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BANK INSURANCE CONSULTANTS

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**Michael White-Prudential Report™**

**Bank Insurance Brokerage Income Hits Record for Second Straight Quarter**

**FOR IMMEDIATE RELEASE** – Radnor, PA, August 8, 2011 – Marking the highest quarterly results achieved, first-quarter bank holding company (BHC) insurance brokerage income of \$3.98 billion was up 19.8% from \$3.32 billion in first quarter 2010, according to the *Michael White-Prudential Bank Fee Income Report™*. The last two quarters have registered the highest quarterly watermarks ever recorded in BHC insurance brokerage fee income, and first quarter was 10.6% greater than fourth quarter 2010. Thus far in 2011, 58.9% of large top-tier BHCs engaged in insurance brokerage activities.

Compiled by Michael White Associates (MWA) since 2001 and sponsored by Prudential’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 6,850 commercial banks and FDIC-supervised savings banks and 942 large top-tier bank holding companies operating on March 31, 2011.

**TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME  
YEAR-TO-DATE MARCH 31, 2011  
Nationally**

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1Q2011	1Q2010					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$552,000	\$247,000	123.48%	CITIGROUP INC.	NY	\$1,947,314,000	6.40%
2	\$455,000	\$531,000	-14.31%	WELLS FARGO & COMPANY	CA	\$1,244,550,000	4.72%
3	\$222,356	\$225,121	-1.23%	BB&T CORPORATION	NC	\$157,036,797	36.37%
4	\$118,335	\$140,339	-15.68%	BANK OF AMERICA CORPORATION	NC	\$2,269,872,425	0.85%
5	\$84,000	\$68,000	23.53%	MORGAN STANLEY	NY	\$836,185,000	1.11%
6	\$54,000	\$42,509	27.03%	AMERICAN EXPRESS COMPANY	NY	\$142,773,000	1.01%
7	\$36,173	\$33,660	7.47%	DISCOVER FINANCIAL SERVICES	IL	\$64,694,631	8.13%
8	\$36,000	\$19,000	89.47%	GOLDMAN SACHS GROUP, INC.	NY	\$931,631,000	0.34%
9	\$29,033	\$27,772	4.54%	REGIONS FINANCIAL CORP.	AL	\$131,798,824	3.97%
10	\$25,000	\$33,000	-24.24%	ALLY FINANCIAL INC.	MI	\$173,702,000	1.45%
11	\$22,660	\$21,781	4.04%	BANCORPSOUTH, INC.	MS	\$13,553,661	36.50%
12	\$18,524	\$17,521	5.72%	EASTERN BANK CORPORATION	MA	\$7,499,469	46.54%

Ranking excludes MetLife, Inc., which does not engage in significant banking activities.  
Source: *Michael White-Prudential Bank Insurance Fee Income Report*  
Prudential is a proud Platinum member of the American Bankers Insurance Association (ABIA)

“In first quarter 2011, the number of BHCs that grew or maintained their insurance brokerage revenues largely equaled those that didn’t. We examined 156 BHCs with at least \$1 million in annualized insurance brokerage income. While two BHCs had no growth, 74 BHCs showed positive growth in their insurance

brokerage income, while 80 experienced declines. Twenty-seven (27) had increases under 10%, and 42 had declines of less than 10%,” said Michael White, President of MWA. “Forty-seven (47) achieved revenue increases over 10%, and 38 BHCs endured decreases greater than 10%. Across the country, insurance agencies and brokerages continue to be hampered by a difficult economy, seven years of soft commercial insurance markets, and capital restraint on the part of many potential buyers, thereby inhibiting acquisition.”

Excluding MetLife, a traditional life insurer, Citigroup Inc. (NY) topped the leader board in first quarter 2011 with insurance brokerage earnings of \$552.0 million. Wells Fargo & Company (CA) ranked second nationally with \$455.0 million in insurance brokerage fee income. BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$222.4 million in insurance brokerage revenue in first quarter 2011.

Bank holding companies over \$10 billion in assets continued to have the highest participation (89.2%) in insurance brokerage activities. These BHCs produced \$3.78 billion in insurance fee income in first quarter 2011, 21.0% more than the \$3.13 billion they produced in first quarter 2010. These large bank holding companies accounted for 95.0% of all BHC insurance brokerage fee income earned in first quarter 2011.

“Our internet-based simplified issue products continue to enable the banks to grow their life insurance brokerage income and provide an opportunity to increase the non-fee revenue to the bank,” said Joan H. Cleveland, senior vice president, Business Development with Individual Life Insurance, The Prudential Insurance Company of America. “We are seeing our term product positioned as a protection tool for the mass-middle market customer and our single premium UL product enabling bank customers to create a legacy; both very positive attributes for consumers from our perspective.”

Among BHCs with between \$1 billion and \$10 billion in assets, leaders in insurance brokerage income in first quarter 2011 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Johnson Financial Group, Inc. (WI), and Trustmark Corporation (MS). BHCs of this size registered a 3.7% increase in insurance brokerage income to \$163.5 million in first quarter 2011, up from \$157.7 million in first quarter 2010.

Among BHCs with assets between \$500 million and \$1 billion, leaders were Two Rivers Financial Group (IA), 473 Broadway Holding Corporation (NY), Evans Bancorp (NY), Texas Independent Bancshares (TX), and Northeast Bancorp (ME). BHCs of this size registered an 11.7% decline in insurance brokerage income to \$34.5 million, down from \$39.0 million in first quarter 2010.

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 insurance brokerage income. Leaders among bank proxies for small BHCs were Soy Capital Bank and Trust Company (IL), Industry State Bank (TX), Hoosac Bank (MA), First State Bank (IA), and Stoneham Savings Bank (MA). These small banks, representing small BHCs, also registered a decline in insurance brokerage income, albeit a smaller 3.4%, from \$39.6 million in first quarter 2010 to \$38.2 million in first quarter 2011.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the median Insurance Brokerage Concentration Ratio was 36.7%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the median Insurance Brokerage Concentration Ratio was 64.4% of noninterest income.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the median Insurance Brokerage Productivity Ratio was \$4,957 per employee (or an annualized Productivity Ratio of \$19,828). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$5,168 per employee (or an annualized Productivity Ratio of \$20,670).

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**Michael White Associates** (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at [www.BankInsurance.com](http://www.BankInsurance.com). The annual *Michael White-Prudential Bank Insurance Fee Income Report*<sup>™</sup> and *Michael White-ABIA Bank Annuity Fee Income Report*<sup>™</sup> provide, respectively, comprehensive analyses of bank insurance brokerage and bank annuity commission income. 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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