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N E W S R E L E A S E

**Michael White Reports Bank Annuity Income
Down 2.5% for Three Quarters of 2015**

FOR IMMEDIATE RELEASE – Radnor, PA, January 19, 2016 – Income earned from the sale of annuities at bank holding companies (BHCs) was 2.5% lower at \$2.62 billion in the first three quarters of 2015, down from \$2.69 billion in the first three quarters of 2014, according to Michael White Associates (MWA), which compiled and produced the findings. Third-quarter BHC annuity commissions were the sixth-best quarterly annuity commissions in history at \$886.2 million, though they were down 0.8% from \$893.0 million in second quarter 2015, and down 0.3% from \$888.5 million earned in third quarter 2014.

The findings measures and benchmarks the banking industry’s performance in generating annuity fee income. They are based on data from all 6,270 commercial banks, savings banks and savings associations (thrifts), and 583 large top-tier bank and savings and loan holding companies (collectively, BHCs) with consolidated assets greater than \$1 billion operating on September 30, 2015. 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, 2015
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2014 - 2015	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q 2015	3Q 2014					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$711,000	\$665,000	6.92%	WELLS FARGO & COMPANY	CA	\$1,751,201,000	2.37%
2	\$501,000	\$522,000	-4.02%	MORGAN STANLEY	NY	\$831,766,000	2.09%
3	\$261,057	\$256,982	1.59%	RAYMOND JAMES FINANCIAL	FL	\$26,242,416	7.27%
4	\$153,000	\$167,000	-8.38%	JPMORGAN CHASE & CO.	NY	\$2,408,851,000	0.40%
5	\$107,000	\$122,000	-12.30%	BANK OF AMERICA CORP.	NC	\$2,148,193,000	0.32%
6	\$83,143	\$88,976	16.56%	SUNTRUST BANKS, INC.	GA	\$187,255,650	3.15%
7	\$53,000	\$64,000	-17.19%	CITIGROUP INC.	NY	\$1,808,338,000	0.22%
8	\$50,431	\$43,849	15.01%	BB&T CORPORATION	NC	\$208,802,415	1.69%
9	\$50,000	\$56,000	-10.71%	U.S. BANCORP	MN	\$415,943,000	0.74%
10	\$40,766	\$30,388	34.15%	PNC FINANCIAL SVCS GROUP	PA	\$362,137,164	0.79%
11	\$39,310	\$36,132	8.80%	KEYCORP	OH	\$94,337,639	2.84%
12	\$39,065	\$43,540	-10.28%	BBVA COMPASS BANCSHARE	TX	\$89,360,000	5.84%

Source: *Michael White Bank Annuity Fee Income Study*

Of the 583 BHCs, 286 or 49.1% participated in annuity sales activities during the first three quarters of 2015. Their \$2.62 billion in annuity commissions and fees constituted 17.6% of their total mutual fund and annuity income of \$14.84 billion and 39.0% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$6.71 billion. Of the 6,270 banks, 876 or 14.0% participated in annuity sales activities, earning \$594.8 million in annuity commissions or 22.7% of the banking industry’s total annuity fee income. Bank annuity production was DOWN 2.5% from \$644.4 million in the first three quarters of 2014.

Michael White, president of MWA and author of the study, noted, “Of 286 large top-tier BHCs reporting annuity fee income in the first nine months of 2015, 180 or 62.9% were on track to earn at least \$250,000 this year. Of those 180, 81 BHCs or 45.0% achieved double-digit growth in annuity fee income. That’s a 7.2-point decrease from the same period of 2014, when 93 institutions or 52.2% of 178 BHCs on track to earn at least \$250,000 in annuity fee income achieved double-digit growth. This decreased double-digit growth in annuity revenues among large BHCs demonstrates the continued weakening 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 \$2.49 billion, constituting 94.8% of total annuity commissions reported. This was an decrease of 2.5% from \$2.53 billion in annuity fee income in the first three quarters of 2014. Among this asset class of largest BHCs in the first three quarters, annuity commissions made up 17.4% of their total mutual fund and annuity income of \$14.35 billion and 41.2% of their total insurance sales revenue of \$6.04 billion.

With participation in annuity sales of 45.2%, BHCs with assets between \$1 billion and \$10 billion recorded an decrease of 18.4% in annuity fee income, falling from \$158.0 million in the first three quarters of 2014 to \$128.9 million in the first three quarters of 2015 and accounting for 19.3% of their total insurance sales income of \$667.0 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 2015. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Santander Bancorp (PR), Stifel Financial Corp. (MO), Wesbanco, Inc. (WV), National Penn Bancshares, Inc. (PA), and First Commonwealth Financial Corporation (PA).

The smallest community banks, those with assets less than \$1 billion, 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 The Oneida Savings Bank (NY), Sturgis Bank & Trust Company (MI), The Security National Bank of Sioux City, Iowa (IA), Bank of Springfield (IL), and Bank Midwest (IA).

These banks with assets with less than \$1 billion generated \$50.9 million in annuity commissions in the first three quarters of 2015, down 6.7% from \$54.5 million in the first three quarters of 2014. Only 10.6% of banks this size engaged in annuity sales activities, which was the lowest participation rate among all asset classes. Among these banks, annuity commissions constituted the smallest proportion (18.7%) of total insurance sales volume of \$271.4 million.

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 5.60% at the end of third quarter 2015. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 16.04% 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’s BankInsurance 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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