

YEAR END 2018

BLACK BOOK OF CHARTS



PRODUCED AND PRINTED BY

CRAMER
+associates

||| **MassMutual**

Bank BD Peer Benchmarking

We have found that there are 11 Bank Broker-Dealers who provide the most accurate reflection of the trends and transitions taking place in the bank brokerage industry.

The 11 “Core Bank BDs” are PNC, Citi, U.S. Bank, SunTrust, Fifth Third, Citizens, Key, BB&T, BBVA, BMO Harris, Huntington. As you see to the right, the revenue of these 11 Bank BDs ranges between \$400m and \$75m and their retail deposits between \$25b and \$200b. What makes their data useful as an industry benchmark is that no bank is too big to have an oversized impact on the data in any given time period, and no bank is too small to have data that varies wildly in short timeframes.

It is the consistency and verifiability of the data from these 11 Bank BDs that make them a useful indicator of the health and direction of the bank brokerage industry.

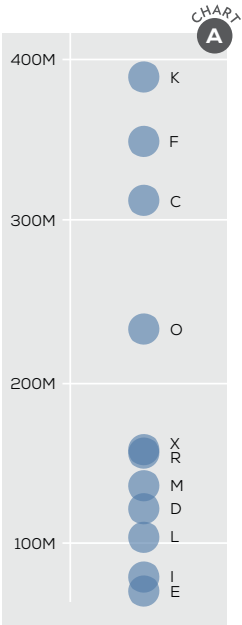
If you would like more detailed data, which always protects the privacy of the individual firms, please reach out to Jack Cramer directly at 303.532.7003.

The 11 “Core Banks BDs” used in our research include:

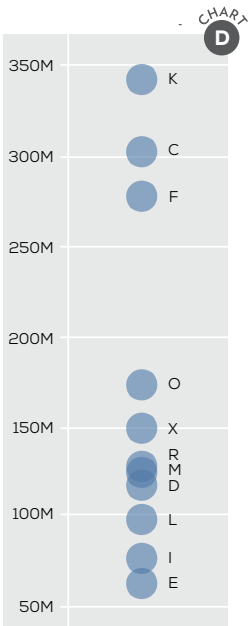
- PNC
- U.S. Bank
- Fifth Third
- Key
- Huntington
- BMO Harris

- Citi
- SunTrust
- Citizens
- BB&T
- BBVA

2018
Total
Revenue

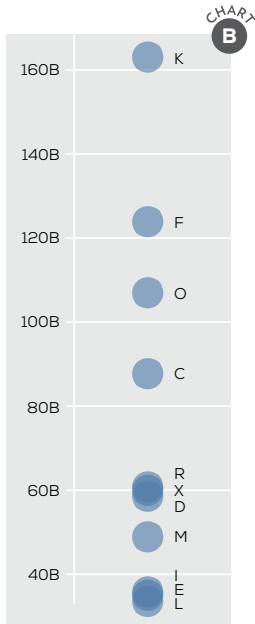


Advisor
Compensable
Revenue

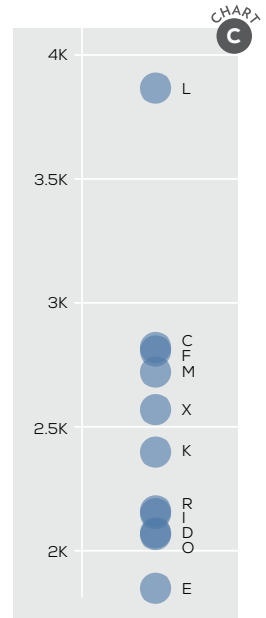


Retail Deposits of the 11 Core Bank B-Ds

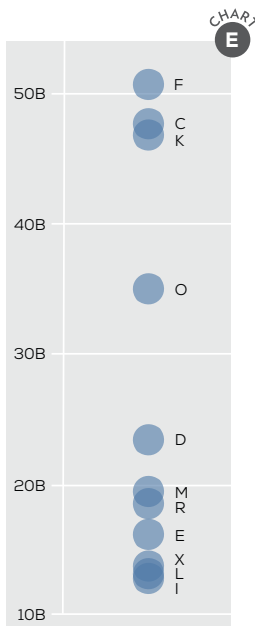
As reported by the Presidents of the respective Bank BDs



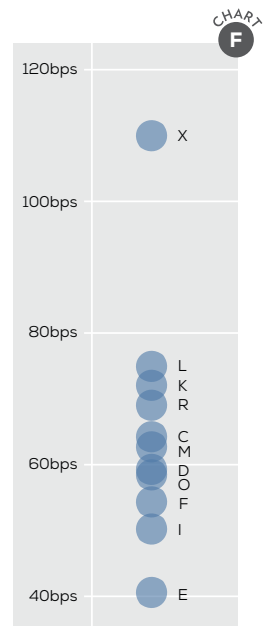
Revenue per \$1m Retail Deposits



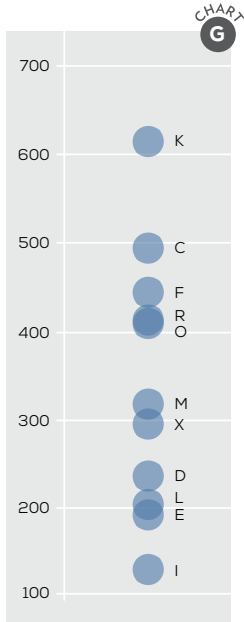
Total BD AUM



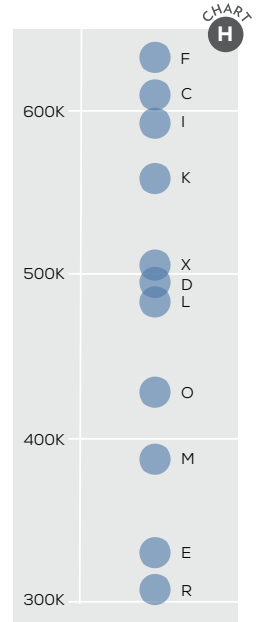
Return on Assets



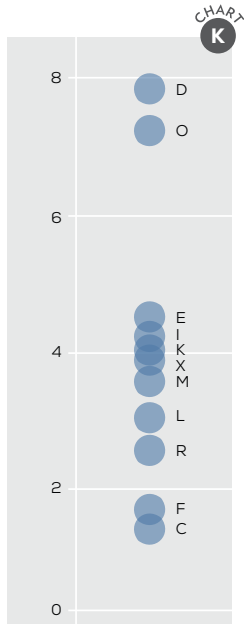
Advisor Count



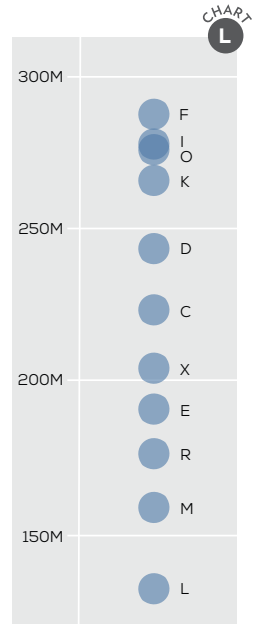
Advisor Productivity



Branches Per Advisor



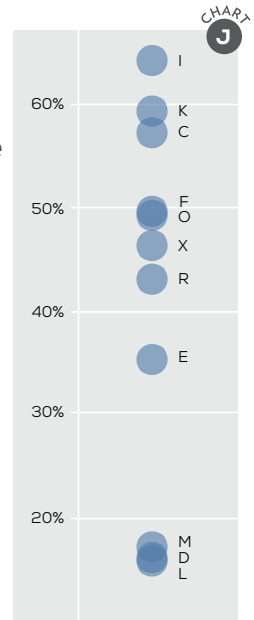
Retail Deposits per Advisor



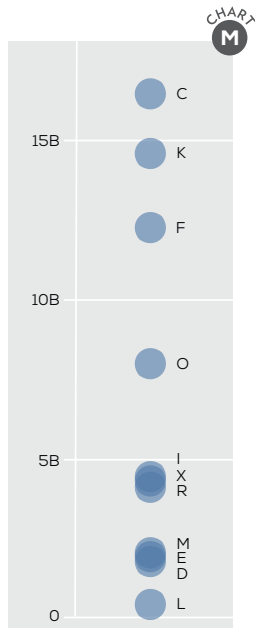
Fee-Based Revenue



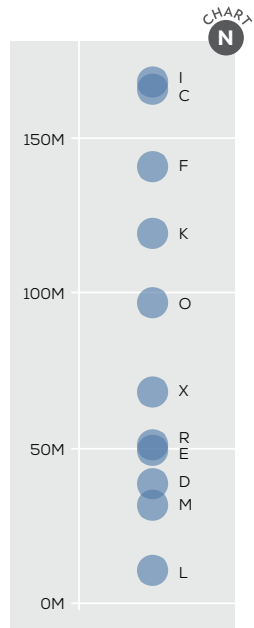
Fee-Based Revenue as % of Advisor Compensable Revenue



