



N E W S R E L E A S E

**Michael White-Succeed Advisors Report  
Insurance Brokerage Income Slows in 1Q2014  
Due to Losses at One Big Bank and Less Growth among Others**

**FOR IMMEDIATE RELEASE** – Radnor, PA, and Mercer Island, WA, August 18, 2014 – Bank holding companies (BHCs) tallied \$1.57 billion in insurance brokerage fee income in first quarter 2014, down 8.4% from \$1.72 billion for the same period in 2013, according to the *Michael White-Succeed Advisors Bank Insurance Fee Income Report*<sup>™</sup>. Of 1,080 large top-tier BHCs, 610 or 56.5% engaged in insurance brokerage activities in first quarter 2014.

The decline of approximately \$150 million in insurance brokerage income in first quarter 2014 was attributable largely to the negative performance of Bank America Corporation (B of A), which accounted for a decline of \$169 million in insurance brokerage income. B of A went from positive insurance brokerage income of \$138 million in first quarter 2013, to negative income of \$31,000 in first quarter 2014.

**TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME  
YEAR-TO-DATE MARCH 31, 2014 – NATIONALLY**

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1Q2014	1Q2013					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$395,907	\$335,273	18.08%	BB&T Corporation	NC	\$184,647,920	43.58%
2	\$394,000	\$407,000	-3.19%	Wells Fargo & Company	CA	\$1,546,703,000	4.01%
3	\$204,000	\$197,000	3.55%	Citigroup Inc.	NY	\$1,894,466,000	2.41%
4	\$45,000	\$40,000	12.50%	American Express Company	NY	\$151,039,000	0.66%
5	\$31,703	\$26,719	18.65%	BancorpSouth, Inc.	MS	\$13,148,062	49.74%
6	\$30,508	\$29,678	2.80%	Regions Financial Corporation	AL	\$118,136,516	6.22%
7	\$20,645	\$19,369	6.59%	Eastern Bank Corporation	MA	\$8,684,390	53.01%
8	\$19,458	\$19,372	0.44%	First Command Financial Services	TX	\$936,296	33.68%
9	\$19,000	\$29,000	-34.48%	Morgan Stanley	NY	\$827,605,000	0.23%
10	\$18,837	\$20,390	-7.62%	Discover Financial Services	IL	\$79,283,754	4.32%
11	\$16,917	\$17,520	-3.44%	First Niagara Financial Group, Inc.	NY	\$37,951,353	22.89%
12	\$16,158	\$18,870	-14.37%	Huntington Bancshares Inc.	OH	\$60,790,604	7.22%

Source: *Michael White-Succeed Advisors Bank Insurance Fee Income Report*<sup>™</sup>

Compiled by Michael White Associates (MWA) and sponsored by Succeed Financial Advisors, 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 6,730 commercial banks, savings banks and savings associations and 1,080 large top-tier bank holding companies and thrift holding companies (defined as those BHCs with consolidated assets of \$500 million or greater) based upon financial information reported as of

December 31, 2014. Certain thrift holding companies, such as those that are historically insurance companies, have been excluded from this report in order to better understand the insurance performance of financial institutions that historically have engaged in significant banking activities. 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 first quarter 2014, we saw a general slowing of growth among larger bank-owned insurance agencies. We examined 248 BHCs in first quarter that are on track to earn \$250,000 in annualized insurance brokerage income. Last year we had 256 to examine. At quarter’s end, 139 of these BHCs, or 56.0%, showed positive growth in their insurance brokerage income, down 17.3% from 168 BHCs with positive growth at the end of first quarter 2013. That represented a decline of nearly 10 points from the 65.6% of BHCs that registered increases in their first quarter 2013 insurance brokerage income,” said Michael White, President of MWA.

“The number of big winners, i.e., those bank holding companies with double-digit increases in insurance brokerage compared to the prior year’s first quarter, fell 20.7% from 116 in 2013 to 92 BHCs so far this year,” White added. These findings signal a downturn from last year in the number and percentage of BHC-owned insurance agencies with minimum annual insurance income of a quarter million dollars that are currently growing fast at 10% or greater.”

