BOLI QUARTERLY REPORT

2017Q1

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EXECUTIVE SUMMARY

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CHALLENGES FACING BANKS TODAY

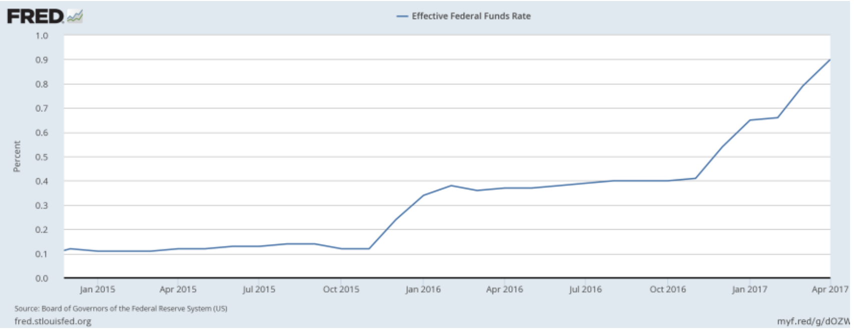
Short-Term Interest Rates Climb

It's no surprise to most bankers that short-term interest rates have begin to climb. The question that most are asking is if these rates will continue to climb. A look at the data suggests that, at least in the short-term, they should continue up.

OECD Data – The OECD is projecting three-month money market rates to climb to 2.3% by the end of 2018. This would put rates near 2008 – 2009 levels.

Fed Funds Rate – The effective Fed Funds rate has climbed to 0.90% and is at its highest

One Year Treasury Rates – The one year treasury rate has started its upward movement – consistent with what was expected in 2017Q1.



Sources:

OECD (2017), Short-term interest rates forecast (indicator). doi: 10.1787/9446e151-en (Accessed on 22 May 2017)

Board of Governors of the Federal Reserve System (US), Effective Federal Funds Rate [FEDFUNDS], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/FEDFUNDS, May 22, 2017.

CHALLENGES FACING BANKS TODAY

Long-Term Rates

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

Ten-Year Treasury Rates – After a big jump post-election, we have seen the 10-year level off and continue to remain range bound for the majority of the year.

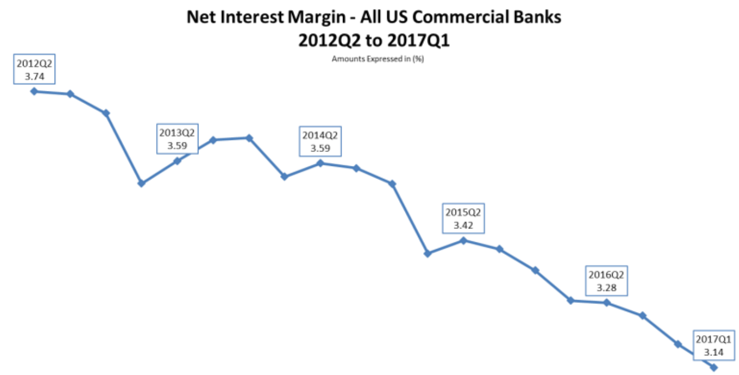
30-Year Treasury Rates – Similar to the ten-year, the 30-year bond rate has been on a trend downward since early March 2017. Although most expected rates to rise in 2017, it will be informative to see what the 30-year does the remainder of the year with some analysts looking for it to hit 4%.

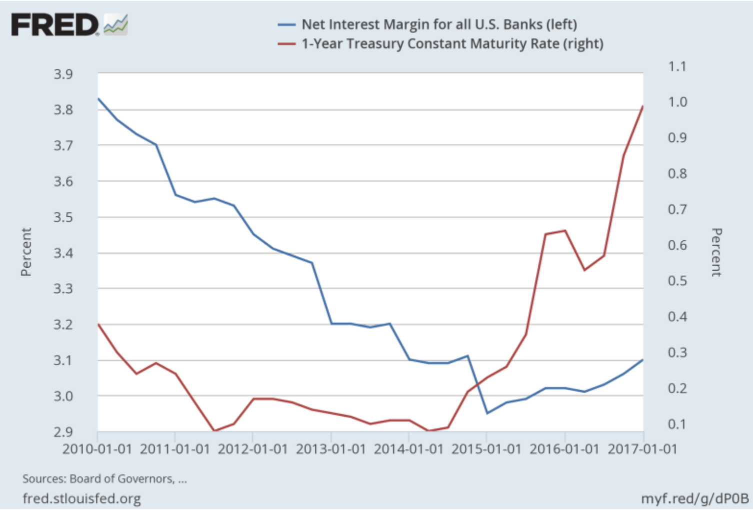
CHALLENGES FACING BANKS TODAY

Net Interest Margins Continue their Decline

The First Quarter of 2017 again saw the continued decline of Net Interest Margins. 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 3.14% last quarter for all US commercial banks**.

A Historical Perspective on Net Interest Margin – As pointed out in the 2016Q3 BOLI overview, Analysts tend to 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 continued to start increasing 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?."