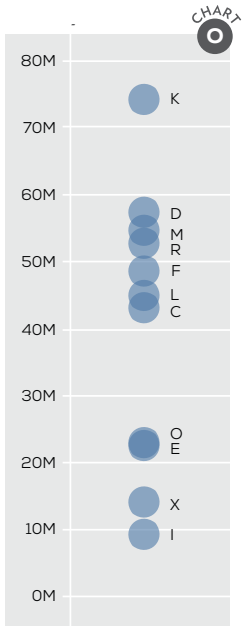
Managed Money AUM



Managed Money AUM per Advisor



Annuity Revenue



Annuity Revenue as % of Advisor Compensable Revenue



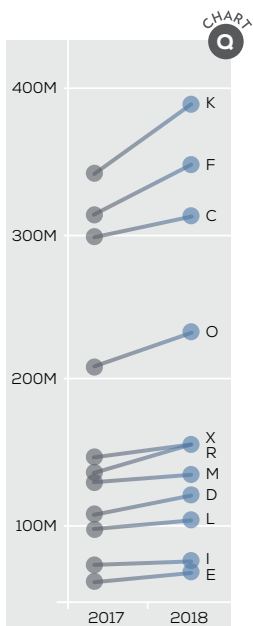
Life Insurance Revenue



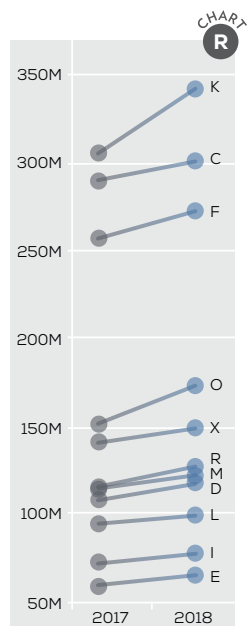
Life Insurance Revenue as % of Advisor Compensable Revenue



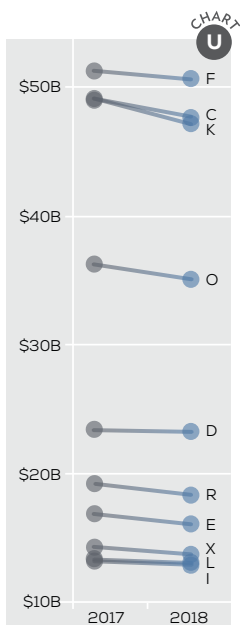
Total Revenue



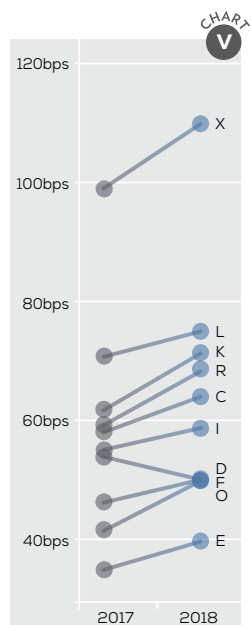
Advisor Compensable Revenue



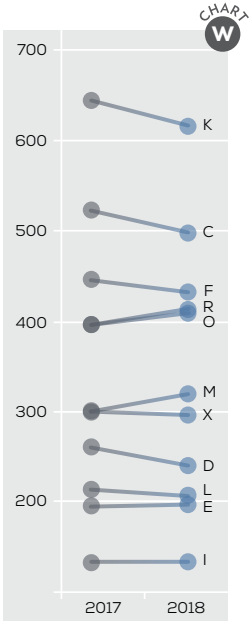
Total BD AUM



Return on Assets



Advisor Count



Advisor Productivity

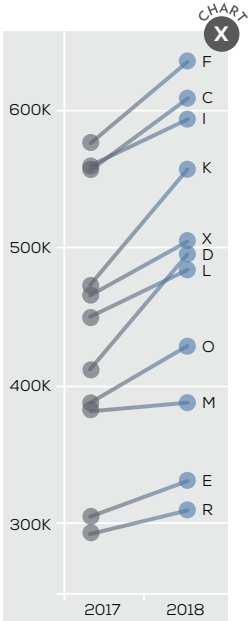
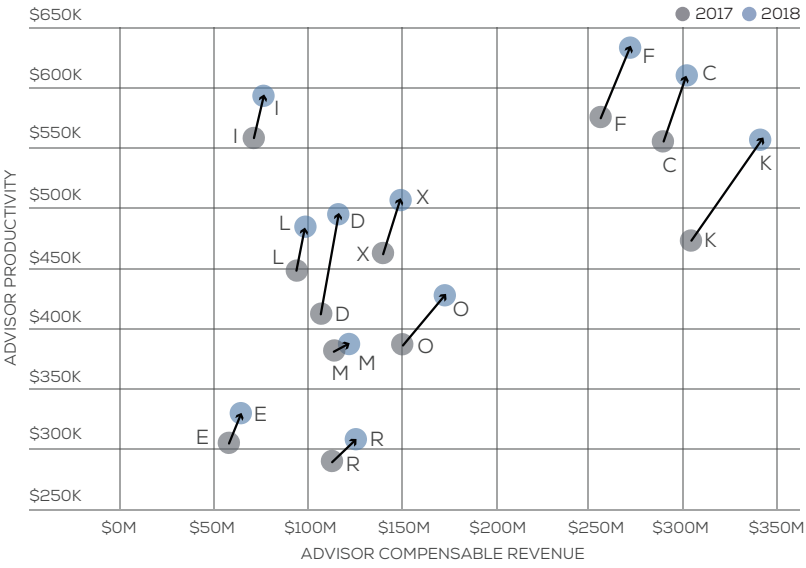
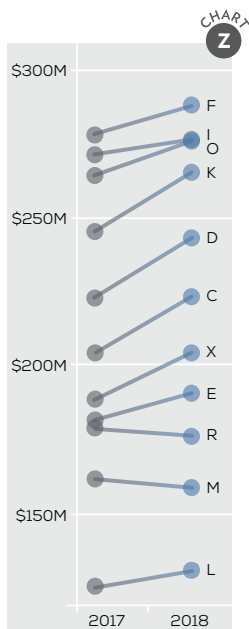


