

Q1 2019

BLACK BOOK OF CHARTS

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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.

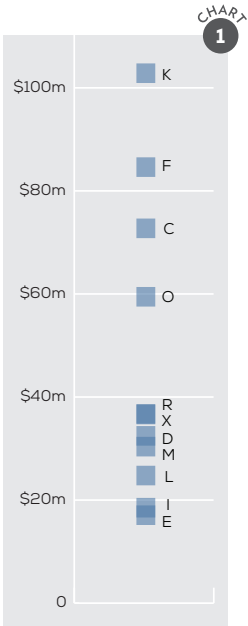
If you would like more detailed data, which always protects the privacy of the individual firms, please reach out to Jack Cramer directly at 303.532.7003.

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

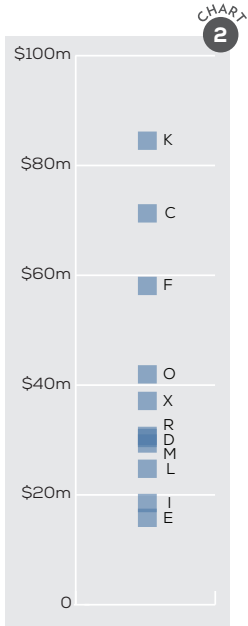
- PNC
- U.S. Bank
- Fifth Third
- Key
- Huntington
- BMO Harris

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

Total
Revenue

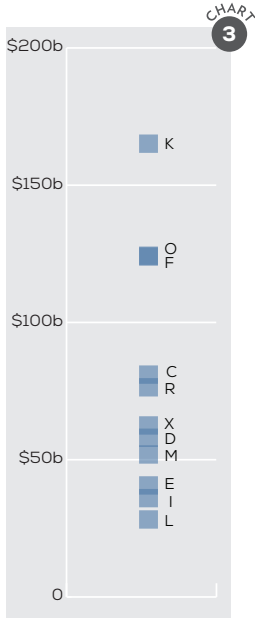


Advisor
Compensable
Revenue

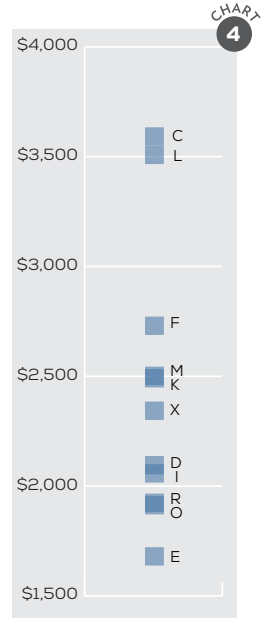


Retail Deposits of the 11 Core Bank B-Ds

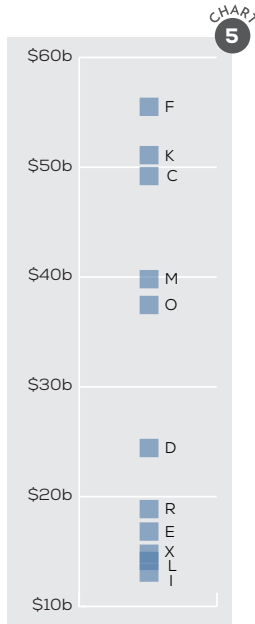
As reported by the Presidents of the respective Bank BDs



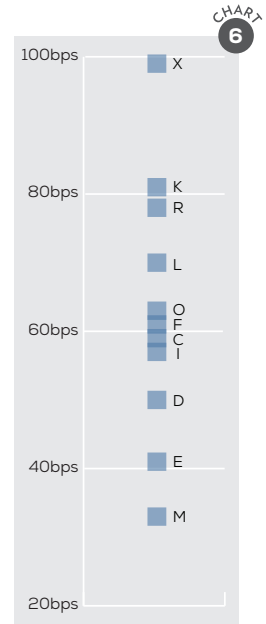
Total Revenue per \$1m in Retail Deposits



