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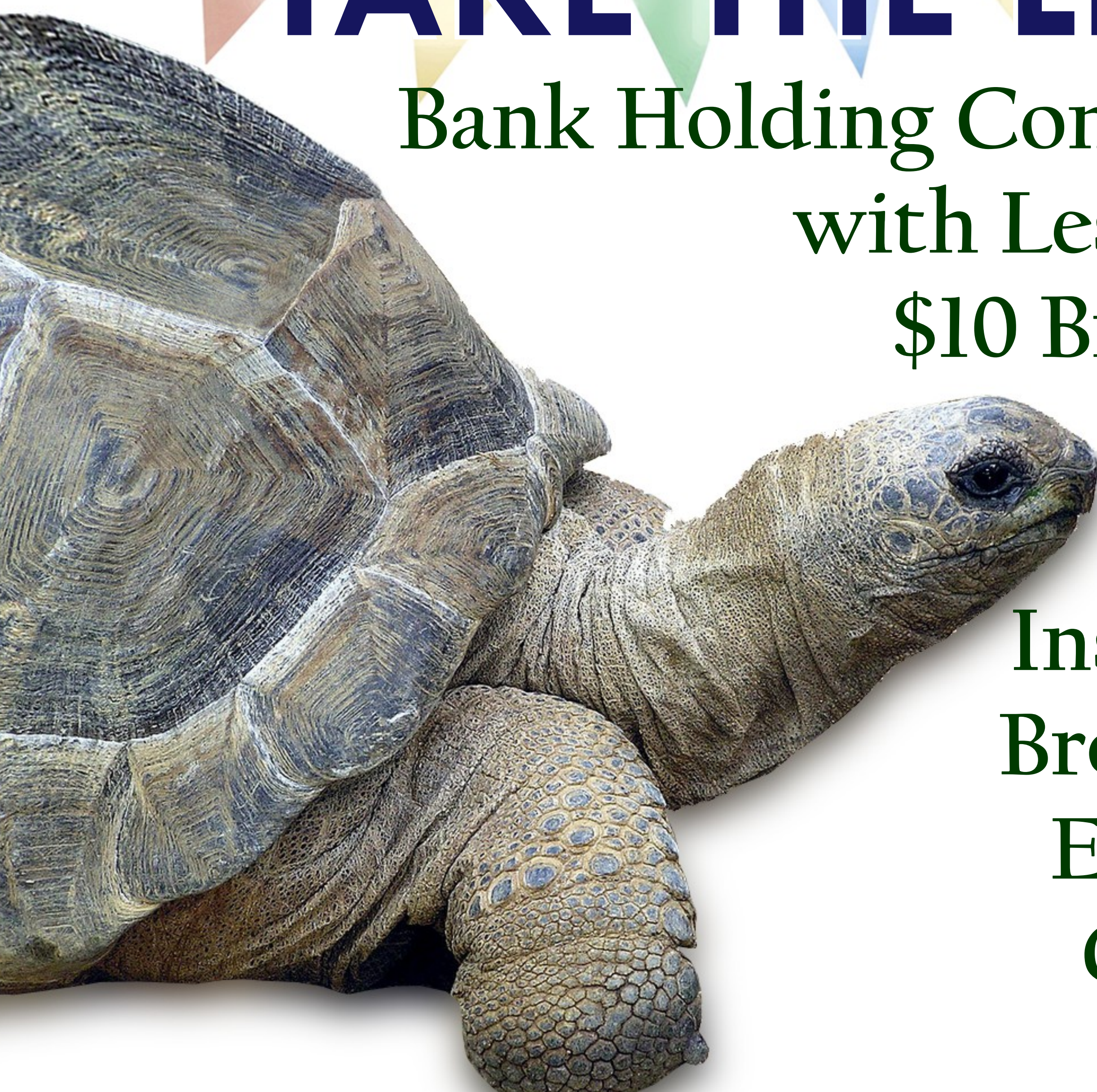
Michael White Associates is pleased to distribute BankInsurance.com News, a monthly publication that distills the most important news stories in the bank insurance and investment marketplace. Visit BankInsurance.com regularly for timely industry news and analysis, as well as up-to-date information about MWA consulting products and services. No other site offers as much information, knowledge and understanding of the bank insurance and investment market as www.BankInsurance.com.