CHART Y

Advisor Productivity vs. Advisor Compensable Revenue



Retail Deposits per Advisor



Revenue per \$1m Retail Deposits

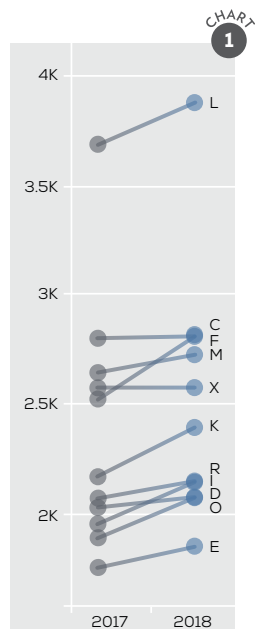
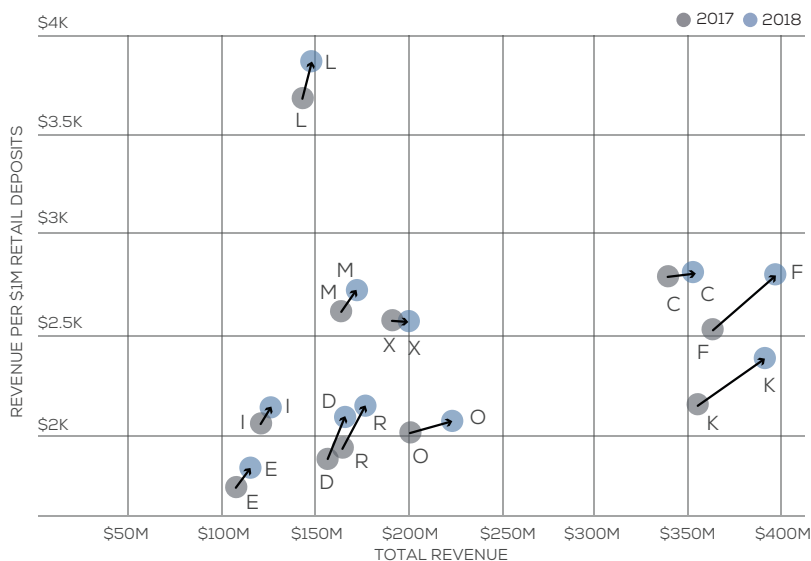
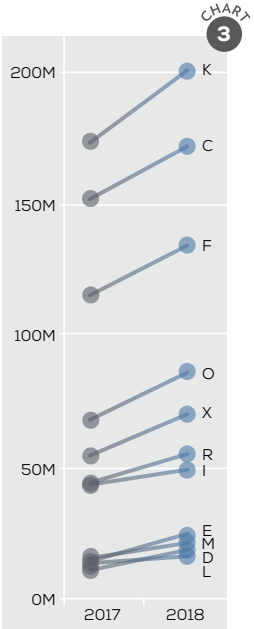


CHART 2

Revenue Per \$1m of Retail Deposits



Fee-Based Revenue



Fee-Based Revenue per Advisor

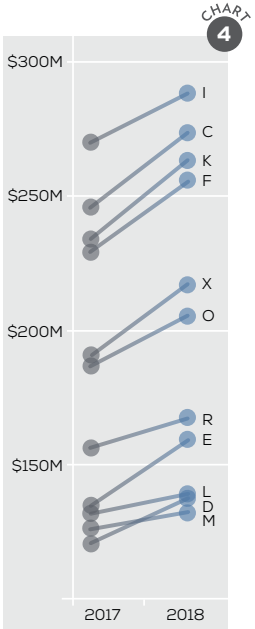
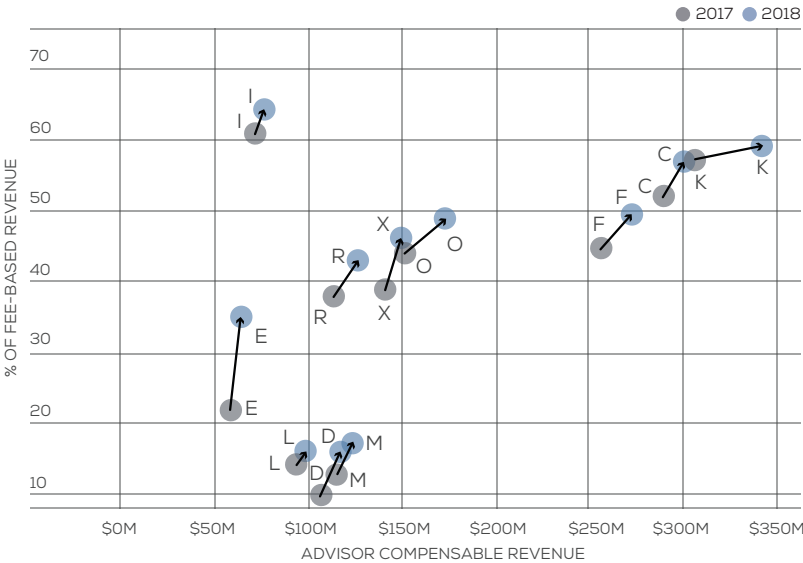
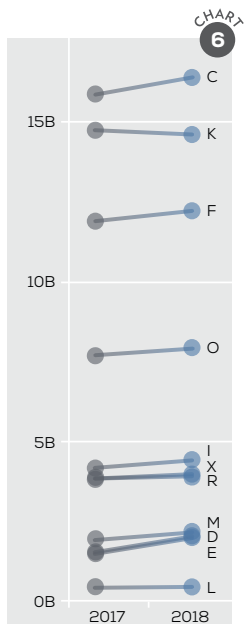


CHART 5 Fee-Based Revenue as % of Advisor Compensable Revenue



Managed Money AUM



Managed Money AUM Per Advisor

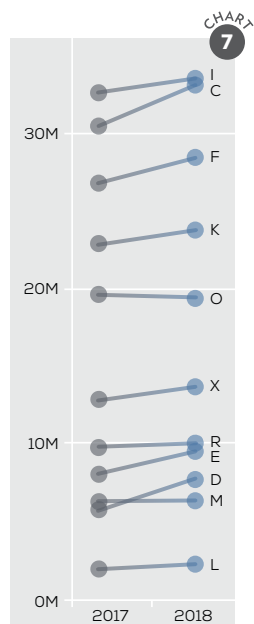
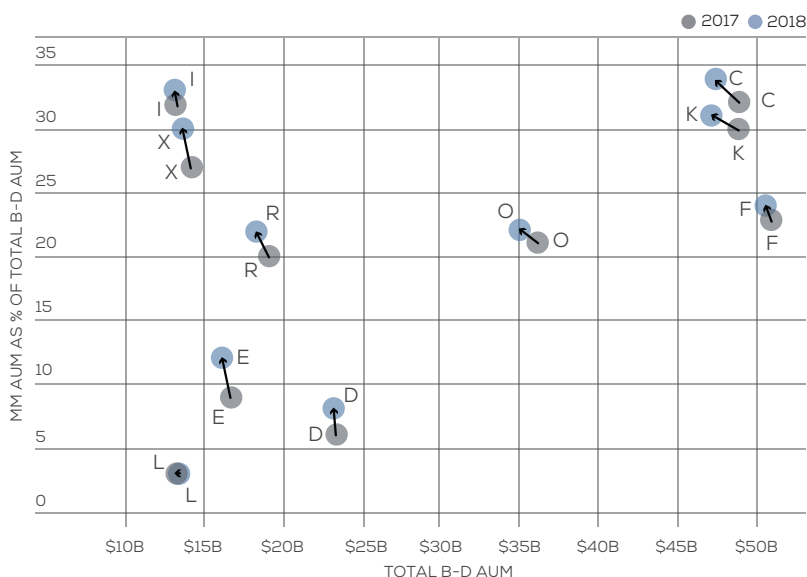
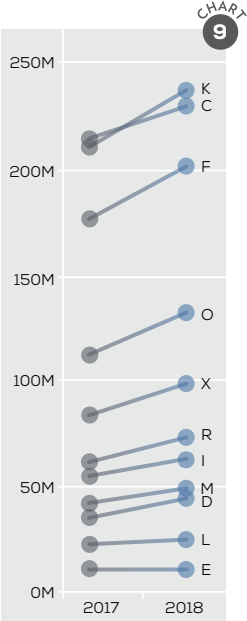


