



MICHAEL WHITE ASSOCIATES
BANK INSURANCE CONSULTANTS

BANKINSURANCE.com

N E W S R E L E A S E

**Michael White Reports BankInsurance Brokerage Income
Hurt by Wells Fargo Decline in First Quarter 2017**

FOR IMMEDIATE RELEASE – Radnor, PA, June 27, 2017 – Bank holding companies (BHCs) generated \$1.46 billion in insurance brokerage fee income in first quarter 2017, down 3.6% from \$1.51 billion in first quarter 2016, according to the *Michael White’s BankInsurance Fee Income Report™*. Of 624 large top-tier BHCs, 375 or 60.1% reported insurance brokerage fee income in first quarter 2017. The industry’s decline was due to a decline of 41.8% in Wells Fargo’s insurance brokerage income. Had Wells Fargo’s insurance brokerage income instead stayed steady with first quarter 2016, the banking industry would have shown a 6.0% increase.

Compiled by Michael White Associates (MWA), this report measures and benchmarks the banking industry’s performance in generating insurance brokerage and underwriting fee income. Results are based on data from all 5,856 commercial banks, savings banks and savings associations (thrifts) and 624 large top-tier bank and thrift holding companies (collectively, BHCs) with consolidated assets greater than \$1 billion operating on March 31, 2017. Several BHCs that are historically insurance or commercial companies have been excluded from this report in order to better understand the insurance performance of financial institutions that historically have engaged in significant banking activities.

Bank holding company insurance brokerage fee income consists of commissions and fees earned by a bank holding company or its subsidiary from insurance product sales and referrals of credit, life, health, property, casualty, and title insurance.

**TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME
YEAR-TO-DATE MARCH 31, 2017 – NATIONALLY**

R A N K	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	1Q 2017	1Q 2016					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$457,605	\$417,685	9.56%	BB&T Corporation	NC	\$220,492,498	39.23%
2	\$196,000	\$337,000	-41.84%	Wells Fargo & Company	CA	\$1,951,103,000	2.06%
3	\$146,000	\$98,000	48.98%	Citigroup Inc.	NY	\$1,821,617,000	2.01%
4	\$102,000	\$98,000	4.08%	Bank of America Corporation	NC	\$2,242,080,000	0.93%
5	\$39,000	\$43,000	-9.30%	American Express Company	NY	\$160,556,000	0.61%
6	\$35,958	\$38,063	-5.53%	Regions Financial Corp.	AL	\$124,739,162	6.62%
7	\$33,017	\$33,334	-0.95%	BancorpSouth, Inc.	MS	\$14,869,618	48.02%
8	\$26,006	\$22,954	13.30%	Eastern Bank Corporation	MA	\$10,254,830	47.18%
9	\$21,620	\$21,382	1.11%	Associated Banc-Corp	WI	\$29,011,055	27.20%
10	\$20,020	\$19,334	3.55%	First Command Financial Services	TX	\$1,028,130	30.43%
11	\$17,413	\$2,085	735.16%	Keycorp	OH	\$133,697,831	3.06%
12	\$17,000	\$14,000	21.43%	Morgan Stanley	NY	\$830,587,000	0.20%

Source: *Michael White Bankinsurance Fee Income Report™*

In first quarter 2017, BB&T Corporation (NC), which owns more agencies than any other financial holding company, topped the leader board with insurance brokerage earnings of \$457.6 million in first quarter. Wells Fargo & Company (CA) ranked second nationally with \$196.0 million; and Citigroup Inc. (NY) ranked third with \$146.0 million in insurance brokerage revenue.

Bank holding companies with over \$10 billion in assets continued to have the highest rate of participation (73.9%) in insurance brokerage activities. These BHCs produced \$1.27 billion in insurance fee income in first quarter 2017, down 3.6% from the \$1.31 billion they produced in first quarter 2016.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in first quarter 2017 included First Command Financial Services (TX), Johnson Financial Group, Inc. (WI), Lauritzen Corporation (NE), Tompkins Financial Corporation (NY), Community Bank System, Inc. (NY), and NBT Bancorp, Inc. (NY). Participating in insurance brokerage at a rate of 57.1%, BHCs of this size registered a 3.2% decline in insurance brokerage income to \$190.2 million in first quarter 2017, down from \$196.6 million in first quarter 2016.

The smallest community banks with less than \$1 billion in assets were used as “proxies” for the smallest BHCs, which are not required to report insurance brokerage income. Leaders among bank proxies for small BHCs were Soy Capital Bank and Trust Company (IL), Benchmark Bank (TX), Industry State Bank (TX), SussexBank (NJ), Midwest Heritage Bank, FSB (IA), First State Bank (IA), Saco & Biddeford Savings Institution (ME), MountainOne Bank (MA), First South Bank (TN), and Community Bank (PA). These small banks registered a 5.0% decrease in insurance brokerage income to \$63.6 million, down from \$67.0 million in first quarter 2016.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the median Insurance Brokerage Concentration Ratio was 32.1%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the median Insurance Brokerage Concentration Ratio was 60.9% of noninterest income in first quarter 2017.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the median Insurance Brokerage Productivity Ratio was \$20,498 per BHC employee in first quarter 2017, down 12.0% from \$23,298 in first quarter 2016. Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was an annualized \$27,056 per bank employee in first quarter 2017, down 11.3% from \$30,516 in first quarter 2016.

###

Michael White Associates (MWA) is a bankinsurance consulting firm headquartered in Radnor, PA, and at www.BankInsurance.com. MWA publishes a variety of reports on noninterest fee income, including *Michael White's BankInsurance Fee Income Report*[™] and the *Equias Alliance/Michael White Bank-Owned Life Insurance (BOLI) Holdings Report*[™]. Additionally, the *MWA Fee Income Ratings Reports*[™] compare, rank and rate a particular financial institution's insurance, annuity or other noninterest fee income program against that of other financial institutions 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.

For additional information contact:
Michael D. White, Ph.D., CLU, ChFC
Michael White Associates, LLC
Phone: (610) 254-0440
Email: MWA@BankInsurance.com

-more-

