



American  
Bankers  
Association

American Bankers Insurance Association  
*an ABA subsidiary*

# **Annuities in the Bank Channel**

Annuities and Wealth Management

ABIA 2011 Annual Conference

September 26, 2011





American  
Bankers  
Association

American Bankers Insurance Association  
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## Panelists:

**Judith Alexander**

Director of Sales and Marketing, Beacon Research

**Chelle Chase**

Vice President, Retirement Division-Retail Products, Symetra Financial

**Michael J. McGlothlin**

Senior Vice President, Annuity Division, Highland Capital Brokerage

## Moderator:

**Michael D. White**

President, Michael White Associates (MWA) & *BankInsurance.com News*





# BANK INSURANCE.com





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# *Michael White – ABIA Bank Annuity Fee Income Report*



# MWA's Sources of Raw Bank Fee Income Data



**YES** – Large Top-tier Bank Holding Companies  
With Assets of \$500+ Million



**YES** – All Commercial Banks & FDIC-Supervised  
Savings Banks



**Yes** – Savings Associations & Certain Other  
Savings Banks as of 1Q 2012



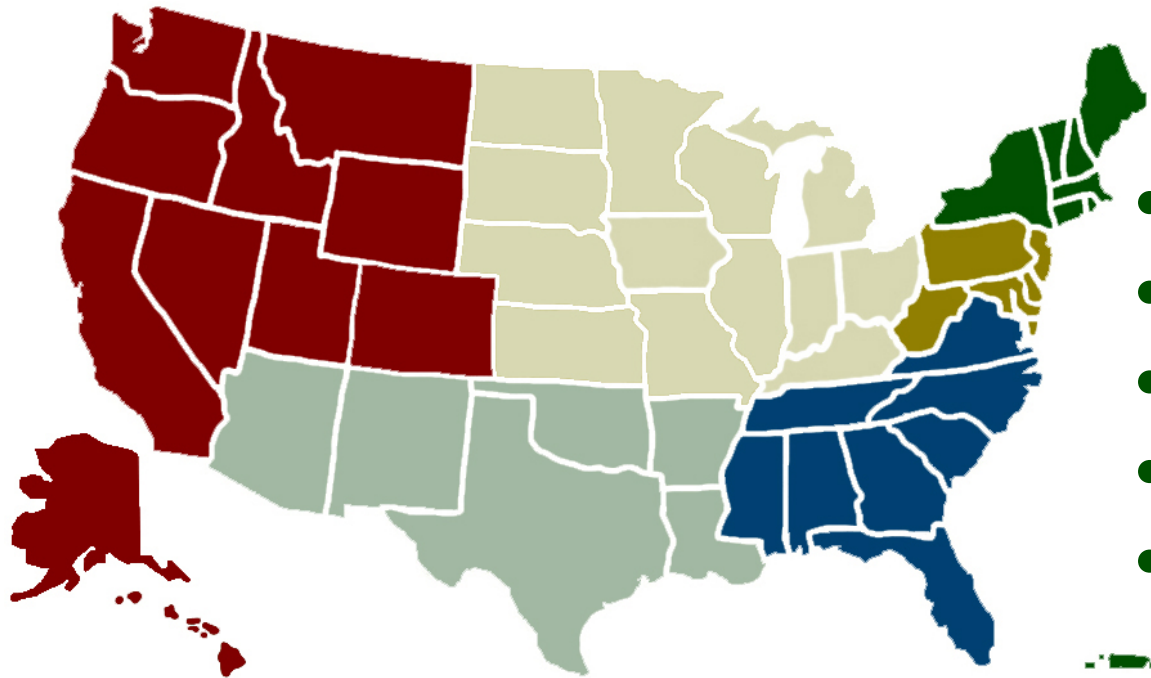
**NO** – Credit Unions





# Bank Holding Company (BHC) and Bank Analyses

## UNITED STATES



- @7,000 Banks
- @910 BHCS
- + 6 Asset Classes
- + 6 Region
- + 50 States, DC & PR