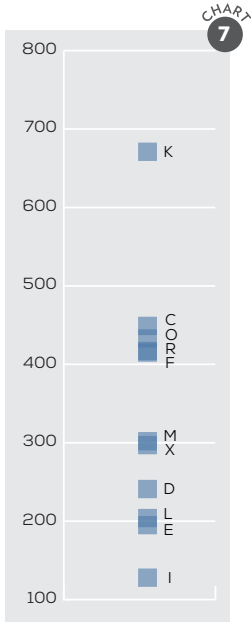
Total BD AUM



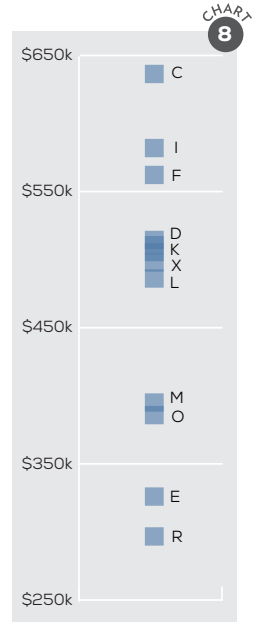
Return on Assets—Total Revenue (Annualized)



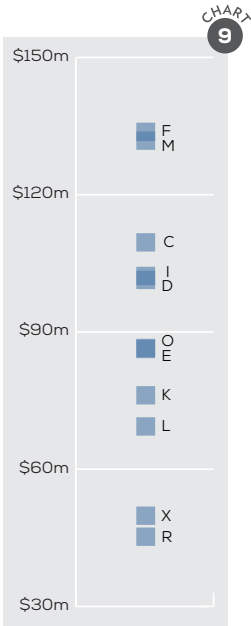
Advisor Count



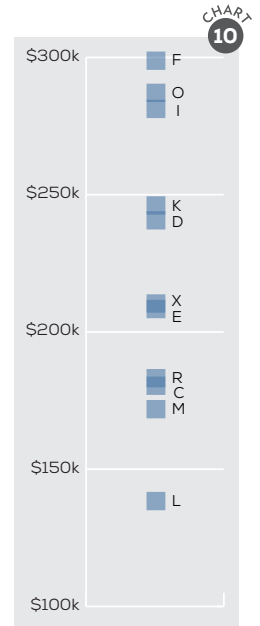
Advisor Productivity Annualized



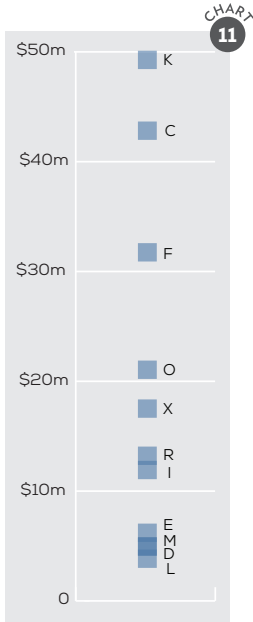
Total BD AUM Per Advisor



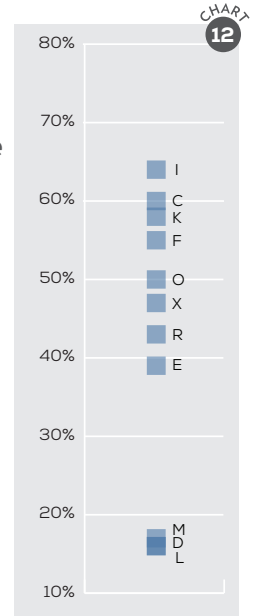
Retail Deposits per Advisor



