

BOLI Industry Update

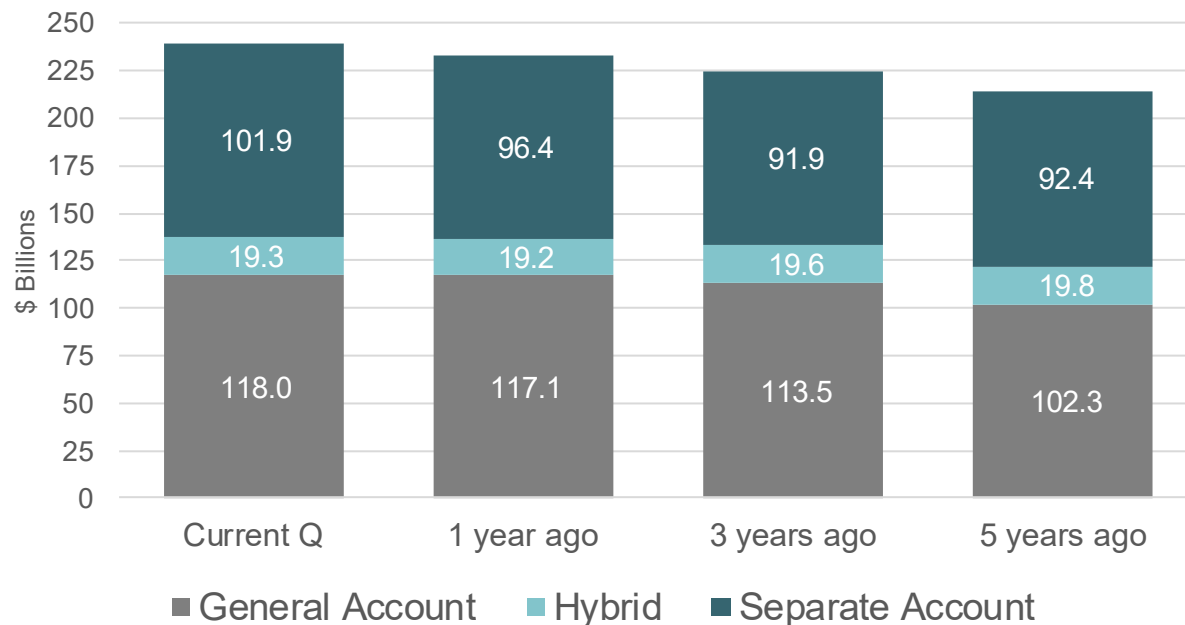
Separate Account Allocations and Analytics

2026-Q2

Bank Call Report Breakdown

Banks reported \$239.1 billion of BOLI in 2026-Q2

- \$101.9 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

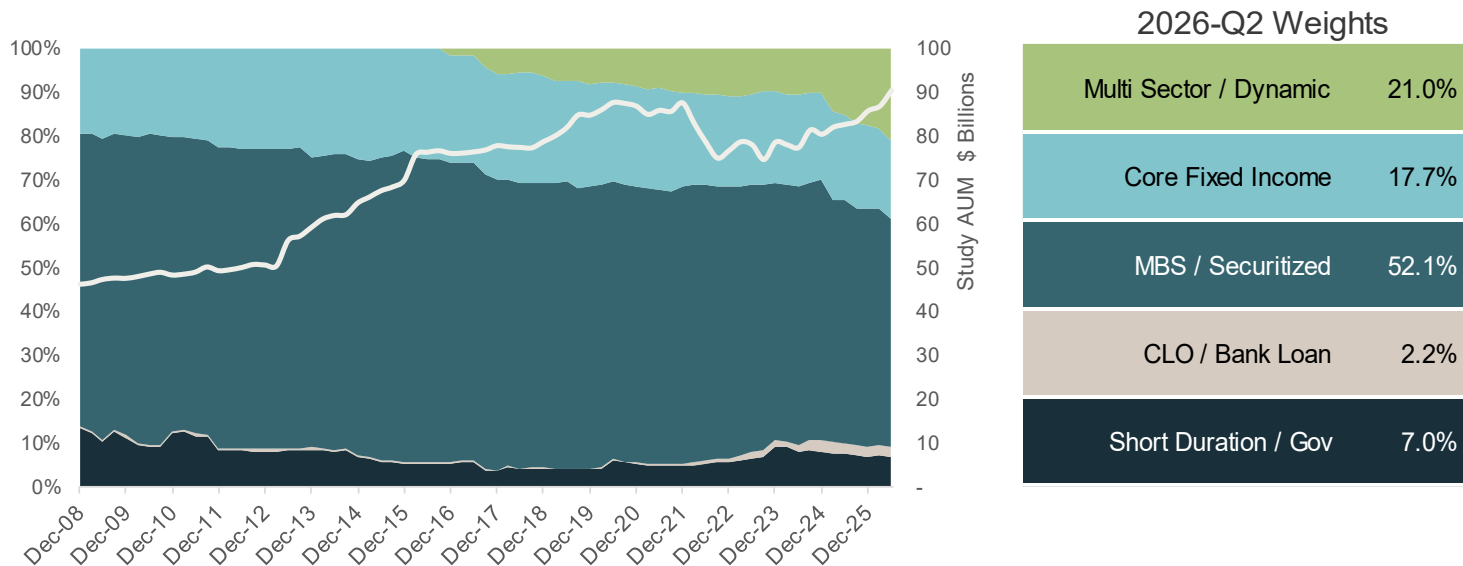
The study currently aggregates \$90.5 billion of SA – a massive share of the industry¹

