

BANK INSURANCE MARKET RESEARCH GROUP

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Bank of America Leader In 2005 Brokerage Income

Mamaroneck, NY-March 13, 2006: Today the BISA and Bank Insurance Market Research Group (BIMRG) released year-end 2005 bank brokerage results to member firms.

Among retail banking companies, Bank of America was the leader in investment income, or “income from the sale and servicing of mutual funds and annuities,” with \$1,577.3 million in 2005 (see table below), up 17 percent compared with the previous year when it also finished first. The North Carolina banking company’s gains were due primarily to its 2004 acquisition of FleetBoston Financial.

Top Ten Bank Brokerage Programs in 2005

(Dollars in millions)

	2005			2004		No. of	No. of
	Investment			Investment		Series 7	Bank
	Income*	Bank	State	Income	Change	brokers	Branches
1	\$1,577.31	Bank of America Corp.	NC	\$1,352.69	17%	2,200	5,910
2	\$558.00	Wachovia Corp.	NC	\$574.00	-3%	1,258	3,277
3	\$455.35	J.P. Morgan Chase	NY	\$485.36	-6%	1,449	2,641
4	\$310.05	Wells Fargo & Co.	CA	\$249.38	24%	1,100	3,149
5	\$273.30	U.S. Bancorp	MN	\$262.92	4%	450	2,396
6	\$150.19	Fifth Third Bancorp	OH	\$128.86	17%	215	1,144
7	\$143.11	Washington Mutual	WA	\$158.12	-9%	539	1,997
8	\$105.32	PNC Financial Services	PA	na	na	350	830
9	\$79.93	Keycorp	OH	na	na	212	1,376
10	\$75.78	Citizens Financial Grp.	RI	\$87.35	-13%	180	1,634

* Revenues (not sales) from mutual funds and annuities in millions of dollars based on analysis of FDIC and OTS data in 2005. Table contains additional data compiled by the Bank Insurance Market Research Group. Only retail bank programs are included.

Source: [*Singer's Annuity & Funds Report*](#).

Bank of America was followed by Wachovia Corp. (\$558.0 million), JPMorgan Chase (\$455.4 million), Wells Fargo & Co. (\$310.1 million), and U.S. Bancorp (\$273.3 million).

Overall, commercial banks and thrift institutions generated \$5.53 billion in investment income in 2005, down 9.5 percent from \$6.11 billion in 2004, according to BIMRG.

As reported, this has been a difficult year for many bank brokerage programs because of a flat yield curve that curtailed fixed annuity sales, a staple in many programs. Bank certificates of deposits (CDs) paid investors nearly as much as fixed annuities in 2005, and CDs were more liquid and FDIC insured.

2,145 banks and thrifts reported some investment income in the year. That is almost one-quarter (24 percent) of the 8,832 banks and thrifts that reported to either the FDIC or OTS in the fourth quarter of 2005, according to BIMRG. 2,267 banks and thrifts reported some investment income in 2004.

The complete FDIC-FRB Data for Commercial Banks and Thrift Data Series is available to BISA Members at a discounted price. This presents bank insurance and investment data from some 5,000 commercial banks, savings banks, thrift institutions and bank holding companies that market insurance, annuities and/or mutual funds at a 20 percent discount from the normal price of \$2,900 annually or \$1,200 for 2005 year-end data alone. To request more information, members should go to

www.BISAnet.org/resources/singerpubs/

About the rankings

“Investment income” is defined as “income from the sale and servicing of mutual funds and annuities.” It does not include life insurance brokerage revenues, or revenues from the sale of individual stocks and bonds. It is primarily sales commissions from the sale of packaged products like fixed and variable annuities and mutual funds. These revenues, however, still account for the vast majority of bank brokerage income.

The investment income data are derived from government sources—the FDIC and OTS principally. When a bank company reports its numbers through several operating banks—such as BancWest Corp., which reports production from Bank of the West (\$36.17 million) and First Hawaiian

Bank (\$9.59 million)—BIMRG adds the separate bank numbers together. Fulton Financial Corp., to take another example, had 13 operating banks that reported some investment income in 2005.

Only retail banks are included. Thus, a number of institutions that reported large investment revenues, such as Boston-based State Street Bank (\$43.0 million) would not be included. State Street has only one bank office.

Figures for institutions' Series 7 financial consultants, licensed CSRs, and bank branches were assembled from various sources by the Bank Insurance Market Research Group (Mamaroneck, NY), including public company documents, news stories, and one-on-one interviews. Mostly these numbers came from the companies themselves, however.

A longer table is currently being assembled and will run in an upcoming issue of *Singer's Annuity & Funds Report*.

The Bank Insurance Market Research Group (BIMRG) provides market research and investment sales data to the bank and insurance industries. Data is based on in-depth surveys of depository and insurance entities augmented by analysis of government data. Proprietary information is provided by institutions on a confidential basis. (See www.singerpubs.com.)

The Bank Insurance & Securities Association (BISA) is the nation's leading trade association dedicated to serving the needs of those responsible for marketing securities, insurance and other investment and risk management products through commercial banks, trust companies, savings institutions, and credit unions. The membership includes financial institutions of all sizes, their broker/dealer, insurance, and mutual fund subsidiaries, and firms providing products and/or services to support these operations.

NOTE: Credentialed members of the press may obtain additional information by calling BISA at 610-989-9047.

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