BOLI QUARTERLY REPORT

2016Q3

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EXECUTIVE SUMMARY

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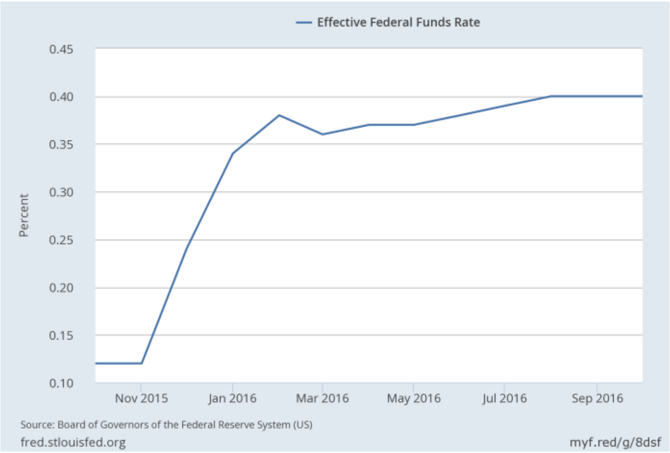
CHALLENGES FACING BANKS TODAY

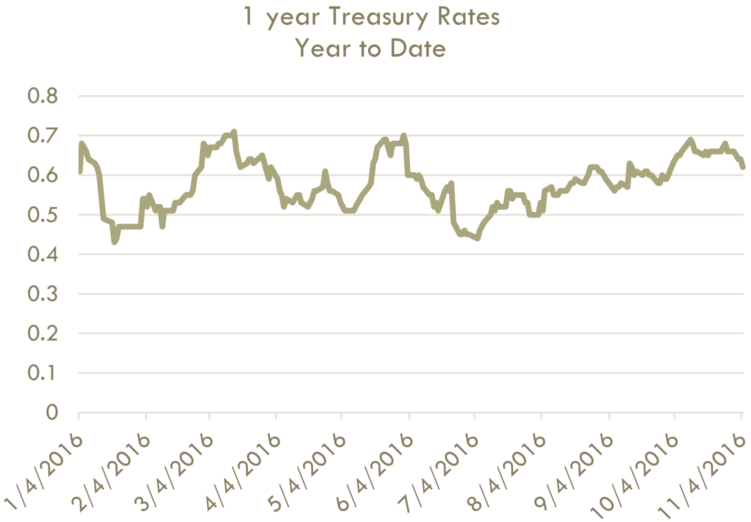
Near-Zero Short-Term Interest rates

We have been dealing with low interest rates since the beginning of the economic crisis. As banks continue to try to "lend long and borrow short" by matching the maturity of loans in the portfolio to deposit time series, they are finding it harder and harder to re-allocate into better performing assets. As higher-yielding loans and securities acquired before the crisis mature, banks are forced to replace them with assets that carry much lower rates.

Fed Funds Rate – In light of the election and the market instability, the Fed declined to raise rates at the November 2016 meeting. However, it is likely that rates will rise before year end as the futures market is pricing in a 76.3% chance of rates rising at the time of this writing. The Effective Federal Funds Rate has leveled off after its rise in late 2015.

One Year Treasury Rates – The one year treasury rate has continued its sideways movement. It will be interesting to see the next leg higher after the fed (arguably) takes action in December.



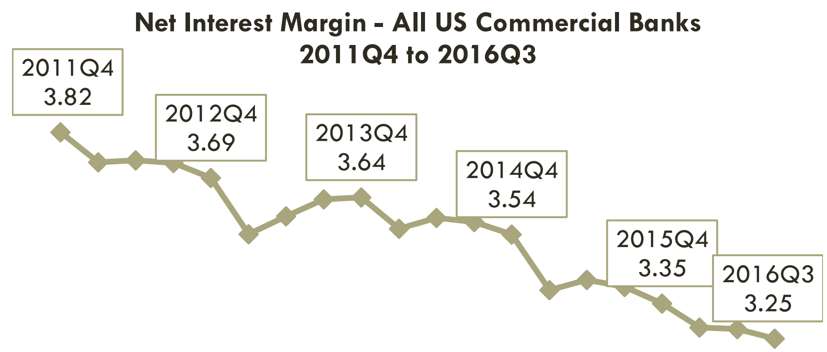


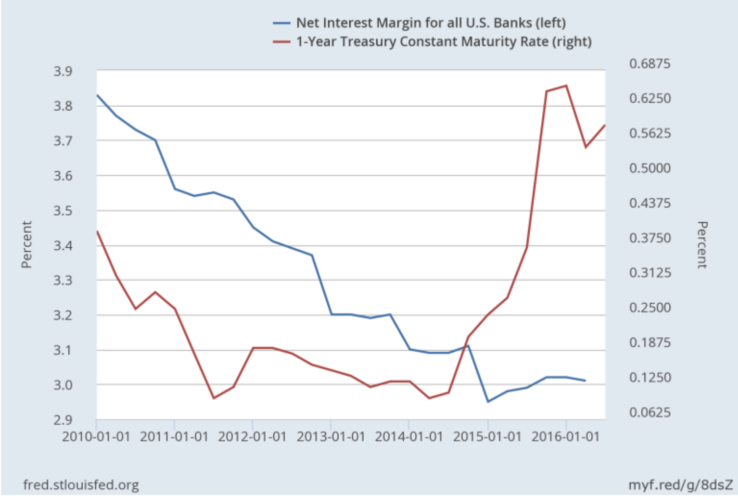
CHALLENGES FACING BANKS TODAY

Net Interest Margins Continue their Decline

The third quarter of 2016 saw the continued decline of Net Interest Margins. Again, Net interest margins are the spreads between what banks receive on their interest-earning assets and what they pay on interest-paying liabilities, divided by total interest-earning assets. **On average, net interest margin fell to 3.25% last quarter** for all commercial banks and 3.01% for all banks in the United States.

A Historical Perspective on Net Interest Margin – Analysts tend think that net interest margin moves in sync with interest rates – as interest rates rise, so should net interest margin. However, this has not been the case. **Since 2015Q1, net interest margin has actually declined as 1-year rates have risen off of the lows.** The primary cause of this lag is the "maturity mismatch" between bank liabilities and assets. Liabilities like consumer and business deposits tend to have short-term maturities and are more volatile and sensitive to short-term interest rates. Longer term assets like business or consumer loans are more stable and less sensitive to market rates. However, "if policy rate increases, banks would pay out more in interest on their liabilities while the rates on their long-term loans would remain stable — effectively narrowing net interest margins." For a more in-depth review of the issue, read the Federal Reserve Bank of Richmond's article "Do Net Interest Margins and Interest Rates Move Together?."





