



N E W S R E L E A S E

## Michael White-ABIA Report Underwriting Decline Pulls BHC Insurance Revenue Under 2009 Record

**FOR IMMEDIATE RELEASE** – Radnor, PA, and Washington, DC, May 16, 2011 – The nation’s bank holding companies (BHCs) experienced a decrease of 5.7 percent in their total insurance revenue from a record \$15.08 billion in 2009 to \$14.21 billion in 2010, when MetLife, a traditional life insurance company, is excluded. Total insurance income consists of both insurance brokerage and insurance underwriting fee income.

Citigroup, Inc. (NY), Wells Fargo & Company (CA) and Bank of America Corporation (NC) led all bank holding companies in total insurance income in 2010, according to findings released today by Michael White Associates (MWA) in conjunction with the American Bankers Insurance Association (ABIA). The findings are based on data reported to the Federal Reserve Board by large top-tier BHCs. The analysis measures the banking industry’s insurance business and provides some benchmarks that gauge bank insurance performance.

“Total insurance revenues include both insurance brokerage and underwriting,” said Valerie Barton, ABIA Executive Director. “On the whole, brokerage managed to grow, albeit somewhat unevenly, at a rate of 6.0 percent in 2010, excluding MetLife. Fortunately, for every institution where insurance brokerage income was down, another was up.” Barton continued, “What hurt the industry in particular in 2010 was a widespread decline in underwriting, as 46 of 68 BHCs engaged in underwriting reported a drop in that income. None the less, overall, the prospects for a resumption of long-term growth in bank insurance revenues seem positive.”

**TABLE 1: TOP BANK HOLDING COMPANIES IN TOTAL INSURANCE INCOME  
AT YEAR-END DECEMBER 31, 2010  
NATIONALLY  
(In thousands of dollars)**

Rank Year-End 2010	Rank Year-End 2009	Total Insurance Income (\$ 000s)	Bank Holding Company Name	City	State
1	1	\$2,683,000	CITIGROUP INC.	NEW YORK	NY
2	3	\$2,126,000	WELLS FARGO & COMPANY	SAN FRANCISCO	CA
3	2	\$2,065,843	BANK OF AMERICA CORPORATION	CHARLOTTE	NC
4	4	\$1,975,000	ALLY FINANCIAL INC.	DETROIT	MI
5	5	\$1,042,662	BB&T CORPORATION	WINSTON-SALEM	NC
6	8	\$499,000	JPMORGAN CHASE & CO.	NEW YORK	NY
7	6	\$487,000	GOLDMAN SACHS GROUP, INC., THE	NEW YORK	NY
8	7	\$452,190	AMERICAN EXPRESS COMPANY	NEW YORK	NY
9	9	\$311,254	HSBC NORTH AMERICA HOLDINGS INC.	NEW YORK	NY
10	10	\$298,000	MORGAN STANLEY	NEW YORK	NY

Ranking excludes MetLife

Source: Michael White Associates and American Bankers Insurance Association

During 2010, 595 bank holding companies (or 65.3 percent of all large top-level BHCs reporting) earned some type of insurance-related revenue. Including MetLife, total BHC insurance revenue increased 1.1 percent from \$47.24 billion in 2009 to \$47.74 billion in 2010. Excluding MetLife, total BHC insurance income was \$14.21 billion in 2010, down 5.7 percent from \$15.08 billion in 2009.

“Bank revenues from insurance activities made another decent showing in 2010, despite continued rough spots in the economy and a seemingly unending soft property-casualty market. Among the top 50 in insurance revenue, the mean ratio of the concentration of total insurance revenue to noninterest income was 17.2 percent in 2010. Among the top 50 in this Concentration Ratio, the mean was 42.5 percent,” said Michael D. White, President of MWA.

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 the concentration of total insurance revenue as a percentage of each institution’s total noninterest income. Other findings include:

- Joining the top 50 in total insurance revenue in 2010 were RBC USA Holdco Corporation (NY), First Niagara Financial Group (NY), Two Rivers Financial Group (IA), Doral Financial Corporation (PR), and Valley National Bancorp (NJ). RBC USA Holdco became the new top-tier U.S. bank holding company in the Royal Bank of Canada (RBC) organization in 2010, replacing RBC’s previous U.S. high-holder, as the bank reorganized the ownership-structure of its U.S.-based holdings, including insurance. First Niagara was formerly a thrift and consequently did not report insurance income as a line item in its call reports to the Office of Thrift Supervision (OTS). Two Rivers Financial was previously a small bank holding company and, thus, exempt from reporting line item fee income like insurance.
- Among the top 50 nationally and those BHCs reporting data in 2009 as well as 2010, RBC USA Holdco (NY) increased its predecessor’s rank in total insurance income the most, having jumped from 243<sup>rd</sup> place at the end of 2009 to 11<sup>th</sup> by year-end 2010. We believe this rise in total insurance income is due to a reorganization of RBC entities that were not previously part of a top-tier U.S. BHC. Doral Financial (PR) jumped 10 rungs of the ladder from 53<sup>rd</sup> to 43<sup>rd</sup> place, Stifel Financial ascended 6 spots from 34<sup>th</sup> to 28<sup>th</sup> ranking, and Valley National Bancorp (NJ) climbed 5 rungs from 54<sup>th</sup> to 49<sup>th</sup> place in the rankings.

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The American Bankers Insurance Association (ABIA) is the separately chartered insurance subsidiary 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](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). The *Michael White-ABIA Bank Annuity Fee Income Report* and *Michael White-Prudential Bank Insurance Fee Income Report*<sup>™</sup> provide, respectively, comprehensive analyses of bank annuity commissions and insurance brokerage and underwriting fee income. The ABIA sponsors the former report, and Prudential Financial the latter. 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 reports can be ordered by calling (610) 254-0440, or by visiting [www.BankInsurance.com](http://www.BankInsurance.com).

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**For additional information contact:**

Michael White  
Michael White Associates, LLC  
823 King of Prussia Road  
Radnor, PA 19087

Phone: (610) 254-0440  
Fax: (610) 254-5044  
Email: MWA@BankInsurance.com

Valerie Barton  
American Bankers Insurance Association  
1120 Connecticut Avenue, NW  
Washington, DC 20036

Phone: (202) 663-5072  
Fax: (202) 828-4546  
Email: vbarton@aba.com