# ABIA Member Benefits: *Fee Income Ratings & Competitor Comparison Reports*



## MICHAEL WHITE ASSOCIATES' FEE INCOME RATINGS REPORT (TM)

EXCLUSIVELY SPONSORED BY  
AMERICAN BANKERS INSURANCE ASSOCIATES (ABIA)  
PREPARED ON 8/4/2009




## The ABIA-MWA FEE INCOME COMPETITOR COMPARISON REPORT

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PREPARED ON 8/4/2009 BY  
MICHAEL WHITE ASSOCIATES (MWA)



## MICHAEL WHITE ASSOCIATES' ASSET CLASS FEE INCOME REPORT (TM)

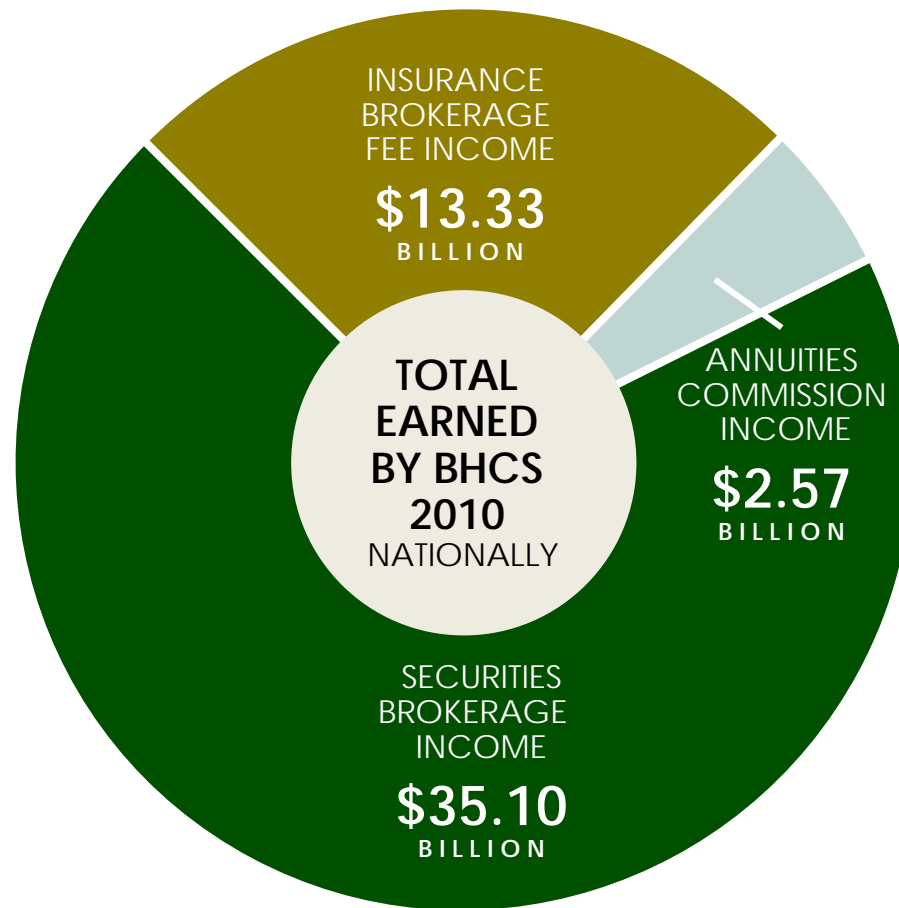
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PREPARED ON 8/4/2009



