

The **BOLI BLURB**

Good morning,

Please find the updated BOLI statistics as of the 2nd Quarter Reporting Period.

BOLI investment throughout the banking sector continued its ascent with total policy values increasing a sizeable \$4.7 Billion during the quarter. The BOLI market began gaining steam late in the 2nd Quarter of 2020 with no signs of abating any time soon. To put this number in proper context, following is the growth for the prior 5 quarters:

- Q1 2021 = \$2.0 Billion
- Q4 2020 = \$2.1 Billion
- Q3 2020 = \$1.8 Billion
- Q2 2020 = \$1.3 Billion
- Q1 2020 = \$900 Million

Further, a few BOLI carriers have had record performance in terms of BOLI premium received. So much so, capacity is being monitored closely and/or restricted with 2021 budgeted premium surpassed. This is certainly not a normal occurrence and might be the only measure that could temporarily dampen bank investment into the asset class. With that in mind and the calendar flipping in less than 4 short months, we would not view this as an impediment or discouraging factor to explore BOLI if it's something you're considering or already on the whiteboard.

The pressure on margin resulting from the glut of liquidity and low rates doesn't appear to be transitory. Add in a corporate tax rate hike which seems increasingly more likely, and BOLI presents an opportunity that should maintain its appeal and value for the foreseeable future.

We'd love to hear from you if you have any questions, need more information, or would just like to have a conversation.

Have another great day!

Regards,

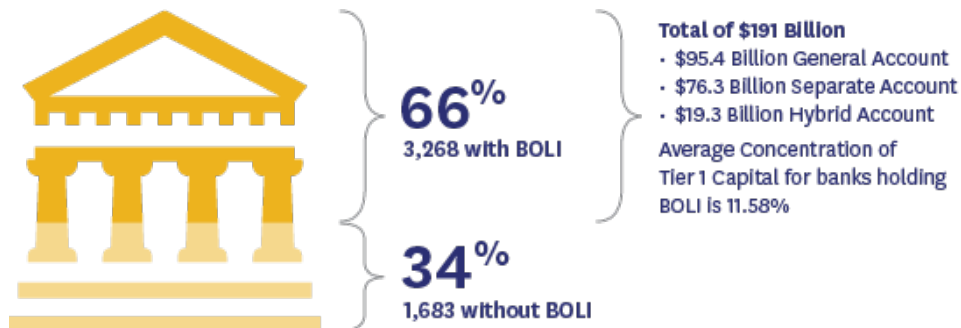
The Galbreath Group

STATISTICS

4,951 TOTAL U.S. BANKS*

27 fewer banks than previous quarter

115 fewer banks than 6/30/2020



Capacity based on 25% of Tier 1 Capital guideline:

- Banks with BOLI holdings → additional \$221 Billion
- Banks without BOLI holdings → \$78.1 Billion

*Source: FDIC Call Report Summary, 6/30/2021