



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS

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N E W S R E L E A S E

Michael White-IPI Report Record Wealth Management Income Over \$118 Billion in 2011

FOR IMMEDIATE RELEASE – Radnor, PA, and San Antonio, TX, June 30, 2012 – Bank holding companies (BHCs) tallied a record \$118.4 billion in wealth management income in 2011, up 1.3% from \$116.9 billion in 2010, according to the new *Michael White-IPI Bank Wealth Management Report*[™]. Of 929 large top-tier BHCs, 532 or 57.3% engaged in wealth management activities in 2011.

Despite the record year, fourth-quarter BHC wealth management income slumped 17.8% to \$26.11 billion from \$31.75 billion in fourth quarter 2010; and it slid from the prior third quarter 2011 by 8.9% from \$28.67 billion. In fact, fourth-quarter 2011 wealth management revenue was the lowest amount since first quarter 2009.

Compiled by Michael White Associates (MWA) and sponsored by Investment Professionals, Inc (IPI), this report measures and benchmarks the banking industry's performance in generating fee income from multi-faceted wealth management services for individuals, families, businesses, and nonprofits. Results are based on data from all 6,679 commercial and FDIC-supervised savings banks and 929 large top-tier bank holding companies operating on December 31, 2011.

TOP 12 BANK HOLDING COMPANIES WITH THE FASTEST GROWING WEALTH MANAGEMENT INCOME IN 2011

R A N K	WEALTH MANAGEMENT FEE INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY		ASSETS	% OF NONINTEREST INCOME
	2011	2010					
<i>(ALL DOLLAR AMOUNTS IN THOUSANDS)</i>							
1	\$568	\$50	1,036.00%	Access National Corporation	VA	\$809,759	1.56%
2	\$3,755	\$547	586.47%	Tower Bancorp Inc.	PA	\$2,516,553	17.83%
3	\$1,697	\$401	323.19%	Northwest Financial Corp.	IA	\$1,337,527	13.01%
4	\$21,014	\$6,745	211.55%	Pacific Capital Bancorp	CA	\$5,850,022	41.15%
5	\$945	\$326	189.88%	BNC Bancorp	NC	\$2,454,931	8.98%
6	\$400,620	\$186,800	114.46%	M&T Bank Corporation	NY	\$77,674,267	27.46%
7	\$314	\$154	103.90%	Highlands Bankshares, Inc.	VA	\$622,270	10.52%
8	\$7,769	\$3,959	96.24%	First Security Bancorp	AR	\$4,171,542	9.86%
9	\$929	\$512	81.45%	Traditional Bancorporation	KY	\$1,077,028	14.73%
10	\$2,105	\$1,209	74.11%	TriCo Bancshares	CA	\$2,555,597	4.92%
11	\$2,732	\$1,573	73.68%	Valley View Bancshares, Inc.	KS	\$3,251,534	33.35%
12	\$4,225	\$2,480	70.36%	Midland States Bancorp, Inc.	IL	\$1,511,001	36.51%

BHCs ranked by program income growth had a minimum \$250,000 in wealth management income in 2011.

SOURCE: Michael White - IPI Bank Wealth Management Report[™]

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These BHCs achieved adjusted mean wealth management program fee income of \$123.93 million in 2011. Their median investment program income was \$1,537,500, down 3.5% from \$1,592,500 in median program income in 2010. Top quartile performance in 2011 began at \$5,098,000, down 8.1% from the \$5,548,000 starting point for top-quartile BHC investment program revenue at the end of 2010.

Wealth Management Program Growth

Despite the modest industry-wide growth in wealth management, many programs registered increases in 2011 over 2010. Of all 532 BHC wealth management programs, 418 (78.6%) earned a minimum quarter-million dollars in 2011. Of those 418, 326 (78.0%) showed some level of positive growth in wealth management income over 2010, with 180 programs (55.2%) exhibiting double-digit growth and 88 programs (27.0%) achieving 20%+ growth.

Among those 92 BHCs (22.0%) whose wealth management income declined in 2010, 57 (13.6%) experienced single-digit declines and 35 BHCs (8.4%) had declines in excess of 10%, with 15 of those experiencing decreases of 20% or more. By and large, banks reported similar growth among those that earned a quarter-million dollars or more of wealth management income.