In first quarter 2014, BB&T Corporation (NC), which owns more agencies than any other financial holding company, topped the leader board with insurance brokerage earnings of \$395.9 million. Wells Fargo & Co. (CA) ranked second nationally with \$394.0 million; and Citigroup Inc. (NY) ranked third with \$204.0 million in insurance brokerage revenue. Strikingly, five of the top twelve had insurance concentration of noninterest income in excess of 22%.

Bank holding companies over \$10 billion in assets continued to have the highest participation (81.7%) in insurance brokerage activities. These BHCs produced \$1.30 billion in insurance fee income in first quarter 2014, down 11.1% from the \$1.46 billion they produced in first quarter 2013. This decline was largely attributable to a \$169 million decline in insurance brokerage income at Bank of America Corporation (NC). The decline was also aided by small decreases and slow growth in insurance fee income among many of its peers. These large bank holding companies accounted for 82.7% of all BHC insurance brokerage fee income earned in first quarter 2014.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in first quarter 2014 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Johnson Financial Group, Inc. (WI), and Tompkins Financial Corporation (NY). Participating in insurance brokerage at a rate of 60.2%, BHCs of this size registered a 9.2% increase in insurance brokerage income to \$212.6 million in first quarter 2014, up from \$194.7 million in first quarter 2013.

Among BHCs with assets between \$500 million and \$1 billion, leaders were First Command Financial Services (TX), Two Rivers Financial Group, Inc. (IA), Oneida Financial Corp. (NY), Texas Independent Bancshares, Inc. (TX), and Evans Bancorp, Inc. (NY). As a group, BHCs of this size experienced a 1.6% decrease for first quarter year-over-year in their insurance brokerage income, falling from \$60.9 million to \$59.9 million.

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), Midwest Heritage Bank, FSB (IA), and First South Bank (TN). These small banks, representing small BHCs, registered a 1.9% decrease in insurance brokerage income, declining from \$41.5 million in first quarter 2013 to \$40.8 million in first quarter 2014.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the mean Insurance Brokerage Concentration Ratio was 46.7%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the mean Insurance Brokerage Concentration Ratio was 62.9% of noninterest income.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the mean Insurance Brokerage Productivity Ratio was \$23,298 per BHC employee on an annualized basis. Among the top 50 small banks in insurance brokerage productivity, the mean Insurance Brokerage Productivity Ratio was \$24,856 per bank employee on an annualized basis.

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**Succeed Financial Advisors, LLC** is one of the most experienced M&A advisory firms specializing in the insurance industry. Its team of advisors has advised on over 200 completed insurance and distribution M&A transactions. It focuses on middle-market transactions of insurers, retail brokers, wholesale brokers, MGAs, TPAs and other service-related firms. Succeed's senior management are more than analysts; they are practitioners in the businesses they examine, including service as senior executives in insurance carriers, CEO and vice-chairman of other M&A advisory firms, chairman of one of the nation's leading insurance call centers, and president of a large property-casualty MGA operation. With offices in Seattle, Southern California and San Francisco, Succeed Advisors offers a broad scope of advisory services, including merger and acquisition advisory, valuations, and due diligence review services to the insurance industry with specific expertise in the distribution sector.

**Michael White Associates (MWA)** is a bank insurance consulting firm headquartered in Radnor, PA, and at [www.BankInsurance.com](http://www.BankInsurance.com). The annual *Michael White-Succeed Advisors Bank Insurance Fee Income Report*<sup>™</sup> and *Michael White-Securities America Report: Community Bank Investment Programs*<sup>™</sup> provide, respectively, comprehensive analyses of bank insurance brokerage and bank investment program income. Additionally, the *MWA Fee Income Ratings Reports*<sup>™</sup> 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](http://www.BankInsurance.com).

**For additional information contact:**

Michael D. White, Ph.D., CLU, ChFC  
Michael White Associates, LLC  
Phone: (610) 254-0440  
Email: [MWA@BankInsurance.com](mailto:MWA@BankInsurance.com)

Bob Seda, CPA  
Succeed Financial Advisors, LLC  
Phone: (206) 236-6153  
Email: [bseda@succeedadvisors.com](mailto:bseda@succeedadvisors.com)