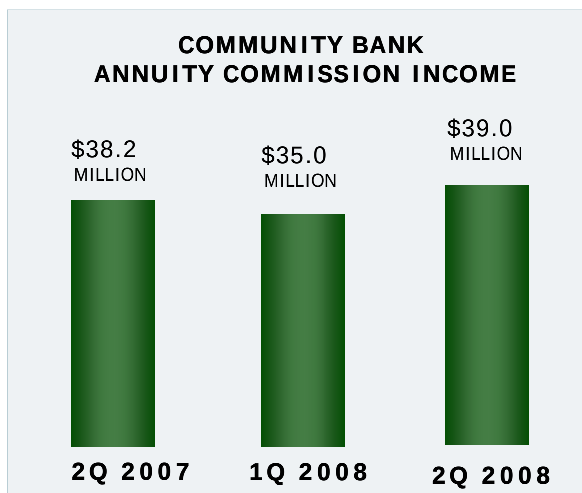
N E W S R E L E A S E

Michael White-LPL Financial Institution Services Report: Annuity Commissions Help Community Banks Maintain Investment Program Income in Second Quarter 2008

FOR IMMEDIATE RELEASE – *Radnor, PA, and Charlotte, NC, October 20, 2008* – Community bank investment program revenue slowed in the second quarter, declining 1.1% from the first quarter to $120.1 million, according to the *Michael White-LPL Financial Institution Services Report: Community Bank Investment Programs.*

Issued quarterly by Michael White Associates, LLC (MWA) and sponsored by LPL Financial Institution Services, the report measures and benchmarks investment programs at community banks, i.e., those with assets under $4 billion, then, segments those community banks into five asset classes for further peer-analyses. The report is based on data reported by all 7,450 commercial banks and FDIC-regulated savings banks operating on June 30, 2008.

"Annuity production played an important role in helping community banks maintain their investment program income in the first half of 2008," said Arthur Osman, senior vice president of sales and relationship management, LPL Financial Institution Services. "Community bank annuity income was up 5.5% over the first six months of 2007, and second quarter 2008 annuity income was up 11.4% over first quarter of this year. This growth in annuity commissions offset a 5.8% decline in securities brokerage income compared to first half 2007."



SOURCE:
Michael White – LPL Financial Institution Services Report: Community Bank Investment Programs

Program Production Year-To-Date

Through second quarter 2008, 1,635 or 22.0% of community banks participated in investment program activities, producing $241.6 million in year-to-date (YTD) program income. First-half investment program income of $241.6 million was down 2.6% from $248.2 million in the first half of 2007.

There were, however, some bright spots in community bank production. For instance, banks with assets between $500 million and $1 billion achieved 16.3% growth in first-half investment program income, earning $66.8 million versus $57.5 million in first half 2007, with 15.0% growth in securities brokerage income.

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Annuity Product Mix and Penetration

Annuity commissions constituted 32.5% of community bank investment program income in second quarter 2008. In the last six months, the annuity share of investment program income has risen more than eight points from 24.3% in the fourth quarter. Community banks' annuity commissions were up $10.4 million or 36.2% from $28.7 million in fourth quarter 2007 to $39.0 million in second quarter 2008. Nonetheless, second-quarter annuity income was only slightly ahead of the $38.2 million earned in second quarter 2007.

Community banks with assets between $1 billion and $4 billion had the highest annuity mix for the half-year and the second quarter, with 35.7% and 40.4%, respectively, of total investment program income coming from annuity commissions. With 11.5% of program income from annuities, the big banks with assets in excess of $4 billion had a considerably lower mix of annuity commissions in their programs.

Of the 1,635 community banks that reported earning investment program income, 914 banks or 55.9% reported earning annuity commissions, and 186 banks or 11.4% reported earning annuity income only. This latter finding of 186 banks reporting only annuity income would seem indicative of banks that have only platform annuity or licensed bank employee (LBE) programs and not full-product investment programs. The number of banks reporting only annuity income dropped 7.0% from 200 banks in second quarter 2007.

Program Penetration

The Penetration of an investment program is measured as the amount of program revenue generated per million dollars of core or retail deposits. These deposits substitute as a measure of retail customers and the breadth of the customer relationship, since the data for retail customers or retail households are hard to obtain on a reliable, national, and standardized basis.

"In first half 2008, community banks earned adjusted mean investment program income of $505 per million dollars of retail bank deposits," said Michael White, president of Michael White Associates and author of the report. "In contrast, big banks with assets over $4 billion attained a higher adjusted mean Program Penetration of $766 per million dollars of retail deposits; so, there remains good opportunity for community banks to enhance their programs."

Program Concentration

Program Concentration calculates the portion of total noninterest income attributable to a specific kind of noninterest fee income. This ratio enables us to know how concentrated or meaningful bank investment programs are among their banks' non-lending activities.

Banks with less than $4 billion in assets had a higher mean Concentration of investment program income to noninterest income than larger banks in second quarter 2008. As a group, community banks achieved a Concentration ratio of 7.1%. Large banks, those with assets greater than $4 billion, had a lower mean ratio of 5.2%, reflecting the fact that, in their case, they tend to have more sources of noninterest income in larger volumes than just investment program income.

Program Productivity

Investment Program Productivity measures the amount of program fee income per bank employee. Program Productivity enables us to assess the relative generation of income among bank employees, which are frequently the important human assets in generating customer referrals and the attendant fee income earned from those customer relationships.

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In first half 2008, community banks produced a mean $1,126 per bank employee ($2,252 annualized). Banks under $100 million in assets had the lowest Program Productivity, reaching $963 per bank employee in the first six months of this year ($1,926 annualized).

Program Density

Measured as the amount of program fee income per domestic banking office, Program Density evaluates the relative density of program income among banking locations, the critical physical assets in generating investment program income.

As a group, community banks produced $19,973 in adjusted mean investment program income per branch in first half 2008 ($39,946 annualized).

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About Michael White Associates
Michael White Associates, LLC (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and online at www.BankInsurance.com. The *Michael White-LPL Financial Institutions Report: Community Bank Investment Programs*™ is a quarterly report on the year-to-date performance of community banks' retail investment programs. Produced by Michael White and Michael White Associates, LLC (MWA) and exclusively sponsored by LPL Financial Institution Services, this report measures and benchmarks community banks' performance in generating securities brokerage and annuity fee income. Michael White is not affiliated with LPL Financial.

About LPL Financial Institution Services
Headquartered in Charlotte, N.C., LPL Financial Institution Services is dedicated to the institution channel, representing clients on both the LPL and UVEST broker/dealer platforms. As the nation's largest provider* of third-party investment services to banks and credit unions, LPL Financial Institution Services offers insurance and investment services to more than 750 financial institutions nationwide.

Bringing together UVEST Financial Services and the financial institution arm of LPL Financial, LPL Financial Institution Services combines two industry front-runners into one clear leader with a singular focus on financial institutions. Through a combination of high-tech solutions and high-touch service, LPL Financial Institution Services provides unbiased product expertise and proven program management tailored to meet the unique needs of each client. UVEST Financial Services Group, Inc. and LPL Financial are registered broker/dealers and FINRA/SIPC member firms.
**Based on number of financial institutions served as reported in Kehrer-LIMRA 2007 study.*

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For additional information about LPL Financial, visit www.lpl.com.
*******As reported in Financial Planning magazine, June 1996-2008, based on total revenue*

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