



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS



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

Bank Holding Company Proprietary Mutual Fund and Annuity Assets Down 3.3% to \$2.3 Trillion in 2003

FOR IMMEDIATE RELEASE – Radnor, PA, August 2, 2004 – Bank holding companies’ mutual fund and annuity fee income in 2003 increased 10.2% to a record \$15.4 billion, according to *The 2003 Year-End Bank Holding Company Insurance & Investment Fee Income Report™ (BHC-FIR™)* published by Michael White Associates, LLC (MWA). Compiled from data reported by 2,088 top-tier (or regulatory top-holder) BHCs with \$100 million or more in consolidated assets on December 31, 2003, the report measures insurance, investment, and mutual fund and annuity fee income generated in 2003 and compares individual BHC and banking industry performance data and benchmark ratios to those of 2003. Among the new and significant findings in the *2003 Year-End BHC-FIR™* are these:

- BHCs’ mutual fund and annuity fee income in 2003 increased 10.2% from \$13.96 billion in 2002 to \$15.39 billion. One-half (50.5%) of the BHCs in the United States engaged in sales and servicing activities that produced mutual fund and/or annuity fee income.
- BHCs over \$10 billion in assets had the highest participation (89.2%) in mutual fund and annuity activities and produced \$12.95 billion in mutual fund and annuity fee income. These large BHCs accounted for 84.2% of all BHC mutual fund and annuity fee income earned in 2003.
- In 2003, the top five leaders in mutual fund and annuity fee income nationally were CitiGroup, Inc. (NY), Franklin Resources, Inc. (CA), Wachovia Corporation (NC), MetLife, Inc. (NY), and The Charles Schwab Corporation (CA).
- BHCs under \$10 billion in assets recorded \$2.43 billion or 15.8% of all BHC mutual fund and annuity fee income. BHCs under \$1 billion in assets accounted for only 0.8% or \$119.5 million of mutual fund and annuity fee income.
- The top five leaders in mutual fund and annuity fee income among BHCs under \$1 billion in assets were Abington Bancorp, Inc. (MA), LSB Bancshares, Inc. (NC), Sturgis Bancorp, Inc. (MI), German American Bancorp (IN), and Siuslaw Financial Group, Inc. (OR).

TOP 10 BANK HOLDING COMPANIES IN PROPRIETARY MUTUAL FUND & ANNUITIES ASSETS UNDER MANAGEMENT (AUM) - 2003 - Nationally					
RANK	PROPRIETARY AUM JANUARY - DECEMBER		PERCENT CHANGE 2002 - 2003	BANK HOLDING COMPANY	ASSETS
	2003	2002			
(ALL DOLLAR AMOUNTS IN THOUSANDS)					
1	\$350,200,000	\$299,200,000	17.05%	METLIFE, INC.	NY \$326,841,959
2	\$249,963,322	\$190,201,000	31.42%	FRANKLIN RESOURCES, INC.	CA \$7,417,402
3	\$222,247,000	\$214,121,000	3.80%	CITIGROUP INC.	NY \$1,264,032,000
4	\$170,778,000	\$188,699,000	-9.50%	MELLON FINANCIAL CORPORATION	PA \$34,048,947
5	\$153,602,564	\$158,046,487	-2.81%	CHARLES SCHWAB CORPORATION	CA \$45,866,220
6	\$132,002,989	\$416,289,000	-68.29%	BANK OF AMERICA CORPORATION	NC \$736,487,404
7	\$109,359,000	\$113,093,000	-3.30%	WACHOVIA CORPORATION	NC \$401,032,000
8	\$107,361,000	\$102,692,000	4.55%	BANK ONE CORPORATION	IL \$326,563,000
9	\$107,294,000	\$111,224,000	-3.53%	J.P. MORGAN CHASE & CO.	NY \$770,912,000
10	\$95,888,000	\$98,312,000	-2.47%	TAUNUS CORPORATION	NY \$291,375,000

SOURCE: MICHAEL WHITE'S BANK HOLDING COMPANY INSURANCE & INVESTMENT FEE INCOME REPORT - 2003 YEAR-END

- The 112 BHCs with proprietary products and assets under management represented a decrease of 2.6% in 2003 from 115 BHCs in 2002 and 24.3% from 148 BHCs in 2001. The \$2.31 trillion of proprietary mutual fund and/or annuity assets under management in 2003 was 3.3% less than the \$2.39 trillion in 2002, and 7.6% less than the \$2.50 trillion in assets under management at the end of 2001.

About *Michael White's Bank Insurance & Investment Fee Income Report*[™]

Michael White's Bank Holding Company Insurance and Investment Fee Income Report[™] (*BHC-FIR*[™]) provides comprehensive, national, standardized data and performance ratios that measure and compare insurance and investment fee income programs among bank holding companies (BHCs). The *BHC-FIR* and its companion report on banks are published annually and cover the calendar years ending December 31.

The 2003 *BHC-FIR* is compiled from data reported by 2,088 top-tier or regulatory top-holder BHCs with \$100 million or more in consolidated assets on December 31, 2003. The report identifies performances and trends among insurance, investment, and mutual fund and annuity fee income by comparing various performance measurements and benchmark ratios for 2003 to those of 2002. The 150-page *BHC-FIR* contains some 40 pages of narrative analyses and 160 illustrative tables and graphs showing national, regional and asset-class performance in bank insurance and investment fee income.

The report ranks the nation's top 100 BHCs in insurance, investment, and mutual fund and annuity fee income and the top 50 BHCs for each of eight asset-size classes and six regions. Leaders in ratios of insurance and investment fee income to noninterest income and noninterest fee income are ranked by the top 50 nationally and the top 25 by each asset class. BHCs can compare their performance to other BHCs nationally or to their asset class by using the mean, median and top-quartile results included in the report. Customized year-to-date reports, including those that compare a BHC's insurance or investment program to its competitors or a broader peer-group, may also be ordered.

The price of each annual report purchased separately is \$650. Certain discounts are available. The price for buying both the annual bank and BHC reports is \$1,100, a savings of \$200 or over 15% for single-issue purchases. The reports may be purchased online at www.BankInsurance.com or by check and mail.

About Michael White Associates (MWA)

Michael White Associates, LLC (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and online at www.BankInsurance.com.

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