LITTLE GUYS TAKE THE LEAD

Bank Holding Companies with Less Than $10 Billion in Assets Lead in Insurance Brokerage Earnings Growth



WELLS FARGO COMPLETES SALE OF 40 INSURANCE OFFICES TO USI INSURANCE

San Francisco-based, $1.5 trillion-asset Wells Fargo & Co. unit Wells Fargo Insurance has completed the sale of 40 insurance brokerage and consulting locations to Valhalla, NY-based USI Insurance Services. Wells Fargo described the locations sold as "primarily smaller" and "regional" and outside "markets where the insurance business has the greatest growth potential and stronger partnership with the bank's commercial customers."

The brokerage offices sold include those in Birmingham and Tuscaloosa, AL; Anchorage, AK; Fresno and Grass Valley, CA; West Palm Beach, FL; Savannah, GA; Boise, ID; Elkhart and Fort Wayne, IN; Overland Park, KS; Lexington and Louisville, KY; Grand Rapids, MI; St. Cloud, MN; Omaha, NE; Albuquerque, NM; Bismarck, Fargo, Minot and Valley City, ND; Dayton and Youngstown, OH; Eugene and Newport, OR; Erie, PA; Columbia, SC; Knoxville, TN; El Paso, TX; Salt Lake City, UT; Abingdon, Bluefield, Norfolk and Vansant, VA; and Beckley, Charleston, Huntington, Martinsburg, Morgantown and Wheeling, WV.

USI Chairman, President and CEO Michael Sicard said, "These are cities in which USI is looking to invest, expand and grow." He added, "We welcome all of our new clients and associates across the country and look forward to growing together."

In 2013, Wells Fargo reported $1.46 billion in insurance brokerage income, down 6.0% from 1.56 billion in 2012. That comprised 3.6% of its noninterest income. The company ranked 1st in insurance brokerage earnings among all bank holding companies, according to the *Michael White - Succeed Advisors Bank Insurance Fee Income Report*.

TOWNE BANK EXPANDS INSURANCE REACH IN NC WITH AGENCY PURCHASE

Hampton Roads, VA-based, $4.78 billion-asset Towne Bank unit Towne Insurance has acquired Kitty Hawk, NC-based Southern Insurance Agency. Towne Insurance President and CEO Dudley Fulton said, "We are pleased that we are able to expand the Towne Insurance footprint [in North Carolina] with such a well-respected agency." Towne Financial Services Group President Will Sessoms added, "Southern Insurance is a great fit, thanks to their hometown focus and service that goes above and beyond."

Southern Insurance will continue to operate under its current name and leadership team from offices that serve Kitty Hawk, Corolla, Elizabeth City, Greenville, Wilmington, Columbia and Graham, NC. The acquisition is Towne Insurance's 15th since 2001 and expands the agency's size to include over 200 professionals and 18 offices throughout Virginia and North Carolina.

In 2013, Towne Bank reported $34.9 million in insurance brokerage income that comprised 26.5% of its noninterest income. The company ranked 2nd in insurance brokerage earnings among banks with assets between $1 billion and $10 billion, according to the *Michael White-Succeed Advisors Bank Insurance Fee Income Report*.

U.S. COMPOSITE INSURANCE RATES UP YEAR OVER YEAR

U.S. composite commercial property and casualty insurance rates rose 2% in April compared to April 2013 but edged downward from March's year over year increases, according to Dallas, TX-based MarketScout.

By coverage class, rates increased across the board compared to April 2013, with commercial auto, employment practices liability insurance (EPLI) and workers compensation rates up 3%; commercial property, business owner policy (BOP), general liability, umbrella/ excess, professional liability, and directors and officers liability up 2%; and business interruption, inland marine, fiduciary, crime and surety rates up 1%.

April rates by account size also increased across the board compared to a year ago, with rates for small accounts up to $25,000 up 3% and rates for medium accounts of $25,001-$250,000 up 2%, while rates for large accounts of $250,001-$1 million and jumbo accounts over $1 million ticked up 1%.

April rate increases by industry class were greatest in the transportation industry (+4%), followed by contracting, service and habitational businesses (+3%), manufacturing and energy businesses (+2%) and public entities (+1%).

The picture month to month, however, showed declines in rate increases, with the greatest decrease occurring among large accounts, where rates declined 2 percentage points from the March increase of +3%. Otherwise, month to month declines in rates increases held at 1 percentage point and applied to commercial property, business interruption, BOP, umbrella/excess, commercial auto, and workers compensation insurance; medium accounts, public entities, and manufacturers, MarketScout found, based on survey data collected by the National Alliance for Insurance Education and Research.