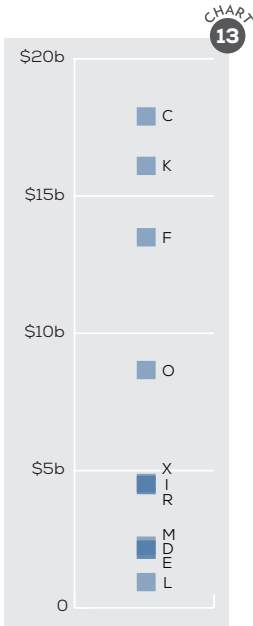
Fee-Based Revenue



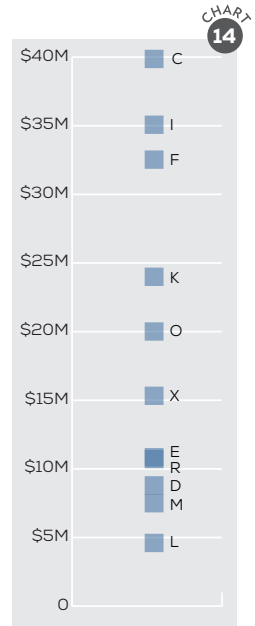
Fee-Based Revenue as % of Advisor Compensable Revenue



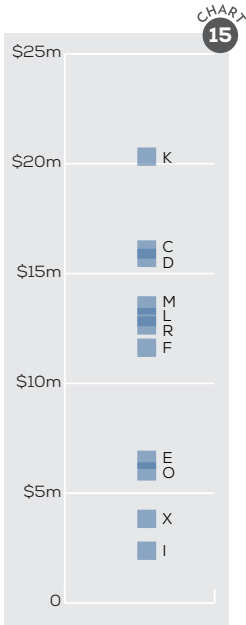
Managed Money AUM



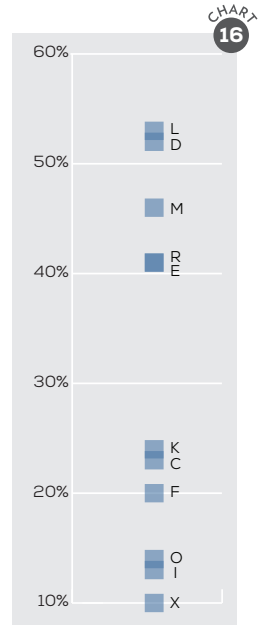
Managed Money AUM per Advisor



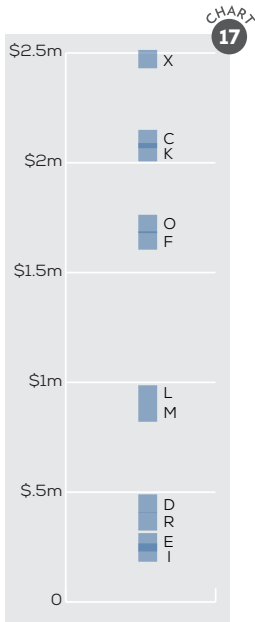
Annuity Revenue



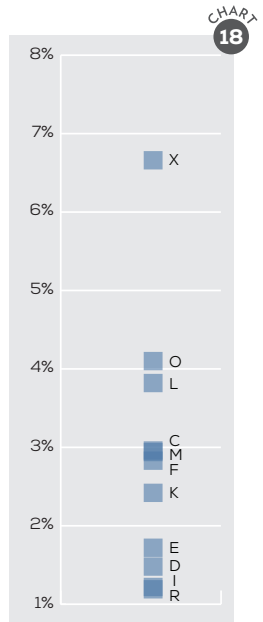
Annuity Revenue as a % of Advisor Compensable Revenue



