



**MICHAEL WHITE ASSOCIATES  
BANK INSURANCE CONSULTANTS**

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P R E S S R E L E A S E

## **Bank Insurance Fee Income Up A Half Billion Dollars to Record \$3.5 Billion in 2002**

**FOR IMMEDIATE RELEASE** – Radnor, PA, April 22, 2003 – Banks earned a record \$3.49 billion in insurance commissions and fee income in 2002, according to *Michael White's 2002 Year-End Bank Insurance & Investment Fee Income Report™*, published by Michael White Associates, LLC (MWA). Compiled from data reported by all 8,380 commercial and federally insured savings banks, the report measures bank insurance, investment, and mutual fund and annuity fee income generated in 2002 and compares individual bank and banking industry performance data and benchmark ratios to those of 2001. Among the new and significant findings of the *2002 Year-End Bank-FIR™* are these:

- Banks increased their 2002 insurance commissions and fee income by a half-billion dollars or 17.3% from \$2.98 billion in 2001 to a record \$3.49 billion earned in 2002.
- For the first time, more than half the banks in the United States (4,359 of 8,380 or 52.0% of them) engaged in insurance activities that produced insurance revenue.
- Banks over \$10 billion in assets had the highest participation (78.2%) in insurance activities and produced \$2.58 billion in insurance fee income, 45.3% more than the \$1.77 billion they produced in 2001. These large banks accounted for 73.7% of all bank insurance fee income earned in 2002, a 1,400 basis-point increase over their 2001 bank-market share.
- Banks under \$10 billion in assets recorded \$919.0 million or 26.3 percent of all bank insurance fee income, and they earned more insurance than investment fee income. Four of the five bank-asset classes under \$10 billion produced almost as much or more insurance than investment fee income.
- The historical center of bank insurance gravity shifted from the middle of the country to the eastern seaboard. For the first time, the Midwest region lost its first-place rank in insurance fee income, falling to third in 2002. The Northeast region took over first place with \$881.0 million, 25.2% of total bank insurance income in 2002. The Southeast region was a close second with \$864.5 million, a 24.7% share.
- Bank investment fee income declined 0.6% from \$9.16 billion earned in 2001 to \$9.11 billion in 2002. About one-fourth of banks (2,338 of 8,380 or 27.9% of them) earned investment fee income in 2002.
- Banks over \$10 billion in assets had the highest participation (82.8%) in investment fee income activities and recorded \$8.2 billion or 90.0% of total banking industry investment fee income.
- Banks in the Northeast had the highest participation in investment fee income activities (37.1%) and largest amount of investment fee income, \$3.9 billion or a 42.7% share.
- The number of banks with proprietary product-assets under management decreased 16.1% from 211 banks in 2001 to 177 in 2002, and their proprietary mutual fund and/or annuity assets under management dropped \$80 billion or 5.6% from \$1.43 trillion in 2001 to \$1.35 trillion at the end of 2002.

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

*Michael White's Bank Insurance and Investment Fee Income Report™ (Bank-FIR™)* provides comprehensive, national, standardized data and performance ratios that measure and compare bank insurance and investment fee income programs.

The *Bank-FIR* is offered as a series of semi-annual and annual reports for the periods ending June 30 and December 31. Its companion report on bank holding companies, *Michael White's Bank Holding Company Insurance and Investment Fee Income Report™ (BHC-FIR™)*, is published annually and covers the period ending December 31.

The *Year-End 2002 Bank-FIR* is compiled from data reported by all 8,380 commercial banks and federally insured savings banks for 2002. The annual report identifies performances, benchmarks and trends among insurance, investment, and mutual fund and annuity fee income by comparing various performance measurements and benchmark ratios for 2002 to those of 2001. The 140-page *Bank-FIR* contains 40 pages of narrative analyses and 155 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 banks in insurance, investment, and mutual fund and annuity fee income and the top 50 banks 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.

Banks can compare their performance to other banks 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 bank's insurance or investment program to its bank competitors or a broader peer-group, may also be ordered.

The price of the annual reports is \$650, and that of the semi-annual bank report is \$400. The annual subscription price for both semi-annual and year-end bank reports is \$850, a savings of \$200 over single-issue purchases. Certain discounts are available. 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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