At a time when other bank revenues are down and the release of loan loss reserves are used to re-establish profitability, wealth management stands out as one of those natural businesses for banks. “Wealth management activities conducted by banks help preserve, grow, distribute and administer assets and income for families, businesses and nonprofits,” said Jay McAnelly, President of IPI. “They also offset declines in bank revenues such as service charges on deposit accounts. The fact that so many banks and BHCs registered growth in their wealth management revenue and have begun to expand further into the business underscores the tremendous opportunity wealth management presents to financial institutions.”

Leaders in Wealth Management

The table entitled “Top 5 Leaders in Wealth Management Income in 2011” lists leaders in the three traditional BHC assets classes: over \$10 billion in assets, between \$1 billion and \$10 billion in assets, and between \$500 million to \$1 billion in assets. A fourth asset class includes the smallest community banks, those with assets less than \$500 million, which are used as “proxies” for the smallest BHCs, which are not required to report wealth management income and its line items components.

TOP 5 LEADERS IN WEALTH MANAGEMENT INCOME IN 2011				
RANK	BHCS OVER \$10 BILLION	BHCS BETWEEN \$1B - \$10B	BHCS BETWEEN \$500M - \$1B	SMALL BANK ‘PROXIES’ UNDER \$500M
1	Morgan Stanley (NY)	Stifel Financial Corp. (MO)	First National Bankers Bankshares (LA)	The Haverford Trust Company (PA)
2	JPMorgan Chase & Co. (NY)	Boston Private Financial Holdings, Inc. (MA)	United Bankers’ Bancorporation (MN)	Essex Savings Bank (CT)
3	Bank of America Corporation (NC)	Plains Capital Corporation (TX)	First Bankers Trustshares, Inc. (IL)	Soy Capital Bank and Trust Company (IL)
4	The Goldman Sachs Group, Inc. (NY)	Santander Bancorp (PR)	United Bancorp (MI)	Ledyard National Bank (VT)
5	Wells Fargo & Co. (NY)	Alerus Financial Corporation (ND)	First Kansas Bankshares, Inc. (KS)	Delta Trust & Bank (AR)

SOURCE: Michael White - IPI Bank Wealth Management Report™

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Contribution of Four Components to Total Wealth Management Income

Wealth management income consists of four main components in this report, those being securities brokerage (which, by definition, must be present to define a wealth management program), annuity sales, fiduciary activities and investment advisory/banking services. Of the 532 BHCs reporting wealth management income, 115 BHCs or 21.6% reported earnings in each of the four component revenues constituting wealth management.

COMPONENT SHARES AS A PERCENT OF BHC WEALTH MANAGEMENT INCOME IN 2011				
ASSET CLASS	ANNUITIES	FIDUCIARY ACTIVITIES	INVESTMENT ADVISORY / BANKING	SECURITIES BROKERAGE
ALL BHCs	2.4%	29.0%	37.5%	31.1%
BHCs OVER \$10 BILLION	2.3%	28.9%	38.1%	30.8%
BHCs \$1 BILLION – \$10 BILLION	4.4%	34.5%	15.2%	46.0%
BHCs \$500 MILLION – \$1 BILLION	8.6%	49.5%	15.2%	26.7%
SMALL BANK 'PROXIES' UNDER \$500 MILLION	10.4%	48.9%	6.2%	34.5%

SOURCE: Michael White - IPI Bank Wealth Management Report™

Securities brokerage fees and commissions represented \$36.8 billion or 31.1% of total BHC wealth management income in 2011, up 4.9% from \$35.1 billion in 2010.

Three hundred forty-five (345) BHCs or 64.8% of the 532 wealth management programs reported annuity income of \$2.79 billion in 2011, up 9.3% from \$2.55 billion in 2010. Annuity income constituted 2.4% of total wealth management income in 2011 and was the smallest contributor to overall wealth management income.

Three hundred fifty-five (355) BHCs or 66.7% of all wealth management programs reported income from fiduciary activities of \$34.36 billion in 2011, up 10.5% from \$31.09 billion in 2010. Fiduciary income constituted 29.0% of total wealth management income in 2011.

One hundred seventy-four (174) BHCs or 32.7% of wealth management programs reported investment advisory and banking income of \$44.41 billion in 2011, down 7.7% from \$48.12 billion in 2010. Investment advisory and banking income constituted the largest contributor to wealth management income with a share of 37.5% in 2011.

