



## Bank Holding Companies' Insurance Agency Fee Income Up 42.5% to Record \$8.4 Billion in 2003

**FOR IMMEDIATE RELEASE** – Radnor, PA, July 12, 2004 – Bank holding companies (BHCs) earned a record \$8.36 billion in insurance agency commissions and fee income in 2003, according to *Michael White's Bank Holding Company Insurance & Investment Fee Income Report™ (BHC-FIR™)* published by Michael White Associates, LLC (MWA). Compiled from data reported by 2,088 top-tier (or regulatory top-holder) BHCs with \$100 million or more in consolidated assets on December 31, 2003, the report measures insurance, investment, and mutual fund and annuity fee income generated in 2003 and compares individual BHC and banking industry performance data and benchmark ratios to those of 2003. Among the new and significant findings in the *2003 Year-End BHC-FIR™* are these:

- BHCs increased their 2003 insurance agency fee income 42.5% from \$5.86 billion in 2002 to a record \$8.36 billion in 2003. Nearly two-thirds of BHCs with \$100 million or more in consolidated assets (1,319 of 2,088 or 63.2% of them) produced insurance revenue.
- BHCs over \$10 billion in assets had the highest participation (81.1%) in insurance activities and produced \$7.61 billion in insurance fee income, 45.4% more than the \$5.23 billion they produced in 2002. These large BHCs accounted for 91.0% of all BHC insurance fee income earned in 2003, which constituted a 177 basis-point increase from their 2002 BHC-market share.
- In 2003, the top ten leaders nationally in insurance agency income were MetLife, Inc. (NY), Citigroup, Inc. (NY), Wells Fargo & Company (CA), BB&T Corporation (NC), Bank One Corporation (IL), Wachovia Corporation (NC), MBNA Corporation (DE), J.P. Morgan Chase & Co. (NY), Greater Bay Bancorp (CA), and FleetBoston Financial Corporation (MA).

### TOP 10 BANK HOLDING COMPANIES IN INSURANCE FEE INCOME - 2003 Nationally

RANK	INSURANCE FEE INCOME JANUARY - DECEMBER		PERCENT CHANGE 2002 - 2003	BANK HOLDING COMPANY		ASSETS	% OF NONINTEREST INCOME
	2003	2002					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$2,798,717	\$2,476,591	13.01%	METLIFE, INC.	NY	\$326,841,959	11.14%
2	\$1,358,000	\$0	N/A	CITIGROUP INC.	NY	\$1,264,032,000	3.67%
3	\$838,000	\$598,000	40.13%	WELLS FARGO & COMPANY	CA	\$387,798,000	6.77%
4	\$371,272	\$302,487	22.74%	BB&T CORPORATION	NC	\$90,466,613	20.83%
5	\$350,000	\$285,000	22.81%	BANK ONE CORPORATION	IL	\$326,563,000	4.15%
6	\$246,000	\$223,000	10.31%	WACHOVIA CORPORATION	NC	\$401,032,000	2.64%
7	\$231,941	\$181,474	27.81%	MBNA CORPORATION	DE	\$59,126,089	2.96%
8	\$165,000	\$57,000	189.47%	J.P. MORGAN CHASE & CO.	NY	\$770,912,000	0.85%
9	\$116,704	\$88,500	31.87%	GREATER BAY BANCORP	CA	\$7,657,105	71.19%
10	\$114,000	\$94,000	21.28%	FLEETBOSTON FINANCIAL CORP.	MA	\$200,356,000	2.23%

SOURCE: MICHAEL WHITE'S BANK HOLDING COMPANY INSURANCE & INVESTMENT FEE INCOME REPORT - 2003 YEAR-END

- BHCs under \$10 billion in assets earned \$752.4 million or 9.0% of all BHC insurance income. BHCs with assets between \$500 million and \$1 billion achieved a 35.5% rate of growth in insurance fee income,

rising to \$118.6 million in 2003. In comparison, BHCs with assets between \$100 and \$500 million generated \$142.2 million, 17.9% more insurance income than their \$120.6 million in 2002.

- BHCs under \$1 billion in assets accounted for 3.1% or \$260.8 million of insurance income. The top five leaders in insurance agency fee income among BHCs under \$1 billion in assets were BNCCorp, Inc. (ND), Sunflower Banks, Inc. (KS), Leesport Financial Corp. (PA), Shore Bancshares, Inc. (MD), and Texas Independent Bancshares, Inc. (TX).
- The Northeast region was first in BHC insurance fee income with \$4.74 billion, or 56.8% of total BHC insurance income in 2003. Its market share rose by one-sixth from 48.9% in 2002. The West region ranked second with \$1.12 billion in insurance fee income, up 35.7% from \$826.4 million in 2002. The Southeast region was a narrow third in 2003 with \$1.11 billion, up 22.7% from \$901.7 million in 2002.

### **About Michael White's Bank Holding Company Insurance & Investment Fee Income Report™**

*Michael White's Bank Holding Company Insurance and Investment Fee Income Report™ (BHC-FIR™)* provides comprehensive, national, standardized data and performance ratios that measure and compare insurance and investment fee income programs among bank holding companies (BHCs). The *BHC-FIR* and its companion report on banks are published annually and cover the calendar years ending December 31.

The 2003 *BHC-FIR* is compiled from data reported by 2,088 top-tier or regulatory top-holder BHCs with \$100 million or more in consolidated assets on December 31, 2003. The report identifies performances and trends among insurance, investment, and mutual fund and annuity fee income by comparing various performance measurements and benchmark ratios for 2003 to those of 2002. The 150-page *BHC-FIR* contains some 40 pages of narrative analyses and 160 illustrative tables and graphs showing national, regional and asset-class performance in bank insurance and investment fee income.

The report ranks the nation's top 100 BHCs in insurance, investment, and mutual fund and annuity fee income and the top 50 BHCs for each of eight asset-size classes and six regions. Leaders in ratios of insurance and investment fee income to noninterest income and noninterest fee income are ranked by the top 50 nationally and the top 25 by each asset class. BHCs can compare their performance to other BHCs nationally or to their asset class by using the mean, median and top-quartile results included in the report. Customized year-to-date reports, including those that compare a BHC's insurance or investment program to its competitors or a broader peer-group, may also be ordered.

The price of each annual report purchased separately is \$650. Certain discounts are available. The price for buying both the annual bank and BHC reports is \$1,100, a savings of \$200 or over 15% for single-issue purchases. The reports may be purchased online at [www.BankInsurance.com](http://www.BankInsurance.com) or by check and mail.

### **About Michael White Associates (MWA)**

Michael White Associates, LLC (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and online at [www.BankInsurance.com](http://www.BankInsurance.com).

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#### **For additional information contact:**

Michael White  
Michael White Associates, LLC  
823 King of Prussia Road  
Radnor, PA 19087  
Phone: (610) 254-0440  
Fax: (610) 254-5044  
Email: [MWA@BankInsurance.com](mailto:MWA@BankInsurance.com)