CHART 8 Managed Money AUM as % of Total B-D AUM



Recurring Revenue



Recurring Revenue per Advisor

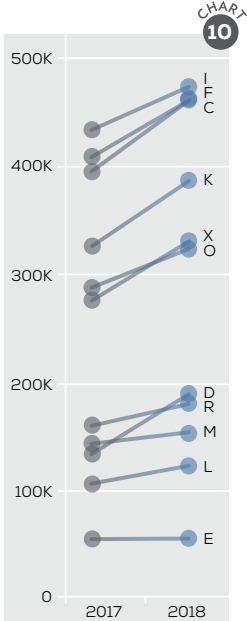
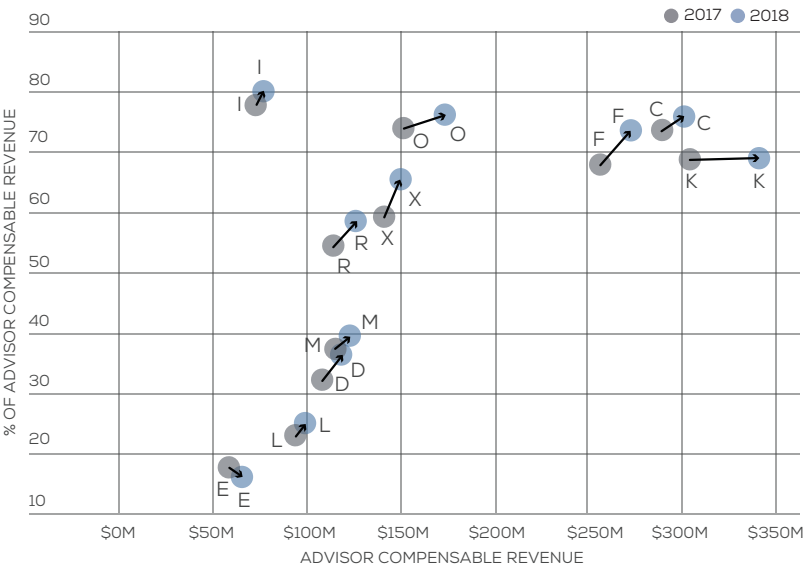
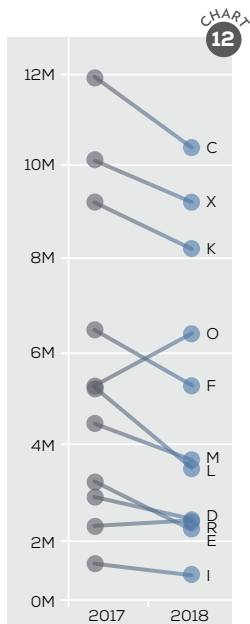


CHART 11

Recurring Revenue as % of Advisor Compensable Revenue



Life Insurance Revenue



Life Insurance Revenue per Advisor

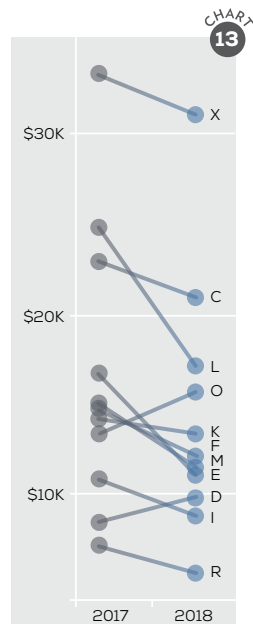
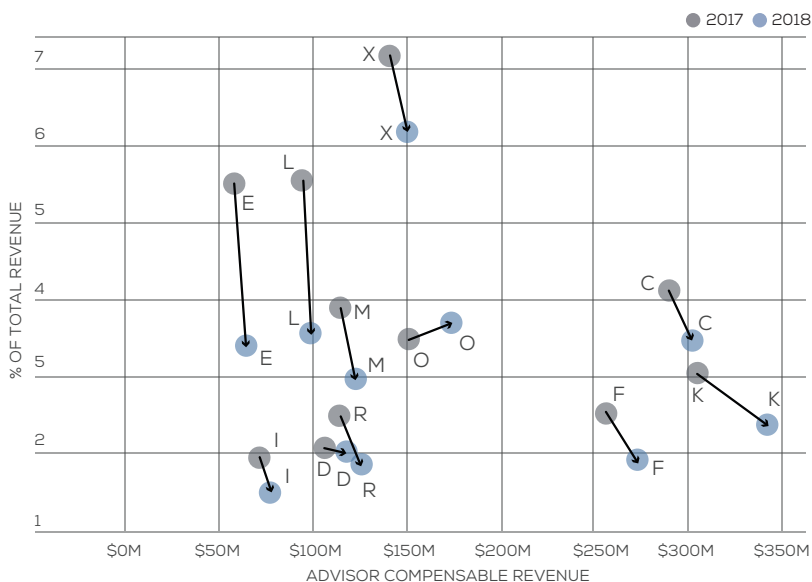
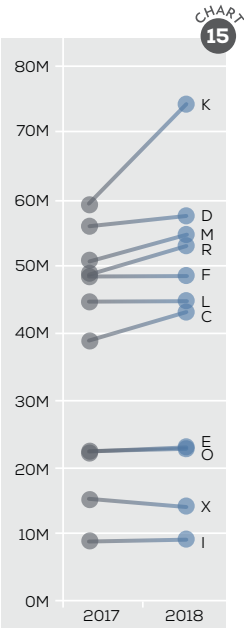


CHART 14 Life Insurance Revenue as % of Advisor Compensable Revenue



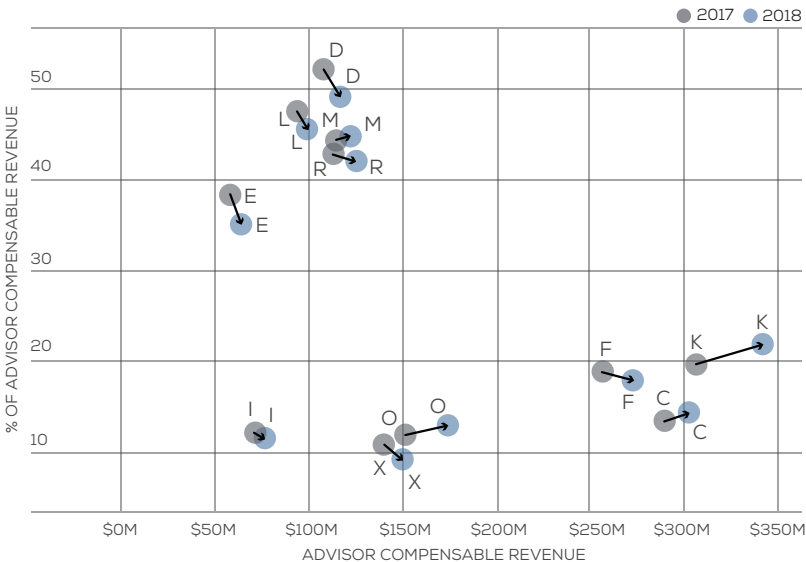
Annuity Revenue



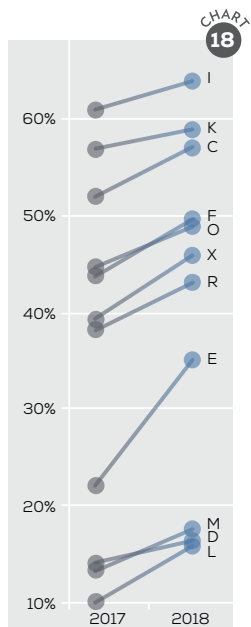
Annuity Revenue per Advisor



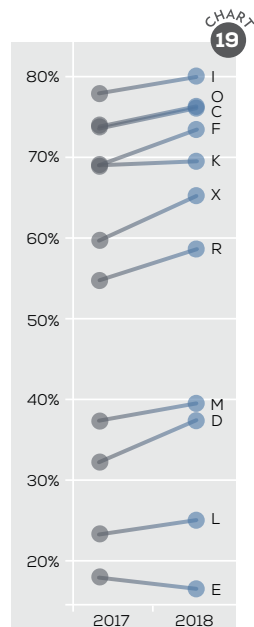
CHART 17 Annuity Revenue as % of Advisor Compensable Revenue



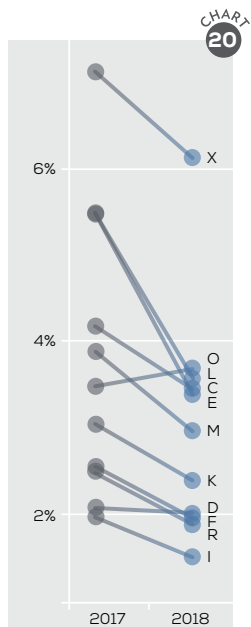
Fee-Based Revenue as % of Advisor Compensable Revenue



