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Bank Holding Company Annuity Index Drops 15% in 2nd Quarter; Fixed Annuity Sales Drop 20%

Wayne, PA — October 15, 2009: *The BISA-Singer's Bank Holding Company (BHC) Annuity Index* fell 15 percent in the second quarter of 2009, the [Bank Insurance and Securities Association](#) (BISA) announced today.

The Index is an average based on quarterly annuity (both fixed and variable) revenues (not sales) at 10 large bank holding companies as reported to the Federal Reserve Board. The index fell from 125 in the 1st quarter to 106 in the second quarter. Aggregate annuity revenue at the 10 bank companies covered declined 11 percent—from \$330.76 million to \$293.08 million. ([Click here](#) for charts and graphs.)

The Index is produced jointly by BISA and *Singer's Annuity & Funds Report*.

During the same period, sales (not revenues) of the subset of fixed annuities across all depository institutions were an estimated \$8.7 billion, according to the Beacon Research *Fixed Annuity Premium Study*. This was a decrease of 20 percent from the prior quarter and 1 percent compared to second quarter 2008. The change was primarily due to falling fixed annuity credited rates and a declining rate advantage over bank certificates of deposit, said Beacon.

The quarter was characterized by substantial declines in annuity production at the nation's largest BHCs.

"This marks the largest slump in the Index since we began tracking annuity revenues in the 1st quarter of 2007," said Andrew Singer, editor of the Index. "In the second quarter,

all ten bank companies experienced annuity declines compared with the previous quarter."

The quarterly Beacon Research *Fixed Annuity Premium Study* is the only source to track and analyze sales of all types of fixed annuities at the product-level. Findings are based on the results of insurance companies representing an estimated 86% of the U.S. market. BISA members can [click here](#) to log onto the BISA Members website and obtain additional charts and graph with information about the composition and percentage of depository institution fixed annuity sales relative to other channels.

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The Bank Insurance and Securities Association (BISA) is the Association of choice for firms and financial professionals who wish to successfully engage in the distribution of integrated financial services including investments and insurance through depository institutions. Its mission is to support member firms and financial professionals within depository institutions by building a community and providing forums to enhance their professionalism, knowledge, and productivity to help them best serve their clients with a broad array of financial solutions.

[Singer's Annuity & Funds Report](#) is published by the [Bank Insurance Market Research Group](#), which also publishes *Who's Who in Bank Insurance* and *Who's Who in Bank Wealth Management*.

Beacon Research is an independent research company and application service provider founded in 1997. Beacon tracks fixed and variable annuity features, rates and sales. In addition, Beacon helps banks and other distributors with comprehensive product profiles, spreadsheets and search tools for advisor/rep websites. Financial institutions use its systems at www.annuitynexus.com for compliance review of 1035 exchanges, sales support, conservation and product research.

NOTE: Credentialed members of the press may obtain additional information by calling Heywood Sloane at 610-989-9047, x 17.

BISA-Singer's BHC Annuity Index: 2009 2nd Quarter

(Dollars in millions)

	2nd Qtr.	Current qtr			Previous	1st Qtr.		Bank
	Annuites	Index	Bank	State	Qtr. Index	Annuites	Change	Assets
1	\$9.65	0.82	Bancwest Corp.	HI	0.91	\$10.60	-9%	\$75,963
2	\$10.52	1.00	BB&T Corp.	NC	1.18	\$12.32	-15%	\$152,398
3	\$7.29	0.69	Fifth Third Bancorp	OH	0.90	\$9.54	-24%	\$115,984
4	\$9.25	1.16	Huntington Bancshares	OH	1.67	\$13.35	-31%	\$51,485
5	\$13.91	1.35	KeyCorp	OH	1.51	\$15.55	-11%	\$98,389
6	\$8.95	1.06	M&T Bank Corp.	NY	1.35	\$11.40	-22%	\$69,913
7	\$33.89	1.98	PNC Financial Services Group	PA	2.02	\$34.52	-2%	\$279,788
8	\$19.62	0.68	SunTrust Banks, Inc.	GA	0.92	\$26.48	-26%	\$176,854
9	\$17.00	0.75	U.S. Bancorp	MN	0.88	\$20.00	-15%	\$265,560
10	\$163.00	1.09	Wells Fargo & Company	CA	1.18	\$177.00	-8%	\$1,284,176
	\$293.08	1.06			1.25	\$330.76	-11%	

BISA-Singer's BHC Annuity Index

