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N E W S R E L E A S E

Michael White Reports Bank Insurance Brokerage Grows 2.7% in 1st Half 2015

FOR IMMEDIATE RELEASE – Radnor, PA, October 19, 2015 – Bank holding companies (BHCs) generated \$3.03 billion in insurance brokerage fee income in first half 2015, up 2.7% from \$2.95 billion in first half 2014, according to the *Michael White Bankinsurance Fee Income Report*[™]. Of 578 large top-tier BHCs, 366 or 63.3% reported insurance brokerage fee income in first half 2015. Second-quarter 2015 bankinsurance commissions rose to \$1.55 billion, up 7.5% from \$1.44 billion earned in second quarter 2014, and up 0.5% from \$1.54 billion in first quarter 2015.

Compiled by Michael White Associates (MWA), this report measures and benchmarks the banking industry’s performance in generating insurance brokerage and underwriting fee income. Results are based on data from all 6,348 commercial banks, savings banks and savings associations (thrifts) and 578 large top-tier bank and thrift holding companies (collectively, BHCs) with consolidated assets greater than \$1 billion operating on June 30, 2015.

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-TO-DATE JUNE 30, 2015 – NATIONALLY

R A N K	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1H2015	1H2014					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$803,506	\$784,826	2.38%	BB&T Corporation	NC	\$191,011,232	40.14%
2	\$710,000	\$760,000	-6.58%	Wells Fargo & Company	CA	\$1,720,617,000	3.59%
3	\$249,000	\$317,000	-21.45%	Citigroup Inc.	NY	\$1,829,280,000	1.59%
4	\$215,000	\$21,000	923.81%	Bank of America Corporation	NC	\$2,145,769,000	0.96%
5	\$87,000	\$94,000	-7.45%	American Express Company	NY	\$156,646,000	0.65%
6	\$68,173	\$61,986	9.98%	Regions Financial Corporation	AL	\$121,967,042	6.68%
7	\$62,996	\$60,422	4.26%	BancorpSouth, Inc.	MS	\$13,636,675	43.71%
8	\$39,805	\$25,968	53.28%	Associated Banc-Corp	WI	\$27,155,554	24.07%
9	\$39,106	\$36,302	7.72%	Eastern Bank Corporation	MA	\$9,839,534	48.57%
10	\$36,605	\$38,494	-4.91%	First Command Financial Services	TX	\$987,627	29.93%
11	\$35,377	\$37,250	-5.03%	Discover Financial Services	IL	\$84,604,175	3.85%
12	\$35,000	\$37,000	-5.41%	Morgan Stanley	NY	\$823,368,000	0.20%

Source: *Michael White-Succeed Advisors Bank Insurance Fee Income Report*[™]

Several BHCs that are historically insurance or commercial companies have been excluded from this report in order to better understand the insurance performance of financial institutions that historically have engaged in significant banking activities. Bank holding company insurance brokerage fee income consists of commissions and fees earned by a bank holding company or its subsidiary from insurance product sales and referrals of credit, life, health, property, casualty, and title insurance.

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“More BHCs in first half 2015 were on track to earn at least \$250,000 in annualized insurance brokerage income than in 2014 (respectively, 166 versus 164, up 1.2%), and 99 of these BHCs, up 7.6% from 92 BHCs in first half 2014, showed positive growth. Similarly, a larger percentage of these BHCs registered insurance brokerage revenue increases in first half 2015 than in first half 2014 (respectively, 60% versus 56%),” said Michael White, President of MWA. “In addition, the number of big winners, i.e., those BHCs with double-digit increases in insurance brokerage compared to the prior year's first half, increased by 6.8% from 59 in 2014 to 63 BHCs now.”

“And, a large percentage of on-target BHCs (39% of those experiencing revenue increases and 23% of those on track to earn \$250,000 or more in 2015) achieved increases of 20% or more in insurance brokerage fee income in first half 2015. These findings signal more concentrated and significant revenue generation among a slightly smaller number of BHCs.”

In first half 2015, BB&T Corporation (NC), which owns more agencies than any other financial holding company, topped the leader board with insurance brokerage earnings of \$803.5 million. Wells Fargo & Company (CA) ranked second nationally with \$710.0 million; and Citigroup Inc. (NY), whose insurance income dropped 21.5%, ranked third with \$249.0 million in insurance brokerage revenue.

Bank holding companies over \$10 billion in assets continued to have the highest participation (79.4%) in insurance brokerage activities. These BHCs produced \$2.71 billion in insurance fee income in first half 2015, up 4.9% from the \$2.58 billion they produced in first half 2014. These large bank holding companies accounted for 87.5% of all BHC insurance brokerage fee income earned in first half 2015.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in first half 2015 included Eastern Bank Corporation (MA), Tompkins Financial Corporation (NY), Lauritzen Corporation (NE), Johnson Financial Group, Inc. (WI), and NBT Bancorp Inc. (NY). Participating in insurance brokerage at a rate of 59.9%, BHCs of this size registered a 12.3% decrease in insurance brokerage income to \$326.1 million in first half 2015, down from \$371.7 million in first half 2014.

The smallest community banks, with assets less than \$1 billion, were used as “proxies” for the smallest BHCs, which are not required to report insurance brokerage income. Leaders among bank proxies for small BHCs were The Oneida Savings Bank (NY), Soy Capital Bank and Trust Company (IL), Benchmark Bank (TX), Choice Financial Group (ND), and Industry State Bank (TX). These representatives of small BHCs, registered a 1.6% increase in insurance brokerage income, rising from \$142.6 million in first half 2014 to \$144.9 million in first half 2015.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the median Insurance Brokerage Concentration Ratio was 31.2%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the median Insurance Brokerage Concentration Ratio was 62.3% of noninterest income.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the median Insurance Brokerage Productivity Ratio was \$18,453 per BHC employee on an annualized basis. Among the top 50 small banks in insurance brokerage productivity, the mean Insurance Brokerage Productivity Ratio was \$27,977 per bank employee on an annualized basis.

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Michael White Associates (MWA) is a bankinsurance consulting firm headquartered in Radnor, PA, and at www.BankInsurance.com. The annual *Michael White Bankinsurance Fee Income Report*[™] and *Sorrento Financial - Michael White Bank Wealth Management Report*[™] provide comprehensive analyses of, respectively, bankinsurance brokerage and underwriting income and multi-faceted sources of bank wealth management fee 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.

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