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N E W S R E L E A S E

Michael White-Prudential Report Bank Insurance Brokerage Up to Record Highs in Second Quarter and First Half 2011

FOR IMMEDIATE RELEASE – Radnor, PA, November 7, 2011 – Bank holding companies (BHCs) set new records in insurance brokerage fee income in the second quarter and year-to-date (YTD) in the first half of 2011, according to the *Michael White-Prudential Bank Fee Income Report*[™]. BHC insurance brokerage income of \$3.88 billion in second quarter 2011 was up 9.1% from \$3.55 billion in second quarter 2010. First-half income of \$7.86 billion was up 14.3% from \$6.88 billion in first half 2010. Thus far in 2011, 62.4% of large top-tier BHCs engaged in insurance brokerage activities.

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

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-TO-DATE JUNE 30, 2011 Nationally

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2Q2011	2Q2010					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,119,000	\$771,000	45.14%	CITIGROUP INC.	NY	\$1,956,103,000	6.65%
2	\$923,000	\$1,005,000	-8.16%	WELLS FARGO & COMPANY	CA	\$1,259,622,000	4.79%
3	\$492,660	\$484,042	1.78%	BB&T CORPORATION	NC	\$159,307,350	38.08%
4	\$171,000	\$136,000	25.74%	MORGAN STANLEY	NY	\$830,747,000	1.00%
5	\$107,000	\$93,555	14.37%	AMERICAN EXPRESS COMPANY	NY	\$146,541,000	0.95%
6	\$71,281	\$67,966	4.88%	DISCOVER FINANCIAL SERVICES	IL	\$64,304,907	7.64%
7	\$68,000	\$70,000	-2.86%	GOLDMAN SACHS GROUP, THE	NY	\$935,544,000	0.41%
8	\$55,485	\$54,713	1.41%	REGIONS FINANCIAL CORP.	AL	\$130,907,840	4.02%
9	\$50,000	\$58,000	-13.79%	ALLY FINANCIAL INC.	MI	\$178,889,000	1.44%
10	\$45,715	\$43,555	4.96%	BANCORPSOUTH, INC.	MS	\$13,373,373	36.80%
11	\$34,000	\$53,000	-35.85%	JPMORGAN CHASE & CO.	NY	\$2,244,903,000	0.12%
12	\$33,138	\$35,805	-7.45%	HUNTINGTON BANCSHARES INC.	OH	\$52,699,501	6.91%

Ranking excludes MetLife, Inc., which is a traditional life insurer.
Source: *Michael White-Prudential Bank Holding Company Fee Income Report*
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“In first half 2011, the number of BHCs that grew or maintained their insurance brokerage revenues largely equaled those that didn’t. We examined 154 BHCs with at least \$1 million in annualized insurance brokerage income. While three BHCs had no growth, 74 BHCs showed positive growth in their insurance brokerage

income, while 77 experienced declines. Thirty-six (36) had increases under 10%, and 40 had declines of less than 10%,” said Michael White, President of MWA. “Thirty-eight (38) achieved revenue increases over 10%, and 37 BHCs endured decreases greater than 10%. Across the country, insurance agencies and brokerages continue to be hampered by a difficult economy, soft insurance markets, and capital restraint on the part of many potential buyers, thereby inhibiting acquisition.”

Among companies with significant banking activities as of June 30, 2011, Citigroup Inc. (NY) topped the leader board with insurance brokerage earnings of \$1.12 Billion. Wells Fargo & Company (CA) ranked second nationally with \$923.0 million; and BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$492.7 million in insurance brokerage revenue in first half 2011. (Not shown in the accompanying list of companies is MetLife, Inc., a traditional life insurer.)

Five of the top ten producers of insurance brokerage were BHCs chartered during the financial crisis: Morgan Stanley (NY), American Express (NY), The Goldman Sachs Group (NY), Discover Financial (IL) and Ally Financial (MI), the former GMAC Inc. But, these recently minted BHCs contributed only \$41.76 million or 4.3% of the industry’s \$980.99 million or 14.3% increase in insurance brokerage income in first half 2011.

Bank holding companies over \$10 billion in assets continued to have the highest participation (89.3%) in insurance brokerage activities. These BHCs produced \$7.49 billion in insurance fee income in the first half of 2011, 15.2% more than the \$6.50 billion they produced in first half 2010. These large bank holding companies accounted for 95.3% of all BHC insurance brokerage fee income earned in first half 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. “These products were designed with the consumer in mind and allow banks to easily work with their customers to help meet their protection needs or create a legacy.”

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in the first half 2011 included Eastern Bank Corporation (MA), Stifel Financial (MO), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI). BHCs of this size registered a 0.2% decrease in insurance brokerage income to \$301.42 million in first half 2011, down from \$302.05 million in first half 2010.

Among BHCs with assets between \$500 million and \$1 billion, leaders were Two Rivers Financial Group (IA), 473 Broadway Holding Corporation (NY), Texas Independent Bancshares (TX), Evans Bancorp (NY), and Northeast Bancorp (ME). These BHCs experienced a decline of 7.8% year-over-year in their insurance brokerage income. Northeast Bancorp recently announced that it is selling its insurance agencies.

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), Industry State Bank (TX), First State Bank (IA), and Deutsche Bank Trust Company (DE). These small banks, representing small BHCs, also registered a decline of 4.7% in insurance brokerage income, dropping from \$84.7 million in first half 2010 to \$80.8 million in first half 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 36.3%. 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 69.4% 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 \$9,351 per employee (or an annualized Productivity Ratio of \$18,702). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$13,550 per employee (or an annualized Productivity Ratio of \$27,100).

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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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