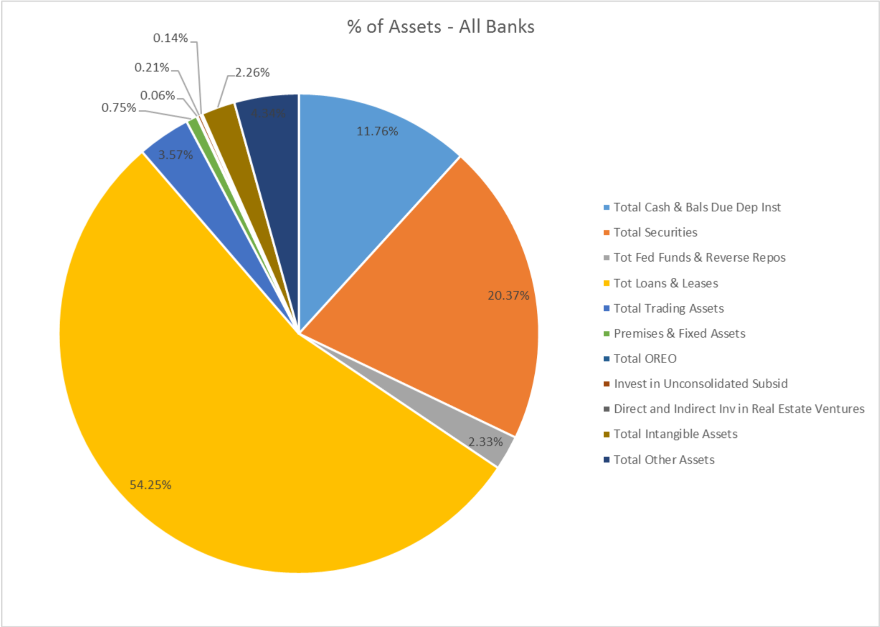




BANK TRENDS

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 4.18% YTD – this has slowed from last report when assets were growing at an almost 7% clip. The slowest growers continue to be those banks with under $500M of assets. However, as seen in other areas, the larger banks have seen the biggest growth rate.



Asset Growth Rate - Year to Date (%)

Banks < $25M	5.42
Banks $25M-$50M	-17.46
Banks $50M-$100M	-10.77
Banks $100M-$300M	-5.69
Banks $300M-$500M	-10.98
Banks $500M-$1B	4.14
Banks $1B-$3B	1.57
Banks $3B-$5B	27.55
Banks $5B-$10B	-17.61
Banks $10B-$50B	33.29
Banks $50B-$100B	-23.76
Banks > $100B	4.09

BANK TRENDS

Deposits & Cash

Total Deposits – Total deposits continue to rise, with all US Commercial Banks continuing to make new highs. After stagnating for much of 2015 and part of 2016, deposits have picked up in 2017Q1 with a 1.46% growth versus the previous quarter.

Cash– The trend continues where most cash sits in the largest banks – they increased their share of cash by 1% in the last quarter.

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

Banks < $25M	0.03%
Banks $25M-$50M	0.11%
Banks $50M-$100M	0.39%
Banks $100M-$300M	1.61%
Banks $300M-$500M	1.02%
Banks $500M-$1B	1.46%
Banks $1B-$3B	2.07%
Banks $3B-$5B	0.97%
Banks $5B-$10B	1.70%
Banks $10B-$50B	6.44%
Banks $50B-$100B	2.85%
Banks > $100B	81.34%

Total Deposits

	($000)	Change vs Previous Quarter
2012Q2	10,035,841	-
2012Q3	10,233,940	1.97%
2012Q4	10,663,082	4.19%
2013Q1	10,686,931	0.22%
2013Q2	10,695,043	0.08%
2013Q3	10,955,573	2.44%
2013Q4	11,145,570	1.73%
2014Q1	11,299,273	1.38%
2014Q2	11,490,338	1.69%
2014Q3	11,596,704	0.93%
2014Q4	11,764,004	1.44%
2015Q1	11,958,409	1.65%
2015Q2	11,932,441	-0.22%
2015Q3	11,990,425	0.49%
2015Q4	12,190,017	1.66%
2016Q1	12,429,463	1.96%
2016Q2	12,528,024	0.79%
2016Q3	12,798,761	2.16%
2016Q4	12,894,651	0.75%
2017Q1	13,082,451	1.46%

