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P R E S S R E L E A S E

Michael White-Prudential Report Bank Insurance Brokerage Registers Record 3 Quarters

FOR IMMEDIATE RELEASE – Radnor, PA, February 7, 2012 – Over the first three quarters of 2011, bank holding companies (BHCs) tallied a record \$5.89 billion in insurance brokerage fee income, up 14.4% from \$5.14 billion for the same period in 2010, according to the *Michael White-Prudential Bank Fee Income Report*[™]. Thus far in 2011, 64.6% of large top-tier BHCs engaged in insurance brokerage activities.

Third-quarter bank holding company (BHC) insurance brokerage income was up 56.9% to \$2.01 billion compared to \$1.28 billion in third quarter 2010 depressed by U.S. BHC insurance losses overseas. This third-quarter revenue hit this quarter's highest level ever, and it ranked as the third largest quarterly amount of insurance brokerage revenue in history. Thus far in 2011, 64.6% of large top-tier BHCs engaged in insurance brokerage activities. These findings exclude MetLife, Inc., which intends to undo its status as a bank holding company (BHC).

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

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q2011	3Q2010					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,656,000	\$1,321,000	25.36%	CITIGROUP INC.	NY	\$1,935,482,000	6.65%
2	\$1,263,000	\$1,340,000	-5.75%	WELLS FARGO & COMPANY	CA	\$1,304,832,000	4.53%
3	\$706,851	\$712,834	-0.84%	BB&T CORPORATION	NC	\$167,674,851	37.85%
4	\$274,867	(\$215,794)	N/A	BANK OF AMERICA CORPORATION	NC	\$2,215,005,733	0.99%
5	\$256,000	\$211,000	21.33%	MORGAN STANLEY	NY	\$794,939,000	0.96%
6	\$158,000	\$148,473	6.42%	AMERICAN EXPRESS COMPANY	NY	\$147,456,000	0.92%
7	\$105,852	\$103,209	2.56%	DISCOVER FINANCIAL SERVICES	IL	\$68,124,551	7.47%
8	\$102,000	\$102,000	0.00%	GOLDMAN SACHS GROUP, INC.	NY	\$948,067,000	0.55%
9	\$83,316	\$81,162	2.65%	REGIONS FINANCIAL CORP.	AL	\$129,761,507	3.99%
10	\$75,000	\$84,000	-10.71%	ALLY FINANCIAL INC.	MI	\$181,956,000	1.65%
11	\$67,832	\$64,489	5.18%	BANCORPSOUTH, INC.	MS	\$13,209,781	37.96%
12	\$49,641	\$36,899	34.53%	FIRST NIAGARA FINANCIAL GROUP	NY	\$31,226,107	29.42%

Source: *Michael White-Prudential Bank Holding Company Fee Income Report*

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Compiled by Michael White Associates (MWA) 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 6,740 commercial and FDIC-supervised savings banks and 927 large top-tier bank holding companies operating on September 30, 2011. Bank holding company insurance brokerage fee income consists of commissions and fees earned by a bank holding

company or its subsidiary from insurance product sales and referrals of credit, life, health, property, casualty, and title insurance.

“In the first three quarters 2011, the number of BHCs that grew or maintained their insurance brokerage revenues increased in a meaningful way. We examined 155 BHCs with at least \$1 million in annualized insurance brokerage income. While four BHCs had no growth, 80 BHCs showed positive growth in their insurance brokerage income through the third quarter, up 8.1% from 74 BHCs with positive growth at the end of the second quarter. BHCs with declines in their insurance brokerage income numbered 71 year-to-date, down 7.8% from 77 at the end of the second quarter,” said Michael White, President of MWA. “The number of big losers, i.e., those BHCs with declines in insurance brokerage greater than 10%, fell dramatically by 29.7% from 37 at the end of second quarter to 26 at the end of third quarter. These changes signal improvement among BHC agencies, and offer hope that the economy is finally beginning to improve a bit and the property-casualty insurance markets are starting to harden.”

As of September 30, 2011, Citigroup Inc. (NY) topped the leader board with insurance brokerage earnings of \$1.66 billion. Wells Fargo & Company (CA) ranked second nationally with \$1.26 billion; and BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$706.9 million in insurance brokerage revenue over three quarters.

Bank holding companies over \$10 billion in assets continued to have the highest participation (89.0%) in insurance brokerage activities. These BHCs produced \$5.33 billion in insurance fee income in the first three quarters of 2011, up 16.2% from the \$4.59 billion they produced YTD in 2010. These large bank holding companies accounted for 90.6% of all BHC insurance brokerage fee income earned thus far in 2011.

At a time when other bank revenues are down, particularly service charges on deposit accounts as a result of regulation, insurance brokerage stands out as a natural business for banks. Bank insurance income is proving to be a nice addition to the income statement. “We continue to work with our bank distributors to increase life insurance sales with their customers,” said Joan H. Cleveland, senior vice president, Business Development with Prudential’s Individual Life Insurance business. “The ease and speed with which a customer can acquire one of our life insurance products has been a real asset to the banks – building both customer loyalty for them through cross sells as well as driving up their fee income.”

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in the first three quarters of 2011 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI). BHCs of this size registered a 2.3% increase in insurance brokerage income to \$455.9 million in three quarters of 2011, UP from \$445.5 million for the same period in 2010.

Among BHCs with assets between \$500 million and \$1 billion, leaders were Two Rivers Financial Group, Inc. (IA), 473 Broadway Holding Corporation (NY), Texas Independent Bancshares (TX), Evans Bancorp, Inc. (NY) and American Bancor, Ltd. (ND). These BHCs experienced a 9.4% decline year-over-year in their insurance brokerage income.

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 Stoneham Savings Bank (MA). These small banks, representing small BHCs, also registered a decline of 1.7% in insurance brokerage income, dropping from \$129.4 million in YTD 2010 to \$127.2 million in YTD 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 36.8%. 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 74.0% 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 \$14,288 per employee (or an annualized Productivity Ratio of \$19,045). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$22,411 per employee (or an annualized Productivity Ratio of \$29,873).

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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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