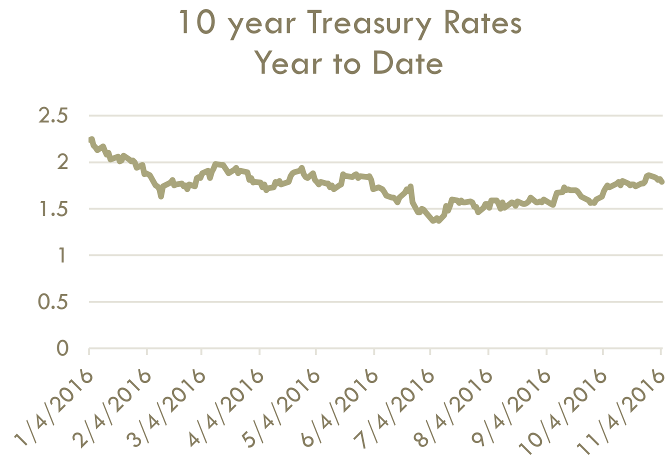
CHALLENGES FACING BANKS TODAY

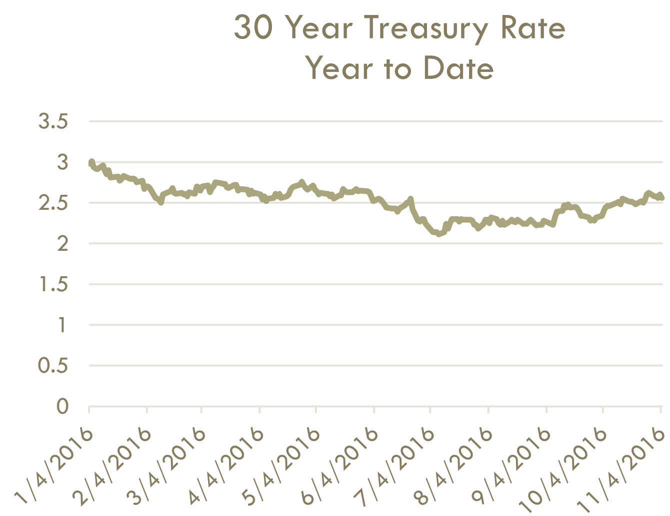
Longer Term Rates

Longer term rates have continued their range bound action throughout the year

Ten-Year Treasury Rates – After largely stagnant movement over the summer, the ten-year rate was at an interesting point sitting at its 200-day moving average. After the election, the 10-year rate jumped through 2%. We will see if that is just reactionary or if the move has legs over the long term.

30-Year Treasury Rates – Similar to the ten-year, the 30-year bond rate has been on the rise lately.





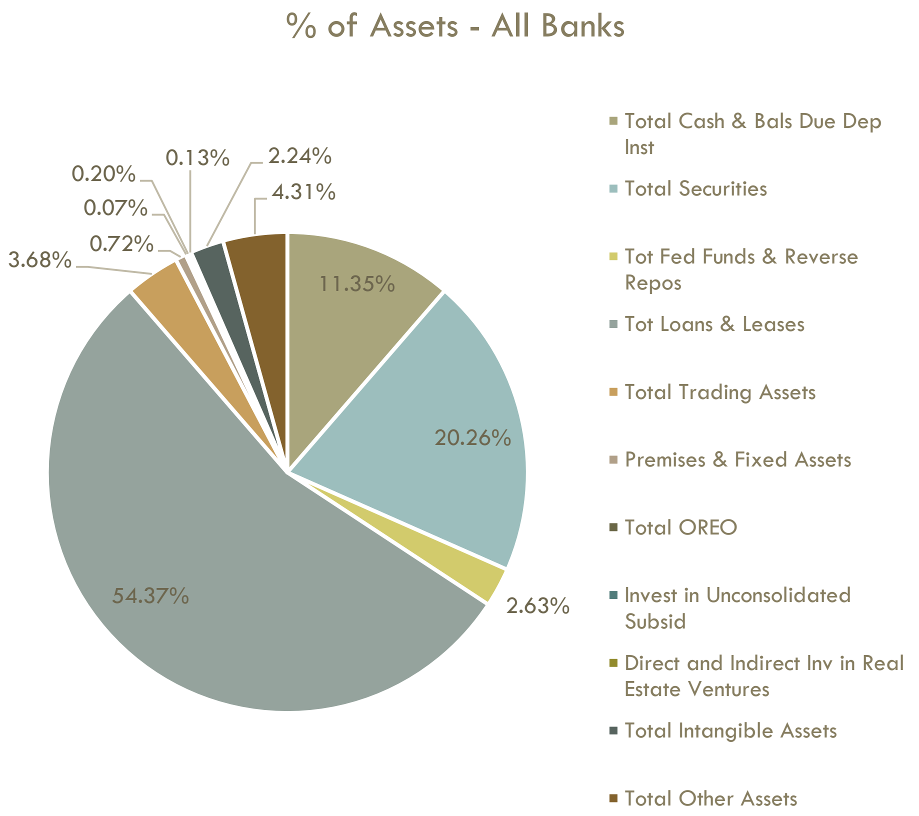
BANK TRENDS

Asset Composition

Asset Growth – While the overall allocation for all banks has changed little in the last year, overall assets for all banks have grown 6.66% YTD. The slowest growers are those smaller banks. However, as seen in other areas of assets, banks over $1B in assets and less than $50B have seen the best growth so far in 2016. While these numbers don't tell the whole story, it is interesting to think whether M&A explains the effect on growth rate in that range.

Asset Growth Rate - Year to Date (%)

Banks < $25M	-12.08
Banks $25M-$50M	-11.08
Banks $50M-$100M	-5.44
Banks $100M-$300M	-6.03
Banks $300M-$500M	0.03
Banks $500M-$1B	-2.05
Banks $1B-$3B	2.26
Banks $3B-$5B	22.44
Banks $5B-$10B	-4.34
Banks $10B-$50B	9.01
Banks $50B-$100B	-14.82
Banks > $100B	9.49



BANK TRENDS

Deposits & Cash

Total Deposits – Total deposits continue to rise, with all US Commercial Banks reaching a 5-year high of $12.7M. After stagnating at the beginning of 2015, deposits have picked up in 2016Q3 with a 2.16% growth versus the previous quarter.

Cash–As expected, the "80/20 Rule" is in effect where most of the cash reside with the largest banks.