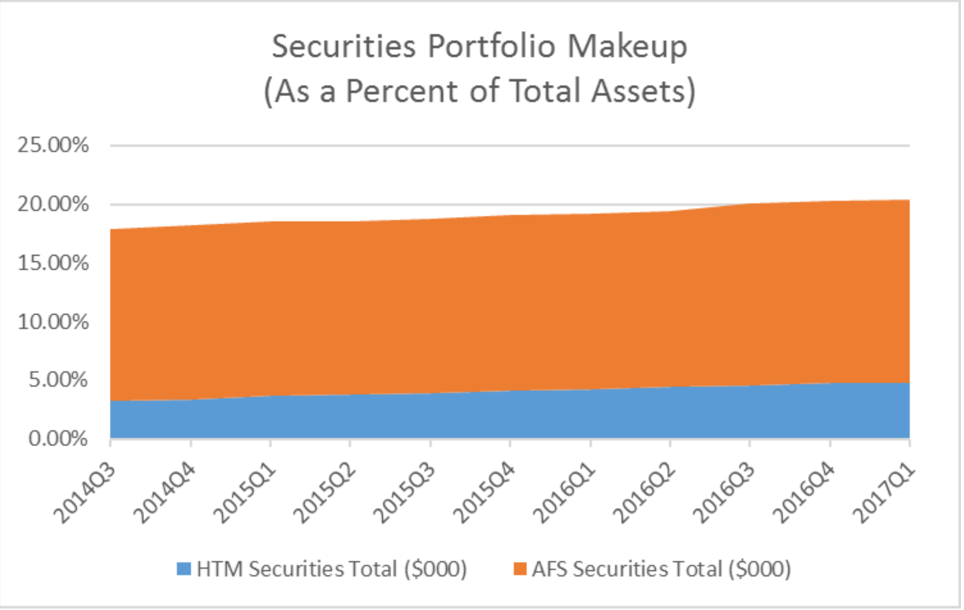
BANK TRENDS

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 4.82% 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 15.54%, 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
2014Q2	493,372,950	-	-
2014Q3	524,230,353	6.25%	3.24%
2014Q4	545,450,104	4.05%	3.37%
2015Q1	587,548,032	7.72%	3.63%
2015Q2	617,557,172	5.11%	3.81%
2015Q3	628,563,970	1.78%	3.88%
2015Q4	670,488,888	6.67%	4.14%
2016Q1	686,100,812	2.33%	4.24%
2016Q2	716,901,915	4.49%	4.43%
2016Q3	732,436,492	2.17%	4.52%
2016Q4	765,197,415	4.47%	4.72%
2017Q1	780,847,114	2.05%	4.82%

Available-for-Sale Securities

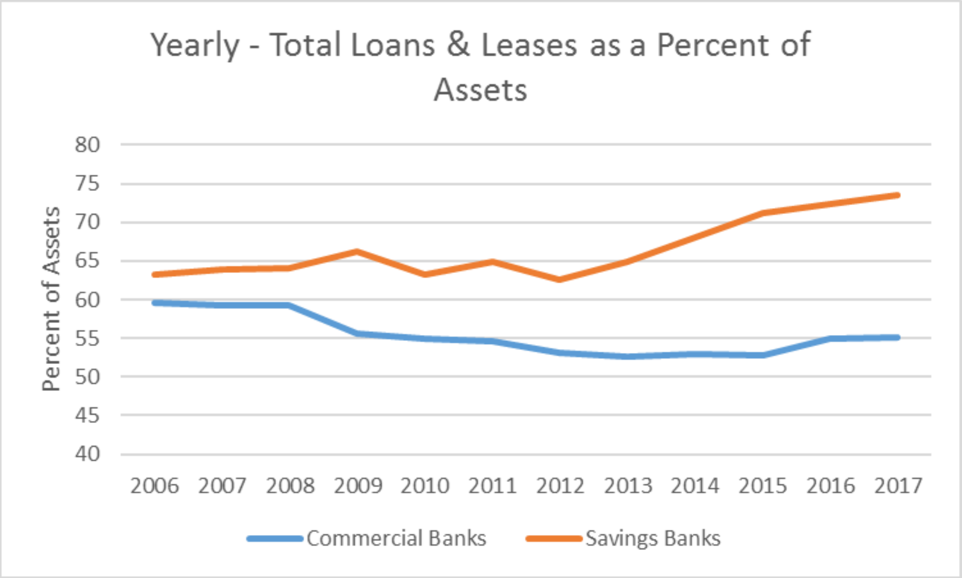
	AFS Securities Total ($000)	Change from Last Quarter	As a Percent of Total Assets
2014Q2	2,340,221,684	-	-
2014Q3	2,367,427,869	1.16%	14.62%
2014Q4	2,405,702,958	1.62%	14.85%
2015Q1	2,409,934,150	0.18%	14.88%
2015Q2	2,391,952,786	-0.75%	14.77%
2015Q3	2,412,743,322	0.87%	14.89%
2015Q4	2,424,443,956	0.48%	14.97%
2016Q1	2,430,149,119	0.24%	15.00%
2016Q2	2,434,458,843	0.18%	15.03%
2016Q3	2,509,961,299	3.10%	15.50%
2016Q4	2,524,486,032	0.58%	15.58%
2017Q1	2,517,926,375	-0.26%	15.54%