Recurring Revenue as % of Advisor Compensable Revenue



Life Insurance Revenue as % of Advisor Compensable Revenue



Annuity Revenue as % of Advisor Compensable Revenue

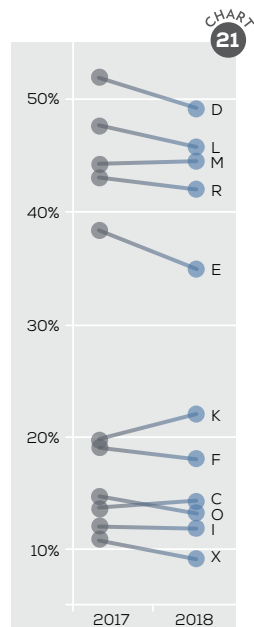


CHART
22

Total Revenue

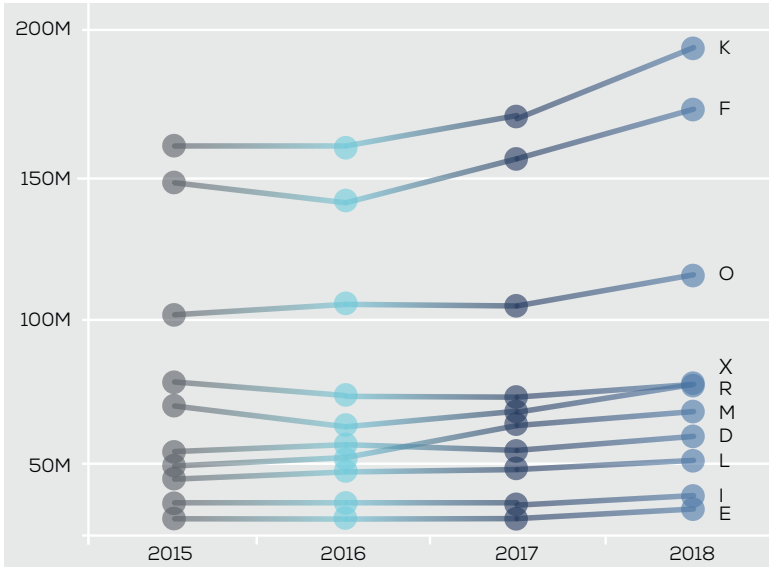


CHART
23

Advisor Compensable Revenue

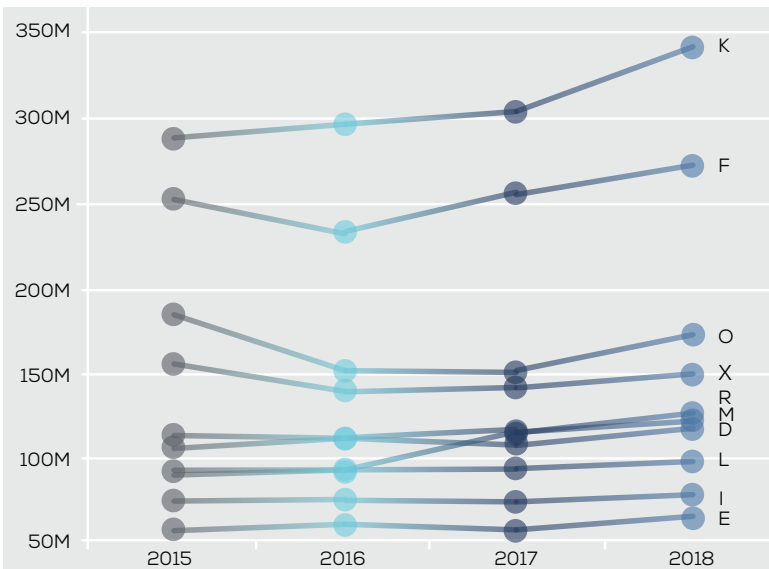


CHART
24

Advisor Count

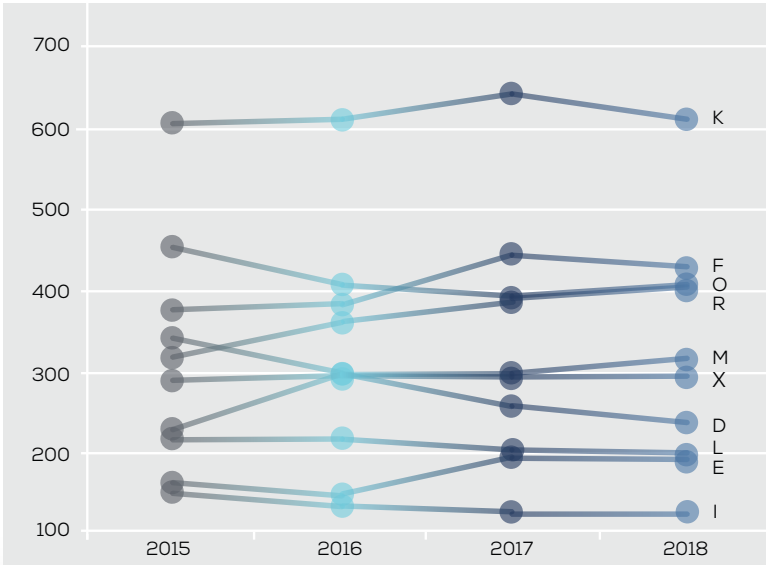


CHART
25

Advisor Productivity

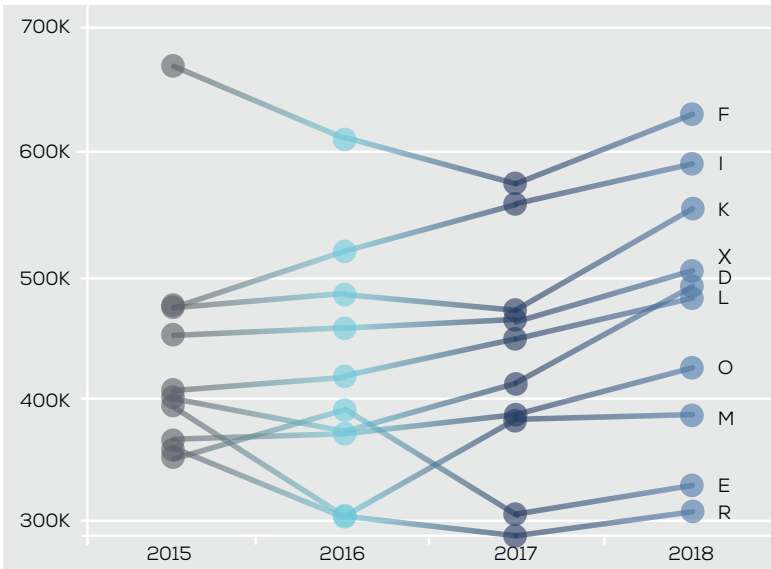


CHART
26

Fee-Based Revenue

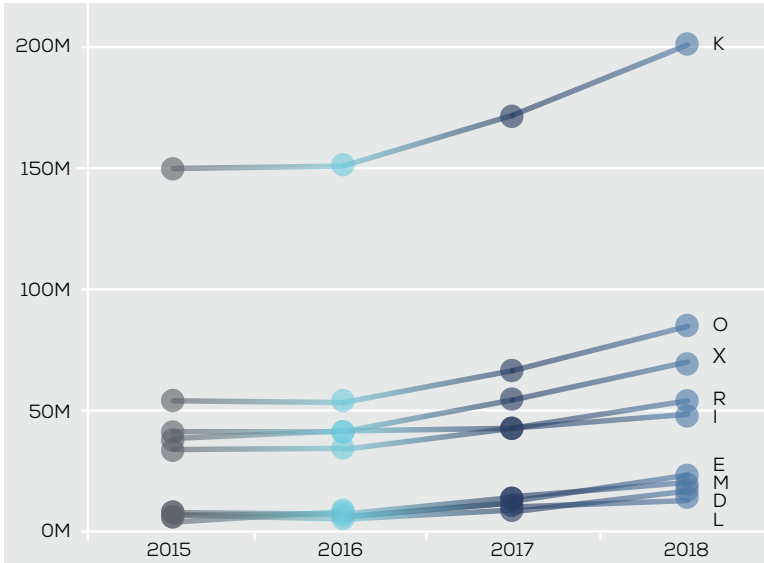


CHART
27

Recurring Revenue

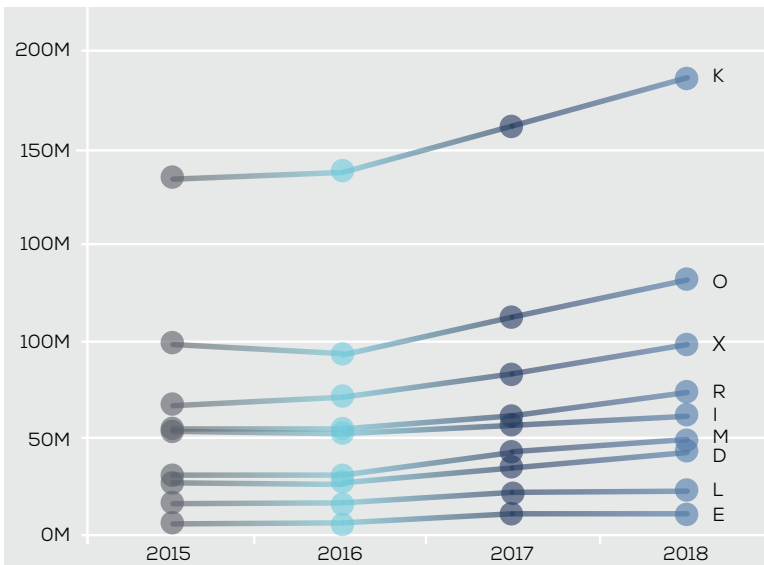
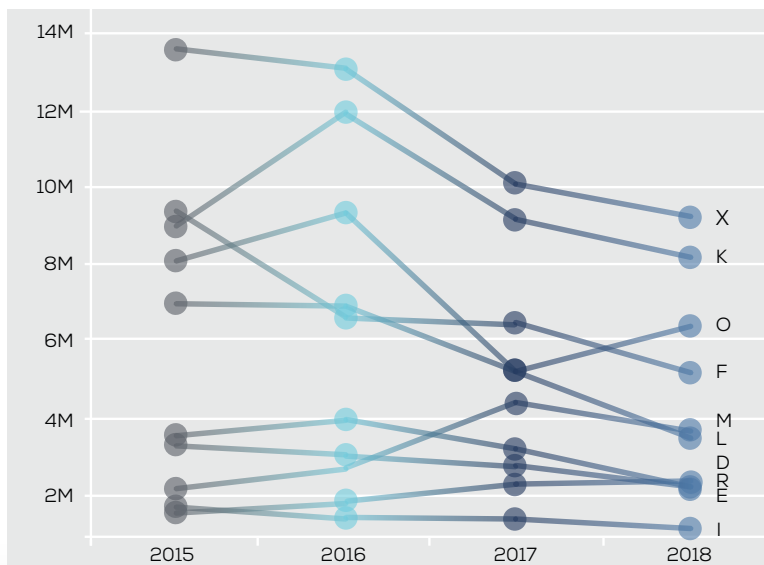