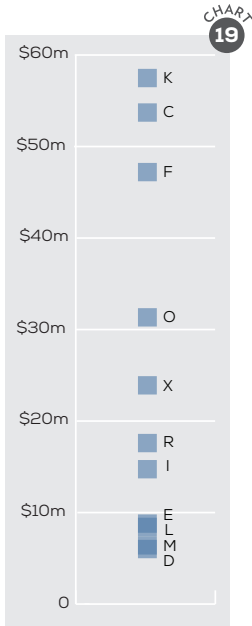
Life Insurance Revenue



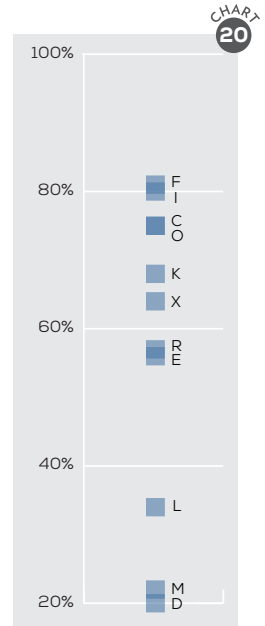
Life Insurance Revenue as % of Advisor Compensable Revenue



Recurring Revenue



Recurring Revenue as a % of Advisor Compensable Revenue



2019 Cramer Roundtables

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

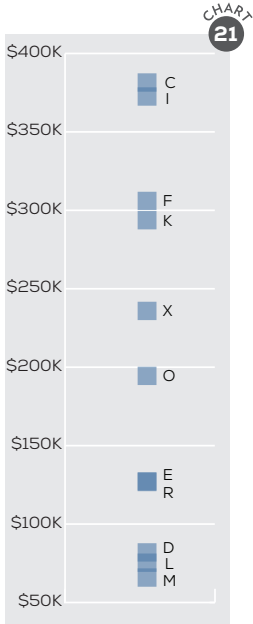
DEC
05

Leaders & Champions

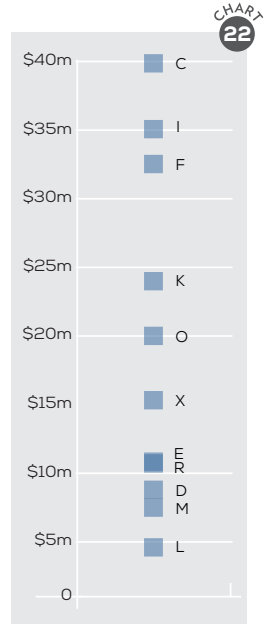
LAS VEGAS | THE COSMOPOLITAN

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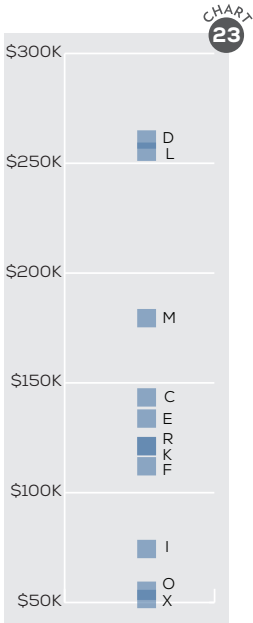
**Fee-Based
Revenue
Per Advisor
(Annualized)**



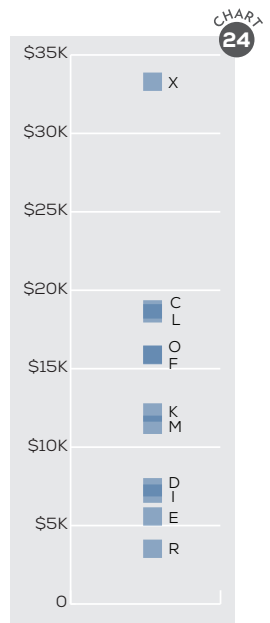
**Managed
Money AUM
Per Advisor
(Annualized)**



