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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 in 2011

FOR IMMEDIATE RELEASE – Radnor, PA, May 1, 2012 – Bank holding companies (BHCs) tallied a record \$7.70 billion in insurance brokerage fee income in 2011, up 9.1% from \$7.05 billion for the same period in 2010, according to the *Michael White-Prudential Bank Fee Income Report*[™]. Of 929 large top-tier BHCs, 606 or 65.2% engaged in insurance brokerage activities in 2011.

Fourth-quarter bank holding company (BHC) insurance brokerage income was down 5.3% to \$1.81 billion compared to \$1.91 billion in fourth quarter 2010 and down from the prior quarter, that is, third quarter 2011 by 9.7% from \$2.01 billion. Still, fourth-quarter 2011 revenue was the second highest amount of any fourth quarter, though it ranked as the lowest quarterly amount of insurance brokerage revenue in 2011. These findings exclude MetLife, Inc., which intends to undo its status as a bank holding company (BHC) in 2012.

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-END DECEMBER 31, 2011

Nationally

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2010 - 2011	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2011	2010					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$2,141,000	\$1,862,000	14.98%	CITIGROUP INC.	NY	\$1,873,458,000	7.09%
2	\$1,617,000	\$1,780,000	-9.16%	WELLS FARGO & COMPANY	CA	\$1,313,767,000	4.32%
3	\$936,072	\$933,349	0.29%	BB&T CORPORATION	NC	\$174,577,256	39.14%
4	\$378,954	(\$140,891)	N/A	BANK OF AMERICA CORPORATION	NC	\$2,130,078,554	1.01%
5	\$344,000	\$298,000	15.44%	MORGAN STANLEY	NY	\$749,898,000	1.08%
6	\$210,000	\$196,899	6.65%	AMERICAN EXPRESS COMPANY	NY	\$152,054,000	0.91%
7	\$139,489	\$139,131	0.26%	DISCOVER FINANCIAL SERVICES	IL	\$69,483,014	7.26%
8	\$132,000	\$131,000	0.76%	GOLDMAN SACHS GROUP, INC.	NY	\$922,678,000	0.56%
9	\$105,216	\$107,920	-2.51%	REGIONS FINANCIAL CORP.	AL	\$127,049,907	5.72%
10	\$92,000	\$110,000	-16.36%	ALLY FINANCIAL INC.	MI	\$184,059,000	1.61%
11	\$87,351	\$82,602	5.75%	BANCORPSOUTH, INC.	MS	\$13,001,167	37.41%
12	\$66,709	\$74,057	-9.92%	HUNTINGTON BANCSHARES INC.	OH	\$54,050,876	7.00%

Ranking excludes MetLife, Inc., a traditional life insurance company.
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 6,679 commercial and FDIC-supervised savings banks and 930 large top-tier bank holding companies operating on December 31, 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 2011, we saw real progress in the number of BHCs committed to insurance brokerage that expanded their insurance revenues. We examined 156 BHCs in first quarter with at least \$1 million in annualized insurance brokerage income and 159 BHCs at year-end that attained \$1 million or more. At year’s end, 93 of these BHCs showed positive growth in their insurance brokerage income, up 25.7% from 74 BHCs with positive growth at the end of the first quarter. BHCs with declines in their 2011 insurance brokerage income numbered 66 year-to-date, down 17.5% from 80 at the end of the first 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 by 28.9% from 38 at the end of first quarter to 27 at the end of the year. These changes signal improvement among BHC agencies, especially in the property-casualty insurance markets.”

As of December 31, 2011, Citigroup Inc. (NY) topped the leader board with insurance brokerage earnings of \$2.14 billion. Wells Fargo & Company (CA) ranked second nationally with \$1.62 billion; and BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$936.1 million in insurance brokerage revenue.

Bank holding companies over \$10 billion in assets continued to have the highest participation (88.9%) in insurance brokerage activities. These BHCs produced \$6.96 billion in insurance fee income in 2011, up 10.1% from the \$6.32 billion they produced in 2010. These large bank holding companies accounted for 94.8% of all BHC insurance brokerage fee income earned 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. “Life insurance sales through banks not only increase the protection of their customers’ families and businesses,” said Joan H. Cleveland, senior vice president, Business Development with The Prudential Insurance Company of America’s Individual Life Insurance business. “But, it also protects the banks’ revenues by offsetting declines in service charges on deposit accounts. We provide ease and speed with which a customer can acquire one of our life insurance products, and that’s 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 2011 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI). Participating in insurance brokerage at a rate of 68.5%, BHCs of this size registered a 3.4% increase in insurance brokerage income to \$606.6 million in 2011, up from \$586.6 million 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, Inc. (TX), Evans Bancorp, Inc. (NY), and American Bancor, Ltd. (ND). As a group, BHCs of this size experienced a 9.7% 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), First State Bank (IA), Industry State Bank (TX), and Deutsche Bank Trust Company (DE). These small banks, representing small BHCs, also registered a decline of 8.4% in insurance brokerage income, dropping from \$180.8 million in 2010 to \$165.5 million in 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 38.0%. 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 76.0% 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 \$18,736 per employee. Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$30,127 per employee.

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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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