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N E W S R E L E A S E

Michael White-ABIA Report Record Bank Annuity Fee Income in 2008

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, June 8, 2009 – Income earned from the sale of annuities at bank holding companies (BHCs) rose 29.0% from \$2.02 billion in 2007 to a record \$2.61 billion in 2008, according to the *Michael White-ABIA Bank Annuity Fee Income Report*™.

Compiled by Michael White Associates (MWA) and sponsored by American Bankers Insurance Association (ABIA), the report measures and benchmarks the banking industry’s performance in generating annuity fee income. It is based on data from all 7,495 commercial and FDIC-supervised banks and 880 large top-tier bank holding companies operating on December 31, 2008.

Of the 880 BHCs, 384 or 43.6% participated in annuity sales activities during the year. Their \$2.61 billion in annuity commissions and fees constituted 12.3% of their total mutual fund and annuity income of \$21.26 billion and 18.3% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$14.23 billion. Of the 7,495 banks, 1,037 or 13.8% participated in annuity sales activities. Those participating banks earned \$1.0 billion in annuity commissions or 38.3% of the banking industry’s total annuity fee income.

**TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME
YEAR-END DECEMBER 31, 2008
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2007 - 2008	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2008	2007					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$363,000	\$163,000	122.70%	JPMORGAN CHASE & CO.	NY	\$2,175,052,000	1.36%
2	\$145,893	\$125,531	16.22%	BANK OF AMERICA CORP.	NC	\$1,822,068,028	0.51%
3	\$123,835	\$114,903	7.77%	SUNTRUST BANKS, INC.	GA	\$189,137,961	3.74%
4	\$118,000	\$116,000	1.72%	WELLS FARGO & COMPANY	CA	\$1,309,639,000	0.73%
5	\$109,499	\$3,573	2964.62%	REGIONS FINANCIAL CORP.	AL	\$146,253,935	4.02%
6	\$100,000	\$91,000	9.89%	U.S. BANCORP	MN	\$267,032,000	1.29%
7	\$69,501	\$68,446	1.54%	PNC FINANCIAL SERVICES GROUP PA	PA	\$291,092,876	1.95%
8	\$65,255	\$58,025	12.46%	HSBC NO. AMERICA HOLDINGS	IL	\$434,715,911	1.06%
9	\$59,000	\$106,000	-44.34%	CITIGROUP INC.	NY	\$1,938,470,000	5.93%
10	\$56,420	\$41,263	36.73%	KEYCORP	OH	\$105,231,004	3.02%

Source: *Michael White-ABIA Bank Annuity Fee Income Report*

Seventy-six percent (76%) of BHCs with over \$10 billion in assets earned annuity commissions of \$2.45 billion, constituting 92.9% of total annuity commissions reported. This was an increase of 30.4% from \$1.88 billion in annuity fee income in 2007. Among this asset class of largest BHCs, annuity commissions made up 15.3% of their total mutual fund and annuity income of \$16.06 billion and 18.4% of their total insurance sales volume of \$13.35 billion, the highest proportion of insurance sales volume of any asset class.

BHCs with assets between \$1 billion and \$10 billion recorded an increase of 12.3% in annuity fee income in 2008, growing from \$115.2 million in 2007 to \$129.4 million and accounting for 2.5% of their mutual fund and

annuity income of \$5.13 billion, the lowest proportion of investment sales of any asset class. BHCs with \$500 million to \$1 billion in assets generated \$25.8 million in annuity commissions in 2008. Only 37.7% of BHCs this size engaged in annuity sales activities, which was the lowest participation rate among all BHC asset classes. Among these BHCs, annuity commissions constituted the largest proportion (36.1%) of total mutual fund and annuity income of \$71.5 million and the smallest proportion (15.1%) of total insurance sales volume of \$170.6 million.

JPMorgan Chase & Co. (NY), Bank of America Corporation (NC), and SunTrust Banks, Inc. (GA) led all bank holding companies in annuity commission income in 2008. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (MO), Hancock Holding Company (MS), and NewAlliance Bancshares, Inc. (CT). Among BHCs with assets between \$500 million and \$1 billion, leaders were Codorus Valley Bancorp, Inc. (PA), First Citizens Bancshares, Inc. (TN), and Centre 1 Bancorp, Inc. (WI).

The smallest community banks, those with assets less than \$500 million, were used as “proxies” for the smallest BHCs, which are not required to report annuity fee income. Leaders among bank proxies for small BHCs were Sturgis Bank & Trust Company (MI), The Juniata Valley Bank (PA), and FNB Bank, N.A. (PA).

Among the top 50 BHCs nationally in annuity concentration (i.e., annuity fee income as a percent of noninterest income), the mean Annuity Concentration Ratio was 7.2%. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the mean Annuity Concentration Ratio was 17.0% of noninterest income. Among the top 50 BHC leaders in annuity productivity (i.e., annuity income per BHC employee), the mean Annuity Productivity Ratio was \$2,983 per employee. Among the top 50 small banks in annuity productivity, the mean Annuity Productivity Ratio was \$4,567 per employee.

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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 at www.theabia.com.

Michael White Associates (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at www.BankInsurance.com. The annual *Michael White-ABIA Bank Annuity Fee Income Report* and *Michael White-Prudential Bank Insurance 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.

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