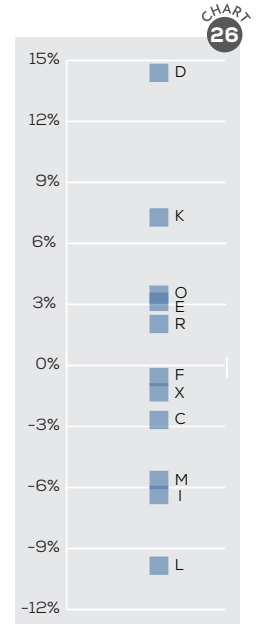
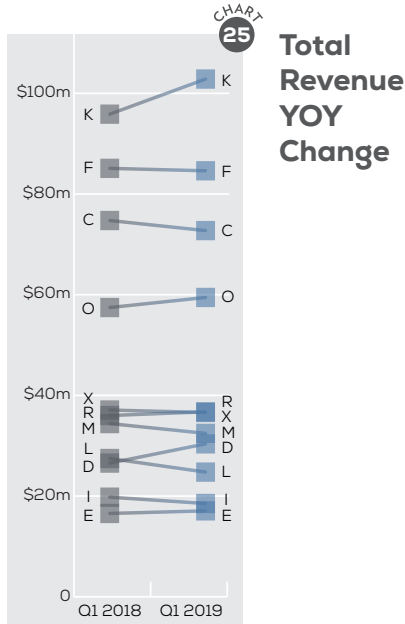
**Annuity
Revenue
Per Advisor
(Annualized)**



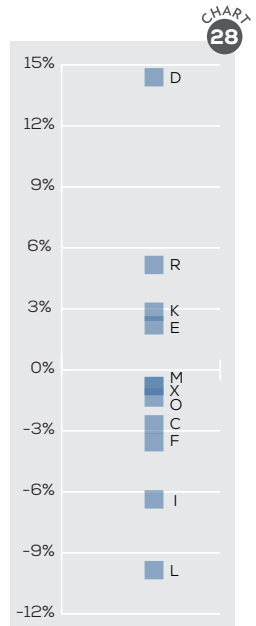
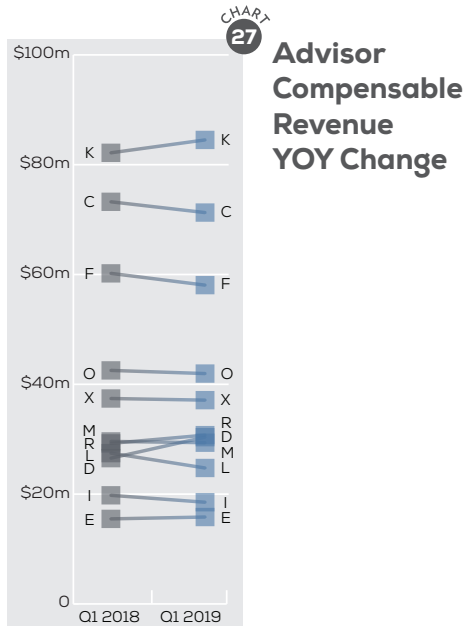
**Life
Insurance
Revenue
Per Advisor
(Annualized)**



