

BOLI Industry Update

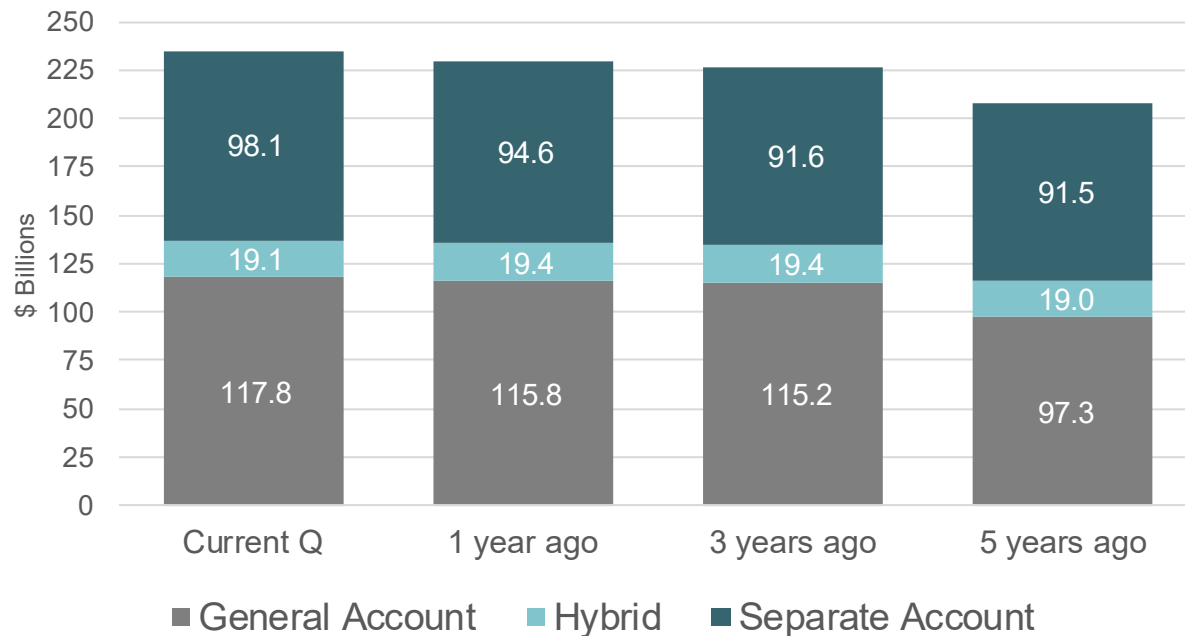
Separate Account Allocations and Analytics

2025-Q4

Bank Call Report Breakdown

Banks reported \$235.0 billion of BOLI in 2025-Q4

- \$98.1 billion was SA



Study Purpose and Background

Our ongoing study attempts to track how SA BOLI is allocated over time

Gathered SA BOLI/COLI AUM data is categorized into portfolio types

- Multi-Sector / Capital Efficient / Target RW / “Dynamic”
- Core Fixed Income
(includes immaterial dedicated high yield and credit portfolios)
- MBS / Securitized (ABS / CMBS)
- CLO / Bank Loan
- Short Duration / Government

Portfolio types represent full portfolio MVs and do not look through to the holdings sector weights

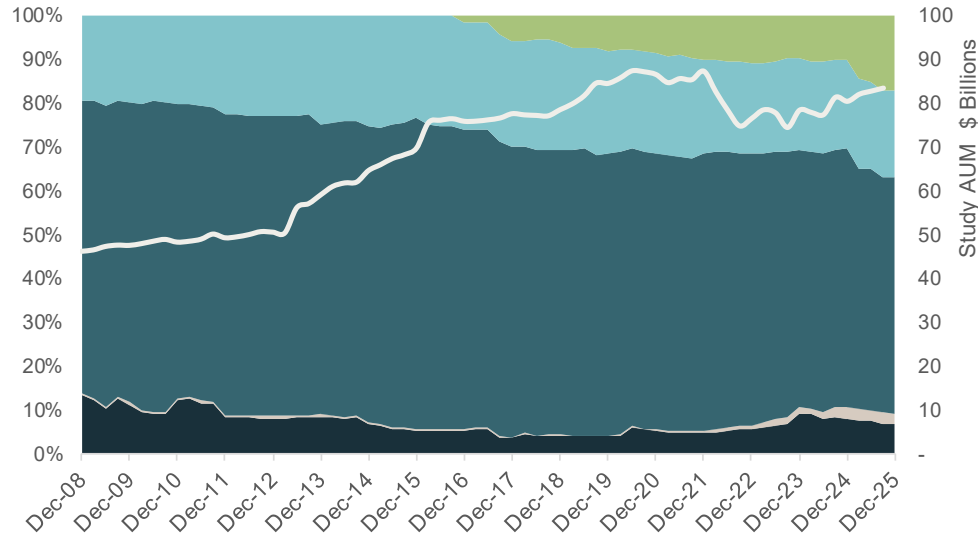
The study currently aggregates \$86.2 billion of SA – a massive share of the industry¹

- \$58 billion (67%) of the assets are actively managed

Historical BOLI/COLI Separate Account Allocations

The chart below shows portfolio type breakdown (colored areas) and the study's total AUM (light line), over time

- Allocations have been historically dominated by MBS / Securitized portfolios. Multi-sector type portfolios gained a solid share quickly but seemingly leveled off until 2025.
- In 2023, MV declines from rising rates saw short-duration increases from both reallocations (forced and voluntary), as well as resilience to the rate increases.

