



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

**Michael White-Succeed Advisors Bank Insurance Report:
Nearly Two-Thirds of Million-Dollar Bank Agencies
Increase Revenues through 3 Quarters**

FOR IMMEDIATE RELEASE – Radnor, PA, January 20, 2015 – Bank holding companies (BHCs) tallied \$4.24 billion in insurance brokerage fee income over three quarters of 2014, down 11.7% from \$4.83 billion for the same period in 2013, according to the *Michael White-Succeed Advisors Bank Insurance Fee Income Report*[™]. This decline was largely attributable to a combined drop of \$654 million in the insurance brokerage fee income of Bank of America Corp., Wells Fargo & Co., and Citigroup. Had those three BHCs only maintained their production at the 2013 level, the banking industry would have experienced a 1.4% increase in insurance brokerage revenues. Of 1,060 large top-tier BHCs, 646 or 60.9% engaged in insurance brokerage activities through third quarter 2014.

**TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME
YEAR-TO-DATE SEPTEMBER 30, 2014
Nationally**

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2013 - 2014	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q2014	3Q2013					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,132,309	\$1,037,635	9.12%	BB&T CORPORATION	NC	\$187,018,817	40.82%
2	\$1,048,000	\$1,140,000	-8.07%	WELLS FARGO & COMPANY	CA	\$1,636,854,000	3.51%
3	\$458,000	\$545,000	-15.96%	CITIGROUP INC.	NY	\$1,882,724,000	1.95%
4	\$141,000	\$137,000	2.92%	AMERICAN EXPRESS COMPANY	NY	\$153,376,000	0.67%
5	\$92,957	\$86,590	7.35%	REGIONS FINANCIAL CORP.	AL	\$119,301,813	6.30%
6	\$89,766	\$76,638	17.13%	BANCORPSOUTH, INC.	MS	\$13,074,902	46.32%
7	\$57,089	\$57,855	-1.32%	FIRST COMMAND FINANCIAL SVCS.	TX	\$952,571	32.41%
8	\$55,152	\$55,783	-1.13%	FIRST NIAGARA FINANCIAL GROUP	NY	\$37,914,641	25.11%
9	\$55,115	\$59,541	-7.43%	DISCOVER FINANCIAL SERVICES	IL	\$80,279,704	3.86%
10	\$54,000	\$74,000	-27.03%	MORGAN STANLEY	NY	\$811,822,000	0.23%
11	\$52,406	\$50,066	4.67%	EASTERN BANK CORPORATION	MA	\$8,814,847	46.98%
12	\$48,474	\$42,713	13.49%	STIFEL FINANCIAL CORP.	MO	\$9,326,117	3.21%

Source: *Michael White-Succeed Advisors Bank Insurance Fee Income Report*[™]

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 6,589 commercial banks, savings banks and savings associations and 1,060 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 September 30, 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 sales and referrals of credit, life, health, property, casualty, and title insurance.

“We examined 179 BHCs at the end of third quarter 2014 that were on track to earn at least \$1 million in annualized insurance brokerage income. At quarter’s end, 113 or 63.1% of these BHCs showed positive growth in their YTD 2014 insurance brokerage income, down 8.1% from 123 BHCs with positive growth at the end of third quarter 2013,” said Michael White, President of MWA. “The number of big winners, i.e., those bank holding companies with double-digit increases in insurance brokerage income compared to 2013, declined 25.8% from 62 BHCs in 2013 to 46 at the end of third quarter 2014. These findings signal a slowing of revenue growth among the million-dollar-plus BHC-owned insurance agencies.”

As of September 30, 2014, BB&T Corporation (NC) topped the leader board with insurance brokerage earnings of \$1.13 billion, up 9.1% or nearly \$95 million. Wells Fargo & Company (CA) ranked second nationally with \$1.05 billion; and Citigroup Inc. (NY), whose insurance income dropped \$87 million or 16.0%, ranked third with \$458.0 million in insurance brokerage revenue.

Bank holding companies over \$10 billion in assets continued to have the highest participation (80.0%) in insurance brokerage activities. These BHCs produced \$3.52 billion in insurance fee income in the first three quarters of 2014, down 14.3% from the \$4.10 billion they produced YTD in 2013. This decline was largely attributable to six BHCs with more than \$10 million in decreases: Bank of America Corp., Wells Fargo, Citigroup, Goldman Sachs, Morgan Stanley and Fifth Third. Had those six BHCs not experienced a collective decline of over \$723 million and only maintained their 2013 production, this asset class would have experienced an increase of 0.3% in insurance brokerage revenues. These large bank holding companies accounted for 82.9% of all BHC insurance brokerage fee income earned thus far in 2014.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income at September 30, 2014 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Tompkins Financial Corporation (NY), Lauritzen Corporation (NE), and Johnson Financial Group (WI). Participating in insurance brokerage at a rate of 64.3%, these mid-sized BHCs registered a 0.2% increase in insurance brokerage income from \$554.7 million YTD in 2013 to \$555.7 million YTD in 2014.

Among BHCs with assets between \$500 million and \$1 billion, leaders were First Command Financial Services, Inc. (TX), Oneida Financial Corp. (NY), Two Rivers Financial Group, Inc. (IA), Texas Independent Bancshares (TX), and Evans Bancorp (NY). As a group, BHCs of this size experienced a 53.8% participation rate and a 1.7% decrease in their third quarter YTD insurance brokerage income from \$174.1 million in 2013 to \$171.2 million in 2014.

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 Benchmark Bank (TX), Soy Capital Bank and Trust Company (IL), First State Bank (IA), Midwest Heritage Bank, FSB (IA), and First Federal Savings Bank (PA). These small banks, representing small BHCs, registered a 36.7% rate of participation in insurance brokerage and a 2.1% increase in that income, going from \$121.5 million in YTD 2013 to \$124.1 million in YTD 2014.

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 41.1%. 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 63.6% 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 \$16,463 per employee at the end of three quarters (or an annualized Productivity Ratio of \$21,950). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$18,575 per employee (or an annualized Productivity Ratio of \$24,766).

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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. The annual *Michael White-Succeed Advisors Bank Insurance Fee Income Report*[™] and *Sorrento Financial-Michael White Bank Wealth Management Report*[™] provide, respectively, comprehensive analyses of bank insurance brokerage and bank investment program 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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