

**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**Terme Mortgage, Inc. Opens Branch in Southwest Florida**

Summit, Illinois – February 20, 2007 – Terme Mortgage, Inc. (the “Mortgage Company”), a subsidiary of Terme Bancorp, Inc. (the “Company”) (Pink Sheets: TEMB.PK), announced today that it opened an office at 27499 River View Center, Bonita Springs, Florida.

This is the Mortgage Company’s first branch, which will be managed by Wayne Franco, and will serve those in need of a reverse mortgage specialist in the Fort Myers / Naples area of Southwest Florida. Mr. Franco relocated to the Naples area in 1992, when he began operating his own mortgage brokerage business. Prior to his relocation to Naples, Mr. Franco was the Senior Vice President for Northeastern Mortgage Corporation in Massachusetts for six years.

“The demographics of Southwest Florida and the needs of retirees for dynamic financial products such as reverse mortgages and interest only mortgages for cash flow assistance drove our decision to open an office here,” said George Yedinak, President of Terme Mortgage. “We are thrilled to have Wayne Franco join us to open the branch. With his background in mortgage originations and entrepreneurial experience, we are certain he will be an effective leader building our business and achieving our financial goals in the Southwest Florida markets.”

Terme Mortgage, Inc. is headquartered at 1255 N. State Parkway #1 South, Chicago, Illinois and can be found on the Internet at <http://www.termemortgage.com>.

Terme Bancorp, Inc. is headquartered at 5818 S. Archer, Rd. in Summit, Illinois and can be found on the Internet at <http://www.termebancorp.com>.

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