



FOR IMMEDIATE RELEASE

## **PMA Financial Network, Inc. Responds to Increased Bank Failures with New Quantitative Rating Tool**

**Chicago – June 9, 2011** – PMA Financial Network, Inc. (PMA), a nationally recognized standard in public finance, today announced it has enhanced its proprietary bank evaluation process (Prudent Man Analysis) to include a quantitative rating tool that forecasts the health of banks.

“Depressed real estate prices, sustained economic weakness and increased regulatory scrutiny have made discerning the creditworthiness of banks difficult for the nation’s public entities,” said Brian Hextell, Vice President and Chief Credit Officer of PMA Financial Network, Inc. “We believe it is more important than ever for public entities to utilize bank analysis tools to ensure the safety of their assets.”

PMA’s Prudent Man Analysis was built in 1984 to ascertain the fiscal strength and investment merit of banks, and has consistently evolved to account for changing market conditions and meet the growing need to accurately manage and forecast risk for public funds investors. The Prudent Man Analysis combines the quantitative analysis of large sets of bank regulatory data and qualitative analysis based on numerous data points including risk concentrations, industry trends, peer group performance, geographic trends and management strength.

The quantitative rating tool was created after completing a regression analysis of historical financial statement data for the 322 banks that failed between 2008 and 2010. This data offered a large amount of new information on the causes of bank failures. PMA’s newly created model is expected to improve PMA’s ability to accurately forecast the health of banks over a two-year period. Describing the new rating tool, Mr. Hextell said, “This model is PMA’s first attempt to utilize its strength in quantitative analysis to create a predictive model that quantifies the factors that we have previously analyzed subjectively. The tool is not intended to replace the subjective analysis, but provide additional support for a rating and/or highlight the institutions that require additional research.”

“PMA’s bank evaluation model guided the firm’s public funds clients through the Savings and Loan Crisis over 20 years ago, and has again proven itself effective over the most recent economic downturn,” said Mike English, President & CEO of PMA Financial Network, Inc. “We’re confident the addition of this quantitative rating tool increases PMA’s ability to help its clients avoid repayment, reinvestment and reputation risk that is often associated with a bank failure.”

### **About PMA Financial Network, Inc.**

PMA is a national financial services provider that seeks to provide long-term financial success for its clients. For a quarter-century, government entities have turned to PMA Financial Network, Inc. as a trusted partner and integral component of their long-term financial success. With billions of dollars invested annually, PMA provides over 1,400 clients with a diverse lineup of customized financial solutions through a team of experienced professionals and some of the most innovative technology available. Additional information is available at [www.pmanetwork.com](http://www.pmanetwork.com).

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