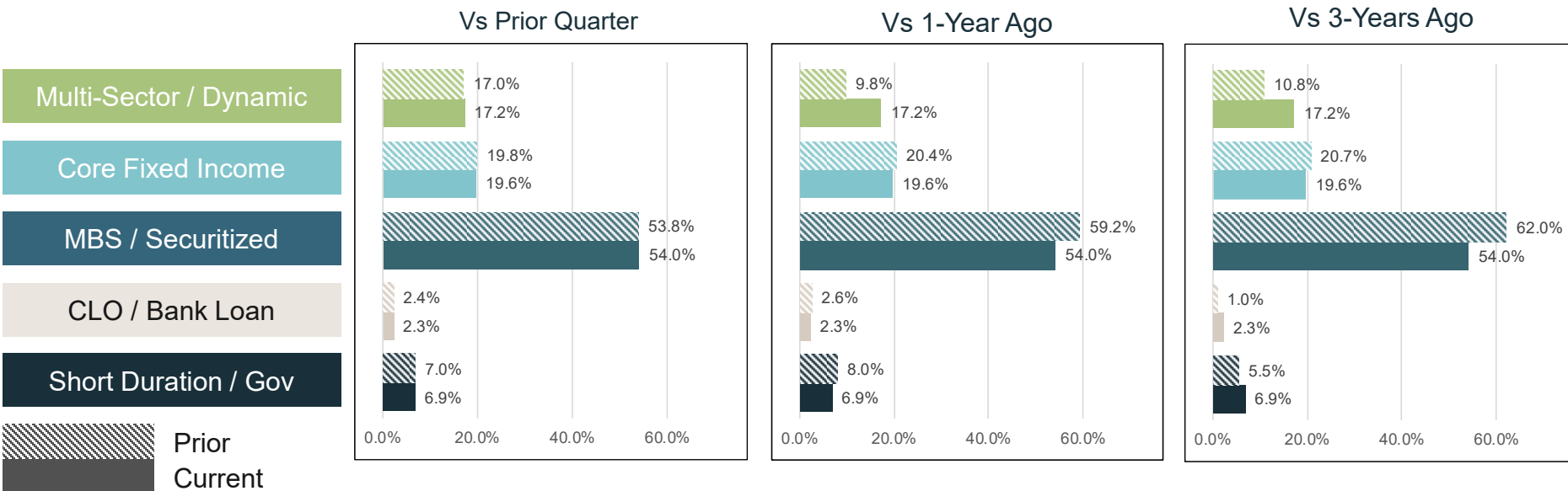


2025-Q4 Weights

Multi Sector / Dynamic	17.2%
Core Fixed Income	19.6%
MBS / Securitized	54.0%
CLO / Bank Loan	2.3%
Short Duration / Gov	6.9%

Separate Account Allocation Changes

While some changes can be attributed to asset growth, periodic comparisons can indicate reallocations or new purchases



