

N E W S R E L E A S E

Michael White-ABIA Report Bank Annuity Fee Income Hits Record Level for First Half and Second Quarter

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, October 13, 2011 – Income earned from the sale of annuities at bank holding companies (BHCs) in the first half of 2011 hit a record \$1.53 billion, up 25.0% over \$1.22 billion earned in first half 2010. Second-quarter 2011 annuity commissions also reached record heights in rising to \$781.4 million, up 21.9% from \$640.9 million earned in second quarter 2010 and up 4.4% from \$748.2 million in first quarter 2011, according to the *Michael White-ABIA Bank Annuity Fee Income Report*[™].

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 6,805 commercial and FDIC-supervised banks and 934 large top-tier bank holding companies operating on June 30, 2011.

Of the 934 BHCs, 383 or 41.0% participated in annuity sales activities during first half 2011. Their \$1.53 billion in annuity commissions and fees constituted 12.0% of their total mutual fund and annuity income of \$12.77 billion and 16.3% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$9.39 billion. Of the 6,805 banks, 887 or 13.0% participated in first-half annuity sales activities. Those participating banks earned \$401.1 million in annuity commissions or 26.2% of the banking industry's total annuity fee income; their annuity income production was up 6.9% from \$375.0 million in first half 2010.

TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME YEAR-TO-DATE JUNE 30, 2011 Nationally

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2Q 2011	2Q 2010					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$415,000	\$347,000	19.60%	WELLS FARGO & COMPANY	CA	\$1,259,622,000	2.15%
2	\$214,000	\$160,000	33.75%	MORGAN STANLEY	NY	\$830,747,000	1.26%
3	\$163,000	\$121,000	34.71%	JPMORGAN CHASE & CO.	NY	\$2,244,903,000	0.59%
4	\$124,440	\$79,113	57.29%	BANK OF AMERICA CORP.	NC	\$2,258,000,455	0.88%
5	\$59,093	\$52,360	12.86%	REGIONS FINANCIAL CORP.	AL	\$130,907,840	4.28%
6	\$40,380	\$28,372	42.32%	SUNTRUST BANKS, INC.	GA	\$172,236,691	2.43%
7	\$38,814	N/A	N/A	RBC USA HOLDCO CORPORATION	NY	\$84,857,923	3.28%
8	\$38,318	\$37,400	2.45%	PNC FINANCIAL SERVICES GROUP	PA	\$263,259,894	1.34%
9	\$36,140	\$24,045	50.30%	BBVA USA BANCHSARES, INC.	TX	\$62,686,049	9.06%
10	\$34,000	\$28,000	21.43%	U.S. BANCORP	MN	\$320,874,000	0.82%

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

Three-fourths (74.7%) of BHCs with over \$10 billion in assets earned first-half annuity commissions of \$1.46 billion, constituting 95.2% of total annuity commissions reported by the banking industry. This revenue represented an increase of 26.6% from \$1.15 billion in annuity fee income in first half 2010. Among this asset

class of largest BHCs in the first half, annuity commissions made up 11.6% of their total mutual fund and annuity income of \$12.56 billion and 16.3% of their total insurance sales volume of \$8.94 billion.

BHCs with assets between \$1 billion and \$10 billion recorded a decrease of 1.1% in annuity fee income, falling from \$62.5 million in first half 2010 to \$61.8 million in first half 2011 and accounting for 30.1% of their mutual fund and annuity income of \$205.4 million. BHCs with \$500 million to \$1 billion in assets generated \$12.3 million in annuity commissions in first half 2011, up 12.4% from \$11.0 million in first half 2010. Only 31.8% 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 (15.3%) of total insurance sales volume of \$80.4 million.

Wells Fargo & Company (CA), Morgan Stanley (NY), and JPMorgan Chase & Co. (NY) led all bank holding companies in annuity commission income in first half 2011. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (MO), National Penn Bancshares, Inc. (PA), and Old National Bancorp (IN). Among BHCs with assets between \$500 million and \$1 billion, leaders were Northeast Bancorp (ME), First Citizens Bancshares, Inc. (TN), and Van Diest Investment Company (IA). 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 Jacksonville Savings Bank (IL), Vantage Point Bank (PA), and Iowa State Bank (IA).

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 7.6% in first half 2011. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 15.9% of noninterest income.

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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.

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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