# Key Performance Measures of Noninterest Fee Income Programs

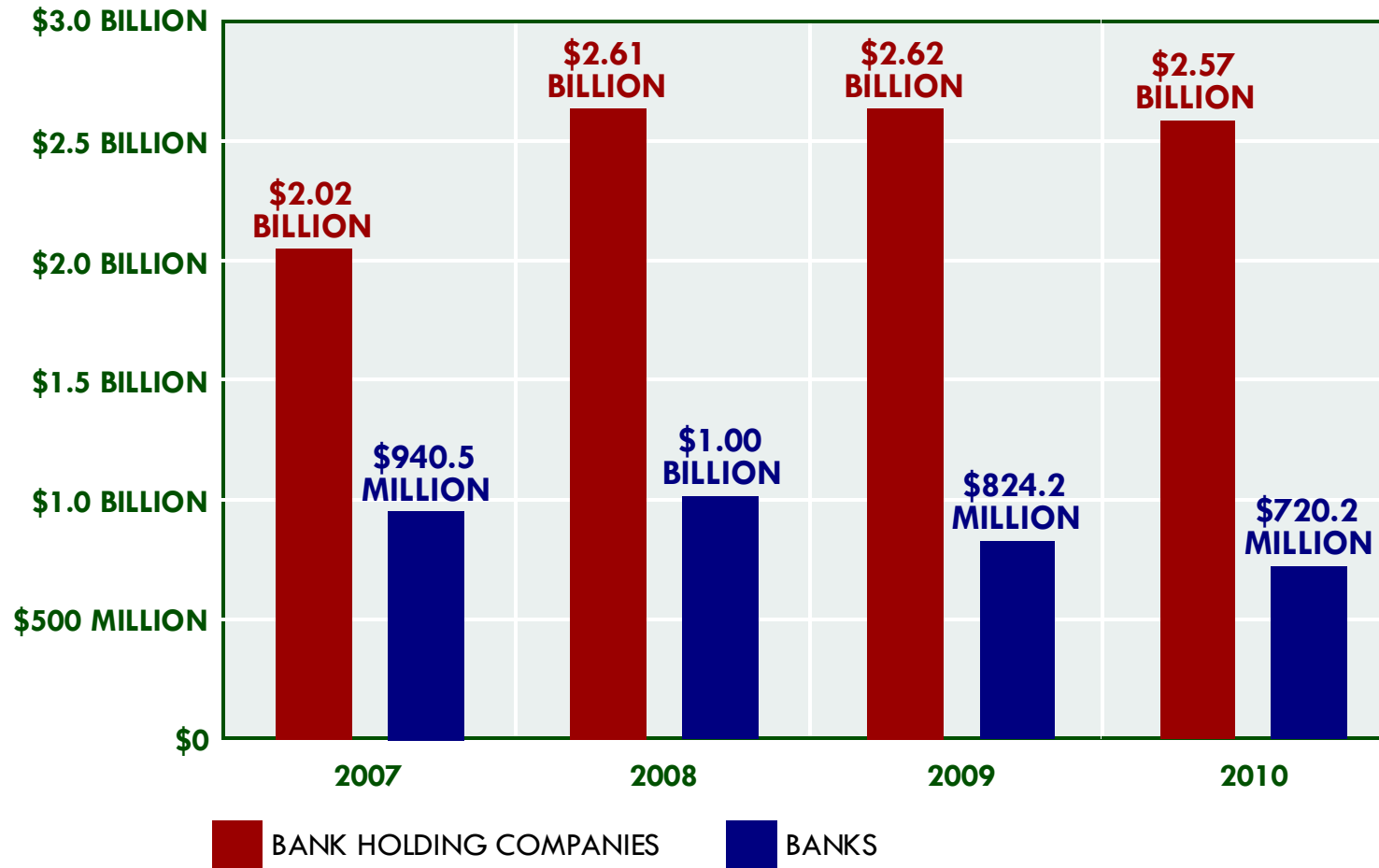
- Program Production
- Program Concentration
- Program Participation
- Program Penetration
- Program Productivity
- Program Density
- Program Contribution
- Program Compound Annual Growth Rates (CAGR)

