EQUIASALLIANCE
BOLI AND BENEFIT ADVISORS

Corporation for American Banking, L.L.C.

Press Release

FOR IMMEDIATE RELEASE

September 18, 2013
Memphis, Tennessee

Contact: David Shoemaker, Equias Alliance, 901.754.4924

Equias Alliance Publishes "Impact of the Basel III New Capital Rule on Community Banks" as a Resource for the Banking Industry.

To help its clients and other interested parties understand the key provisions of the Basel III New Capital Rule, including the potential impact on Bank-Owned Life Insurance ("BOLI"), Equias Alliance has prepared an overview of the new rule. To view this special edition of Equias InSIGHTS, please visit the Equias Alliance website at www.equiasalliance.com and look under the News and Events section.

In July 2013, the Federal agencies (OCC, Federal Reserve Board and FDIC) enacted significant changes to the regulatory capital requirements for community and national banks. These changes are collectively known as Basel III. All insured banks and savings associations, bank holding companies with more than $500 million in assets, and savings and loan holding companies in the U.S. are subject to the new requirements.

The New Capital Rule revises the definition of regulatory capital components; adds a new common equity tier 1 risk-based capital level; incorporates the revised capital requirements into the Prompt Corrective Action framework; implements a new capital conservation buffer; and provides a transition period for several aspects of the new rule. For community banks, the new rule implementation period begins January 1, 2015.

Since over half of the banks in the U.S. have purchased BOLI, there is a great deal of interest among bankers regarding whether Basel III will adversely impact a bank's BOLI holdings. According to Becky Pressgrove, CPA, Senior Vice President and Chief Operating Officer of Equias Alliance, the new rule does not negatively impact a bank's General Account BOLI holdings or administration. However, Ms. Pressgrove also stated "Since banks can no longer rely solely on the national rating agencies to determine the risk-based capital weighting of the assets in their investment portfolios because of the Dodd-Frank Act, portfolio managers and banks will need to determine the best approach for assigning risk-based capital weightings to assets invested in Hybrid Separate Account and Variable Separate Account BOLI policies".

According to David Shoemaker, CPA/PFS,CFP® President of Equias Alliance, "I expect that during the next three to four months, many of the issues relating to the risk-weighting of BOLI assets will be resolved so that we will be in a better position to determine their impact on BOLI policyholders. My preliminary assessment is that the risk-weightings for some, but not many, BOLI Hybrid and Variable Separate Accounts may be negatively impacted resulting in higher-risk-weightings being assigned to these portfolios".

Equias Alliance will keep its clients updated on new developments relating to this important development as they occur.

About Equias Alliance

Equias Alliance delivers nonqualified benefit and BOLI administration and portfolio services to banks across the United States via its team of 16 consultants and 30 support personnel located in 13 regional offices. Equias Alliance offers a near-seamless approach from design to implementation. The Equias Alliance team has helped over 800 banking organizations recruit, retain, and reward executives, directors and employees critical to each bank's success.

The American Bankers Association (through its subsidiary, the Corporation for American Banking) has endorsed Equias Alliance for the following services:

1. Placement of BOLI
2. Administration of BOLI and Executive and Director Benefit Plans
3. Risk Assessment Reviews of BOLI and Executive and Director Benefit Plans
4. Executive and Director Benefits Consulting.

Equias Alliance can be found on the Internet at www.equiasalliance.com.