Percent of Total Cash & Balances Due - Most Recent Qtr (%)

Banks < $25M	0.03%
Banks $25M-$50M	0.12%
Banks $50M-$100M	0.41%
Banks $100M-$300M	1.67%
Banks $300M-$500M	1.07%
Banks $500M-$1B	1.51%
Banks $1B-$3B	2.03%
Banks $3B-$5B	1.29%
Banks $5B-$10B	1.36%
Banks $10B-$50B	5.55%
Banks $50B-$100B	4.52%
Banks > $100B	80.46%

Total Deposits

	($000)		Change vs Previous Quarter
2011Q4	9,849,273	-	
2012Q1	9,955,333	↑	1.08%
2012Q2	10,035,841	↑	0.81%
2012Q3	10,233,811	↑	1.97%
2012Q4	10,662,930	↑	4.19%
2013Q1	10,686,931	↑	0.23%
2013Q2	10,694,914	↑	0.07%
2013Q3	10,955,449	↑	2.44%
2013Q4	11,145,570	↑	1.74%
2014Q1	11,299,274	↑	1.38%
2014Q2	11,490,339	↑	1.69%
2014Q3	11,596,706	↑	0.93%
2014Q4	11,764,004	↑	1.44%
2015Q1	11,958,412	↑	1.65%
2015Q2	11,932,443	↓	-0.22%
2015Q3	11,990,427	↑	0.49%
2015Q4	12,189,984	↑	1.66%
2016Q1	12,429,435	↑	1.96%
2016Q2	12,527,998	↑	0.79%
2016Q3	12,798,729	↑	2.16%

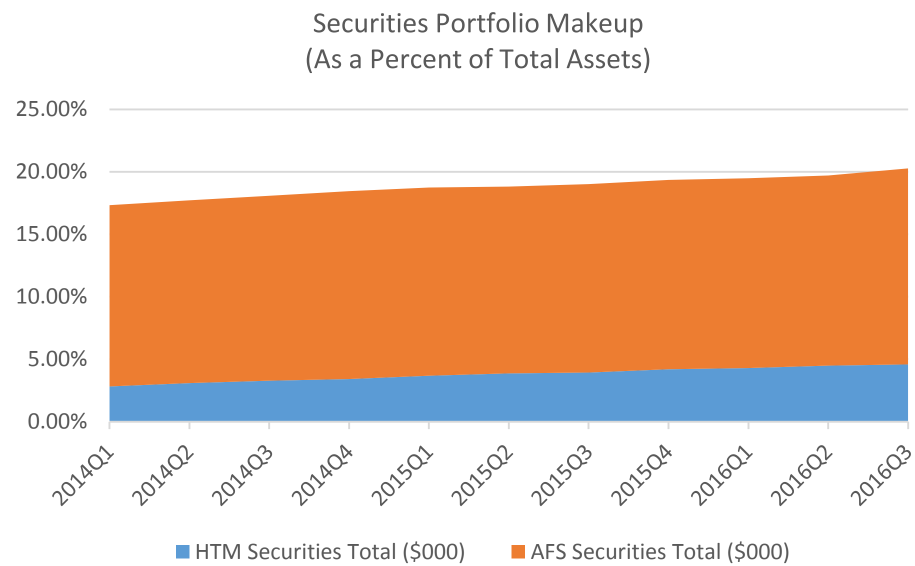
BANK TRENDS

Total Securities Portfolio

The total securities in all banks' portfolios have continued to rise in relationship to total assets. Just considering HTM Securities (debt securities that the bank has the positive intent and ability to hold until maturity) and AFS Securities (securities that the bank may retain for long periods but that may also be sold), they now comprise of more than **20% of the total assets of all commercial banks**. What's driving this? Banks may continue to be concerned about low-cost funding and profitable lending opportunities – again, back to the imbalance between maturities of assets and liabilities. Additionally, regulation and liquidity risk are of concern and might be driving the move toward securities. Securities can be sold more easily and with less transaction costs than loans. Basel III capital rules are also driving up the minimum liquidity coverage ratio – requiring higher quality assets on the balance sheet.

HTM Securities – Increased to 4.58% of total assets. As noted previously**, this increase is probably a function of the accounting rules that state that gains and losses in the value of HTM securities that result from movements in market prices (e.g., interest rates) aren't recognized unless the asset is sold**.

AFS Securities – Steady growth to 15.69%, up a full percentage point over the last 10 quarters.



Held-To-Maturity Securities

	HTM Securities Total ($000)	Change from Previous Quarter	As a Percent of Total Assets
2013Q4	405,671,855	-	-
2014Q1	450,550,563	11.06%	2.82%
2014Q2	493,372,950	9.50%	3.08%
2014Q3	524,230,353	6.25%	3.28%
2014Q4	545,450,104	4.05%	3.41%
2015Q1	587,548,032	7.72%	3.67%
2015Q2	617,557,172	5.11%	3.86%
2015Q3	628,563,970	1.78%	3.93%
2015Q4	670,488,888	6.67%	4.19%
2016Q1	686,100,811	2.33%	4.29%
2016Q2	716,901,915	4.49%	4.48%
2016Q3	732,431,658	2.17%	4.58%

Available-for-Sale Securities

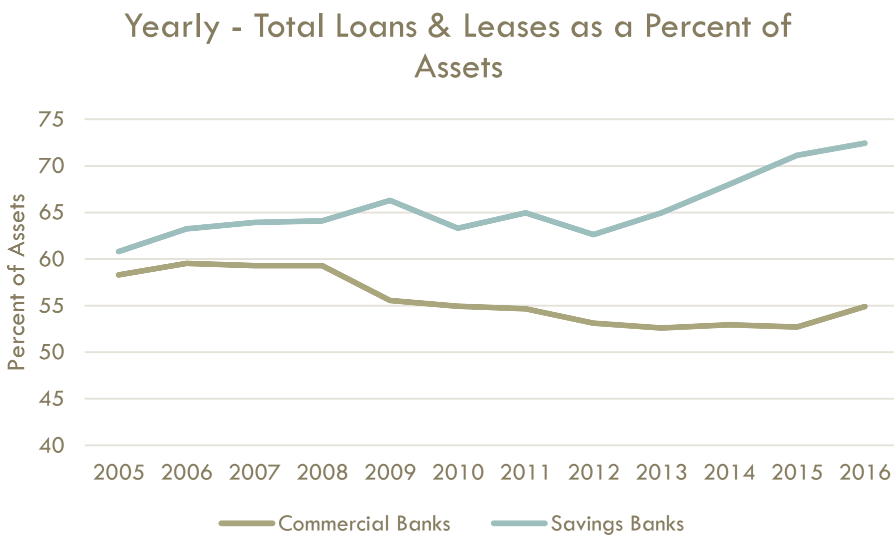
	AFS Securities Total ($000)	Change from Last Quarter	As a Percent of Total Assets
2013Q4	2,313,313,257	-	-
2014Q1	2,320,856,284	0.33%	14.51%
2014Q2	2,340,221,684	0.83%	14.63%
2014Q3	2,367,427,869	1.16%	14.80%
2014Q4	2,405,702,958	1.62%	15.04%
2015Q1	2,409,934,150	0.18%	15.06%
2015Q2	2,391,952,786	-0.75%	14.95%
2015Q3	2,412,743,322	0.87%	15.08%
2015Q4	2,424,447,853	0.49%	15.16%
2016Q1	2,430,149,119	0.24%	15.19%
2016Q2	2,434,458,828	0.18%	15.22%
2016Q3	2,509,965,856	3.10%	15.69%