MarketScout CEO Richard Kerr said, "The April composite commercial rate remained in positive territory at plus 2 percent, but we may see rate reductions at yearend if the current trend continues."

U.S. VOLUNTARY WORKSITE INSURANCE SALES UP IN 2013

Worksite voluntary insurance sales rose in 2013 compared to 2012, according to surveys conducted by Windsor, CT-based LIMRA and Avon, CT-based Eastbridge Consulting Group. LIMRA based its findings on surveys of 43 companies, including 20 insurance carriers; and Eastbridge based its findings on surveys of 60 insurance carriers. Both found sales up, but, according to LIMRA, new annualized premium on voluntary worksite sales grew 9% to $4.3 billion, while, according to Eastbridge, annualized premium rose 4.3% to $6.64 billion, up from $6.03 billion in 2012.

A 13% hike in health insurance sales to $2.6 billion drove the voluntary worksite insurance sales increase, as accident, critical illness and vision insurance sales climbed, LIMRA found. In contrast, term and whole life insurance sales rose only 2% over 2012 sales to $1.4 billion, driven by a 14% jump in fourth quarter sales, according to LIMRA.

Overall, worksite premium inforce at yearend 2013 ranged between $27 billion and $35 billion, according to Eastbridge, up what the firm estimated to be 4% over year 2012 inforce premium.

WALMART ENTERS AUTO INSURANCE MARKET WITH AUTOINSURANCE.COM

Bentonville, AR-based Walmart has partnered with Fort Lee, NJ-based Tranzulary Insurance Solutions' online insurance brokerage AutoInsurance.com to offer its customers auto insurance. In return for fees, Walmart will advertise AutoInsurance.com at its stores and link to the broker at its website.

Walmart Senior Vice President Daniel Eckert said, "Insurance is one of our consumers' biggest monthly expenses, and many feel they are overpaying for the insurance they have and don't know if they are getting the best coverage and the coverage they need." He added, "We thought we could bring something to life in both these areas."

The Walmart AutoInsurance.com partnership is currently viable only in Arizona, Louisiana, Mississippi, Missouri, Oklahoma, Pennsylvania, Tennessee and Texas, but both companies plan to expand their partnership nationwide.

ACE NAMES BANCASSURANCE DIRECTOR FOR INDONESIAN OPERATIONS

New York City-based ACE Group has named Adi Darmaputra Bancassurance Director for its general insurance operations in Indonesia. ACE Regional Head of Accident and Health for Asia Pacific Glen Browne said, "Adi's successful experience in forging strategic business partnerships backed by his product and channel experience will be valuable to our continued success in Indonesia, a strategic growth country for ACE in the Pacific."

U.S. APPLICATIONS FOR INDIVIDUALLY UNDERWRITTEN LIFE INSURANCE UP YEAR OVER YEAR

U.S. applications for individually underwritten life insurance rose 1.8% in April over April 2013 applications, but were down 9% from the month before, according to the MIB Life Index. Still, the year over year April increase reversed a twelve-month year-over-year monthly decline, which left year-to-date applications down 3.6% compared to the same period in 2013.

Year-over-year April applications increased among all age groups, led by individuals aged 60 and older (+5.5%) and followed by those aged 45-59 (+2.3%), while applications among individuals aged 0-44 ticked up 0.2%, Braintree, MA-based MIB Group found.

CENTRAL BANK OF MALAYSIA ASSISTANT GOVERNOR TOUTS BANCASSURANCE

Bank Negara Malaysia (Central Bank of Malaysia) Assistant Governor Donald Joshua Jaganathan told the 15th Asia Conference on Bancassurance and Alternative Distribution Channels that Bank Negara "aims to increase the insurance and takaful penetration rate in Malaysia, defined as number of policies per population, to 75% by 2020."

Jaganathan noted that in order to achieve that goal, insurers should "widen their outreach while maintaining acquisition costs at manageable levels." In this regard, he said, bancassurance shows "great promise for our markets here in Asia." Through bancassurance, insurers can quickly and economically reach underserved geographical areas and customer segments by partnering with banks and leveraging existing bank branch networks and customer bases, Jaganathan said.

Because of its potential, bancassurance is the fastest growing insurance distribution channel globally. Bancassurance sales in China spiked 415% from 2004 to 2009, Jaganathan said. In Malaysia, bancassurance accounted for 36% of new life insurance premiums and 39% of gross takaful business last year, while selling to only 5% of Malaysia bank customers. "There remains significant room for growth," Jaganathan said.