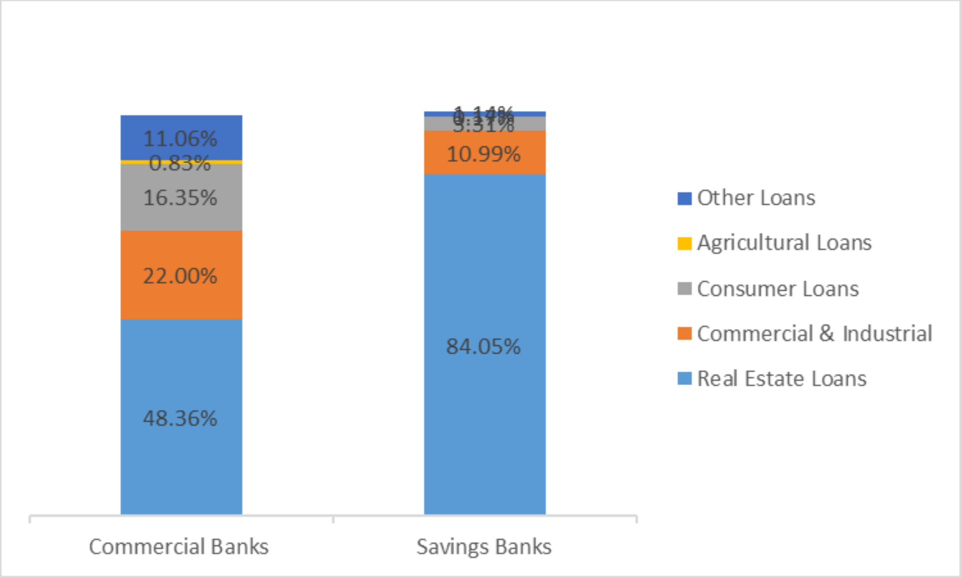
BANK TRENDS

Total Loan Portfolio

Percent of Assets – Loans continued their steady growth as banks continue to make quality loans. In commercial banks, loans represented 55.09% of total assets in 2017Q1. For savings banks, the total was 73.44%. From a longer term perspective, it looks like commercial banks are approaching pre-2008 levels of concentration in loans, when loans accounted for almost 60% of total assets.

Loan Composition – Real estate and commercial loans continue to lead the way in 2017Q1.





BANK TRENDS

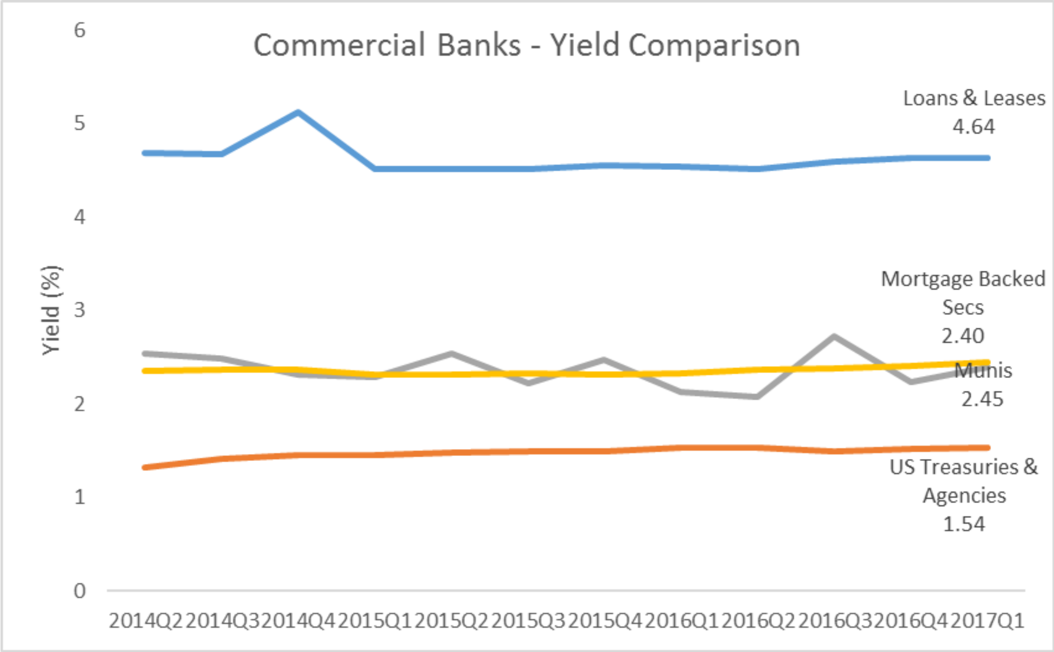
Yield & Performance of Assets

Loans – Loans continue to be the best performers for banks. After a slight dip, loans yielded 4.64% on average in 2017Q1.

Mortgage Backed Securities – 2.40% in 2017Q1.

Munis – Overtook MBS slightly at 2.45% in 2017Q1.

Treasuries – Returns have continued to remain constant over the last quarter with 1.54% average total returns in 2017Q1.



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 $1.3 Billion last quarter, continuing its climb past the $160 Billion dollar mark.

	Total BOLI ($000)	Gain/Loss From Previous Quarter ($000)	Percent Change From Previous Quarter
2012Q3	133,180,194	1,525,961	1.16%
2012Q4	136,219,895	3,039,701	2.28%
2013Q1	137,518,793	1,298,898	0.95%
2013Q2	139,122,216	1,603,423	1.17%
2013Q3	140,481,713	1,359,497	0.98%
2013Q4	143,039,514	2,557,801	1.82%
2014Q1	144,821,496	1,781,982	1.25%
2014Q2	146,609,328	1,787,832	1.23%
2014Q3	147,808,191	1,198,863	0.82%
2014Q4	149,576,923	1,768,732	1.20%
2015Q1	150,956,687	1,379,764	0.92%
2015Q2	153,115,896	2,159,209	1.43%
2015Q3	154,530,067	1,414,171	0.92%
2015Q4	156,191,850	1,661,783	1.08%
2016Q1	157,570,022	1,378,172	0.88%
2016Q2	158,998,179	1,428,157	0.91%
2016Q3	160,487,105	1,488,926	0.94%
2016Q4	161,811,039	1,323,934	0.82%
2017Q1	163,114,351	1,303,312	0.81%