CHART
28

Life Insurance Revenue

CHART
29

Annuity Revenue

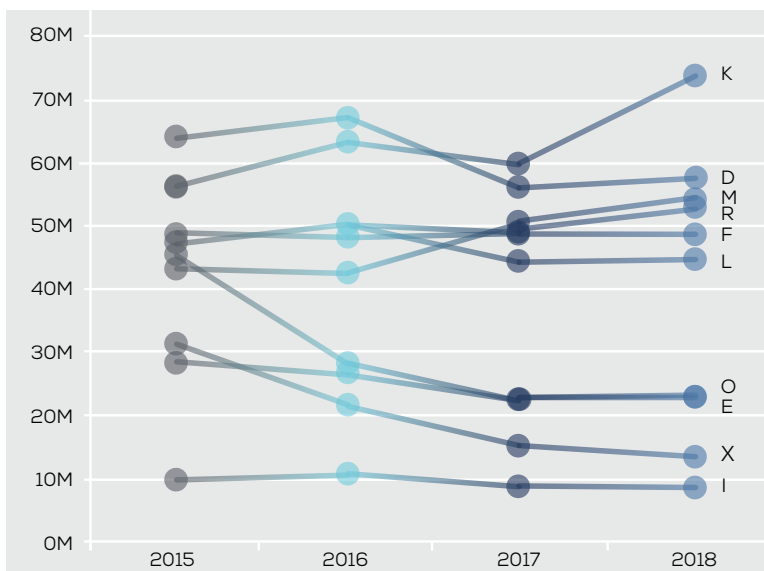


CHART
30

Return on Assets

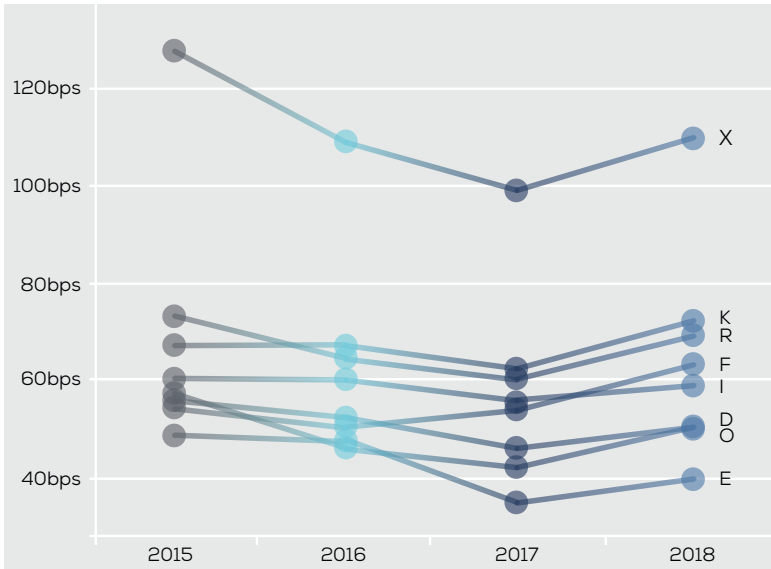


CHART
31

Fee Based as % of Advisor Compensable Revenue

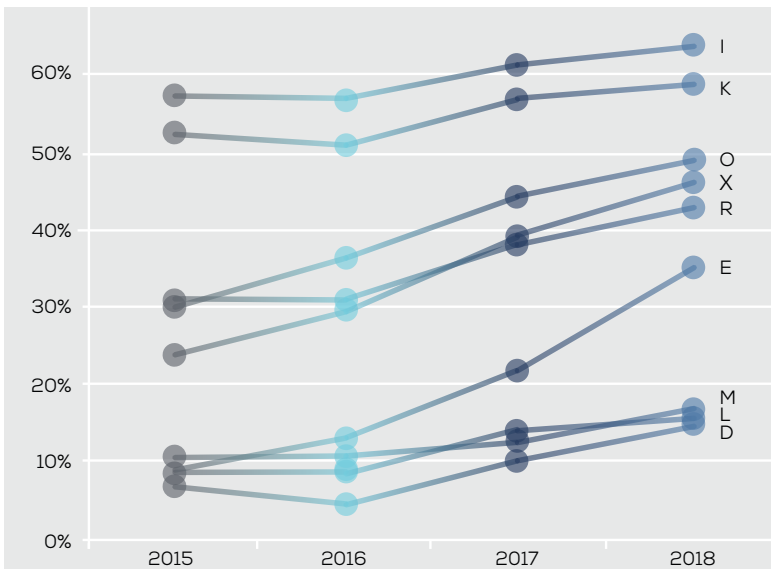


CHART
32

Life Insurance Revenue as % of Advisor Compensable Revenue

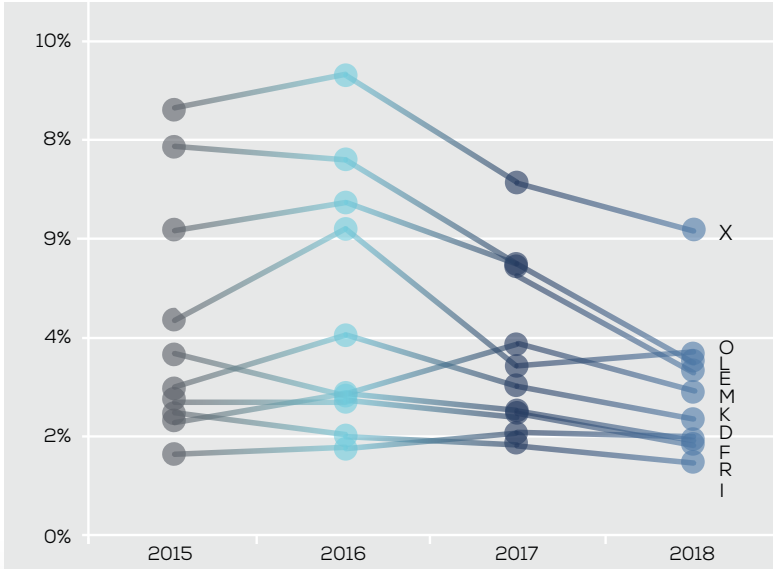


CHART
33

Annuity Revenue as % of Advisor Compensable Revenue

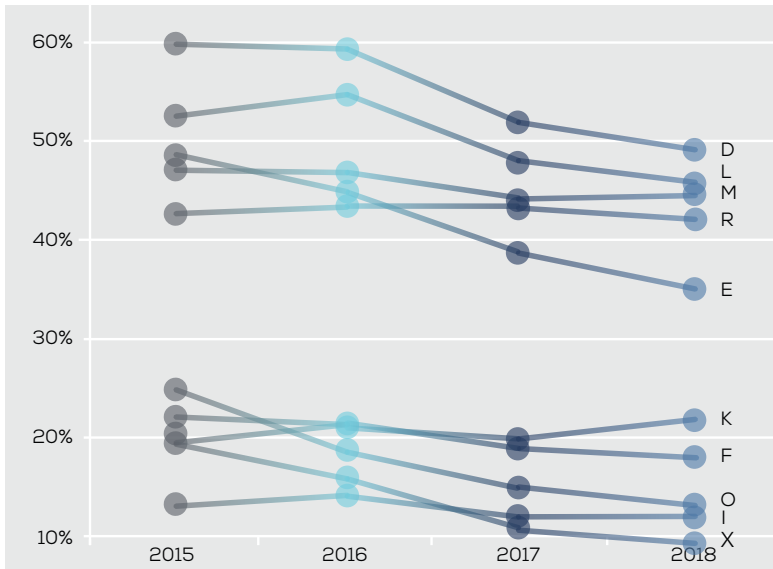


CHART
34

Total Revenue

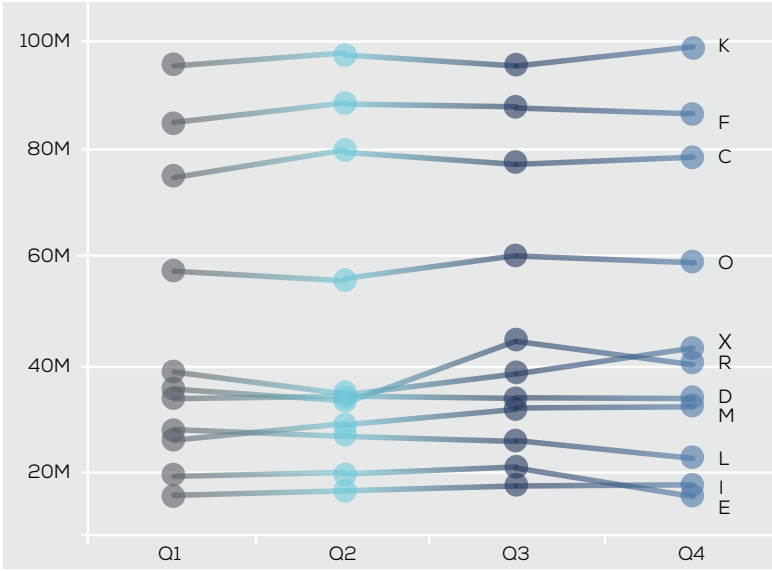


CHART
35

Advisor Compensable Revenue

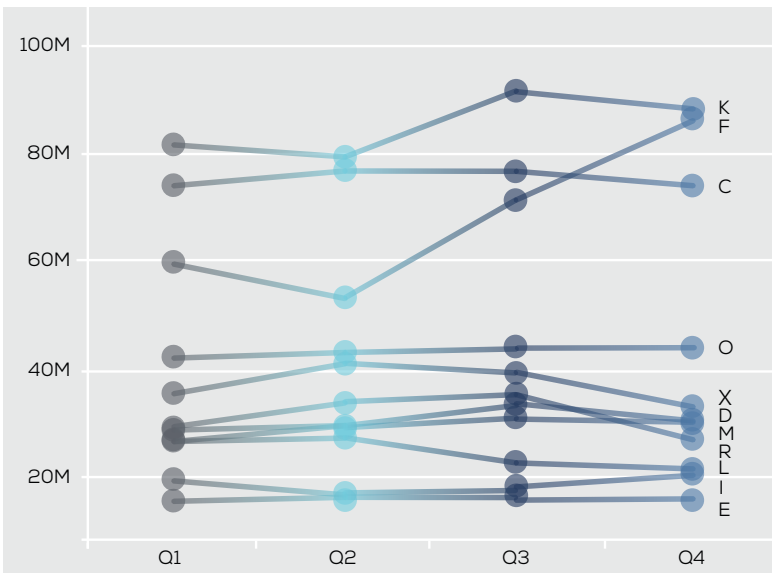


CHART
36

Fee Based Revenue

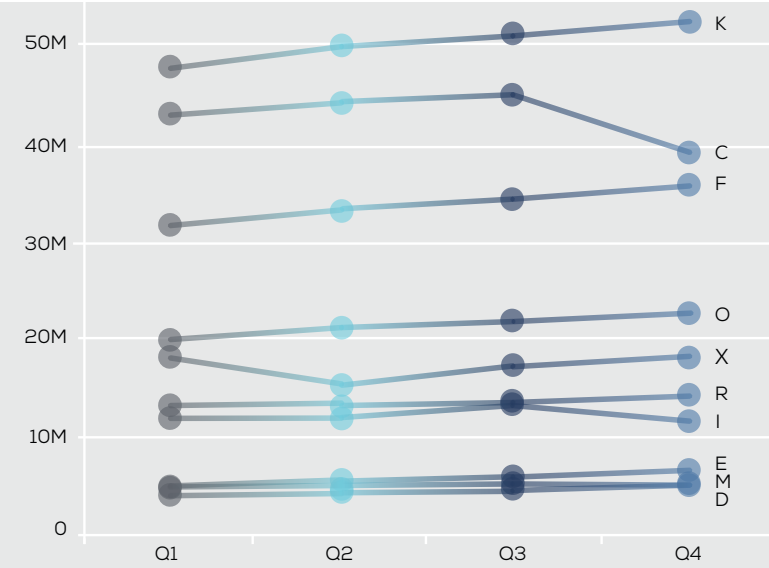


CHART
37

Managed Money AUM

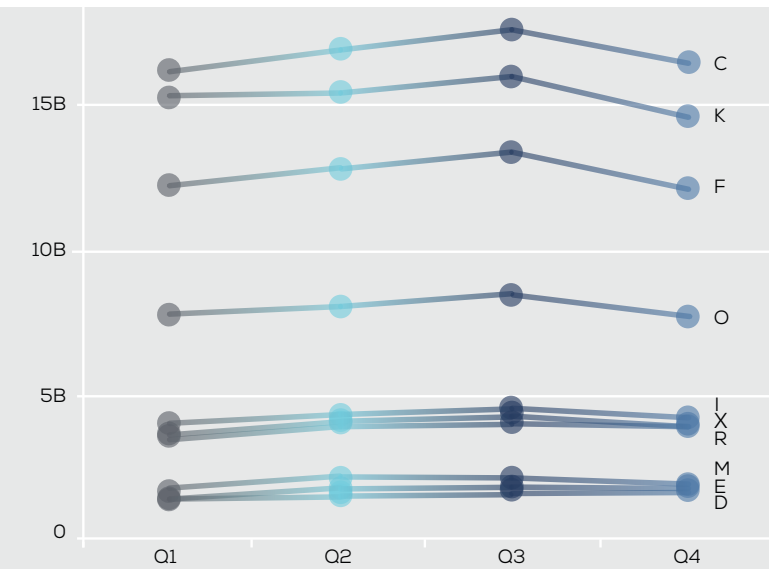


CHART
38

Annuity Revenue

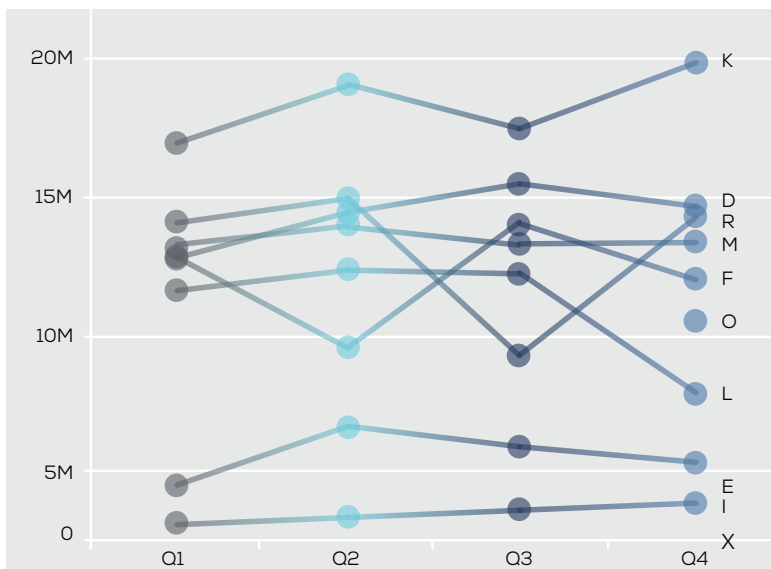
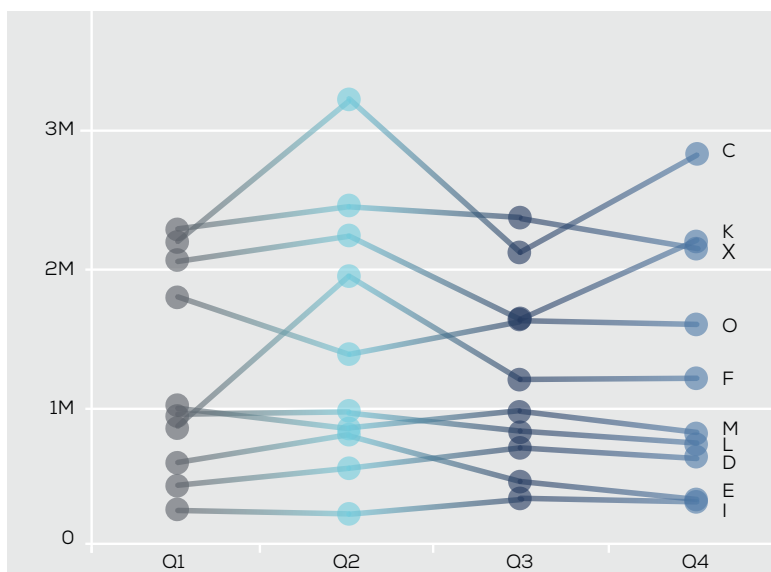


CHART
39

Life Insurance Revenue



Our Best Kept Secret:

FLASH SURVEYS

What makes our Flash Surveys useful?

- **Fast:** first draft of results in 48 hours
- **Firsthand Data:** straight from the source

Flash Surveys topics: **Product Trends & Guidelines, Compliance, DOL Benchmarking, Sales Management, Compensation, etc.**

FLASH SURVEYS IN OUR INVENTORY INCLUDE:

2018

- Annual Award Trips for Advisors
- Annuity Compensation and Processing
- Annuity Complaints
- Broker Dealer Scale, Comp, & Costs
- Cash Management Accounts
