

## Merger Agreement to Sell Acacia Federal Savings Bank Canceled

Lincoln, Neb.; Falls Church, Va.// April 12, 2013 // Ameritas Life Insurance Corp. (Ameritas Life) and its affiliate Acacia Life Insurance Company jointly announced today the agreement to sell Acacia Federal Savings Bank of Falls Church, Va. (Bank) to Customers Bancorp of Wyomissing, Pa. (Customers) was mutually terminated between the parties due to continued uncertainty in timing of receipt of final regulatory approval.

"It had become clear that the merger between Acacia Federal and Customers was not going to receive regulatory approval in a timely fashion," said William W. Lester, executive vice president and corporate treasurer of Ameritas Life. "Accordingly, we thought it was in the best interest of Acacia Federal, its shareholders, employees and customers to terminate the merger agreement."

Ameritas Life announced on June 21, 2012, that it had entered into a definitive agreement to sell the Bank to Customers as a means to recommit its focus and energy on its core insurance and investment business. The Bank's single office in Falls Church has been providing high value deposit and lending products to the greater Washington, D.C. area for 28 years.

Despite the continued challenging economic environment, the Bank's financial condition, asset quality and capital levels are strong and are the direct result of proactive steps taken by Bank management to address recent matters faced by the banking industry nationwide. In the period since the purchase agreement was signed (June 30, 2012 to December 31, 2012):

- Total assets decreased from \$957.7 million to \$785.2 million as the organization moved to create transparency and simplicity in the divestiture process. At the same time, loans net of unearned income and allowance decreased from \$848.4 million to \$495.4 million, while cash and equivalents increased from \$9.5 million to \$224.9 million.
- Asset quality improved significantly with classified assets as a percent of total assets declining from 5.0% to 1.2%.
- Total deposits remained stable, decreasing slightly from \$658.9 million to \$654.7 million.
- All Federal Home Loan Bank (FHLB) advances, totaling \$169 million, have been paid off.
- Stockholders' equity increased from \$115.0 million to \$119.7 million.
- The Bank is considered "well capitalized" and all capital ratios exceed federal regulatory requirements. The Bank's Tier 1 capital ratio increased from 11.6% to 14.8%, and the risk based capital ratio increased from 20.5% to 34.6%.

In its core retail mortgage business, the Bank had robust mortgage production and mortgage banking activity during the first quarter of 2013, with \$62.7 million in mortgage originations and \$65.7 million in mortgage loans sold. James Barber, chief executive officer of the Bank, commented, "Back in February, the Office of the Comptroller of the Currency announced the Bank was the subject of a Formal Agreement. While that remains in place, it is important to note that the issues which gave rise to it pertained to the period prior to June 30, 2012. Since that time, the Bank's asset quality has shown significant improvement, retail deposits have remained stable and all FHLB advances have been completely paid off. As a result, our financial strength and profitability have improved dramatically and capital levels are at some of the highest levels in the Bank's 28-year history."

Mr. Barber noted further, "All of these positive steps have helped create a foundation that will allow us to attract a strong merger partner with which Acacia Federal Savings Bank can be a strong contributor for future growth. None of this would have been possible without the hard work and commitment of our dedicated employees."

"The Bank's financial position has improved remarkably because of the actions taken by the Bank, Ameritas and their respective boards," Lester said. "These steps have improved the financial strength of the Bank while maintaining its valued banking services. Ameritas remains committed to its strategy of focusing on our core insurance business while divesting itself of the banking organization."

Based on the termination of the transaction and reaffirmation of Ameritas' strategic focus, Ameritas and the Bank have engaged Houlihan Lokey to identify a new buyer or strategic merger partner for the Bank.

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**About Ameritas**

Ameritas – Ameritas Life Insurance Corp., Ameritas Life Insurance Corp. of New York, Acacia Life Insurance Company, The Union Central Life Insurance Company and affiliated companies – offers a wide range of insurance and financial products and services to individuals, families and businesses. These products and services include life insurance; annuities; individual disability income insurance; group dental, vision and hearing care insurance; retirement plans; investments; mutual funds; asset management; banking and public finance. For more information, visit [ameritas.com](http://ameritas.com).

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