



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS

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N E W S R E L E A S E

Michael White-Prudential Report™ **Bank Insurance Fee Income Reaches Record Despite Tough Times**

FOR IMMEDIATE RELEASE – Radnor, PA, and Newark, NJ, May 25, 2010 – Bank insurance brokerage fee income in 2009 reached a record level despite a difficult economy and soft commercial insurance markets, according to the *Michael White-Prudential Bank Insurance Fee Income Report™*. Bank insurance brokerage income rose 4.6% from \$11.80 billion in 2008 to \$12.34 billion in 2009.

Compiled by Michael White Associates (MWA) since 2001 and sponsored by The Prudential Insurance Company of America’s Individual Life Insurance business, a proud member of the American Bankers Insurance Association (ABIA), this report measures and benchmarks the banking industry’s performance in generating insurance brokerage and underwriting fee income. Results are based on data from all 7,247 commercial and FDIC-supervised savings banks and 916 large top-tier bank holding companies (BHCs) operating on December 31, 2009.

“Last year was a tough one for insurance sales through banks. However, the less traditional financial institutions that joined the BHC ranks in 2009 helped the industry achieve a new revenue record in insurance brokerage,” said Michael White, President of MWA. “It seemed for every BHC whose revenue production was up, another was down. So, we mustn’t simply view the industry’s outcome with rose-colored glasses. That being said, when one excludes institutions that did not engage in significant banking activities, sales revenues from insurance (and annuity) products were least concentrated among the big institutions, meaning more banks and BHCs benefited from selling insurance than benefited from selling securities or engaging in fiduciary or trust activities.”

The largest BHCs, those with assets over \$10 billion, had the highest participation (93.5%) in insurance brokerage activities. They managed a 6.8% increase in insurance brokerage income from \$10.90 billion in 2008 to \$11.63 billion in 2009. BHCs with assets between \$1 billion and \$10 billion experienced a 2.9% decline in insurance brokerage income from \$586.1 million in 2008 to \$569.0 million in 2009.

TOP 10 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME **YEAR-END DECEMBER 31, 2009** **Nationally**

RANK	YTD INSURANCE BROKERAGE INCOME		PERCENT CHANGE 2008 - 2009	BANK HOLDING COMPANY	ST	ASSETS	CONCENTRATION RATIO: % OF NONINTEREST INCOME
	2009	2008					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,725,000	\$1,595,000	8.15%	WELLS FARGO & COMPANY	CA	\$1,243,602,000	4.15%
2	\$1,040,000	\$1,207,000	-13.84%	CITIGROUP INC.	NY	\$1,856,063,000	3.24%
3	\$922,489	\$847,267	8.88%	BB&T CORPORATION	NC	\$165,764,218	26.50%
4	\$463,342	\$432,206	7.20%	BANK OF AMERICA CORP.	NC	\$2,217,711,899	0.74%
5	\$191,000	N/A	N/A	MORGAN STANLEY	NY	\$771,453,000	0.84%
6	\$136,016	N/A	N/A	AMERICAN EXPRESS COMPANY	NY	\$123,053,223	0.71%
7	\$128,796	N/A	N/A	DISCOVER FINANCIAL SERVICES	IL	\$68,570,088	3.14%
8	\$124,000	N/A	N/A	GOLDMAN SACHS GROUP, INC.	NY	\$844,806,000	0.33%
9	\$122,000	N/A	N/A	GMAC INC.	MI	\$172,199,000	1.21%
10	\$110,721	\$113,187	-2.18%	REGIONS FINANCIAL CORP.	AL	\$142,354,415	3.15%

Ranking excludes MetLife, Inc., which does not engage in significant banking activities.

Source: *Michael White-Prudential Bank Insurance Fee Income Report*

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Excluding MetLife, which did not engage in significant banking activities, Wells Fargo & Company (CA), Citigroup, Inc. (NY), BB&T Corporation (NC), and Bank of America Corporation (NC) led all BHCs in insurance brokerage income in 2009. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Eastern Bank Corporation (MA), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI).

Among BHCs with assets between \$500 million and \$1 billion, leaders were 473 Broadway Holding Corporation (NY), Texas Independent Bancshares (TX), First Manitowoc Bancorp, Inc. (WI), and Northeast Bancorp (ME). The smallest community banks with assets less than \$500 million were used as “proxies” for the smallest BHCs, which are not required to report insurance brokerage income. Leaders among bank proxies for small BHCs were Soy Capital Bank and Trust Company (IL), Hoosac Bank (MA), and Industry State Bank (TX).

“This report is a valuable tool that helps us continue to evolve our approach to sales of life insurance by the banking industry. Our product offerings now include an immediate issue single premium universal life insurance policy,” said Joan H. Cleveland, senior vice president, Business Development with Individual Life Insurance, The Prudential Insurance Company of America. “This product, as well as our bank-distributed term insurance product, uses an innovative Internet-based application process that can deliver a policy in real-time.”

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the mean Insurance Brokerage Concentration Ratio was 43.4%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the mean Insurance Brokerage Concentration Ratio was 72.6% of noninterest income. Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the mean Insurance Brokerage Productivity Ratio was \$22,817 per employee. Among the top 50 small banks in insurance brokerage productivity, the adjusted mean Insurance Brokerage Productivity Ratio was \$37,766 per employee. These performance benchmarks were all higher in 2009 than in 2008.

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

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