- \$62 billion (69%) of the assets are actively managed

Historical BOLI/COLI Separate Account Allocations

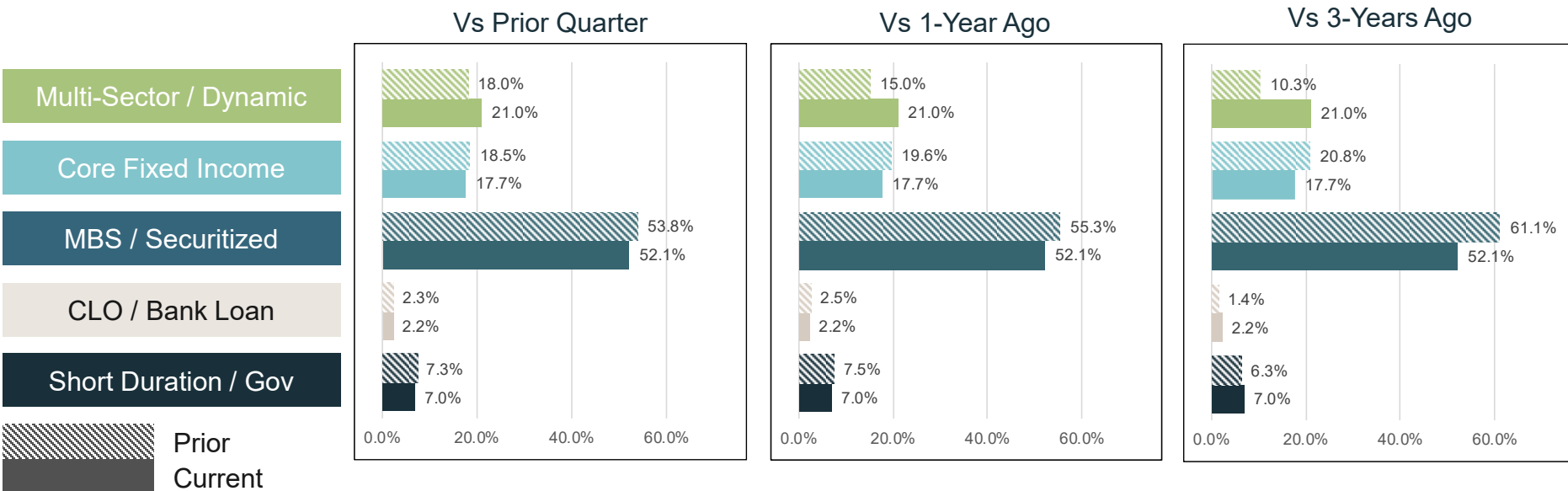
The chart below shows portfolio type breakdown (colored areas) and the study's total AUM (light line), over time

- Allocations were historically dominated by MBS / Securitized portfolios. Multi-sector type portfolios gained a solid share quickly but seemingly leveled off until 2025, when they saw more increases and are currently the second highest type of allocation.
- While CLOs are part of most Multi-Sector funds, CLO dedicated funds have also gained market share in recent years.



