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NEWS RELEASE

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BANK ANNUITY FEE INCOME UP, BUT SLOWING IN FIRST HALF 2009

WASHINGTON— Income earned from the sale of annuities at bank holding companies rose 1.7% to \$1.33 billion in first half 2009, up from \$1.31 billion in first half 2008, according to findings released today by the American Bankers Insurance Association and Michael White Associates. Second-quarter annuity commissions, however, fell to \$593.1 million, down 19.2% from \$734.5 million in first quarter 2009 and down 9.1% from \$652.6 million earned in second quarter 2008.

The findings are based on data from all 7,402 commercial and FDIC-supervised banks and 932 large top-tier bank holding companies operating on June 30, 2009.

Of the 932 BHCs, 379 or 40.7% participated in annuity sales activities during first half 2009. Their \$1.33 billion in annuity commissions and fees constituted 14.0% of their total mutual fund and annuity income of \$9.48 billion and 18.0% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$7.38 billion. Of the 7,402 banks, 953 or 12.9% participated in first-half annuity sales activities. Those participating banks earned \$484.3 million in annuity commissions or 36.5% of the banking industry's total annuity fee income. However, bank annuity production was down 10.3% from \$539.6 million in first half 2008.

TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME							
YEAR-TO-DATE JUNE 30, 2009							
Nationally							
RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2008 - 2009	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2Q 2009	2Q 2008					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$340,000	\$56,000	507.14%	WELLS FARGO & COMPANY	CA	\$1,284,114,000	1.69%
2	\$175,000	\$172,000	1.74%	JPMORGAN CHASE & CO.	NY	\$2,026,642,000	0.73%
3	\$137,971	\$64,423	114.16%	BANK OF AMERICA CORP.	NC	\$2,248,783,401	0.38%
4	\$87,000	N/A	N/A	MORGAN STANLEY	NY	\$674,474,000	0.97%
5	\$68,408	\$30,892	121.44%	PNC FINANCIAL SERVICES GROUP PA	PA	\$279,788,303	2.02%
6	\$48,970	\$13,272	268.97%	REGIONS FINANCIAL CORP.	AL	\$142,824,610	2.37%
7	\$46,096	\$63,539	-27.45%	SUNTRUST BANKS, INC.	GA	\$176,854,034	2.05%
8	\$37,000	\$48,000	-22.92%	U.S. BANCORP	MN	\$265,560,000	0.91%
9	\$29,459	\$30,105	-2.15%	KEYCORP	OH	\$97,398,309	2.74%
10	\$26,474	\$32,874	-19.47%	HSBC NO. AMERICA HOLDINGS	IL	\$383,820,898	1.11%

Source: Michael White-ABIA Bank Annuity Fee Income Report

Seventy-two percent (72.0%) of BHCs with over \$10 billion in assets earned first-half annuity commissions of \$1.26 billion, constituting 94.6% of total annuity commissions reported. This was an increase of 3.7% from \$1.21 billion in annuity fee income in first half 2008. Among this asset class of largest BHCs in the first half, annuity commissions made up 16.6% of their total mutual fund and annuity income of \$7.58 billion and 18.2% of their total insurance sales volume of \$6.91 billion.

BHCs with assets between \$1 billion and \$10 billion recorded a decrease of 25.6% in annuity fee income, declining from \$80.1 million in first half 2008 to \$59.6 million in first half 2009 and accounting for 3.2% of their mutual fund and annuity income of \$1.89 billion. BHCs with \$500 million to \$1 billion in assets generated \$12.0 million in annuity commissions in first half 2009, down 16.3% from \$14.3 million in first half 2008. Only 33.8% of BHCs this size engaged in annuity sales activities, which was the lowest participation rate among all BHC asset classes. Among these BHCs, annuity commissions constituted the smallest proportion (13.6%) of total insurance sales volume of \$45.6 million.

Wells Fargo & Company (CA), JPMorgan Chase & Co. (NY), and Bank of America Corporation (NC) led all bank holding companies in annuity commission income in first half 2009. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (MO), Hancock Holding Company (MS), and NewAlliance Bancshares, Inc. (CT). Among BHCs with assets between \$500 million and \$1 billion, leaders were First Citizens Bancshares, Inc. (TN), Codorus Valley Bancorp, Inc. (PA), and CCB Financial Corporation (MO). The smallest community banks, those with assets less than \$500 million, 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 Vantage Point Bank (PA), FNB Bank, N.A. (PA), and The Juniata Valley Bank (PA).

Among the top 50 BHCs nationally in annuity concentration (i.e., annuity fee income as a percent of noninterest income), the median Annuity Concentration Ratio was 6.1% in first quarter 2009. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 13.2% of noninterest income.

The American Bankers Insurance Association (ABIA) is the separately chartered insurance affiliate of the American Bankers Association (ABA) and is the only Washington, D.C.-based full service association for bank insurance interests. The ABIA's mission is to develop policy and provide advocacy for banks in insurance and to support bank insurance operations through research, education, compliance-assistance and peer group networking opportunities. ABIA Membership consists of banks, and their affiliated agencies, insurance companies, marketing, and administrative services suppliers, non-bank lending organizations and other firms involved in the bank affiliated insurance industry. Additional information on the ABIA can be found on the Internet at www.theabia.com.

Michael White Associates (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at www.BankInsurance.com. The annual Michael White-ABIA Bank Annuity

Fee Income Report and Michael White-Prudential Bank Insurance 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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