BOLI TRENDS

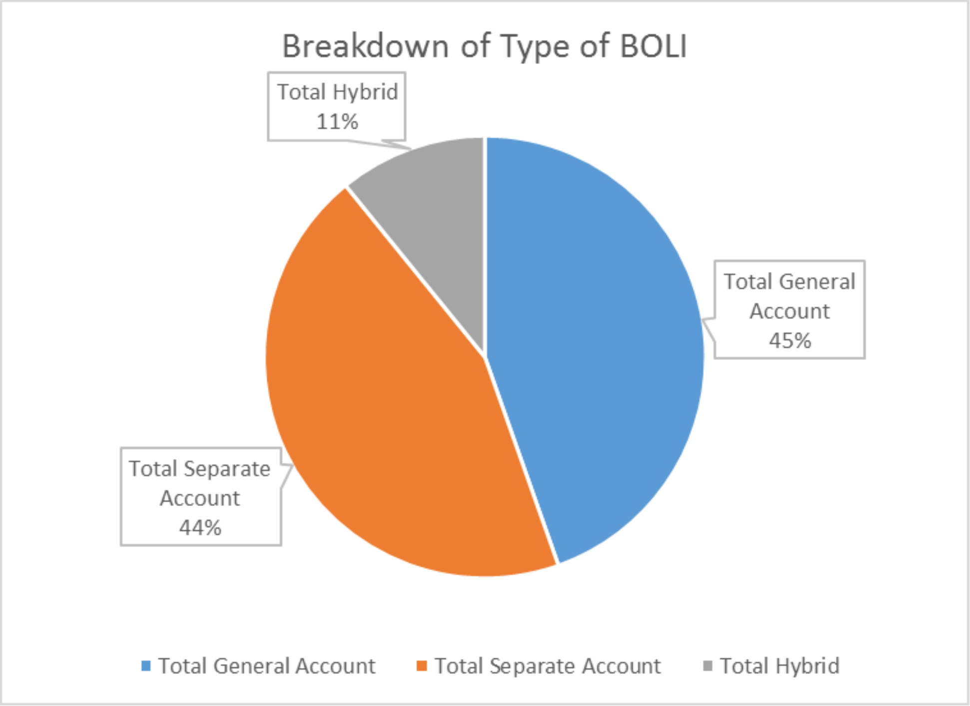
BOLI Allocation

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 2017Q1, 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

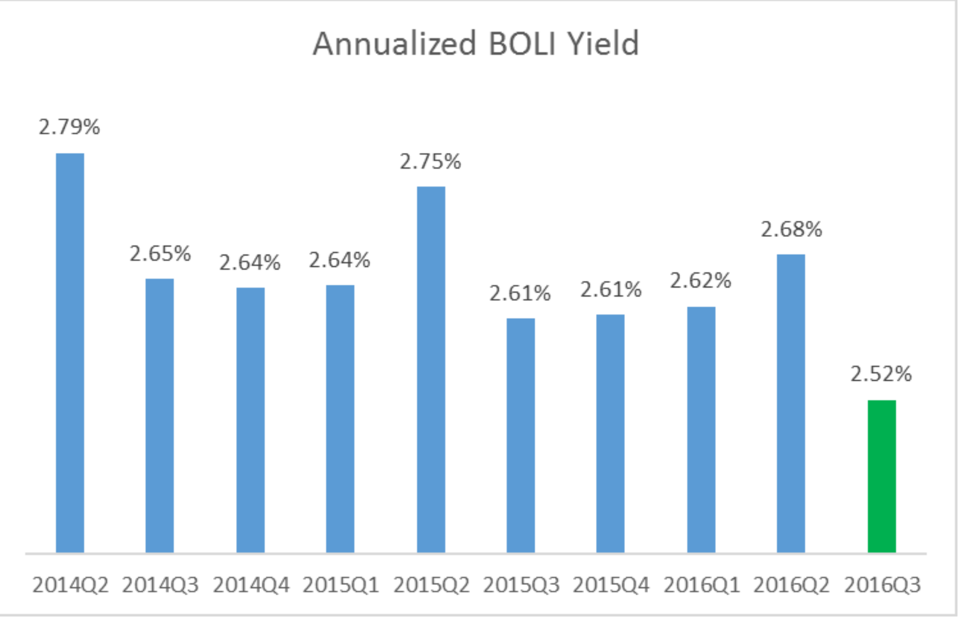
By Asset Size	General Account	Separate Account	Hybrid Account
Banks < $25M	89.11%	5.36%	5.53%
Banks $25M-$50M	89.87%	3.93%	6.20%
Banks $50M-$100M	86.90%	4.23%	8.87%
Banks $100M-$300M	83.86%	7.23%	18.80%
Banks $300M-$500M	82.64%	1.89%	15.47%
Banks $500M-$1B	79.16%	3.45%	17.38%
Banks $1B-$3B	72.67%	11.26%	16.07%
Banks $3B-$5B	72.83%	10.38%	16.78%
Banks $5B-$10B	61.85%	22.10%	16.05%
Banks $10B-$50B	50.72%	35.00%	14.28%
Banks $50B-$100B	50.21%	21.64%	28.16%
Banks > $100B	32.21%	61.08%	6.72%

BOLI TRENDS

BOLI Returns

Overall Returns – On average, cash surrender value grew by an annualized 2.52% (4.20% tax-effective) rate of return in 2017Q1. 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 up to 50bps compared with their mid-size and smaller peers.