# Total Fee Income Earned by BHCs in 2010



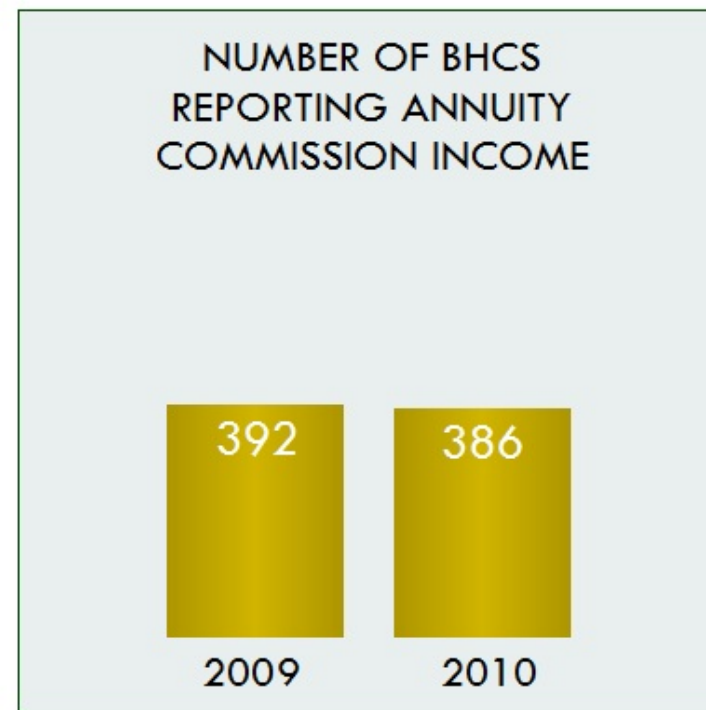
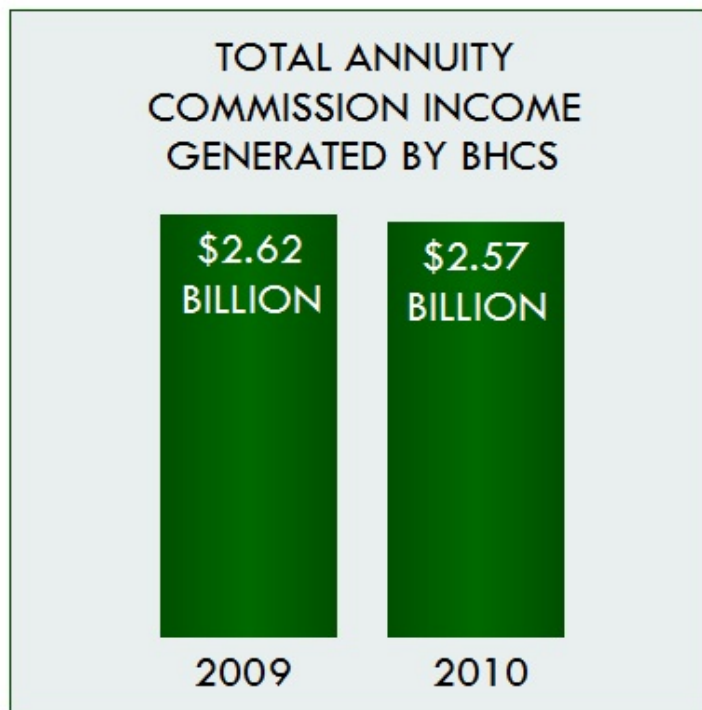
SOURCE: MICHAEL WHITE – ABIA BANK ANNUITY FEE INCOME REPORT