Bank Negara Malaysia expects the bancassurance channel in Malaysia to achieve a 10% bank customer penetration rate in the near future, driving Malaysia's insurance and takaful penetration rate toward the aimed-for 75% by 2020.

To read Jaganathan's complete remarks, click here.

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U.S. BHC INSURANCE BROKERAGE EARNINGS TICK UP IN 2013, LED BY GROWTH AT BHCS WITH UNDER $10 BILLION IN ASSETS

U.S. bank holding companies (BHCs) reported an aggregate $6.22 billion in insurance brokerage fee income in 2013, up 0.3% from $6.20 billion in 2012, according to the *Michael White - Succeed Advisors Bank Insurance Fee Income Report*.

Over 62% (62.5% or 664) of U.S. BHCs reported insurance brokerage earnings in 2013, led by BHCs with over $10 billion in assets, when 81.3% reported insurance income, followed by those with $1 billion to $10 billion in assets (64.5%), $500 million to $1 billion in assets (57.2%), and banks with under $500 million in assets (39.6%).

BHCs with $500 million to $1 billion in assets recorded the greatest growth in insurance brokerage revenue (+9.9% to $244 million), followed by BHCs with $1 billion to $10 billion in assets (+5.7% to $725.4 million). In contrast, insurance brokerage earnings slipped 0.8% to $5.25 billion, down from $5.29 billion in 2012 among BHCs with over $10 billion in assets, driven by a 5.98% decline ($93 million) at Wells Fargo & Co. and a 37.4% drop ($438 million) at Citigroup. Additionally, insurance revenue declined among banks with under $500 million in assets (-4% to $165.4 million).

Among the 664 U.S. BHCs that reported insurance brokerage earnings in 2013, 187 or 28.2% reported $1 million or more in that revenue. Among the group, 119 or 63.6% reported growth in that revenue

Among the top 10 U.S. BHC insurance brokerage earners, insurance revenue grew at 5, remained stable at 1, and declined at 4. San Francisco-based, $1.5 trillion-asset Wells Fargo & Co. continued to rank 1st, despite recording a 5.98% decline in insurance brokerage revenue to $1.46 billion. Raleigh, NC-based, $183 billion-asset BB&T Corp ranked 2nd with a 10.5% climb in insurance brokerage earnings to $1.38 billion. Citigroup ranked 3rd (-37.4% to $733 million); Bank of America, which in 2012 recorded a $195.8 million loss in insurance brokerage income, ranked a distant 4th ($289 million), followed by American Express (+2.79% to $184 million), Regions Financial (+5.4% to $114.4

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-END DECEMBER 31, 2013 - NATIONALLY

RANK	INSURANCE BROKERAGE FEE INCOME 2013	INSURANCE BROKERAGE FEE INCOME 2012	% CHANGE	BANK HOLDING COMPANY		ASSETS	% OF NONINT. INCOME
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	$1,463,000	$1,556,000	-5.98%	Wells Fargo & Company	CA	$1,527,008,000	3.60%
2	$1,377,772	$1,246,403	10.54%	BB&T Corporation	NC	$183,005,909	35.69%
3	$733,000	$1,171,000	-37.40%	Citigroup Inc.	NY	$1,880,081,000	2.46%
4	$289,000	($195,764)	N/A	Bank of America Corporation	NC	$2,098,613,000	0.65%
5	$184,000	$179,000	2.79%	American Express Company	NY	$152,988,000	0.66%
6	$114,412	$108,563	5.39%	Regions Financial Corp.	AL	$117,661,732	5.60%
7	$99,000	$99,000	0.00%	Morgan Stanley	NY	$832,702,000	0.32%
8	$98,141	$90,592	8.33%	BancorpSouth, Inc.	MS	$13,045,442	37.05%
9	$78,906	$90,047	-12.37%	Discover Financial Services	IL	$79,031,613	3.90%
10	$76,736	$77,409	-0.87%	First Command Financial Svcs.	TX	$891,759	35.46%
11	$72,558	$70,860	2.40%	First Niagara Financial Group	NY	$37,593,354	20.56%
12	$68,120	$68,800	-0.99%	Huntington Bancshares Inc.	OH	$59,096,624	7.08%

SOURCE: *Michael White - Succeed Advisors Bank Insurance Fee Income Report*

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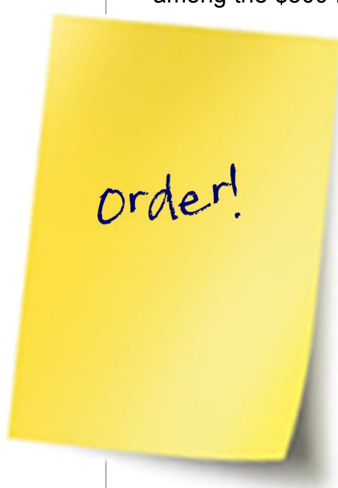
million), Morgan Stanley (flat at $99 million), BancorpSouth (+8.33% to $98.1 million), Discover Financial (-12.4% to $78.9 million), and First Command Services (-0.87% to $76.7 million).

