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N E W S R E L E A S E

**Michael White Reports Bank Annuity Income
Up 8.4% for Three Quarters of 2014**

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, January 19, 2015 – Income earned from the sale of annuities at bank holding companies (BHCs) was 8.4% higher at \$2.71 billion in the first three quarters of 2014, up from \$2.50 billion in the first three quarters of 2013, according to Michael White Associates (MWA), which compiled and produced the findings. Third-quarter BHC annuity commissions were the third-best quarterly annuity commissions in history and followed the second-best quarter. They were \$897.4 million, down 2.1% from \$916.8 million in second quarter 2014, and up 2.6% from \$875.0 million earned in third quarter 2013.

The findings measures and benchmarks the banking industry’s performance in generating annuity fee income. They are based on data from all 6,589 commercial banks, savings banks and savings associations (thrifts), and 1,060 large top-tier bank and savings and loan holding companies (collectively, BHCs) with consolidated assets greater than \$500 million operating on September 30, 2014. Several BHCs that are historically insurance or commercial companies have been excluded from the study.

**TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME
YEAR-TO-DATE SEPTEMBER 30, 2014
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2013 - 2014	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q 2014	3Q 2013					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$665,000	\$613,000	8.48%	WELLS FARGO & COMPANY	CA	\$1,636,854,000	2.22%
2	\$522,000	\$482,000	8.30%	MORGAN STANLEY	NY	\$811,822,000	2.18%
3	\$256,982	\$240,916	6.67%	RAYMOND JAMES FINANCIAL	FL	\$23,074,119	7.57%
4	\$167,000	\$174,000	-4.02%	JPMORGAN CHASE & CO.	NY	\$2,519,157,000	0.43%
5	\$122,000	\$132,000	-7.58%	BANK OF AMERICA CORP.	NC	\$2,120,013,000	0.36%
6	\$88,976	\$75,543	17.78%	SUNTRUST BANKS, INC.	GA	\$186,860,815	3.32%
7	\$64,000	\$49,000	30.61%	CITIGROUP INC.	NY	\$1,882,724,000	0.27%
8	\$56,000	\$53,000	5.66%	U.S. BANCORP	MN	\$391,284,000	0.82%
9	\$43,849	\$40,968	7.03%	BB&T CORPORATION	NC	\$187,018,817	1.58%
10	\$43,540	\$37,963	14.69%	BBVA COMPASS BANCSHARE	TX	\$79,187,065	6.91%
11	\$42,886	\$35,411	21.11%	CITIZENS FINANCIAL GROUP	RI	\$131,160,879	3.26%
12	\$39,534	\$34,156	15.75%	SANTANDER BANCORP	PR	\$6,103,113	38.78%

Source: *Michael White Bank Annuity Fee Income Study*

Of the 1,060 BHCs, 425 or 40.1% participated in annuity sales activities during the first three quarters of 2014. Their \$2.71 billion in annuity commissions and fees constituted 21.4% of their total mutual fund and annuity income of \$12.68 billion and 39.0% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$6.96 billion. Of the 6,589 banks, 916 or 13.9% participated in annuity sales activities, earning \$644.4 million in annuity commissions or 23.8% of the banking industry’s total annuity fee income. Bank annuity production was up 14.1% from \$564.7 million in the first three quarters of 2013.

Michael White, president of MWA and author of the study, noted, “Of 425 large top-tier BHCs reporting annuity fee income in the first nine months of 2014, 214 or 50.4% were on track to earn at least \$250,000 this year. Of those 214, 114 BHCs or 53.3% achieved double-digit growth in annuity fee income. That’s a 4.0-point increase from the same period of 2013, when 106 institutions or 49.3% of 215 BHCs on track to earn at least \$250,000 in annuity fee income achieved double-digit growth. This increased double-digit growth in annuity revenues among large BHCs demonstrates the continued strength of the bank annuity sector.”

Over two-thirds (68.4%) of BHCs with over \$10 billion in assets earned third quarter year-to-date annuity commissions of \$2.53 billion, constituting 93.3% of total annuity commissions reported. This was an increase of 8.7% from \$2.33 billion in annuity fee income in the first three quarters of 2013. Among this asset class of largest BHCs in the first three quarters, annuity commissions made up 20.7% of their total mutual fund and annuity income of \$12.21 billion and 41.8% of their total insurance sales revenue of \$6.05 billion.

With participation in annuity sales of 44.3%, BHCs with assets between \$1 billion and \$10 billion recorded an increase of 4.2% in annuity fee income, rising from \$151.7 million in the first three quarters of 2013 to \$158.0 million in the first three quarters of 2014 and accounting for 22.1% of their total insurance sales income of \$713.7 million. BHCs with \$500 million to \$1 billion in assets generated \$24.2 million in annuity commissions in the first three quarters of 2014, up 3.4% from \$23.4 million in the first three quarters of 2013. Only 30.2% of BHCs this size engaged in annuity sales activities, which was the lowest participation rate among all BHC asset classes. Among these BHCs, annuity commissions constituted the smallest proportion (12.4%) of total insurance sales volume of \$197.5 million.

Wells Fargo & Company (CA), Morgan Stanley (NY), Raymond James Financial, Inc. (FL), JPMorgan Chase & Co. (NY), and Bank of America Corporation (NC) led all bank holding companies in annuity commission income through three quarters of 2014. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Santander Bancorp (PR), Stifel Financial Corp. (MO), SWS Group, Inc. (TX), First Citizens Bancorporation, Inc. (SC), and Wesbanco, Inc. (WV). Among BHCs with assets between \$500 million and \$1 billion, leaders were First Command Financial Services, Inc. (TX), Hopfed Bancorp, Inc. (KY), BancTenn Corp. (TN), Goodenow Bancorporation (IA), and Platte Valley Financial Services Companies, Inc. (NE). The smallest community banks, those with assets less than \$500 million, were used as “proxies” for the smallest BHCs, which are not required to report annuity fee income. Leaders among bank proxies for small BHCs were Sturgis Bank & Trust Company (MI), FNB Bank, N.A. (PA), Essex Savings Bank (NJ), Jacksonville Savings Bank (IL), and The Hardin County Bank (TN).

Among the top 50 BHCs nationally in annuity concentration (i.e., annuity fee income as a percent of noninterest income), the median year-to-date Annuity Concentration Ratio was 8.96% at the end of third quarter 2014. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 15.86% of noninterest income.

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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 *Sorrento Financial - Michael White Bank Wealth Management Report* and *Michael White-Succeed Advisors Bank Insurance 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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