Annualized BOLI Return By Asset Size

By Asset Size	Returns
Banks < $25M	2.20%
Banks $25M-$50M	2.31%
Banks $50M-$100M	2.46%
Banks $100M-$300M	2.51%
Banks $300M-$500M	2.60%
Banks $500M-$1B	2.58%
Banks $1B-$3B	2.58%
Banks $3B-$5B	2.56%
Banks $5B-$10B	2.62%
Banks $10B-$50B	2.21%
Banks $50B-$100B	1.91%
Banks > $100B	2.07%

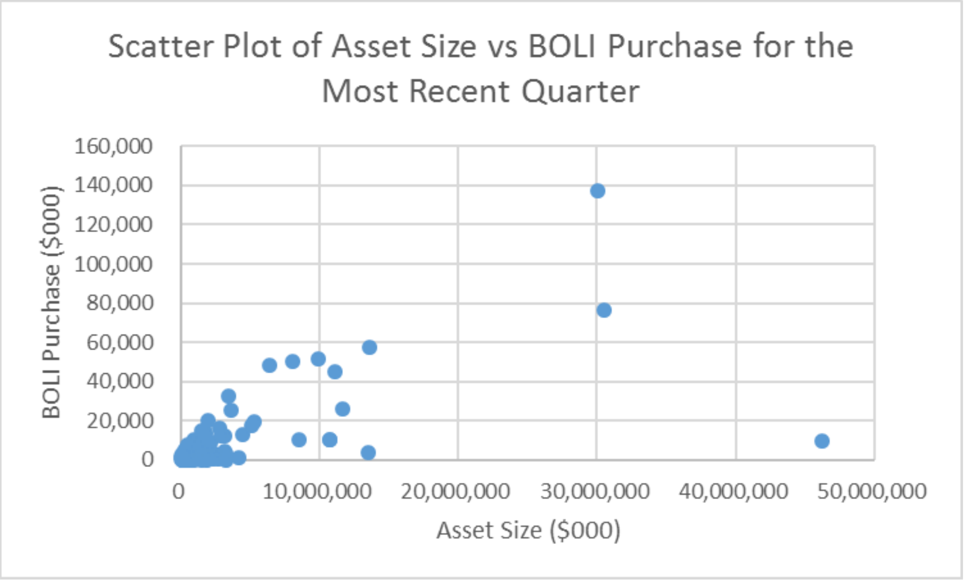
BOLI TRENDS

List of Banks that Bought BOLI last Quarter

Overall – Last quarter, approximately 171 banks added BOLI. New purchases totaled about $1,028,763,000.

Statistics – The average BOLI purchase in 2017Q1 was $6.01M. However, the median purchase was just over $1.5M dollars. As you can see from the scatter plot, 3 or 4 outliers significantly drove up the average. The maximum purchase was north of $137M.

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

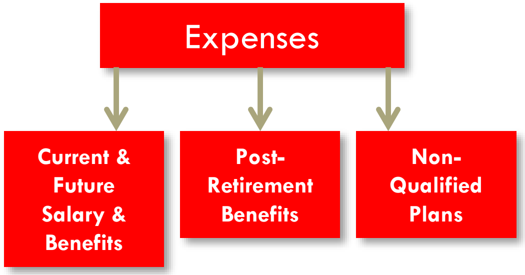
2. Investment Alternative: Bank-owned life insurance is an asset alternative that allows a financial institution to record favorable after-tax yields through cash value accumulation and death proceeds.

- 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)
National Bank of Commerce	**Birmingham**	**AL**	**2,442,321**	**3,510**
NobleBank & Trust	Anniston	AL	229,970	522
Centennial Bank	**Conway**	**AR**	**10,703,787**	**10,732**
McGehee Bank	McGehee	AR	115,870	1,010
California United Bank	**Los Angeles**	**CA**	**3,144,153**	**12,379**
Citizens Business Bank	Ontario	CA	8,554,871	10,271
Royal Business Bank	Los Angeles	CA	1,502,567	10,184
City National Bank	Los Angeles	CA	46,180,048	9,905
Premier Valley Bank	Fresno	CA	854,838	4,441
Bank of the Sierra	Porterville	CA	1,998,989	673
Community Business Bank	West Sacramento	CA	306,102	608
Manufacturers Bank	Los Angeles	CA	2,663,014	580
Scott Valley Bank	Yreka	CA	681,878	148
Bankers' Bank of the West	**Denver**	**CO**	**328,746**	**1,225**
Mountain Valley Bank	Walden	CO	174,067	306
Savings Bank of Danbury	**Danbury**	**CT**	**988,706**	**10,213**
Bankwell Bank	New Canaan	CT	1,669,308	5,292
Union Savings Bank	Danbury	CT	2,193,255	1,200
County Bank	**Rehoboth Beach**	**DE**	**339,524**	**1,280**
U.S. Century Bank	**Doral**	**FL**	**973,876**	**7,601**
Stonegate Bank	Pompano Beach	FL	3,238,047	3,433