Among the top ten insurance brokerage earners, insurance revenue comprised the greatest percentage of company noninterest income at BancorpSouth (37.1%), BB&T Corp. (35.7%) and First Command Financial Services (35.5%). Insurance revenue comprised the smallest percentage of noninterest income at Morgan Stanly (0.32%), Bank of America (0.65%) and American Express (0.66%).

Eastern Bank Corp. (MA) reported the highest level of insurance brokerage earnings among BHCs with $1 billion to $10 billion in assets. Stifel Financial (MO) ranked second, followed by Old National Bancorp (IN), Tompkins Financial (NY) and Lauritzen Corp. (NE).

First Command Financial Services (TX) not only ranked first in insurance brokerage earnings among BHCs with $500 million to $1 billion in assets, but also ranked 10th among all U.S. BHCs. Oneida Financial (NY) ranked second among the $500 million to $1 billion asset class, followed by Two Rivers Financial Group (IA), 473 Broadway Holding Corp. (NY), and Texas Independent Bancshares (TX).



Banks with under $500 million in assets served as proxies for the smallest BHCs. Among this group, Soy Capital Bank & Trust (IL) reported the highest level of insurance brokerage income, followed by Benchmark Bank (TX), First State Bank (IA), First Federal Savings Bank (PA) and Midwest Heritage Bank (IA), the *Michael White - Succeed Advisors Bank Insurance Fee Income Report* found based on data reported to U.S. regulators by all 6,812 commercial banks, savings banks and savings associations and all 1,062 top-tier U.S BHCs.

Commenting on the report's findings, Michael White said, "Despite declines in insurance earnings among 43 of the 74 largest BHCs with over $10 billion in assets, more BHCs with $1 million more in insurance brokerage earnings reported growth in that revenue, up 2.6% to 119 from 116 in 2012."

Succeed Financial Advisors President Robert Seda added, "One-third (32.1%) of bank holding companies that have built or acquired million-dollar insurance brokerages experienced double-digit increases in brokerage income, signaling a condition of financial health at their agencies."

To get the entire report, which includes benchmarking data sorted nationally, regionally and by asset class and region, click here.

U.S. APPLICATIONS FOR INDIVIDUALLY UNDERWRITTEN LIFE INSURANCE UP YEAR OVER YEAR IN APRIL

U.S. applications for individually underwritten life insurance rose 1.8% in April over April 2013 applications, but were down 9% from the month before, according to the MIB Life Index. Still, the year over year April increase reversed a twelve-month year-over-year monthly decline, which left year-to-date applications down 3.6% compared to the same period in 2013.

Year-over-year April applications increased among all age groups, led by individuals aged 60 and older (+5.5%) and followed by those aged 45-59 (+2.3%), while applications among individuals aged 0-44 ticked up 0.2%, Braintree, MA-based MIB Group found.

CLIMBING LIFE INSURANCE SALES COMPRISE LARGEST PERCENTAGE OF VOLUNTARY WORKSITE BENEFIT PURCHASES

Life insurance continued to account for the highest percentage (28%) of the $6.644 billion in worksite voluntary sales in 2013, according to Eastbridge's *U.S. Worksite/Voluntary Sales Report*. Life insurance sales grew 22% to $1.88 billion, up from $1.54 billion in 2013, led by a 29% climb in term sales to $1.43 billion, while universal and whole life sales rose 3% to $451 million.

Disability sales ranked second in popularity, increasing 8% over 2012 sales to $1.367 billion to comprise 21% of all worksite voluntary sales. Short-term disability sales grew 11% to $929.6 million and drove the increase, accounting for 68% of disability sales, while long-term disability sales rose 2% to $437.4 million to comprise 32% of total worksite disability sales.

Accident insurance sales ranked third in popularity and comprised 12% of worksite sales, despite declining 9% to $797.3 million, down from $876.1 million in 2012.

