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FOR IMMEDIATE RELEASE
January 19, 2011

Third Quarter Bank Annuity Fee Income Down 7.6 %

WASHINGTON – Income earned from the sale of annuities at bank holding companies declined 7.6 percent to \$1.84 billion in the first three quarters of 2010, down from \$2.00 billion in the first three quarters of 2009, according to the *Michael White-ABIA Bank Annuity Fee Income Report*[™]. Third-quarter annuity commissions fell to \$621.3 million, down 3.1 percent from \$640.9 million in second quarter 2010 and down 7.3 percent from \$669.8 million earned in third quarter 2009.

Compiled by Michael White Associates and sponsored by American Bankers Insurance Association, the report measures and benchmarks the banking industry's performance in generating annuity fee income. It is based on data from all 7,020 commercial and FDIC-supervised banks and 915 large top-tier bank holding companies operating on September 30, 2010.

TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME YEAR-TO-DATE SEPTEMBER 30, 2010 Nationally							
RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2009 - 2010	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q 2010	3Q 2009					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$517,000	\$504,000	2.58%	WELLS FARGO & COMPANY	CA	\$1,220,662,000	1.75%
4	\$237,000	\$168,000	41.07%	MORGAN STANLEY	NY	\$841,372,000	1.03%
2	\$185,000	\$258,000	-28.29%	JPMORGAN CHASE & CO.	NY	\$2,139,511,000	0.51%
3	\$126,718	\$203,240	-37.65%	BANK OF AMERICA CORP.	NC	\$2,334,511,000	0.28%
6	\$78,286	\$71,198	9.96%	REGIONS FINANCIAL CORP.	AL	\$133,554,896	3.69%
5	\$60,173	\$98,953	-39.19%	PNC FINANCIAL SERVICES GROUP	PA	\$260,174,102	1.44%
9	\$48,584	\$46,160	5.25%	KEYCORP	OH	\$93,120,696	3.54%
7	\$46,151	\$62,917	-26.65%	SUNTRUST BANKS, INC.	GA	\$174,725,825	1.84%
8	\$42,000	\$52,000	-19.23%	U.S. BANCORP	MN	\$290,654,000	0.69%
10	\$36,847	\$29,237	26.03%	BBVA USA BANCSHARES, INC.	TX	\$64,318,215	6.36%
Source: <i>Michael White-ABIA Bank Annuity Fee Income Report</i>							

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ABIA News Release/P2

Of the 915 BHCs, 386 (42.2 percent) participated in annuity sales activities during the first three quarters of 2010. The \$1.84 billion in annuity commissions and fees constituted 11.0 percent of their total mutual fund and annuity income of \$16.84 billion and 15.9 percent of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$11.6 billion. Of the 7,020 banks, 923 (13.2 percent) participated in annuity sales activities, earning \$560.9 million in annuity commissions or 30.4 percent of the banking industry's total annuity fee income. However, bank annuity production was down 20.5 percent from \$705.5 million in the first three quarters of 2009.

Seventy-four percent of BHCs with over \$10 billion in assets earned third quarter year-to-date annuity commissions of \$1.74 billion, constituting 94.1 percent of total annuity commissions reported. This was a decrease of 8.1 percent from \$1.89 billion in annuity fee income in the first three quarters of 2009. Among this asset class of largest BHCs in the first three quarters, annuity commissions made up 10.5 percent of their total mutual fund and annuity income of \$16.59 billion and 15.9 percent of their total insurance sales volume of \$10.92 billion.

BHCs with assets between \$1 billion and \$10 billion recorded a slight increase of 0.2 percent in annuity fee income, rising from \$91.4 million in the first three quarters of 2009 to \$91.6 million in the first three quarters of 2010 and accounting for 36.7 percent of their mutual fund and annuity income of \$249.6 million. BHCs with \$500 million to \$1 billion in assets generated \$16.9 million in annuity commissions in the first three quarters of 2010, up 1.0 percent from \$16.7 million in the first three quarters of 2009. Only 33.5 percent 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 (13.3 percent) of total insurance sales volume of \$127.5 million.

Wells Fargo & Company (Calif.) Morgan Stanley (N.Y.) and JPMorgan Chase & Co. (N.Y.) led all bank holding companies in annuity commission income in the first three quarters of 2010. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (Mo.), Hancock Holding Company (Miss.), and National Penn Bancshares, Inc. (Pa.). Among BHCs with assets between \$500 million and \$1 billion, leaders were First American International Corp. (N.Y.), CCB Financial Corporation (Mo.), and Ironhorse Financial Group, Inc. (Okla.). 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 The Hardin County Bank (Tenn.), Bank of Oak Ridge (N.C.) and FNB Bank, N.A. (Pa.).

(more)

ABIA News Release/P2

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 6.1 percent in third quarter 2010. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the median Annuity Concentration Ratio was 14.5 percent of noninterest income.

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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 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 annuity commissions and fees and bank insurance brokerage 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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