- Cash Policies and Security Concentrations in APM Accounts
- CD Breakage Policy
- Credit Rating Agency Requirements
- DOL Impact on Annuity Sales and Revenue — 12 Month Lookback
- ETF Restrictions and Compensation
- Fee Based Annuities & Commission Options
- Independent Marketing Organizations
- IUL Sales and Guardrails
- How are Life Insurance Commissions Paid to the Advisor
- Money Market Funds
- Off-Shore Annuities
- Retail Referral Conversion Rates
- Single Premium Long Term Care Distribution
- Single Premium Whole Life Distribution and Processing
- SOC2 Requirements
- Top Producer Trips
- What do you pay your clearing B-D on advisory products

2017

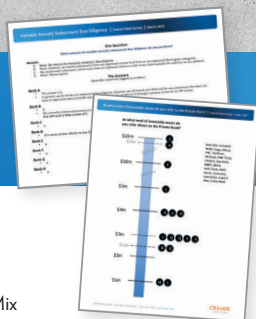
- ERISA Accounts
- Fee Based Annuities and Firm Level Commissions
- Average Weighted Net Expense Ratio
- Top Producer Trips
- Clean Shares and Managed Money Pricing
- Mutual Fund Share Class Usage
- 401K Plans
- At What Level of Investable Assets Do You Refer to the Private Bank?
- DOL Peer Benchmarking - Post June 9th

2016

- Sales Volume, Product Mix and Advisor Headcount
- Index Annuities and the DOL
- Life Insurance Compensation: Cash vs. Accrual
- Top Producer Trips
- Licensed Banker Licensing Requirements & Sales Goals Benchmarking
- At What Dollar Threshold Do You Refer to Trust?
- What Percentage of the Book Do Departing Advisors Take With Them?
- Does your Bank BD Report to Retail Bank or Wealth