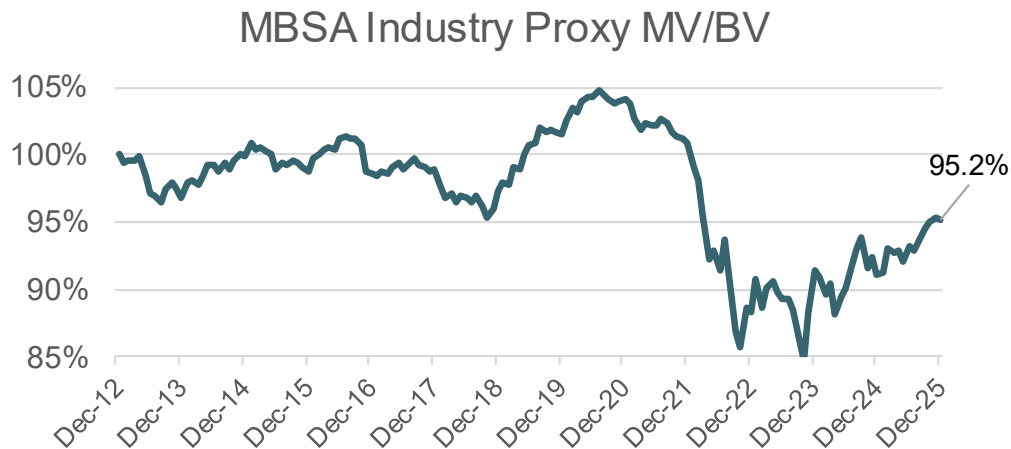
Common Benchmark Performance

Using common benchmarks for the categories, a proxy for the industry's SA Q4 MV performance is estimated at 1.46% while the stable value proxy was 0.77%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied By Blend of Below]	1.36%	7.00%	5.72%	1.75%	17.19%
Core Fixed Income	<i>Bloomberg US Agg</i>	1.10%	7.30%	4.66%	-0.36%	18.05%
MBS / Securitized	<i>Bloomberg US Securitized</i>	1.68%	8.49%	4.97%	0.22%	54.03%
CLO / Bank Loan	<i>JPM AAA CLOIE</i>	1.22%	5.45%	7.05%	4.69%	2.32%
Short Duration / Gov	<i>ICE BofA USD 3M DOR</i>	1.03%	4.38%	4.96%	3.24%	5.86%
Industry Proxy MV Performance using rolling weights:		1.46%	7.71%	5.03%	0.45%	
Industry Proxy Stable Value Performance:		0.77%	2.94%	2.42%	2.25%	

Industry MV/BV Ratio Developments

Using our proxy MV and BV performance monitoring from the prior page, we calculate a proxy overall MV/BV ratio for the industry



- Markets had a positive Q4, with solid months in October and November ending with a slight dip in December.
- Overall, ratios increased ~0.64% from Q3 to Q4.

- Compared against aggregate carrier data, the proxy matches well.

Separate Account BOLI Risk-Weight

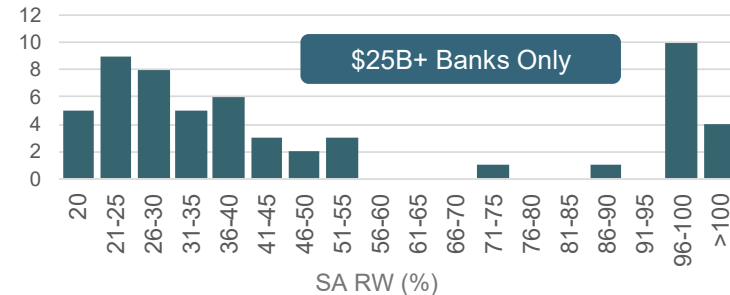
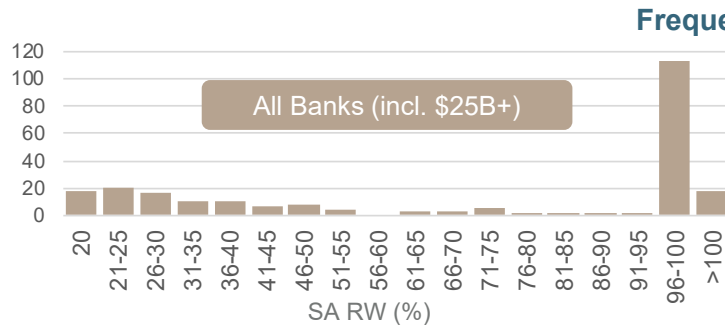
Large banks (\$25B+ Assets) own over 95% of SA BOLI, and achieve an average SA RWA% of ~32.1%. Meanwhile, many smaller banks default to 100%.

- Exposure and RWA data from call reports includes Hybrid BOLI. MBSA's process below attempts to calculate the value for SA BOLI only. Based on available parameters², some banks are excluded.

12/31/2025	Total Banks	Own BOLI	Own SA BOLI	Parameters Available	SA BOLI (\$B)	SA BOLI Only RW %			
						Weighted Average	Average	Mode	Median
All Banks	4,313	2,938	345	247	\$ 96.1	33.7%	92.0%	100%	100%
\$25B+	88	76	64	58	\$ 91.6	32.1%	56.4%	100%	35%

*Due to RC-R reporting requirements for smaller banks, this data is only updated Q2 & Q4.

- Using current category weights and proxy portfolios, we estimate the industry average could be ~28% using the Bill Standardized Approach.
- The histograms below demonstrate that large banks do mostly achieve RW% between 20%-45%.



Footnotes / Disclaimers

1. Regarding industry coverage:
 - Some of the data included in the study may include portfolios that are comingled with corporations or non-banking entities
 - Some of the missing assets may include equity portfolios, which are excluded from this study
 - Data included in the study is Market Value. In bank call reports, wrapped BOLI is reported at Book value.
2. MBSA's SA RW% process excludes banks that report SA BOLI on Schedule RC-F line 5, but not on Schedule RC-R Part II line 8a. Banks with less than \$1B in total assets are only required to complete RC-R Part II on a semi-annual basis.

*Call Report Data may include BHC data from Y-9C Reports

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