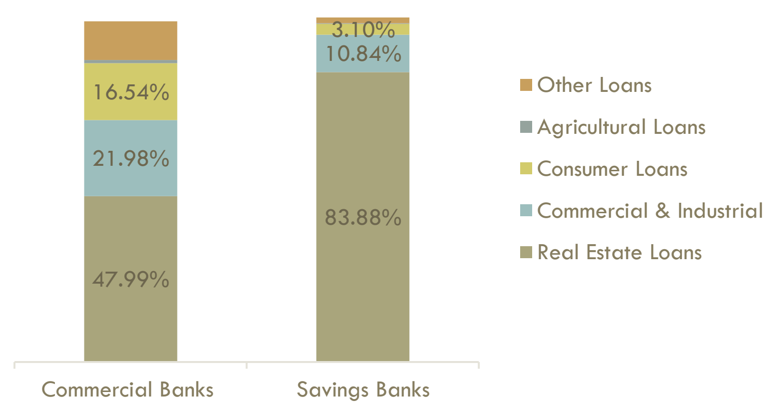
BANK TRENDS

Total Loan Portfolio

Percent of Assets – Loans continued their steady growth as banks continue to make quality loans. In commercial banks, loans represented 54.64% of total assets in 2016Q3. For savings banks, the total was 73.91%. From a longer term perspective, it looks like commercial banks are approaching 2008 and before levels of concentration in loans, when loans accounted for almost 60% of total assets. It will take time to get back to that level.

Loan Composition – Real estate and commercial loans continue to lead the way in 2016Q3.





BANK TRENDS

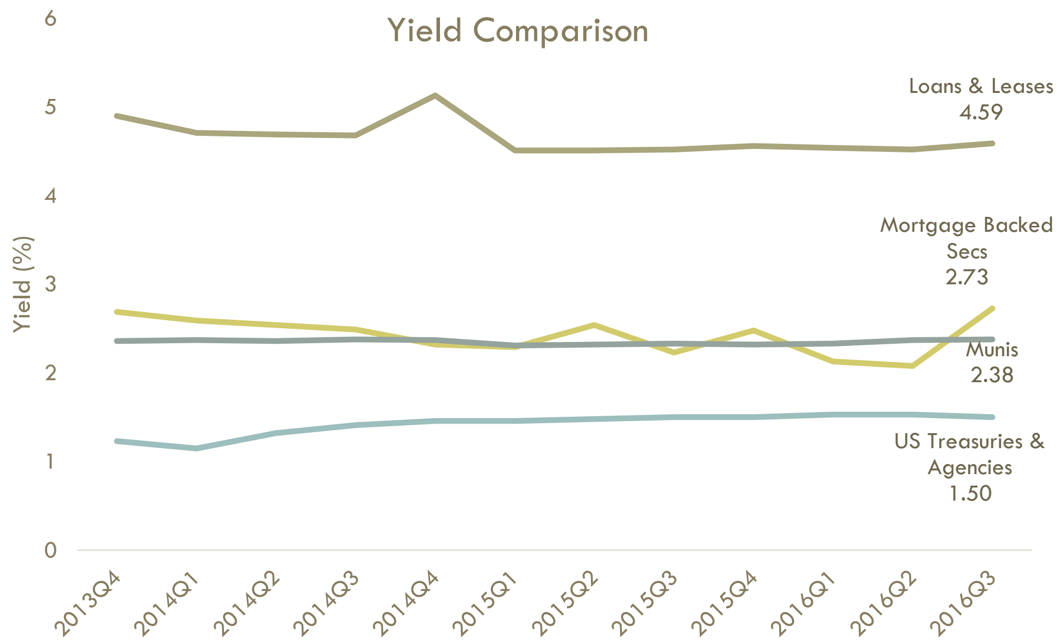
Yield & Performance of Assets

Loans – Loans continue to be the best performers for banks. After a slight dip over the last 3 quarters, loans yielded 4.59% on average in

Mortgage Backed Securities – Surpassed Munis and returned 2.73% in 2016Q3.

Munis – Continued steady returns.

Treasuries – After slowly rising over the last 10 quarters, it will be interesting over the next year to see how these rates are affected over the next year with the election results in and the market looking for rate hikes.



BOLI TRENDS

An Overview of BOLI Last Quarter

Bank Owned Life Insurance ("BOLI") is a life insurance contract purchased on the lives of employees whereby the bank purchasing the policy is the owner and beneficiary of the policy.

Policy is solely owned and paid for by the bank

Bank books the cash value of the policy as an asset

Bank receives the death benefit income tax free

Trend Last Quarter – BOLI cash value increased by $1.4 Billion last quarter, breaking the $160 Billion dollar mark for the first time in history. Since the beginning of 2012, this is a growth of more than 23%.

	Total BOLI ($000)	Gain/Loss From Previous Quarter ($000)	Percent Change From Previous Quarter
2012Q1	130,377	2,225	1.74%
2012Q2	131,654	1,277	0.98%
2012Q3	133,174	1,520	1.15%
2012Q4	136,214	3,040	2.28%
2013Q1	137,519	1,305	0.96%
2013Q2	139,116	1,598	1.16%
2013Q3	140,476	1,359	0.98%
2013Q4	143,040	2,564	1.83%
2014Q1	144,821	1,782	1.25%
2014Q2	146,609	1,788	1.23%
2014Q3	147,808	1,199	0.82%
2014Q4	149,577	1,769	1.20%
2015Q1	150,957	1,380	0.92%
2015Q2	153,116	2,159	1.43%
2015Q3	154,530	1,414	0.92%
2015Q4	156,192	1,662	1.08%
2016Q1	157,570	1,378	0.88%
2016Q2	158,998	1,428	0.91%
2016Q3	160,484	1,486	0.93%

BOLI TRENDS

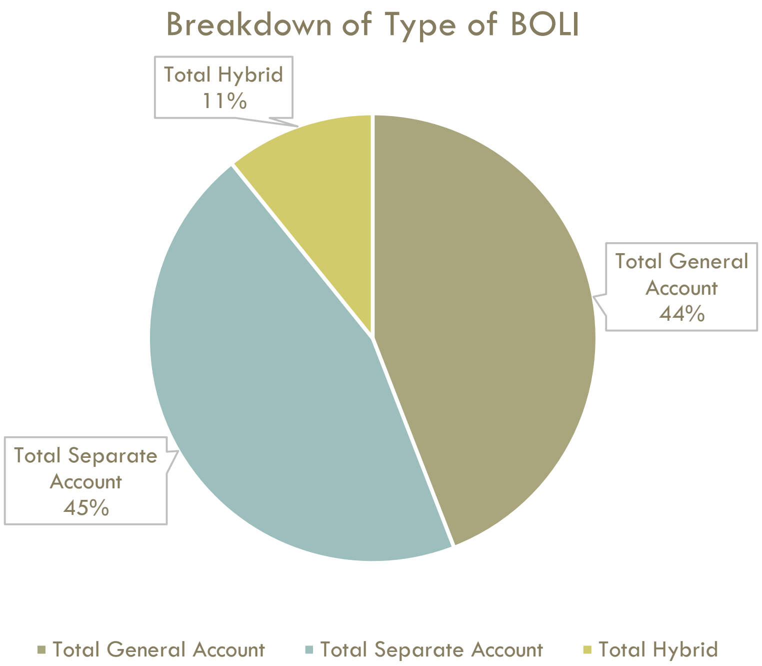
BOLI Allocation

In general, the type of BOLI policy a bank purchases can be divided into three separate categories:

General Account BOLI - the premium amounts are directly invested in the general account of the life insurance company. In 2016Q3, general account BOLI accounted for 44% of the total.