Separate Account Allocation Changes

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



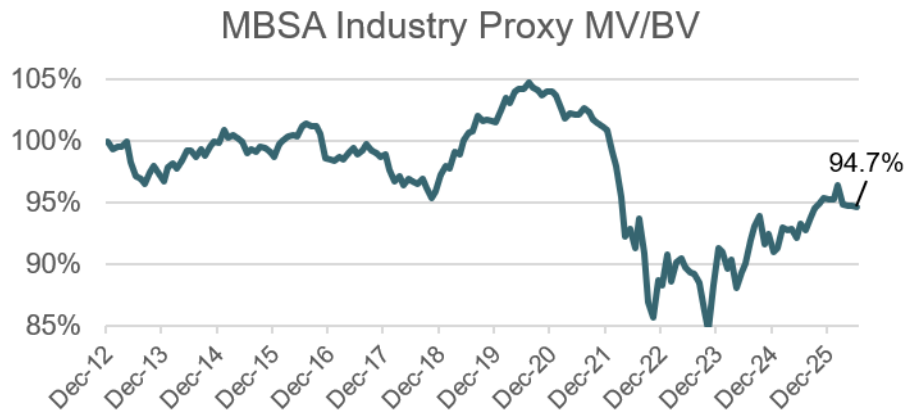
Common Benchmark Performance

Using common benchmarks for the categories, a proxy for the industry's SA Q2 MV performance is estimated at 0.71% while the stable value proxy was 0.83%

	Benchmark	Quarter	1-Year	3-Year	5-Year	Weights
Cap Efficient / Multi Sector	[Proxied By Blend of Below]	0.96%	4.81%	5.29%	2.03%	21.04%
Core Fixed Income	<i>Bloomberg US Agg</i>	0.67%	3.79%	4.16%	0.08%	17.66%
MBS / Securitized	<i>Bloomberg US Securitized</i>	0.58%	5.12%	4.68%	0.56%	52.10%
CLO / Bank Loan	<i>JPM AAA CLOIE</i>	1.36%	5.13%	6.56%	5.02%	2.25%
Short Duration / Gov	<i>ICE BofA USD 3M DOR</i>	0.89%	4.01%	4.78%	3.58%	6.95%
Industry Proxy MV Performance using rolling weights:		0.71%	4.76%	4.71%	0.82%	
Industry Proxy Stable Value Performance:		0.83%	3.15%	2.68%	2.36%	

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



- Fixed income markets had positive performance for all three months in Q2, but the growth was slightly behind the pace of Stable Value growth.
- Our proxy MV/BV ratio fell 11bps from Q1 to Q2

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

Separate Account BOLI Risk-Weight

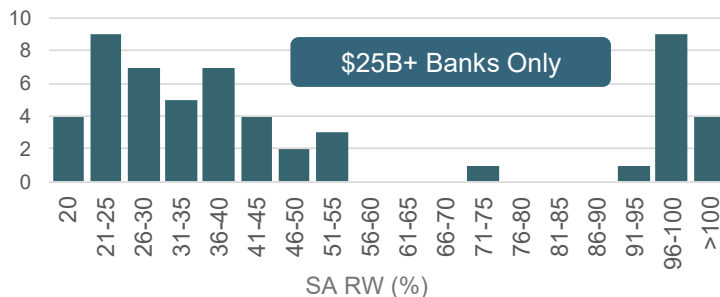
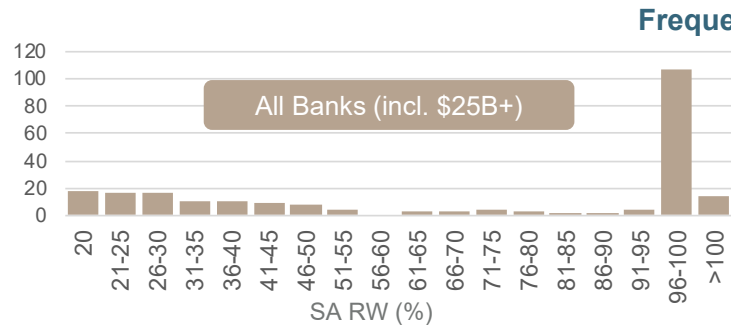
Large banks (\$25B+ Assets) own over 94% of SA BOLI and achieve an average SA RWA% of ~33%. Meanwhile, many smaller banks default to 100%.

- 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.

6/30/2026		SA BOLI Only RW %							
	Total Banks	Own BOLI	Own SA BOLI	Parameters Available	SA BOLI (\$B)	Weighted Average	Average	Mode	Median
All Banks	4,230	2,890	338	233	\$ 100.4	34.5%	82.3%	100%	100%
\$25B+	87	75	62	56	\$ 95.8	33.2%	58.6%	100%	37%

*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 ~27% using the Bill Standardized Approach.
- The histograms below demonstrate that large banks do mostly achieve RW% between 20%-45%.



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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