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Biscayne Bank	Coconut Grove	FL	780,557	2,580
Farmers & Merchants Bank	Monticello	FL	465,927	270
Synovus Bank	**Columbus**	**GA**	**30,475,172**	**76,643**
United Community Bank	Blairsville	GA	10,710,618	10,607
First Security Bank & Trust Company	**Charles City**	**IA**	**501,546**	**5,054**
Security National Bank of Sioux City, Iowa	Sioux City	IA	1,028,089	1,924
Farmers Savings Bank & Trust	Traer	IA	175,303	124
First Midwest Bank	**Itasca**	**IL**	**13,583,849**	**57,207**
First Mid-Illinois Bank & Trust, National Association	Mattoon	IL	2,838,322	16,065
Lakeside Bank	Chicago	IL	1,483,857	15,287
State Bank of Toulon	Toulon	IL	219,327	2,018
Wintrust Bank	Chicago	IL	4,188,450	1,185
First National Bank of Sullivan	Sullivan	IL	89,271	740
Community State Bank of Rock Falls	Rock Falls	IL	262,531	368
Byline Bank	Chicago	IL	3,290,215	119
New Washington State Bank	**New Washington**	**IN**	**308,095**	**3,026**
First Financial Bank, National Association	Terre Haute	IN	2,877,229	1,801
State Bank of Lizton	Lizton	IN	466,730	1,069
Springs Valley Bank & Trust Company	Jasper	IN	357,101	393
First National Bank of Monterey	Monterey	IN	315,877	123
Kanza Bank	**Kingman**	**KS**	**211,592**	**1,631**

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Farmers Bank & Capital Trust Company	**Frankfort**	**KY**	**1,662,201**	**14,912**
Monticello Banking Company	Monticello	KY	700,517	2,740
First Community Bank of the Heartland, Inc.	Clinton	KY	191,955	1,013
Stock Yards Bank & Trust Company	Louisville	KY	3,032,022	954
Franklin Bank & Trust Company	Franklin	KY	477,865	439
Citizens National Bank of Lebanon	Lebanon	KY	126,969	137
Cross Keys Bank	**Saint Joseph**	**LA**	**339,504**	**5,007**
Tensas State Bank	Newellton	LA	150,514	521
Richland State Bank	Rayville	LA	284,909	292
Boston Private Bank & Trust Company	**Boston**	**MA**	**8,053,827**	**50,309**
Rollstone Bank & Trust	Fitchburg	MA	621,419	1,605
Bristol County Savings Bank	Taunton	MA	1,909,961	193
Country Bank for Savings	Ware	MA	1,499,828	110
Lee Bank	Lee	MA	339,749	105
Madison Bank of Maryland	**Forest Hill**	**MD**	**138,396**	**3,524**
Bay-Vanguard FSB (MHC)	Sparrows Point	MD	169,805	1,516
Bar Harbor Bank & Trust	**Bar Harbor**	**ME**	**3,426,046**	**32,397**
Bank of Ann Arbor	**Ann Arbor**	**MI**	**1,491,028**	**2,847**
Commercial Bank	Alma	MI	534,805	1,927
Crestmark Bank	Troy	MI	913,108	265
Citizens Alliance Bank	**Clara City**	**MN**	**685,999**	**3,055**

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Security State Bank of Warroad	Warroad	MN	108,282	1,004
Wanda State Bank	Wanda	MN	131,512	527
First State Bank Southwest	Worthington	MN	249,213	440
Border State Bank	Greenbush	MN	487,158	308
Enterprise Bank & Trust	**Clayton**	**MO**	**5,089,667**	**17,487**
Nodaway Valley Bank	Maryville	MO	870,998	2,586
Old Missouri Bank	Springfield	MO	353,425	2,259
Bank of Advance	Advance	MO	310,056	1,447
Adams Dairy Bank	Blue Springs	MO	127,446	518
First, A National Banking Association	**Hattiesburg**	**MS**	**1,782,178**	**4,765**
Trustmark National Bank	Jackson	MS	13,486,489	3,842
Sycamore Bank	Senatobia	MS	238,787	1,026
Oxford University Bank	Oxford	MS	131,837	517
Community Bank	Ellisville	MS	711,628	327
First Bank	**Southern Pines**	**NC**	**4,443,478**	**12,785**
Carolina Trust Bank	Lincolnton	NC	382,385	5,536
HomeTrust Bank	Asheville	NC	3,151,395	4,338
Uwharrie Bank	Albemarle	NC	561,167	1,551
Peoples Bank	Newton	NC	1,109,018	299
Lifestore Bank (MHC)	West Jefferson	NC	271,367	126
First State Bank & Trust Company	**Fremont**	**NE**	**236,042**	**1,033**

Banks that Purchased BOLI Last Quarter				
Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Exchange Bank	Gibbon	NE	817,841	627
Platte Valley Bank	Scottsbluff	NE	556,739	400
Amboy Bank	**Old Bridge**	**NJ**	**2,466,241**	**2,468**
1st Colonial Community Bank	Cherry Hill	NJ	503,368	1,555
Lincoln 1st Bank (MHC)	Lincoln Park	NJ	357,348	171
Lusitania Savings Bank	Newark	NJ	307,677	155
Century Bank	**Santa Fe**	**NM**	**794,106**	**358**
Southwest Capital Bank	Albuquerque	NM	352,188	107
First National Bank of Long Island	**Glen Head**	**NY**	**3,603,700**	**25,349**
Solvay Bank	Solvay	NY	858,196	8,099
Greater Hudson Bank	Bardonia	NY	502,439	5,043
First National Bank of Scotia	Scotia	NY	458,799	133
Champlain National Bank	Willsboro	NY	330,390	125
First Federal Bank of the Midwest	**Defiance**	**OH**	**2,913,577**	**12,151**
Heartland Bank	Gahanna	OH	817,314	3,293
Commercial and Savings Bank of Millersburg, Ohio	Millersburg	OH	679,302	2,598
Middlefield Banking Company	Middlefield	OH	1,069,099	1,794
Peoples First Savings Bank	Mason	OH	71,771	284
First National Bank and Trust Company of Ardmore	**Ardmore**	**OK**	**497,446**	**256**
SpiritBank	Tulsa	OK	742,153	125
Citizens Bank	**Corvallis**	**OR**	**728,243**	**4,274**