Separate Account BOLI - the assets are placed in accounts that are separate from the carrier's general account and invested in accounts at the financial institution's direction (generally in bank eligible investments). Last quarter, separate account BOLI accounted for a slight majority as 45% of the total BOLI.

Hybrid Account BOLI - these type of policies combine both General Account and Separate Account features based on the specific type of policy purchased. Hybrid Account BOLI is relatively new and has come under recent controversy with the Basel III rules. It is unclear whether banks should continue to give a lower risk weighting to Hybrid BOLI when most of the premium is allocated to the general account of the insurance company. Regardless, it accounted for 11% last quarter.



BOLI TRENDS

BOLI Allocation by Bank Size

There is a consistent trend regarding BOLI allocation when compared with bank size.

Historically, smaller community banks have tended to allocate funds toward general account products. Conversely, larger banks hold the majority of separate account and hybrid account products. Last quarter was no different. You see that most banks across asset size prefer to hold general account BOLI. **The majority of separate account products are held at banks with assets greater than $10B**. Separate account products are generally instituted by a private placement memorandum. The upside is the bank has control over the investments and the risk-weighting associated with the underlying bank-eligible investment is "passed-through" to the bank. However, the downside is that these types of policies generally come with high fees and onerous 1035 exchange and surrender penalties. A careful review of the policy is necessary to determine if it is the correct decision for the bank.

Type of BOLI By Asset Size

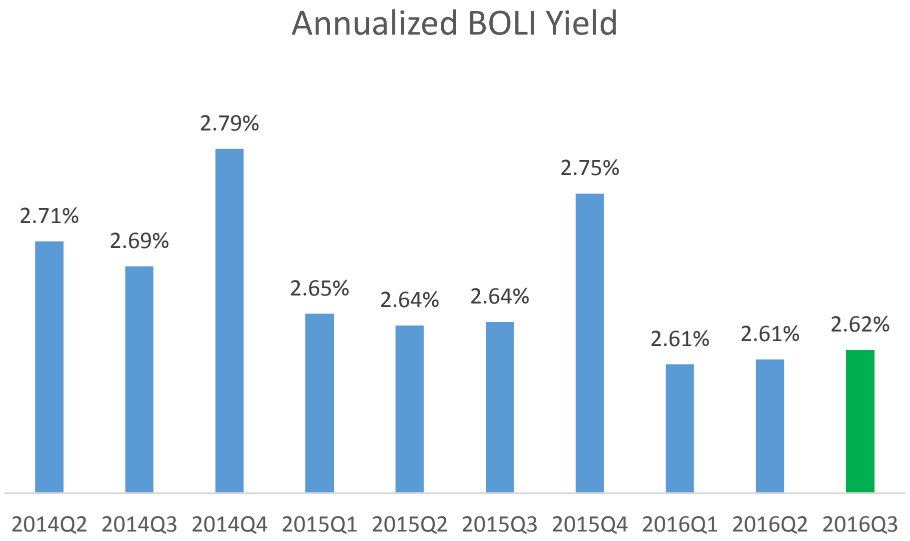
By Asset Size	General Account	Separate Account	Hybrid Account
Banks < $25M	90.18%	4.86%	4.96%
Banks $25M-$50M	89.48%	3.72%	6.80%
Banks $50M-$100M	86.89%	4.37%	8.74%
Banks $100M-$300M	83.01%	7.25%	19.35%
Banks $300M-$500M	82.18%	2.12%	15.70%
Banks $500M-$1B	79.03%	3.59%	17.38%
Banks $1B-$3B	72.44%	11.79%	15.76%
Banks $3B-$5B	68.91%	13.98%	17.10%
Banks $5B-$10B	62.23%	22.34%	15.44%
Banks $10B-$50B	49.00%	36.95%	14.06%
Banks $50B-$100B	59.46%	17.14%	23.40%
Banks > $100B	31.66%	60.81%	7.52%

BOLI TRENDS

BOLI Returns

Overall Returns – On average, cash surrender value grew by an annualized 2.62% (4.36% tax-effective) rate of return in 2016Q3. This overall “average” annualized return has kept within a tight range over the last 10 quarters.

Returns By Bank Size – Annualized returns varied across asset size, although the bulk of the performance was in the middle range of asset sizes – banks with 100M – 10B of assets saw the greatest returns. Interestingly, asset sizes with the largest concentrations of separate account BOLI saw an underperformance from the average. The “large banks” underperformed by more than 50bps compared with their mid-size and smaller peers.



Annualized BOLI Return By Asset Size

By Asset Size	Returns
Banks < $25M	2.38%
Banks $25M-$50M	2.41%
Banks $50M-$100M	2.52%
Banks $100M-$300M	2.64%
Banks $300M-$500M	2.72%
Banks $500M-$1B	2.67%
Banks $1B-$3B	2.67%
Banks $3B-$5B	2.60%
Banks $5B-$10B	2.62%
Banks $10B-$50B	2.26%
Banks $50B-$100B	2.13%
Banks > $100B	1.87%

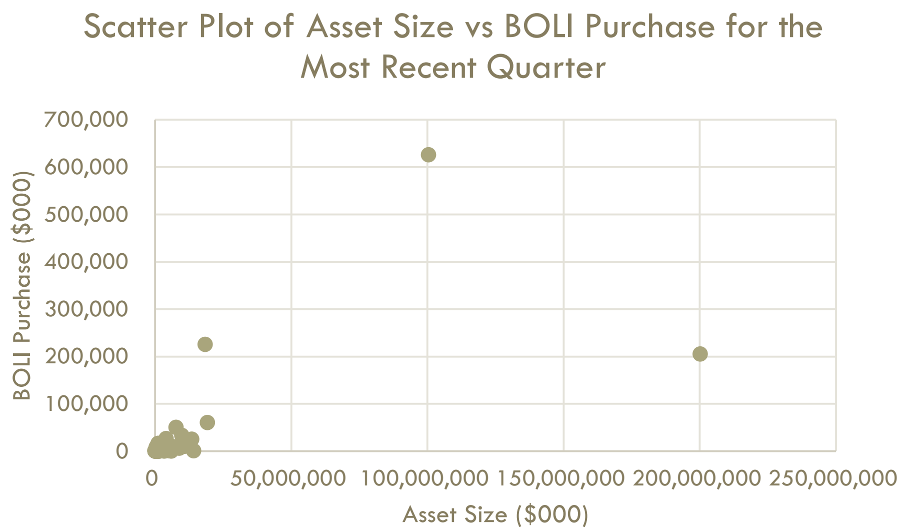
BOLI TRENDS

List of Banks that Bought BOLI last Quarter

Overall – Last quarter, more than 189 banks added BOLI.

