

# The BOLI BLURB

Good morning,

Included below are the most recent Bank and BOLI statistics to close out 2021.

BOLI investment continues to be an asset of choice for many Banks. The 4<sup>th</sup> Quarter of 2021 saw a \$4.2 Billion increase in total BOLI cash value representing a combination of growth and new investment. General Account BOLI was the preferred vehicle picking up \$3.7 Billion in cash value or 88% of the total quarterly accumulation. Overall cash value in 2021 expanded by \$13.3 Billion compared to a solid rise of \$6.1 Billion in 2020. This expansion is net of all processed death claims and the corresponding write-down of cash value.

More Banks are reducing or eliminating overdraft fees on customer accounts. This action will likely put pressure on other depository institutions having a cascade effect throughout banking. Consequently, this will erode a source of non-interest income. BOLI cash value growth is booked as non-interest income, and additional investment into BOLI presents an opportunity to help offset the loss from the overdraft category.

We're here as an advisor and resource to help. Please reach out if you have any questions, feedback, or anything you'd like us to assist with. We value your input and the opportunity to collaborate.

Have a great day,

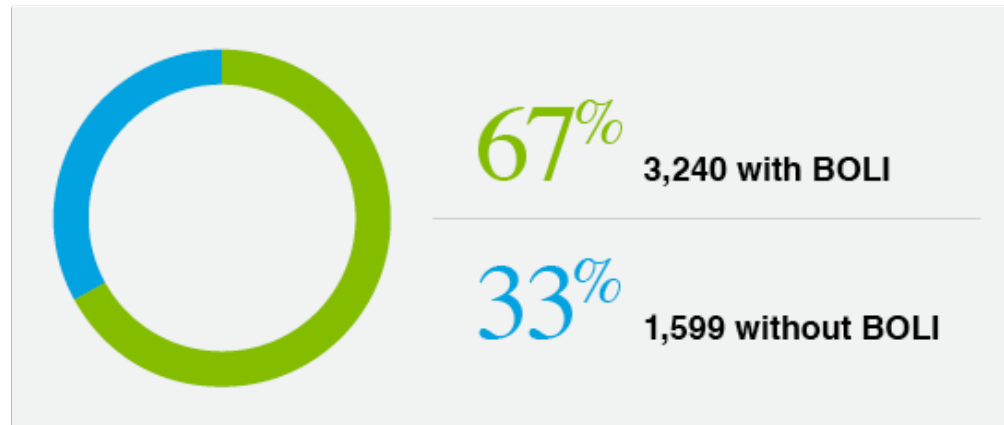
The Galbreath Group

## Statistics

**4,839 total U.S. banks\***

75 fewer banks than 9/30/21

162 fewer banks than 12/30/2020



**Total of \$197.6 Billion (with BOLI)**

\$101.4 Billion General Account

\$76.6 Billion Separate Account

\$19.6 Billion Hybrid Account

Average Concentration of Tier 1 Capital for banks holding BOLI is 11.55%

**Capacity based on 25% of Tier 1 Capital guideline:**

Banks with BOLI holdings → additional \$230 Billion

Banks without BOLI holdings → \$78.9 Billion

\*Source: FDIC Call Report Summary, 12/31/2021