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N E W S R E L E A S E

**Banking’s Total Insurance Revenue Down Slightly in 2006;  
Insurance Brokerage Fee Income Up 10.6%**

**FOR IMMEDIATE RELEASE** – Radnor, PA, and Washington, DC, April 10, 2007 – The nation’s bank holding companies (BHCs) experienced a slight decline of 1.3 percent in their total insurance revenue from \$44.1 billion in 2005 to \$43.5 billion in 2006. Citigroup, Inc. (NY), Wells Fargo & Company (CA), Countrywide Financial (CA), HSBC North America Holdings (IL), and BB&T Corporation (NC) led all bank holding companies with significant banking activities in total insurance fee income in 2006, according to findings released today by Michael White Associates (MWA) and the American Bankers Insurance Association (ABIA). The findings are based on data reported to the Federal Reserve Board by top-tier BHCs. The analysis measures the banking industry’s insurance business and provides some benchmarks that gauge bank insurance performance.

“While the industry’s insurance underwriting activities registered a decline of 5.2%, its insurance brokerage fee income continued growing, increasing 10.6 percent in 2006. Among the top 50 in insurance revenue, the mean ratio of insurance revenue to noninterest income was 14.8% in 2006,” said Michael D. White, president of MWA. “So, insurance activities continue to make increasingly meaningful contributions to banking revenues.”

**TABLE 1: TOP BANK HOLDING COMPANIES IN TOTAL INSURANCE INCOME  
AT YEAR-END DECEMBER 31, 2006  
NATIONALLY  
(In thousands of dollars)**

| Rank Year-End 2006 | Rank Year-End 2005 | Total Insurance Income (\$ 000s) | Bank Holding Company Name         | City             | State |
|--------------------|--------------------|----------------------------------|-----------------------------------|------------------|-------|
| 1                  | 1                  | \$3,202,000                      | CITIGROUP INC.                    | NEW YORK         | NY    |
| 2                  | 2                  | \$1,340,000                      | WELLS FARGO & COMPANY             | SAN FRANCISCO    | CA    |
| 3                  | 4                  | \$1,214,100                      | COUNTRYWIDE FINANCIAL CORPORATION | CALABASAS        | CA    |
| 4                  | 3                  | \$1,068,263                      | HSBC NORTH AMERICA HOLDINGS INC.  | PROSPECT HEIGHTS | IL    |
| 5                  | 6                  | \$812,894                        | BB&T CORPORATION                  | WINSTON-SALEM    | NC    |
| 6                  | 5                  | \$801,000                        | JPMORGAN CHASE & CO.              | NEW YORK         | NY    |
| 7                  | 8                  | \$542,233                        | BANK OF AMERICA CORPORATION       | CHARLOTTE        | NC    |
| 8                  | 7                  | \$470,000                        | WACHOVIA CORPORATION              | CHARLOTTE        | NC    |
| 9                  | 11                 | \$168,938                        | NATIONAL CITY CORPORATION         | CLEVELAND        | OH    |
| 10                 | 10                 | \$165,460                        | GREATER BAY BANCORP               | EAST PALO ALTO   | CA    |

Ranking excludes MetLife

Source: Michael White Associates and American Bankers Insurance Association

During 2006, 656 bank holding companies (or 67 percent of all top-level BHCs reporting) earned some type of insurance-related revenue, compared to 1,428 in 2005. (Fewer bank holding companies reported total insurance revenues in 2006 because the Federal Reserve redefined “small” BHCs as those with less than \$500 million, instead of \$150 million, in consolidated assets. This reduced the total number of BHCs that must report

detailed fee income information by 1,317 and the number of BHCs that reported total insurance fee income in 2006 by 791.) "While insurance underwriting income has grown at a compound annual rate of 3.1 percent since 2001, insurance brokerage fee income has been racing upward at a compound yearly average of nearly 20 percent during that same period," said Valerie Barton, ABIA executive director. "Its growth was slowed in 2006 by softening of property-casualty premiums and declines in some agencies' contingent commissions. Insurance brokerage remains healthy, and the prospects for continued growth in bank insurance revenues are very positive."

The analysis includes a ranking of the top 50 bank holding companies on the basis of the absolute dollar amount of total insurance revenue (earnings from sales and underwriting) and on the basis of total insurance revenue as a percentage of the institution's total noninterest income. Other findings include:

- BHCs' insurance brokerage fee income increased 10.6 percent from \$10.98 billion in 2005 to a record \$12.14 billion in 2006, as 656 bank holding companies (or 67 percent of all top-level BHCs reporting) engaged in sales activities that produced insurance brokerage fee income.
- Joining the top 50 in total insurance revenue in 2006 were First Charter Corporation (NC), CoBiz, Inc. (CO), Susquehanna Bancshares, Inc. (PA), Bremer Financial Corporation (MN), and The South Financial Group (SC). Sky Financial Group, Inc. (OH) increased its rank in total insurance income the most, having jumped from 41<sup>st</sup> place at the end of 2005 to 20<sup>th</sup> by year-end 2006. Capital One Financial Corporation (VA) and The South Financial Group (SC) also jumped fairly dramatically, rising 14 spots and landing respectively at ranks of 26<sup>th</sup> and 50<sup>th</sup>.

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The American Bankers Insurance Association (ABIA) is the separately chartered insurance affiliate of the American Bankers Association (ABA) and is the only Washington, D.C.-based full service association for bank insurance interests. The ABIA's mission is to develop policy and provide advocacy for banks in insurance and to support bank insurance operations through research, education, compliance-assistance and peer group networking opportunities. ABIA Membership consists of banks, and their affiliated agencies, insurance companies, marketing, and administrative services suppliers, non-bank lending organizations and other firms involved in the bank affiliated insurance industry. Additional information on the ABIA can be found on the Internet at [www.theabia.com](http://www.theabia.com).

Michael White Associates (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at [www.BankInsurance.com](http://www.BankInsurance.com). Michael White's annual *Bank and Bank Holding Company Insurance & Investment Fee Income Reports*<sup>™</sup> provide a more comprehensive analysis of bank insurance, investment, and mutual fund and annuity fee income. Those reports are sponsored by Symetra Financial. Additionally, the *MWA Fee Income Ratings Reports*<sup>™</sup> 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's reports can be obtained from MWA by calling (610) 254-0440, or by visiting [www.BankInsurance.com](http://www.BankInsurance.com).

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