Hospital indemnity/supplemental medical insurance declined almost 7% from year 2012 sales, but still ranked fourth in popularity, accounting for 8% ($531.5 million) of voluntary sales, down from 10% in 2012.

Cancer sales and critical illness sales each comprised about 5% of voluntary worksite sales. But, while cancer sales fell 18% to $356 million, critical illness sales grew 11% to $327 million, Avon, CT -based Eastbridge found based on surveys of 60 insurance carriers.

Overall, the survey found the greatest growth in term life (+29%), short-term disability (+11%), and critical illness insurance sales (+11%), while cancer (-18%) and hospital indemnity (-7%) insurance sales registered the greatest declines.

WEB-BASED AUTO SALES EDGE DOWN

Web-based auto insurance sales have trended down since they peaked at 16.1% of total sales in 2011, according to the *TransUnion Auto Insurance Shopping index*.

In 2010, online sales jumped to 16% from 14.9% in 2009, and rose again to 16.1% in 2011. However, in 2012, those sales declined to 15.7% and slid again to 15.2% in 2013. In the twelve months ended February 2014, online sales continued down, slipping to 15% TransUnion found, based on its database of over 430 million auto insurance buyers with credit histories.

FIRST QUARTER U.S. INDEXED ANNUITY & INDEXED LIFE INSURANCE SALES UP YEAR-OVER-YEAR, BUT DOWN QUARTER-TO-QUARTER

U.S. indexed annuity sales hit $10.4 billion in the first quarter, up 39% from $7.2 billion in first quarter 2013, but down 5.8% from $11.0 billion in fourth quarter 2013, according to Wink's *Sales and*

Market Report. Wink President and CEO Sheryl Moore said, "First quarter sales are nearly always down compared to the previous quarter." Moore added, "Typically fourth quarter sales are the big record-breaking quarter of the year, with agents trying to qualify for trips and incentives."

Allianz Life with its top-selling Allianz 360 Annuity remained the number one indexed annuity provider in the first quarter with a 25.6% market share. Security Benefit Life ranked second, followed by American Equity Companies, Great American Insurance Group and Athene USA, Wink found based on surveys of 45 indexed annuity carriers.

First quarter U.S. indexed life insurance sales mirrored indexed annuity sales, growing 18% over first quarter 2013 sales of $279.7 million to $330 million, but sliding 4% from fourth quarter sales of $343.8 million, with average premium of down 13% to $9,063.

Pacific Life Companies remained the number one indexed life insurance provider with a 12.6% market share. Aegon ranked second, followed by National Life Group, Minnesota Life and Lincoln National Life. However, Western Reserve Life Assurance Company of Ohio offered the top-selling indexed life insurance product – WRL Financial Foundation, Wink found based on surveys of 51 U.S. life insurers.

NEW YORK LIFE RANKS FIRST IN VOLUNTARY WORKSITE SALES GROWTH

New York Life achieved the greatest growth in 2013 voluntary worksite sales among the "small category" of insurers with less than $30 million in voluntary sales, according to Eastbridge Consulting's *U.S. Voluntary Worksite Sales Report*.

New York Life not only led insurers in this category in sales growth in 2013, but for the last three years it also exceeded industry-wide growth rates of +8% in 2011, +118% in 2012 and +62% in 2013, Avon, CT-based Eastbridge said.

MIB GROUP EXPANDS DEATH CHECK SERVICE WITH MIB CROSS CHECK VERSION 3.0

Braintree, MA-based MIB Group has updated and expanded its MIB Cross Check Service, which is used by insurers to identify deceased insureds and annuitants.

MIB Cross Check Version 3.0 adds over 3,000 sources of death data, including death notifications from funeral homes, newspapers, journals and online obituaries, to the Social Security Death Master File (SSDMI), and, as a result, provides 30% more unique death notices beyond those reported in the SSDMI.

MIB President and CEO Lee Oliphant said, "This added depth increases our members effectiveness in tracking down potential claim obligations, stopping fraudulent annuity payments and complying with the increasing burdens of regulations, exams and audits."

FIRST QUARTER AGGREGATE NET INCOME FALLS 7.6% AT U.S. BANKS

U.S. commercial banks and savings institutions (banks) reported an aggregate $37.2 billion in net income in the first quarter, a 7.6% decline from $40.3 billion in first quarter 2013, according to the Federal Deposit Insurance Corporation (FDIC).

