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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 1Q2009

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, July 21, 2009 – Income earned from the sale of annuities at bank holding companies (BHCs) rose 12.4% to a quarterly record of \$734.5 million in first quarter 2009, up from \$653.3 million in first quarter 2008, according to the *Michael White-ABIA Bank Annuity Fee Income Report*[™]. First-quarter annuity commissions were also 12.1% greater than the \$655.2 million earned in fourth quarter 2008.

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 7,447 commercial and FDIC-supervised banks and 940 large top-tier bank holding companies operating on March 31, 2009.

Of the 940 BHCs, 381 or 40.5% participated in annuity sales activities during first quarter 2009. Their \$734.5 million in annuity commissions and fees constituted 15.7% of their total mutual fund and annuity income of \$4.67 billion and 19.5% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$3.76 billion. Of the 7,447 banks, 886 or 11.9% participated in first-quarter annuity sales activities. Those participating banks earned \$255.7 million in annuity commissions or 34.8% of the banking industry’s total annuity fee income. However, bank annuity production was down 2.6% from \$263.5 million in first quarter 2008.

**TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME
YEAR-TO-DATE MARCH 31, 2009
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2008 - 2009	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1Q 2009	1Q 2008					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$177,000	\$28,000	532.14%	WELLS FARGO & COMPANY	CA	\$1,285,891,000	1.80%
2	\$111,002	\$34,588	220.93%	BANK OF AMERICA CORP.	NC	\$2,323,415,453	0.55%
3	\$90,000	\$75,000	20.00%	JPMORGAN CHASE & CO.	NY	\$2,079,188,000	0.79%
4	\$37,000	N/A	N/A	MORGAN STANLEY	NY	\$626,023,000	1.22%
5	\$34,521	\$16,771	105.84%	PNC FINANCIAL SERVICES GROUP PA	PA	\$286,472,490	2.10%
6	\$26,475	\$32,585	-18.75%	SUNTRUST BANKS, INC.	GA	\$179,216,454	2.38%
7	\$25,538	\$6,054	321.84%	REGIONS FINANCIAL CORP.	AL	\$141,950,436	2.56%
8	\$20,000	\$23,000	-13.04%	U.S. BANCORP	MN	\$263,624,000	1.01%
9	\$15,549	\$12,975	19.84%	KEYCORP	OH	\$98,371,305	3.09%
10	\$15,380	\$15,766	-2.45%	HSBC NO. AMERICA HOLDINGS	IL	\$401,824,818	0.26%

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

Seventy-four percent (73.7%) of BHCs with over \$10 billion in assets earned first-quarter annuity commissions of \$697.1 million, constituting 94.9% of total annuity commissions reported. This was an increase of 14.9% from \$606.6 million in annuity fee income in first quarter 2008. Among this asset class of largest BHCs in the first quarter, annuity commissions made up 18.4% of their total mutual fund and annuity income of \$3.79 billion and 19.8% of their total insurance sales volume of \$3.52 billion.

BHCs with assets between \$1 billion and \$10 billion recorded a decrease of 22.6% in annuity fee income, declining from \$39.7 million in first quarter 2008 to \$30.7 million in first quarter 2009 and accounting for 3.5% of their mutual fund and annuity income of \$877.5 million. BHCs with \$500 million to \$1 billion in assets generated \$6.7 million in annuity commissions in first quarter 2009, down 4.2% from \$6.98 million in first quarter 2008. Only 34.6% 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 smallest proportion (14.7%) of total insurance sales volume of \$45.6 million.

Wells Fargo & Company (CA), Bank of America Corporation (NC), and JPMorgan Chase & Co. (NY) led all bank holding companies in annuity commission income in first quarter 2009. 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 Van Diest Investment Company, Codorus Valley Bancorp, Inc. (PA), and First Citizens Bancshares, Inc. (TN). 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 The First National Bank of Elk River (MN), FNB Bank, N.A. (PA), and Vantage Point Bank (PA).

Among the top 50 BHCs nationally in annuity concentration (i.e., annuity fee income as a percent of noninterest income), the median Annuity Concentration Ratio was 6.8% in first quarter 2009. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 14.9% of noninterest income.

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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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