Statistics – The average BOLI purchase in 2016Q2 was $9.4M. However, the median purchase was just over $1M dollars. As you can see from the scatter plot, 3 or 4 outliers significantly drove up the average. The maximum purchase was north of $625M.

Complete List – For a complete list of all banks who added BOLI last quarter, see the end of this report. It shows the bank name, location, total assets and the best estimate of how much they added.



HOW BANKS VIEW BOLI

1. **Loan Alternative**: BOLI can also be thought of as a loan to the insurance company with cash value policies as collateral. However, because of the low transaction costs and financial strength of the contract, BOLI is generally much more liquid than a loan.

   - **No Transaction Costs**: Cash is given to the insurance company in exchange for a specific return.

   - **Credit Quality**: The financial strength of the insurance company (EBN only recommends companies with the highest credit ratings) backs the specified return.

   - **Tax-Deferred Growth**: Monthly income received by the bank from BOLI is tax-deferred versus any interest payments on a loan are taxable as income.

   - **Liquidity**: BOLI is extremely liquid – cash can be received from the insurance company in 1 – 3 business days versus a loan being called over a longer timeframe.

HOW BANKS VIEW BOLI

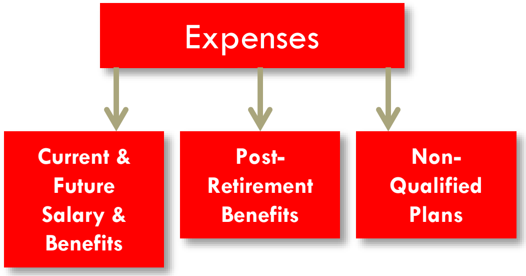
2. Investment Alternative: Bank-owned life insurance is an asset alternative that allows a financial institution to record favorable after-tax yields through cash value accumulation and death proceeds.

- Increases in cash value are tax-deferred.
- Death benefits are exempt from income tax.
- Provides higher after-tax returns than other quality asset alternatives.
- BOLI can diversify a bank’s portfolio.

HOW BANKS VIEW BOLI

3. Asset Liability Matching: Bank-owned life insurance can also be used to offset the long term costs of:

- Current and Future Salaries,
- Employee Benefits, including group health, vision, dental, disability, pension benefits or qualified retirement plans, and
- Non-qualified executive benefits, including Supplemental Income Plans and Split-Dollar Life Insurance.



HOW BANKS VIEW BOLI

4. Keyman Protection: Bank-owned life insurance also operates with a specified death benefit that is received by the bank income tax free.

- **Generational Planning**: Losing a key executive is detrimental to the bottom line of the bank.
- **Death Benefit**: Unlike any other assets the bank holds, only BOLI provides a tax-free benefit upon the death of an insured executive.

HOW BANKS VIEW BOLI

BOLI provides two types of diversification, both of which are noted in OCC 2004-56:

- **Asset Diversification**
  - BOLI provides an additional level of diversification in assets that **do not significantly correlate with current bank investments.**
  - Further, the underlying investments that support the cash value need not be bank eligible and can provide exposure to **a wide range of non-bank eligible assets**, including equities, private equity and real estate.
- **Carrier Diversification**
  - Carrier risk, or evaluating the **financial strength** of any individual insurance company, is a necessary requirement of the BOLI pre- and post-purchase analysis.
  - By spreading premium dollars across **multiple carriers**, the bank can increase the underlying credit quality and financial strength of its BOLI asset.

BOLI FAQS

- **Is BOLI widely used?**
  - As a whole, more than half of all financial institutions in the United States own BOLI, representing more than $160 billion of cash value. 49 of the 50 top banks have more cash value life insurance in their Tier I capital reserves than any other asset class.
- **Does the financial institution need to communicate with its employees about BOLI?**
  - While most states require disclosure, there is a new law, called the COLI Best Practices Bill that will require disclosure of the insurance, how much it is, the fact that the company will maintain the policy after the employee has left the bank, and what the policy is being used for.
- **How do potential plan participants react to BOLI funding of employee benefit programs?**
  - While not every employee who is asked to participate in the insurance pool participates, because of the structure of the insurance, primarily as an informal funding tool for a benefit plan that is either already in existence or a new one that the insured is going to receive as part of being insured, most employees opt to allow the bank to insure them.
- **Are employees required to participate?**
  - Participation in the insurance plan is optional.
- **What other limitations exist to the purchase of BOLI?**
  - The OCC has been the lead regulator in this area. There are two basic tests: one based on benefits and one based on capital. The OCC has indicated that the gains from BOLI cannot exceed the costs they are intended to offset. In addition, the OCC says that as a general rule, a bank should not invest more than 15% of its Tier I capital with any one company and no more than 25% of its Tier I capital plus 25% of the allowance for loan and lease losses in BOLI as a whole. The OCC views these as guidelines, while the OTS regards them as stricter limitations.

BOLI FAQS

- **What are the underwriting requirements for BOLI?**
  - Depending on the carrier and the amount of the premium, in most cases there is no evidence of insurability. The policy would be issued on a guaranteed to issue basis after answering two health questions. In smaller community banks full underwriting will be required and depending on the results of the underwriting, the bank will have the option not to place any insurance on a “rated” employee. In this case, the premium would be spread across the remaining insurable participants.
- **How is the income earned and recorded?**
  - The Bank earns income in a BOLI arrangement from two sources. The first is from the growth of the cash value of the policy under FAS Technical Bulletin 85-4. While the full cash value works for the company, the company records as an asset the cash surrender value (the full cash value less any applicable surrender charges in the event the contract is surrendered in the year being recorded). The cash value increases each year as the insurance carrier credits interest. The second source of income comes from the insurance proceeds paid to the Bank when insured employees die. The accounting treatment for a typical BOLI plan can be summarized as follows:
    - BOLI purchase is reflected as an OTHER ASSET in the call report.
    - Earnings (increases to cash surrender value) will be recorded as an after tax credit to an income account (OTHER INCOME).
    - Receipt of the net-at-risk portion of death proceeds are also reflected as an after tax credit to an income account (OTHER INCOME).

