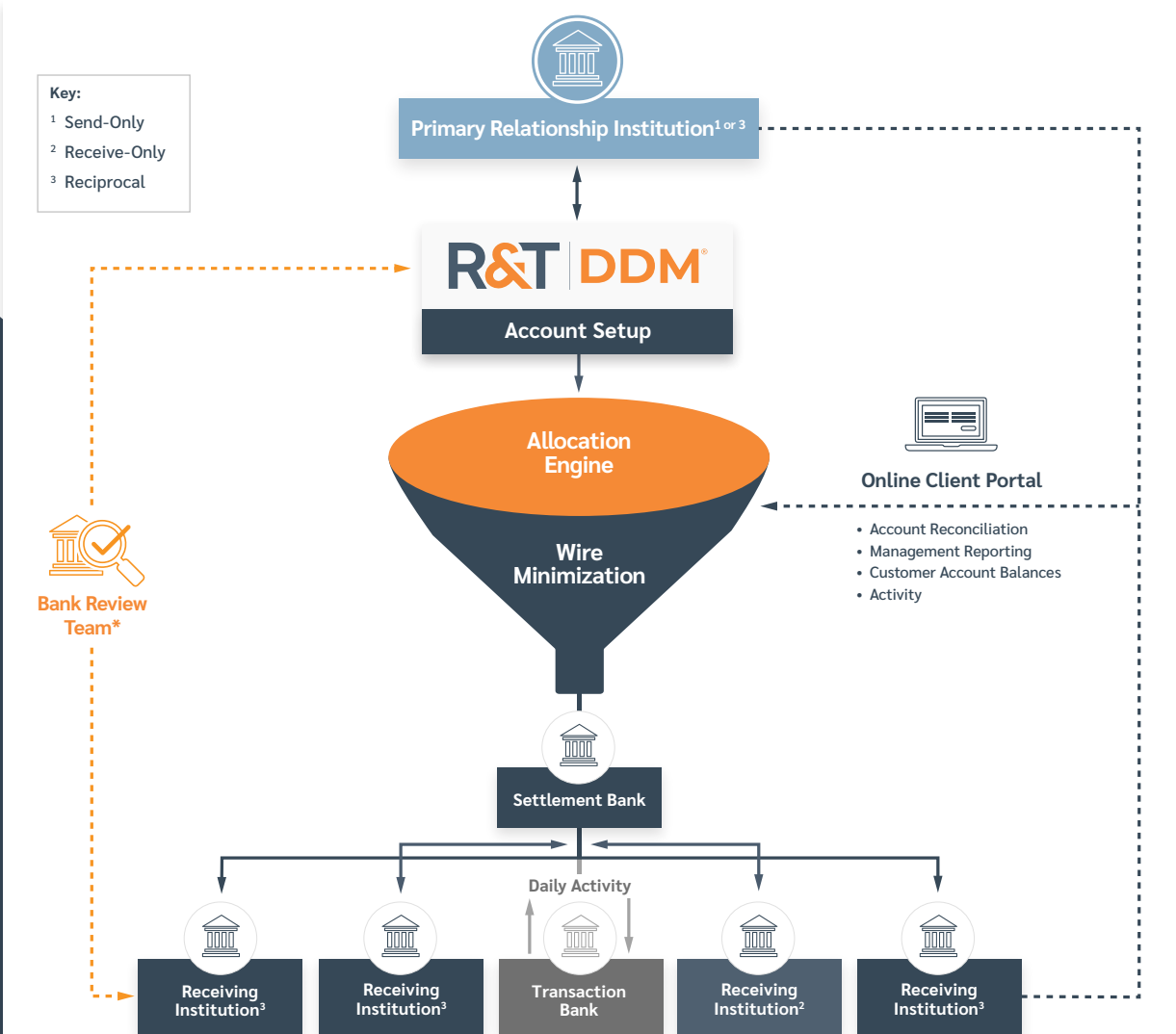
¹ While interest rates obtained on funds placed at receiving institutions under the DDM program may, under certain circumstances, outperform cash alternatives, such as money market funds, the primary objective of the DDM program is to provide customers with convenient access to expanded FDIC or NCUA insurance coverage on their funds (and not for investment enhancements or higher rates of returns or profits).

² Subject to applicable FDIC laws and regulations relating to brokered deposits, including 12 CFR 337.6. R&T makes no representations or warranties, express or implied, with respect to a bank or financial institution’s classification of deposits as brokered or not brokered. Such determination is entirely and solely the responsibility of that bank or financial institution.

³ Under the DDM program, funds are deposited into demand deposit accounts (DDAs) or money market deposit accounts (MMDAs) at receiving banks or share draft accounts or share accounts at receiving credit unions. While your customers’ funds are held in MMDAs or share accounts, the return of your customers’ funds from the DDM program may be delayed as, under federal regulations, the receiving institution is permitted to impose a delay of up to seven days on any withdrawal request from an MMDA or share account.

How It Works

Cash balances in your customers’ accounts are sent daily into the DDM program. The DDM program then allocates those balances to deposit accounts at FDIC or NCUA insured institutions in increments below \$250K per eligible depositor (e.g., based on TIN) so that your customers’ balances can receive access to FDIC or NCUA insurance coverage up to the relevant program limit.



NOTES:

*R&T has a Bank Review Team for verifying initial and ongoing capitalization of the Receiving Institutions. R&T does not provide bank monitoring services or advice to Participating Institutions.

Broker-dealers subject to FINRA can only access the DDM program through the DDM Specific Order program or the DDM Broker-Dealer program.

The DDM program allocates customers’ funds to as many receiving institutions as necessary to provide access to FDIC or NCUA insurance coverage up to the program limit.

“**Receiving Institutions**” are the insured depository institutions that can receive your customers’ funds under the DDM program. R&T offers the ability to place your customers’ funds at (i) receiving banks only or (ii) receiving banks and/or eligible credit unions. Currently, under the DDM program, only credit unions that are designated as “low income credit unions” (“LICUs”) can receive funds from sending institutions.

DDM Program Options and Benefits

Easily switch between these deposit relationships without affecting customer statements or accounts and increase or decrease the deposit amounts on your balance sheet at any time.

Send-Only

Send excess deposit balances

- Access to expanded FDIC or NCUA insurance coverage
- Generate fee income
- Mitigate carrying costs
- Reduce balance sheet

Receive-Only (Funding Solutions)

Receive deposit funding

- Diversify wholesale funding sources
- Fund loan demand
- Strengthen balance sheet
- Supplement contingency funding plan

Reciprocal

Exchange deposits (dollar for dollar)

- Access to expanded FDIC or NCUA insurance coverage
- Receive equal insured deposits in return
- Manage costs
- Non-brokered treatment (up to \$5 billion or 20% of liabilities)*

Reciprocal Plus/Minus

Exchange deposits (any desired ratio)

- Access to expanded FDIC or NCUA insurance coverage
- Increase/decrease target deposit levels dynamically
- Bank determines reciprocal target
- Send or receive balances above or below the reciprocal target

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NOTE: R&T offers the ability to place your customers' funds at (i) receiving banks only or (ii) receiving banks and/or eligible credit unions. Currently, under the DDM program, only credit unions that are designated as "low income credit unions" ("LICUs") can receive funds from sending participating institutions.

R&T Deposit Solutions provides banks, broker-dealers, trust companies, wealth managers, and other financial institutions with a comprehensive selection of products and services, designed to meet their unique cash sweep and deposit funding needs.

Contact us to learn more:

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