A 53.6% drop ($4 billion) in the sale, securitization and servicing of mortgages to $3.46 billion from $7.46 billion in first quarter 2013 drove the overall decline, as residential loans originated and intended for sale tumbled 70.6% ($323.6 billion) to $134.8 billion down from $458.4 billion. Additionally, realized gains on available-for-sale securities fell 60.1% ($1.2 billion) to $827 million down from $2.03 billion in first quarter 2013, contributing to the overall decline in aggregate net income.

On the other side, net interest income on an average net interest margin of 3.17% ticked up 0.4% to $104.2 billion, from $103.8 billion in first quarter 2013, but did so based on a 16.4% cut ($2.35 billion) in interest expense, which more than covered a 1.7% decline ($1.89 billion) in interest income.

Noninterest expense also declined, slipping 0.02% or $18 million to $102.27 billion, down from $102.28 billion, driven by a $579 million or 1.2% drop in payroll expenses to under $2.07 million, as the number of employees declined by over 43,890.

Loan loss provisions fell 30.3% to $7.60 billion, down from $10.91 billion in first quarter 2013, but return on assets (ROA) and return on equity (ROE) also fell, with ROA down to 1.01% from 1.12% in first quarter 2013, and ROE down to 8.99% from 9.96%.

Still, more than half (54%) of banks reported year-over-year earnings growth; 38.7% reported steady or declining earnings; and 7.3% reported losses. Five banks failed in the first quarter, but the number of banks on the problem list declined to 411 from 467.

Commenting on the overall performance of U.S. banks in the first quarter, FDIC Chairman Martin Gruenberg said, "Industry revenue has been affected by narrow margins, modest loan growth and a decline in noninterest income as higher interest rates have reduced mortgage-related activity and trading income fell."

U.S. COMMUNITY BANKS OUTPERFORM U.S. BANKS OVERALL IN FIRST QUARTER

U.S. community banks reported first quarter aggregate net income slipped 1.5% to $4.40 billion, down from $5.07 billion in first quarter 2013, outperforming overall U.S. bank performance, which registered a 7.6% earnings decline, according to the FDIC.

Community banks comprised 93% (or 6,234) of all U.S. banks reporting in the first quarter, held 14% ($2 trillion) of U.S. bank assets and accounted for 45% of small loans to businesses, as their loan balances grew at a faster pace than did those in U.S. banks overall, the FDIC found.

U.S. TITLE INSURANCE PREMIUMS FALL 16% IN FIRST QUARTER

U.S. title insurance premiums fell 16% in the first quarter to $2.4 billion, down from $2.9 billion in first quarter 2013, according to the American Land Title Association (ALTA).

Among those states responsible for the highest level of premium written, premiums were down in four out of five. Texas, the state with the greatest title insurance premium in the first quarter, recorded a 3.7% rise in premium to $361 million. In contrast, premium dropped 25.9% to $279 million in California, slipped 2% in Florida to $231 million, slid 2.4% to $216 million in New York, and tumbled 33.6% in Pennsylvania to $92 million.

Jacksonville, FL-based Fidelity Family remained the top U.S. title insurance provider with a 31% market share. Santa Ana, CA-based First American Family ranked a close second with a 28% market share. Chicago, IL-based Old Republic Family trailed in third place with 15% of the market, followed by Houston, TX-based Stewart Family (13%) and independent underwriters (12%), Washington, DC-based ALTA found.

FIVE STAR BANK PARENT BEGINS REVENUE DIVERSIFICATION WITH INSURANCE AGENCY PURCHASE

Warsaw, NY-based, $3.02 billion-asset Financial Institutions, Inc., parent of Five Star Bank, has agreed to acquire Scott Danahy Naylon Co., Inc. (SDN), a full service insurance agency based in Amherst, NY, a suburb of Buffalo. Five Star Bank President and CEO Martin Birmingham said, "The acquisition of an insurance agency of this quality and magnitude is a strategically important first step to diversify our revenue base by increasing noninterest income."

SDN's 30 employees currently service over 6,000 personal and business clients in 44 states. SDN Preident William Scott said, "Combining resources with Five Star Bank enhances our ability to meet the needs of our clients by providing them access to a wide array of banking services."

When the deal closes in the third quarter, pending approvals, SDN will maintain its management team and staff and continue to operate from its current Amherst location as a Financial Institution's subsidiary and affiliate of Five Star Bank.