- Number of Fund Strategists in your Advisory Program
- Licensed Banker Program Status and Trends
- Corporate Allocations - Current Status and Trends
- Tell Us About Your BGAs
- Household Penetration
- Number of Carriers and Products
- Junior Advisors
- VA Subaccount Due Diligence
- Advisor to Branch Coverage Ratios
- Selling Your Own Bank Paper

2015

- Indexed Annuity Average Ticket Size
- Outside Legal Counsel
- Product Disclosures and Acknowledgments
- How Do You keep U4s Up-to-Date?
- L Shares
- Advancing Commission on VA 1035 Exchanges
- Investment Call Centers
- Managed Money Advisor Compensation
- Annuity Processing Platforms
- Advisor Populations
- Margin Lending
- What Percent of Revenue is Recurring



2019 Cramer Roundtables

SPRING

FEB
21

Managed Money

TAMPA | WYNDHAM GRAND

THANK YOU

APRIL
04

Compliance & Supervision

PRESENTED BY DUE DILIGENCE WORKS, INC
TAMPA | WYNDHAM GRAND

APRIL
11

Life Insurance

TAMPA | SAND PEARL RESORT

MAY
02

Indexed & Income

TAMPA | OPAL SANDS RESORT

MAY
09

Licensed Banker

TAMPA | SAND PEARL RESORT

FALL

SEPT
12

Indexed & Income

LAS VEGAS | THE COSMOPOLITAN

SEPT
26

Life Insurance

LAS VEGAS | THE COSMOPOLITAN

OCT
10

Managed Money

LAS VEGAS | THE COSMOPOLITAN

NOV
07

Sales Management

LAS VEGAS | THE COSMOPOLITAN

DEC
05

Leaders & Champions

LAS VEGAS | THE COSMOPOLITAN

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