



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS

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

Michael White-Prudential Report Bank Insurance Brokerage Declines 7.1% in First 3 Quarters

FOR IMMEDIATE RELEASE – Radnor, PA, February 26, 2013 – Over the first three quarters of 2012, bank holding companies (BHCs) tallied \$5.47 billion in insurance brokerage fee income, down 7.1% from \$5.89 billion for the same period in 2011, according to the *Michael White-Prudential Bank Fee Income Report*[™]. BHC 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.

Third-quarter bank holding company (BHC) insurance brokerage income was down 21.3% to \$1.58 billion compared to \$2.01 billion in third quarter 2011 depressed by U.S. BHC insurance losses overseas. This third-quarter revenue hit this quarter's third lowest level in the last nine years. Thus far in 2012, 61.7% of large top-tier BHCs engaged in insurance brokerage activities.

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-TO-DATE SEPTEMBER 30, 2012 Nationally

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2011 - 2012	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q2012	3Q2011					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,494,000	\$1,656,000	-9.78%	CITIGROUP INC.	NY	\$1,931,024,000	10.38%
2	\$1,223,000	\$1,263,000	-3.17%	WELLS FARGO & COMPANY	CA	\$1,374,629,000	3.94%
3	\$914,973	\$706,851	29.44%	BB&T CORPORATION	NC	\$182,019,457	34.33%
4	\$132,000	\$158,000	-16.46%	AMERICAN EXPRESS COMPANY	NY	\$151,344,000	0.73%
5	\$93,000	\$102,000	-8.82%	GOLDMAN SACHS GROUP, INC.	NY	\$948,581,000	0.42%
6	\$81,872	\$83,316	-1.73%	REGIONS FINANCIAL CORP.	AL	\$121,797,804	5.24%
7	\$69,981	\$67,832	3.17%	BANCORPSOUTH, INC.	MS	\$13,236,020	37.70%
8	\$68,000	\$256,000	-73.44%	MORGAN STANLEY	NY	\$764,985,000	0.36%
9	\$67,996	\$105,852	-35.76%	DISCOVER FINANCIAL SERVICES	IL	\$74,999,136	4.61%
10	\$64,000	\$75,000	-14.67%	ALLY FINANCIAL INC.	MI	\$182,482,000	1.44%
11	\$60,000	\$46,000	30.43%	JPMORGAN CHASE & CO.	NY	\$2,319,841,000	0.16%
12	\$58,241	N/A	N/A	FIRST COMMAND FIN'L SVCS.	TX	\$828,452	39.18%

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 7,181 commercial banks, savings banks and savings associations (thrifts), and 1,061 large top-tier bank and savings and loan holding companies (collectively, BHCs) operating on September 30, 2012. Thrifts and savings and loan holding companies began

reporting insurance fee income for the first time in first quarter 2012. Several BHCs that are historically and traditionally insurance companies have been excluded from the report, among them MetLife, Inc., which shed its status as a bank holding company (BHC) on February 14.

In the first three quarters of 2012, the number of BHCs on track to earn at least \$250,000 in annualized insurance brokerage income that grew their insurance brokerage revenues increased from that in 2011. In 2012 and 2011, respectively, 228 and 231 BHCs on track to earn \$250,000 in annualized insurance brokerage income were examined. At September 30, 2012, the number of BHCs showing positive growth in their insurance brokerage income increased 19.5% from 123 BHCs in 2011 to 147. Big winners, i.e., those with double-digit increases in insurance brokerage income, rose 25.8% from 66 at September 30, 2011 compared to 83 in 2012. These changes signal improvement among BHC-owned insurance agencies, despite the declines in insurance revenue among the group of the largest BHCs.

As of September 30, 2012, Citigroup Inc. (NY) topped the leader board with insurance brokerage earnings of \$1.49 billion. Wells Fargo & Company (CA) ranked second nationally with \$1.22 billion; and BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$915.0 million in insurance brokerage revenue over three quarters.

Bank holding companies over \$10 billion in assets continued to have the highest participation (81.8%) in insurance brokerage activities. These BHCs produced \$4.80 billion in insurance fee income in the first three quarters of 2012, down 10.0% from the \$5.33 billion they produced YTD in 2011. These large bank holding companies accounted for 87.7% of all BHC insurance brokerage fee income earned thus far in 2012.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income at September 30, 2012 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI). Insurance brokerage fee income at these mid-sized BHCs, increased 8.2% from \$455.9 million over three quarters in 2011 to \$493.1 million YTD in 2012. More than three-fifths (62.6%) of these BHCs reported earning some insurance brokerage income.

Among BHCs with assets between \$500 million and \$1 billion, leaders were First Command Financial Services, Inc. (TX), Two Rivers Financial Group, Inc. (IA), Oneida Financial Corp. (NY), 473 Broadway Holding Corporation (NY), and Texas Independent Bancshares (TX). These BHCs experienced a 77.9% surge year-over-year in their insurance brokerage income, 85.7% of which was due to the contributions of two thrift holding companies which did not report their line item fee income prior to 2012.

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), Benchmark Bank (TX), First State Bank (IA), Deutsche Bank Trust Company Delaware (DE), and First South Bank (TN). These small banks, representing small BHCs, registered a decline of 4.7% in insurance brokerage income, dropping from \$127.3 million in YTD 2011 to \$121.3 million in YTD 2012.

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 70.5%. 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 \$14,095 per employee (or an annualized Productivity Ratio of \$18,793). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$19,056 per employee (or an annualized Productivity Ratio of \$25,407).

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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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For additional information contact:

Michael D. White, Ph.D., CLU, ChFC
Michael White Associates, LLC
823 King of Prussia Road
Radnor, PA 19087
Phone: (610) 254-0440
Email: MWA@BankInsurance.com

Janet Gillespie
Prudential Financial
751 Broad Street, 12th Floor
Newark, NJ 07102
Phone: (973) 802-8012
Email: janet.gillespie@prudential.com