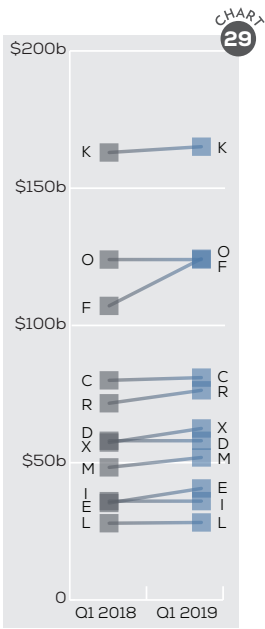
Total Revenue



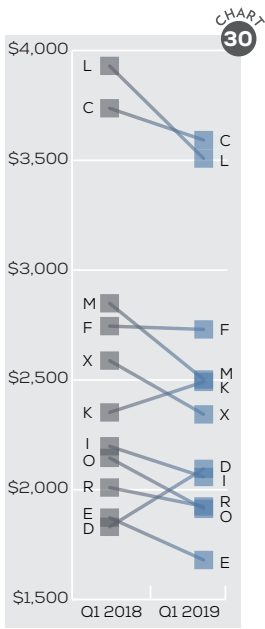
Advisor Compensable Revenue



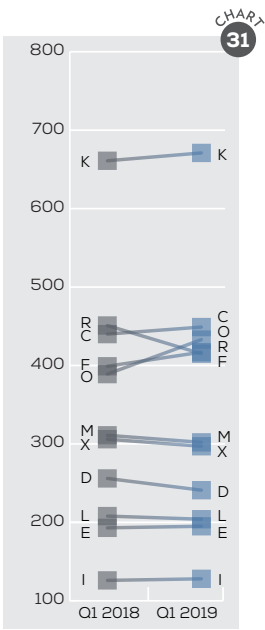
Retail Deposits



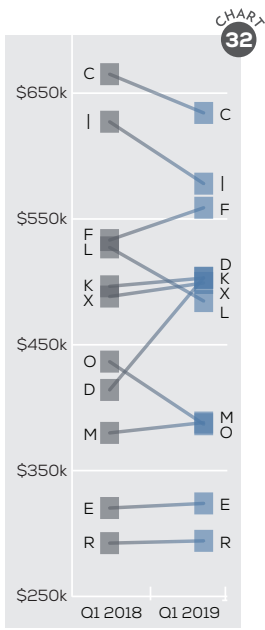
Total Revenue per \$1m in Retail Deposits



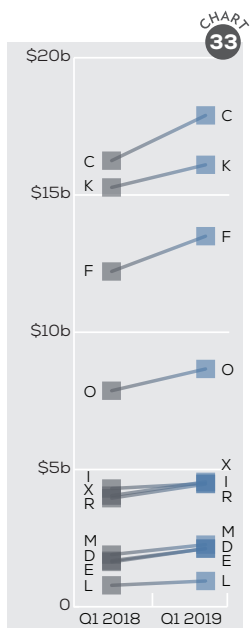
Advisor Headcount



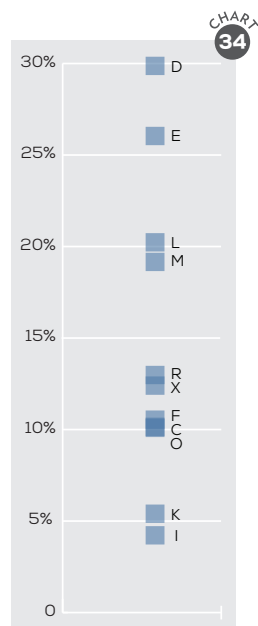
Advisor Productivity (Annualized)



Managed Money AUM



Managed Money AUM YOY Change



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Fee-Based Revenue



Fee-Based Revenue YOY Change

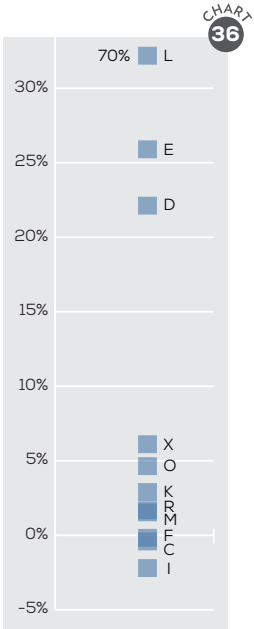
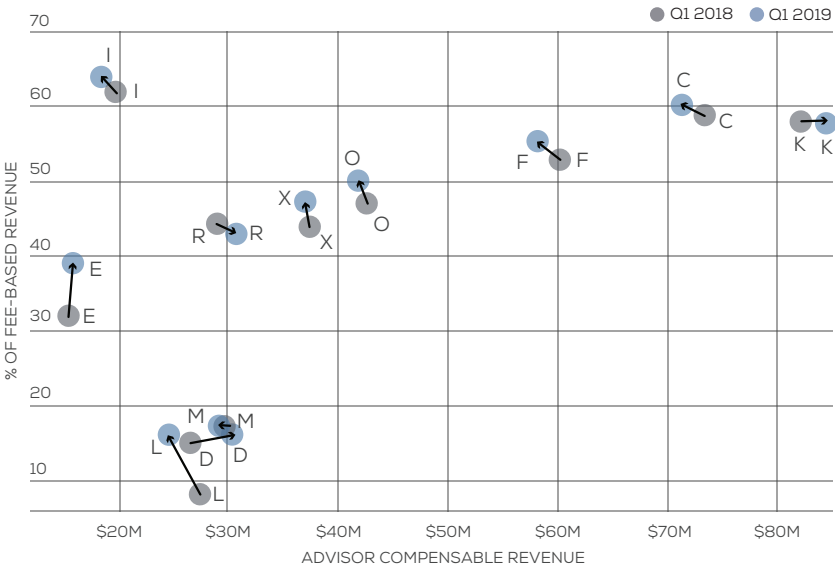


