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N E W S R E L E A S E

Michael White-ABIA Report Bank Annuity Fee Income Down 21% in 1Q2010

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, July 20, 2010 – Income earned from the sale of annuities at bank holding companies (BHCs) fell 20.7% to \$582.6 million in first quarter 2010, down from \$734.5 million in first quarter 2009, according to the *Michael White-ABIA Bank Annuity Fee Income Report*[™]. Reaching their lowest point since fourth quarter 2007, first-quarter annuity commissions were also 6.8% less than the \$624.8 million earned in fourth quarter 2009.

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 7,177 commercial and FDIC-supervised banks and 951 large top-tier bank holding companies operating on March 31, 2010.

Of the 951 BHCs, 379 or 39.9% participated in annuity sales activities during first quarter 2010. Their \$582.6 million in annuity commissions and fees constituted 10.2% of their total mutual fund and annuity income of \$5.70 billion and 14.9% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$3.90 billion. Of the 7,177 banks, 848 or 11.8% participated in first-quarter annuity sales activities. Those participating banks earned \$186.1 million in annuity commissions or 31.9% of the banking industry’s total annuity fee income. Bank annuity production was down 27.2% from \$255.7 million in first quarter 2009.

**TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME
YEAR-TO-DATE MARCH 31, 2010
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2009 - 2010	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1Q 2010	1Q 2009					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$169,000	\$177,000	-4.52%	WELLS FARGO & COMPANY	CA	\$1,223,511,000	1.67%
2	\$82,000	\$37,000	121.62%	MORGAN STANLEY	NY	\$819,710,000	0.95%
3	\$60,000	\$90,000	-33.33%	JPMORGAN CHASE & CO.	NY	\$2,133,547,000	0.45%
4	\$44,458	\$111,002	-59.95%	BANK OF AMERICA CORP.	NC	\$2,333,898,691	0.25%
5	\$24,338	\$25,538	-4.70%	REGIONS FINANCIAL CORP.	AL	\$137,287,286	3.46%
6	\$16,578	\$15,549	6.62%	KEYCORP	OH	\$94,303,414	3.94%
7	\$13,873	\$26,475	-47.60%	SUNTRUST BANKS, INC.	GA	\$171,796,255	1.99%
8	\$12,000	\$20,000	-40.00%	U.S. BANCORP	MN	\$282,428,000	0.62%
9	\$11,084	\$13,345	-16.94%	HUNTINGTON BANCSHARES INC.	OH	\$51,628,186	4.87%
10	\$10,695	\$12,319	-13.18%	BB&T CORPORATION	NC	\$163,700,076	1.50%

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

Seventy-three percent (72.7%) of BHCs with over \$10 billion in assets earned first-quarter annuity commissions of \$547.8 million, constituting 94.0% of total annuity commissions reported. This was a decrease of 21.4% from \$697.1 million in annuity fee income in first quarter 2009. Among this asset class of largest BHCs, annuity commissions made up 12.5% of their total mutual fund and annuity income of \$4.37 billion and 14.9% of their total insurance sales volume of \$3.67 billion in first quarter 2010.

BHCs with assets between \$1 billion and \$10 billion recorded a decrease of 3.2% in annuity fee income, declining from \$30.7 million in first quarter 2009 to \$29.7 million in first quarter 2010 and accounting for 2.2% of their mutual fund and annuity income of \$1.33 billion. BHCs with \$500 million to \$1 billion in assets generated \$5.15 million in annuity commissions in first quarter 2010, down 23.0% from \$6.69 million in first quarter 2009. Only 29.8% 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 (11.6%) of total insurance sales volume of \$44.2 million.

Wells Fargo & Company (CA), Morgan Stanley (NY), JPMorgan Chase & Co. (NY), and Bank of America Corporation (NC) led all bank holding companies in annuity commission income in first quarter 2010. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (MO), Hancock Holding Company (MS), National Penn Bancshares (PA), and First Interstate Bancsystem (MT). Among BHCs with assets between \$500 million and \$1 billion, leaders were First American International Corp. (NY), First Citizens Bancshares, Inc. (TN), Citizens Bancshares (OH), and Ironhorse Financial Group (OK). 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 FNB Bank, N.A. (PA), Baker-Boyer National Bank (WA), The Hardin County Bank (TN), and Republic Bank & Trust (OK) and Sturgis Bank & Trust Company (MI) tied for fifth.

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 2010. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 16.2% 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.

For additional information contact:

Michael White
Michael White Associates, LLC
823 King of Prussia Road
Radnor, PA 19087
Phone: (610) 254-0440
Email: MWA@BankInsurance.com

Valerie Barton
American Bankers Insurance Association
1120 Connecticut Avenue, NW
Washington, DC 20036
Phone: (202) 663-5072
Email: vbarton@aba.com