



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS



N E W S R E L E A S E

Total Bank Insurance Revenue Up in First Half of 2005

FOR IMMEDIATE RELEASE – Radnor, PA, and Washington, DC, November 1, 2005 – The nation’s bank holding companies (BHCs) increased their total insurance revenue 1.6 percent to \$21.2 billion in the first half of 2005 from \$20.9 billion during the same period in 2004. CitiGroup, Wells Fargo & Company, HSBC North America Holdings, J.P. Morgan Chase & Co., and Countrywide Financial Corporation led all bank holding companies with significant banking activities in total insurance fee income in the first six months of 2005, according to findings released today by Michael White Associates (MWA) and the American Bankers Insurance Association (ABIA).

The findings are based on data reported to the Federal Reserve Board by 2,287 top-level BHCs. The analysis measures the growth of the bank insurance business and provides some benchmarks that gauge bank insurance performance.

“While the industry’s growth in insurance fee income slowed in the first half of 2005 compared to the rapid pace in 2004, more institutions engaged in insurance activities,” said Valerie Barton, associate director of ABIA. “Smaller banking organizations certainly experienced strong double-digit growth. One may expect to see more growth in organic insurance fee income as agency integration and cross-selling accelerate, in addition to growth through agency acquisition.”

TOP 10 BANK HOLDING COMPANIES IN TOTAL INSURANCE INCOME YTD JUNE 30, 2005 NATIONALLY				
RANK		TOTAL INSURANCE INCOME	BANK HOLDING COMPANY	STATE
1ST HALF 2005	End of 2004			
1	1	\$1,528,000	CITIGROUP INC.	NY
2	2	\$695,000	WELLS FARGO & COMPANY	CA
3	3	\$487,231	HSBC NORTH AMERICA HOLDINGS INC.	IL
4	6	\$449,000	JPMORGAN CHASE & CO.	NY
5	4	\$421,035	COUNTRYWIDE FINANCIAL CORPORATION	CA
6	5	\$333,902	BB&T CORPORATION	NC
7	7	\$179,000	WACHOVIA CORPORATION	NC
8	8	\$127,258	BANK OF AMERICA CORPORATION	NC
9	9	\$116,003	MBNA CORPORATION	DE
10	11	\$77,345	GREATER BAY BANCORP	CA

* Excluding MetLife and John Hancock/Manulife which do not have significant banking operations
* Numbers in are in thousands of dollars

Source: Michael White Associates and American Bankers Insurance Association

During the first six months of 2005, 1,395 bank holding companies (or 61 percent of all top-level BHCs reporting) earned some type of insurance-related revenue, compared to 1,351 in the first half of 2004. In addition, 96 BHCs reported earning some insurance underwriting fee income from underwriting or reinsurance activities, compared to 99 a year earlier.

The analysis includes a ranking of the top 50 bank holding companies on the basis of the absolute dollar amount of total insurance revenue (earnings from sales and underwriting) and on the basis of total insurance revenue as a percentage of the institution's total noninterest income. Other findings include:

- BHCs' insurance brokerage fee income decreased slightly by 2 percent from \$5.09 billion in the first half of 2004 to \$4.98 billion in the first half of 2005. During the first six months of 2005, 1,383 bank holding companies (or 60 percent of all top-level BHCs reporting) engaged in sales activities that produced insurance brokerage fee income. BHCs with less than \$1 billion in assets in the first half of 2005 increased their insurance brokerage fee income 14.3 percent from \$143 million to \$163 million.
- Joining the top 50 in total insurance revenue during the first half of 2005 were Capital One Financial Corporation, Bancwest Corporation, Hancock Holding Company, F.N.B. Corporation, and First Charter Corporation. Bancwest Corporation increased its rank in total insurance income the most, having jumped from 76th place at the end of 2004 to 39th through June 2005. Hancock Holding Company also jumped fairly dramatically, rising from 61st place at December 31, 2004, to 44th place on June 30, 2005.

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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 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. Michael White's annual bank and bank holding company *Insurance & Investment Fee Income Reports*[™] provide a more comprehensive analysis of bank insurance, investment, and mutual fund and annuity fee income. Those reports are co-sponsored by Newtek Insurance Agency, MetLife Investors, and Symetra Financial. 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's reports can be obtained from MWA by calling 1-877-DIAL MWA or by visiting www.BankInsurance.com.

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