BOLI FAQS

- What steps should be taken in a pre-purchase analysis of BOLI under OCC 2004-56?
  - Identify the Need for Insurance and Determine the Economic Benefits and Appropriate Insurance Type - identify the specific risk of loss or specific costs to be recovered; analyze the cost and benefits of the insurance purchase under varying assumptions;
  - Quantification of the Amount of Insurance Appropriate for the Institution's Objectives - estimate the size of the obligation or risk of loss; the insurance should not be excessive in relation to the estimate;
  - Assess Vendor Qualifications - determine the knowledge, experience, resources, service/administrative capabilities of the vendor;
  - Review the Characteristics of the Available Insurance Products - review the characteristics of the product(s) to determine if they match the characteristics of the bank's objectives;
  - Select Carrier - review the product design, pricing and administrative services, the carrier's ratings, reputation, and experience in the marketplace;
  - Determine the Reasonableness of Compensation Provided to the Insured Employee if the Insurance Results in Additional Compensation - identify and quantify the financial institution's compensation objective to ensure the total compensation is not excessive;
  - Analyze the Associated Risks and the Bank's Ability to Monitor and Respond to those Risks - evaluate the liquidity, transaction/operational, reputation, credit, interest rate, compliance/legal, and price risks associated with the BOLI purchase;
  - Evaluate Alternatives - analyze alternatives to the purchase of life insurance;
  - Document Decision - maintain adequate documentation of decisions made.

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
First Bank	Ketchikan	AK	534,857	154
Northrim Bank	Anchorage	AK	1,531,081	152
Town-Country National Bank	Camden	AL	104,864	1,019
First State Bank of DeKalb County	Fort Payne	AL	177,443	690
ServisFirst Bank	Birmingham	AL	6,002,151	115
Bank of the Ozarks	Little Rock	AR	18,430,019	225,602
Petit Jean State Bank	Morrilton	AR	184,079	1,507
Mohave State Bank	Lake Havasu City	AZ	600,008	5,035
Bank of Hope	Los Angeles	CA	13,501,376	25,333
Oak Valley Community Bank	Oakdale	CA	946,920	4,191
Rabobank, National Association	Roseville	CA	14,159,000	1,000
Guaranty Bank and Trust Company	Denver	CO	3,343,043	15,025
Alpine Bank	Glenwood Springs	CO	2,964,900	3,995
CoBiz Bank	Denver	CO	3,419,427	3,249
First Western Trust Bank	Denver	CO	859,013	3,063
Putnam Bank	Putnam	CT	495,811	2,519
Guilford Savings Bank	Guilford	CT	652,041	752
Ion Bank	Naugatuck	CT	1,183,532	484
Wilmington Savings Fund Society, FSB	Wilmington	DE	6,603,069	9,477
City National Bank of Florida	Miami	FL	7,755,844	50,092
Stonegate Bank	Pompano Beach	FL	2,937,147	11,005
FineMark National Bank & Trust	Fort Myers	FL	1,309,997	8,051
Floridian Community Bank, Inc.	Davie	FL	384,963	4,006
Intracoastal Bank	Palm Coast	FL	294,041	1,510
Terrabank, N.A.	Miami	FL	339,629	1,102
Mainstreet Community Bank of Florida	Deland	FL	316,988	1,000
Freedom Bank	Saint Petersburg	FL	179,272	436

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
American National Bank	Oakland Park	FL	277,563	166
Apollo Bank	Miami	FL	556,216	132
SunTrust Bank	Atlanta	GA	200,200,764	204,945
United Community Bank	Blairsville	GA	10,278,851	17,366
Fidelity Bank	Atlanta	GA	4,389,827	2,169
Bankers Trust Company	Des Moines	IA	4,115,112	1,699
Community State Bank	Tipton	IA	116,379	560
Carroll County State Bank	Carroll	IA	553,353	114
MB Financial Bank, National Association	Chicago	IL	19,260,138	60,120
First Community Financial Bank	Plainfield	IL	1,242,985	2,335
Edgar County Bank and Trust Co., Paris, Illinois	Paris	IL	429,770	2,005
Community First Bank of the Heartland	Mount Vernon	IL	168,833	1,505
Bank of Pontiac	Pontiac	IL	511,421	1,028
Peoples State Bank of Newton, Illinois	Newton	IL	377,217	877
First National Bank of Pana	Pana	IL	173,227	806
South Porte Bank	Marion	IL	69,394	603
Morton Community Bank	Morton	IL	3,332,690	571
Bank of Belleville	Belleville	IL	172,778	403
Town and Country Bank Midwest	Quincy	IL	178,947	224
Horizon Bank, National Association	Michigan City	IN	3,308,763	12,622
First Internet Bank of Indiana	Fishers	IN	1,820,963	5,006
Home Bank SB	Martinsville	IN	252,105	2,006
Community First Bank of Indiana	Kokomo	IN	223,049	1,507
Farmers State Bank	Brookston	IN	72,782	1,004
Commerce Bank	Evansville	IN	142,794	1,002
Hoosier Heartland State Bank	Crawfordsville	IN	165,624	647
Mutual Savings Bank	Franklin	IN	133,708	300

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
West End Bank, S.B.	Richmond	IN	285,567	139
Southwest National Bank	Wichita	KS	439,667	8,238
American State Bank & Trust Company	Great Bend	KS	401,661	1,054
Mutual Savings Association, FSA	Leavenworth	KS	194,599	251
Community Financial Services Bank	Benton	KY	927,542	177
Florida Parishes Bank	Hammond	LA	268,432	2,012
Equitable Bank	East Weymouth	MA	323,587	1,621
Bristol County Savings Bank	Taunton	MA	1,842,042	761
South Shore Bank	South Weymouth	MA	1,058,656	154
Mutual Bank	Whitman	MA	474,378	95
Harford Bank	Aberdeen	MD	328,940	1,002
Bangor Savings Bank	Bangor	ME	3,585,411	11,005
Katahdin Trust Company	Patten	ME	743,667	1,001
Macatawa Bank	Holland	MI	1,651,852	9,988
Level One Bank	Farmington Hills	MI	1,103,254	2,744
First National Bank of St. Ignace	Saint Ignace	MI	280,564	1,030
Central Savings Bank	Sault Sainte Marie	MI	260,100	355
State Bank	Fenton	MI	499,876	114
Vermillion State Bank	Vermillion	MN	521,799	4,801
United Bankers' Bank	Bloomington	MN	923,450	1,970
Peoples State Bank of Plainview	Plainview	MN	249,953	606
Eagle Bank	Glenwood	MN	143,020	506
United Farmers State Bank	Adams	MN	145,000	501
Community Development Bank, FSB	Ogema	MN	77,321	323
New Market Bank	Elko New Market	MN	105,938	251
Bonanza Valley State Bank	Brooten	MN	60,178	139
Royal Banks of Missouri	Saint Louis	MO	638,060	10,113