“While fiduciary income represents an important component of wealth management, broker-dealer activities, which include at least three-fourths of annuity revenues, dominate wealth management,” said Michael White, President of MWA.

Contribution of Wealth Management Components by BHC Asset Class

Whereas investment advisory/banking income was the number one contributor (38.1%) by the largest BHCs to their wealth management income, third-ranked fiduciary income (28.9%) ranked number one among large banks, further demonstrating that most investment advisory/banking operations are direct subsidiaries of bank holding companies whereas fiduciary services operate mostly through banks or their subsidiaries. Interestingly, the contribution of investment advisory/banking to wealth management income decreased by sixty percent among the smaller BHCs (those under \$10 billion in assets), ranking third.

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Mid-size BHCs (between \$1 billion and \$10 billion in assets) generated most of their wealth management income in 2011 from securities brokerage (46.0%) and fiduciary activities (34.5%). The smaller BHCs (assets between \$500 million and \$1 billion) tended to mirror most of the smaller banks in that fiduciary income resumed its number one ranking and securities brokerage resumed its second-place finish.

For purposes of comparing the smallest BHCs, i.e., those with assets less than \$500 million, which no longer report line item fee income, the report uses similarly sized small banks as a stand-in or “proxy” for the smallest BHCs. (In the past, when these smallest BHCs did report line item fee income data, they closely tracked the results of small banks, mainly because the small banks tended to hold the subsidiary activity as a subsidiary so the income reported up to the bank, and, if there was any holding company, up to the BHC.)

The bottom line findings of component contributions to BHC wealth management income are these: In 2011, investment advisory/banking was most important to the largest BHCs, those over \$10 billion in assets. Thereafter, involvement in those activities dropped off substantially among the other BHC and proxy bank asset classes. Taking its place were fiduciary-related income and securities brokerage commissions and fees.

Contributions of Wealth Management to Noninterest Income

Among the top 50 BHCs nationally in wealth management concentration (i.e., wealth management income as a percent of noninterest income) in 2011, the median Wealth Management Concentration Ratio was 57.5%. Among the top 50 small banks in wealth management concentration that are serving as proxies for small BHCs, the median Wealth Management Concentration Ratio was 56.7% of noninterest income.

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Investment Professionals, Inc. (IPI): Exclusively dedicated to the bank brokerage industry since its inception in 1992, IPI assists community banks throughout the country in establishing successful, profitable investment programs. Banks benefit from IPI’s expertise in all facets of bank brokerage, resulting in a program designed to meet customer needs while also generating meaningful non-interest income. Based in San Antonio, Texas, IPI provides extensive guidance in the key components of a successful program, including compliance and regulatory support, advisor recruiting, compensation design, co-branded marketing, ongoing sales management and realistic goal setting. Learn about IPI’s industry accolades by visiting www.invpro.com.

Michael White Associates (MWA): MWA is a consulting, publishing and research firm headquartered in Radnor, PA, and online at www.BankInsurance.com. Produced by Michael White and Michael White Associates, LLC (MWA), the *Michael White-IPI Bank Wealth Management Report*[™] measures and benchmarks the performance of bank wealth management programs. The annual *Michael White-Prudential Bank Insurance Fee Income Report*[™] and *Michael White-ABIA Bank Annuity Fee Income Report*[™] provide, respectively, comprehensive analyses of bank insurance brokerage and bank annuity commission income. Additionally, the *MWA Fee Income Ratings Reports*[™] compare, rank and rate a particular financial institution’s insurance or other noninterest fee income program nationally, regionally, statewide and in its asset-peer group. Copies of MWA reports can be ordered by calling (610) 254-0440, or by visiting www.BankInsurance.com.

For additional information contact:

Michael D. White, Ph.D., CLU, ChFC
President
Michael White Associates, LLC
823 King of Prussia Road
Radnor, PA 19087
Phone: (610) 254-0440
Email: MWA@BankInsurance.com

David Doerflinger
Senior Vice President of Business Development
Investment Professionals, Inc.
16414 San Pedro Ave, Suite 150
San Antonio, TX 78232
Phone: (800) 593-8800
Email: IPIBD@invpro.com