# Bank & BHC Annuity Income Production



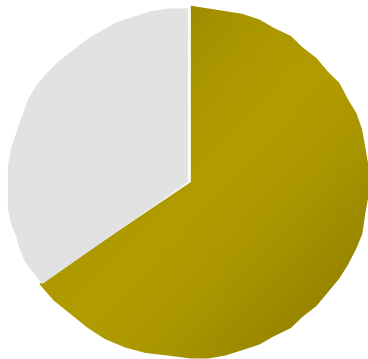
SOURCE: MICHAEL WHITE – ABIA BANK ANNUITY FEE INCOME REPORT

# Bank Holding Company Annuity Income

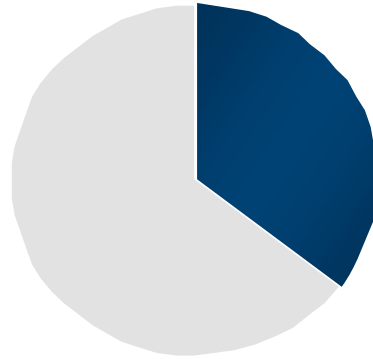


SOURCE: MICHAEL WHITE - ABIA BANK ANNUITY FEE INCOME REPORT

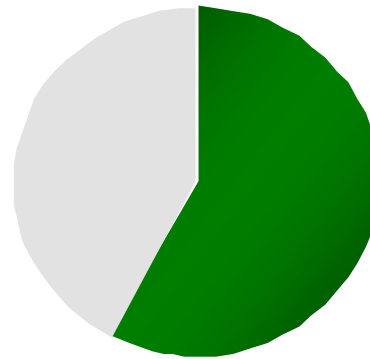
# Percent of All BHCs Participating - 2010



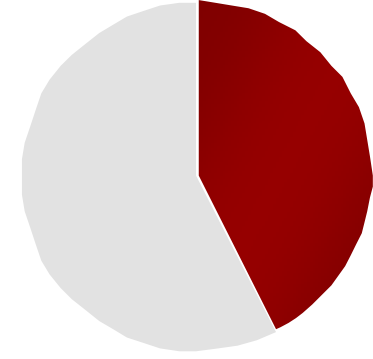
INSURANCE  
BROKERAGE  
FEE INCOME  
**65.1%**



MUTUAL FUND &  
ANNUITY  
FEE INCOME  
**35.4%**



SECURITIES  
BROKERAGE  
FEE INCOME  
**57.7%**



ANNUITY  
COMMISSION  
INCOME  
**42.4%**

SOURCE: MICHAEL WHITE - ABIA BANK ANNUITY FEE INCOME REPORT

# Program Concentration (Noninterest Income)

- % of Noninterest Income Attributable to a Specific Kind of Noninterest Fee Income Activity, e.g., Insurance Brokerage
- Shows How Concentrated or Meaningful a Bank Insurance Program is among All Other Nonlending Activities, including Sales of Assets



# Annuity “Relevance” Comparisons



	WELLS FARGO	REGIONS	WesBanco	FNB Bank
ASSETS	\$1,258 B	\$132.4 B	\$5.4 B	\$402 M
ANNUITY COMMISSION FEE INCOME	\$706.0 M	\$102.8 M	\$4.0 M	\$533 K
NONINTEREST INCOME CONCENTRATION	1.76%	3.50%	6.8%	10.6%


SOURCE: MICHAEL WHITE – ABIA BANK ANNUITY FEE INCOME REPORT

# Percentage Concentration of Fee Income

## PERCENTAGE CONCENTRATION OF FEE INCOME AMONG BIG FINANCIAL INSTITUTIONS, 2009 - 2010

TYPE OF FEE INCOME	2010 BANKS > \$10 B IN ASSETS	2009 BANKS > \$10 B IN ASSETS
ANNUITY COMMISSIONS	74.2%	76.8%
INSURANCE BROKERAGE	76.5%	80.4%
FIDUCIARY/TRUST	87.5%	85.5%
INVESTMENT PROGRAM	84.6%	88.8%
SECURITIES BROKERAGE	86.5%	90.9%
INSURANCE UNDERWRITING	95.3%	93.7%

SOURCE: MICHAEL WHITE – ABIA BANK ANNUITY FEE INCOME REPORT



Check Out More Findings in the *MWA-ABIA Bank Annuity Fee Income Report* at ...

... <http://www.aba.com/ABIA/Press.htm>

For a brief summary of First Quarter 2011 findings, see the July 18, 2011 news release.

For a brief summary of Year-End 2010 findings, read the April 19, 2011 news release.



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