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Midwest BankCentre	Saint Louis	MO	1,838,801	6,631
First Federal Bank Of Kansas City	Kansas City	MO	689,895	6,040
Reliance Bank	Frontenac	MO	1,264,791	5,018
Peoples Community Bank	Greenville	MO	425,495	3,000
Bank of Sullivan	Sullivan	MO	428,541	1,502
North American Savings Bank, F.S.B.	Grandview	MO	1,932,000	1,229
Farmers and Merchants Bank of St. Clair	Saint Clair	MO	189,230	1,006
Montgomery Bank, National Association	Sikeston	MO	895,995	512
Alliance Bank	Cape Girardeau	MO	196,040	311
OakStar Bank	Springfield	MO	466,890	308
Southwest Missouri Bank	Carthage	MO	663,576	133
Bank of Anguilla	Anguilla	MS	140,792	932
Community Bank of Mississippi	Forest	MS	788,399	747
Community Bank, Coast	Biloxi	MS	754,789	710
Bank of Walnut Grove	Walnut Grove	MS	59,135	403
Merchants & Marine Bank	Pascagoula	MS	558,332	307
First Security Bank	Bozeman	MT	811,072	9,025
First Interstate Bank	Billings	MT	8,944,669	6,393
First Security Bank of Roundup	Roundup	MT	47,412	310
Entegra Bank	Franklin	NC	1,217,782	10,015
Sound Banking Company	Morehead City	NC	190,570	504
Tarboro Savings Bank, SSB	Tarboro	NC	44,460	500
Exchange Bank	Gibbon	NE	801,171	198
Adams Bank & Trust	Ogallala	NE	705,705	168
Salem Co-operative Bank	Salem	NH	408,294	842
ConnectOne Bank	Englewood Cliffs	NJ	4,326,748	17,000
Millington Bank	Millington	NJ	433,619	6,039

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
First Bank	Hamilton	NJ	1,007,685	6,023
Lakeland Bank	Oak Ridge	NJ	4,893,899	5,277
Two River Community Bank	Tinton Falls	NJ	908,710	3,266
Lincoln 1st Bank (MHC)	Lincoln Park	NJ	332,699	1,800
Shore Community Bank	Toms River	NJ	263,709	600
Lusitania Savings Bank	Newark	NJ	299,739	178
Ridgewood Savings Bank	Ridgewood	NY	5,300,601	806
USNY Bank	Geneva	NY	298,722	782
Solvay Bank	Solvay	NY	866,184	511
Lyons National Bank	Lyons	NY	926,509	302
Wallkill Valley Federal Savings and Loan Association	Wallkill	NY	193,697	227
Huntington National Bank	Columbus	OH	100,416,340	625,791
First Financial Bank, National Association	Cincinnati	OH	8,352,722	8,794
Portage Community Bank	Ravenna	OH	315,186	1,017
First Federal Community Bank, National Association	Dover	OH	296,087	756
Rockhold, Brown & Company Bank	Bainbridge	OH	33,870	504
Harrison Building and Loan Association	Harrison	OH	220,327	501
Antwerp Exchange Bank Company	Antwerp	OH	99,501	375
Ohio Valley Bank Company	Gallipolis	OH	954,844	273
Payne County Bank	Perkins	OK	158,765	754
Frazer Bank	Altus	OK	314,508	512
Oklahoma State Bank	Vinita	OK	140,801	255
Pacific Continental Bank	Eugene	OR	2,533,100	11,608
Premier Community Bank	Hillsboro	OR	374,299	2,000
Bank of the Cascades	Bend	OR	3,167,495	1,502
Oregon Coast Bank	Newport	OR	222,789	400
Univest Bank and Trust Co.	Souderton	PA	4,107,066	26,320

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Wayne Bank	Honesdale	PA	1,123,605	16,675
ESSA Bank & Trust	Stroudsburg	PA	1,763,469	5,016
TriState Capital Bank	Pittsburgh	PA	3,635,264	3,000
CNB Bank	Clearfield	PA	2,519,687	2,170
Muncy Bank and Trust Company	Muncy	PA	394,295	840
Greenville Savings Bank	Greenville	PA	241,007	732
Honesdale National Bank	Honesdale	PA	609,145	500
1st Summit Bank	Johnstown	PA	977,184	383
Washington Trust Company of Westerly	Westerly	RI	4,203,533	6,485
Pinnacle Bank	Nashville	TN	10,910,711	10,163
Wilson Bank and Trust	Lebanon	TN	2,162,166	10,059
First Citizens National Bank	Dyersburg	TN	1,623,051	3,987
Bank of Perry County	Lobelville	TN	153,099	800
First Farmers and Merchants Bank	Columbia	TN	1,340,484	368
First Capital Bank	Germantown	TN	279,229	143
First Century Bank	Tazewell	TN	297,372	101
Lone Star National Bank	McAllen	TX	2,151,474	12,081
TBK Bank, SSB	Dallas	TX	2,545,087	6,433
First Bank Texas, SSB	Baird	TX	420,328	4,010
First National Bank of Shiner	Shiner	TX	655,971	3,051
Rio Bank	McAllen	TX	287,487	2,501
WestStar Bank	El Paso	TX	1,480,240	1,983
Lone Star Capital Bank, National Association	San Antonio	TX	243,811	1,505
Bank of Brenham, National Association	Brenham	TX	271,221	1,460
Commercial Bank of Texas, N.A.	Nacogdoches	TX	664,419	1,355
Industry State Bank	Industry	TX	723,005	1,166
First National Bank of Weatherford	Weatherford	TX	220,339	1,003

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
First State Bank	Louise	TX	368,561	1,002
Fayetteville Bank	Fayetteville	TX	447,946	956
First National Bank of Central Texas	Waco	TX	767,757	844
Broadway National Bank	San Antonio	TX	3,409,568	399
Wellington State Bank	Wellington	TX	333,407	330
First National Bank of Bellville	Bellville	TX	661,608	267
Austin Bank, Texas National Association	Jacksonville	TX	1,576,241	253
Bank of Utah	Ogden	UT	1,062,653	4,895
Xenith Bank	Richmond	VA	3,326,344	20,009
Grayson National Bank	Independence	VA	558,559	6,582
Bank of the James	Lynchburg	VA	560,254	2,610
Access National Bank	Reston	VA	1,362,237	2,500
Bank of Lancaster	Kilmarnock	VA	463,863	2,011
HomeTown Bank	Roanoke	VA	507,718	1,004
Farmers Bank of Appomattox	Appomattox	VA	234,717	206
Bank of Bennington	Bennington	VT	409,795	434
First Federal Savings and Loan Association of Port Angeles	Port Angeles	WA	1,011,298	10,115
Heritage Bank	Olympia	WA	3,843,504	8,058
Yakima Federal Savings and Loan Association	Yakima	WA	1,794,578	4,693
Puget Sound Bank	Bellevue	WA	525,385	3,022
Nicolet National Bank	Green Bay	WI	2,265,858	15,631
National Exchange Bank and Trust	Fond du Lac	WI	2,025,047	5,605
Security Financial Bank	Durand	WI	412,824	1,509
Collins State Bank	Collins	WI	68,945	250
WesBanco Bank, Inc.	Wheeling	WV	9,799,379	33,180
Big Horn Federal Savings Bank	Greybull	WY	235,110	161