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Evergreen Federal Savings and Loan Association	Grants Pass	OR	440,959	2,074
Clatsop Community Bank	Seaside	OR	87,394	318
First National Bank of Pennsylvania	**Pittsburgh**	**PA**	**30,010,076**	**137,305**
Customers Bank	Phoenixville	PA	9,888,672	51,511
Fidelity Deposit and Discount Bank	Dunmore	PA	854,303	8,107
Meridian Bank	Malvern	PA	748,685	6,029
NexTier Bank, National Association	Butler	PA	1,152,291	5,120
Prudential Savings Bank	Philadelphia	PA	844,191	4,488
PeoplesBank, A Codorus Valley Company	York	PA	1,667,237	4,265
New Tripoli Bank	New Tripoli	PA	415,954	1,570
1st Summit Bank	Johnstown	PA	986,315	581
South State Bank	**Columbia**	**SC**	**11,145,865**	**45,413**
CresCom Bank	Charleston	SC	2,182,512	8,954
Bank of Travelers Rest	Travelers Rest	SC	660,355	1,187
Peoples Bank	Iva	SC	307,979	418
Citizens Bank	Olanta	SC	434,134	140
Dacotah Bank	**Aberdeen**	**SD**	**2,302,004**	**586**
Pinnacle Bank	**Nashville**	**TN**	**11,629,386**	**26,099**
InsBank	Nashville	TN	407,123	4,552
Security Bank and Trust Company	Paris	TN	358,162	3,885
First Farmers and Merchants Bank	Columbia	TN	1,369,959	2,030

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Athens Federal Community Bank, National Association	Athens	TN	455,634	1,150
Tower Community Bank	Jasper	TN	157,968	1,017
Citizens Tri-County Bank	Dunlap	TN	820,907	697
Commercial Bank & Trust Company	Paris	TN	737,979	539
Peoples Bank	Clifton	TN	169,080	120
First Century Bank	Tazewell	TN	341,962	112
NexBank SSB	**Dallas**	**TX**	**5,307,592**	**19,696**
First National Bank Texas	Killeen	TX	1,742,042	13,425
Vista Bank	Ralls	TX	444,249	8,010
Horizon Bank, SSB	Austin	TX	806,999	5,078
First National Bank of Ballinger	Ballinger	TX	151,588	818
Centennial Bank	Lubbock	TX	729,358	740
Austin Bank, Texas National Association	Jacksonville	TX	1,618,416	423
WestStar Bank	El Paso	TX	1,620,948	392
Liberty National Bank in Paris	Paris	TX	269,821	375
Roscoe State Bank	Roscoe	TX	151,226	142
Pointbank	Pilot Point	TX	490,977	110
Bank of Southside Virginia	**Carson**	**VA**	**561,664**	**3,763**
MainStreet Bank	Fairfax	VA	568,262	3,106
First National Bank	Altavista	VA	450,025	3,058
WashingtonFirst Bank	Reston	VA	2,053,969	2,585

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
First Bank and Trust Company	Lebanon	VA	1,670,122	2,427
Bank of Marion	Marion	VA	376,073	624
HomeStreet Bank	**Seattle**	**WA**	**6,357,245**	**48,166**
First Financial Northwest Bank	Renton	WA	1,058,352	3,381
Riverview Community Bank	Vancouver	WA	1,132,893	2,308
National Exchange Bank and Trust	**Fond du Lac**	**WI**	**1,942,638**	**20,140**
Investors Community Bank	Manitowoc	WI	1,243,896	5,597
Bankers' Bank	Madison	WI	524,962	1,950
Bonduel State Bank	Bonduel	WI	57,848	1,810
Peoples State Bank	Prairie Du Chien	WI	760,542	1,601
Shell Lake State Bank	Shell Lake	WI	189,076	1,031
Greenwood's State Bank	Lake Mills	WI	180,638	1,023
First State Bank	New London	WI	293,044	776
First National Bank of Park Falls	Park Falls	WI	139,165	768
River Cities Bank	Wisconsin Rapids	WI	237,594	411
Citizens State Bank of Loyal	Loyal	WI	200,037	395
First National Community Bank	New Richmond	WI	192,819	109
Union Bank & Trust Company	Evansville	WI	226,601	106
Clear Mountain Bank	**Bruceton Mills**	**WV**	**575,644**	**2,913**
First Exchange Bank	Mannington	WV	228,296	1,237
First Century Bank, Inc.	Bluefield	WV	404,757	702

Banks that Purchased BOLI Last Quarter

Bank Name	City	State	Total Assets ($000)	Estimated Amount of BOLI Added ($000)
Rawlins National Bank	**Rawlins**	**WY**	**177,873**	**1,022**
Platte Valley Bank	Torrington	WY	359,651	315
RSNB Bank	Rock Springs	WY	360,753	262