IDB BANK EXPANDS WEALTH MANAGEMENT PROGRAM THROUGH PARTNERSHIP WITH KB FINANCIAL PARTNERS

New York City-based IDB Capital, the broker-dealer subsidiary of $9.7 billion-asset IDB Bank (Israel Discount Bank of New York), has agreed to partner with Princeton, NJ-based KB Financial Partners to expand IDB's wealth management offerings to include insurance services, wealth transfer solutions, executive benefit plans and retirement plan consulting. IDB Capital President Matt Rozzi said, "This culminates a long process of building our wealth management services."

KB Financial Partners' 21 investment and insurance professionals specialize in serving Ultra-High Net Worth families, privately held businesses and public companies, a population served by IDB. Additionally, KB Financial is a member of Portland, OR-based M Financial Group, which KB Financial Partners' Principal James Kaplan said offers support from over 200 professional staff and "provides IDB clients with access to a broad range of proprietary products and services."

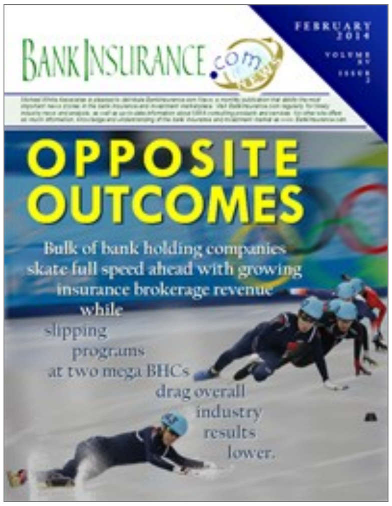
In 2013, IDB Bank reported $8.53 million in income from broker-dealer activities, which comprised 17.0% of its noninterest income and 4.5% of its net operating revenue. The company ranked 13th in income from broker-dealer activities among BHCs with assets between $1 billion and $10 billion, according to the *Sorrento Pacific - Michael White Bank Wealth Management Report*.

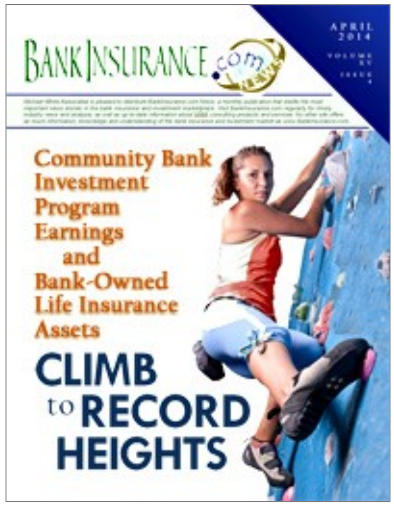
PEOPLES BANCORP COMPLETES MIDWEST BANKSHARES ACQUISITION

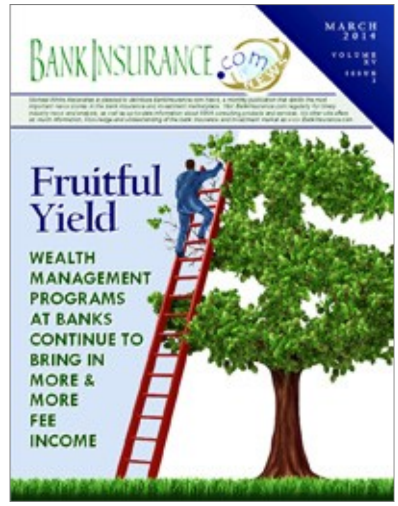
Marietta, OH-based, $2.1 billion-asset Peoples Bancorp, parent of Peoples Bank and Peoples Insurance Agency, has completed its $12.6 million purchase of Wellston, OH-based, $89 million-asset Midwest Bankshares, parent of First National Bank of Wellston. Peoples President and CEO Chuck Sulerzyski said, "This partnership strengthens our presence in southeastern Ohio and complements our existing insurance operations in Jackson County."

The 50:50 stock and cash deal adds two banking offices in Wellston and Jackson, Ohio to Peoples 50-branch reach in Ohio, West Virginia and Kentucky. Sulerzyski said, "In the months ahead, we will begin introducing our expanded array of products and services, including commercial banking, wealth management and retirement planning solutions, to customers at our newly acquired bank locations."

In 2013, Peoples Bancorp's insurance brokerage income comprised 32.9% of its noninterest income and 13.2% of its net operating revenue. The company ranked 11th in insurance brokerage earnings among BHCs with assets between $1 billion and $10 billion, according to the *Michael White - Succeed Advisors Bank Insurance Fee Income Report*.







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