CHART 37

Fee-Based Revenue as % of Advisor Compensable Revenue



Recurring Revenue

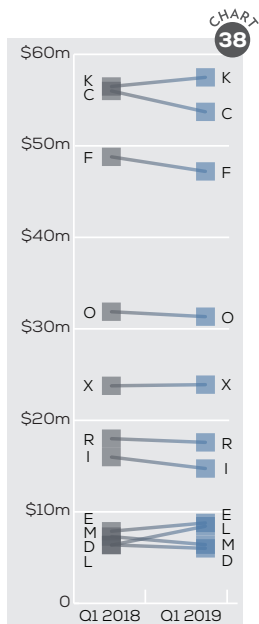
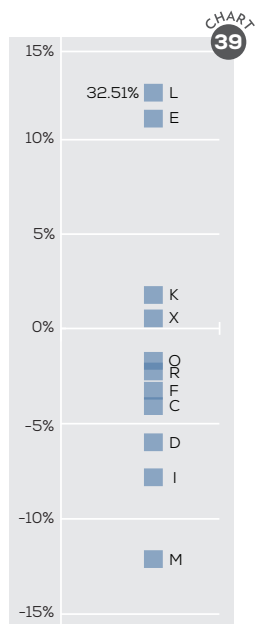
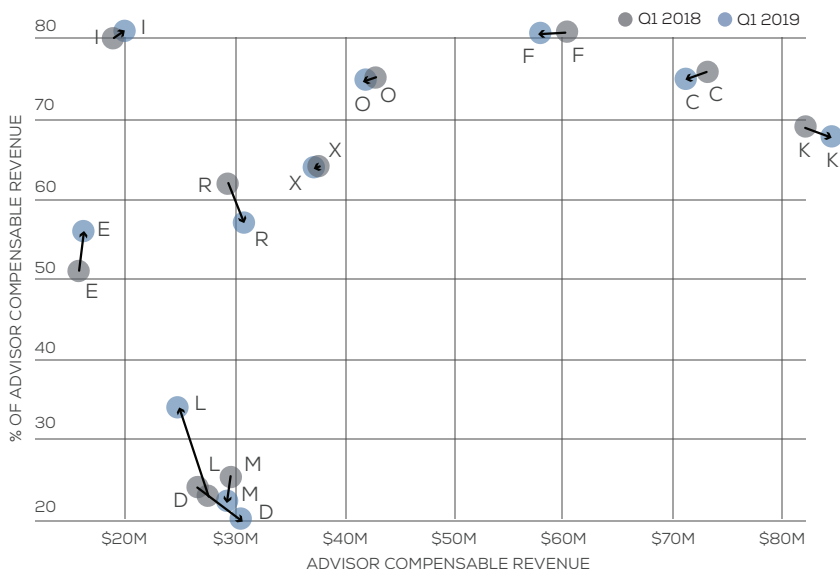
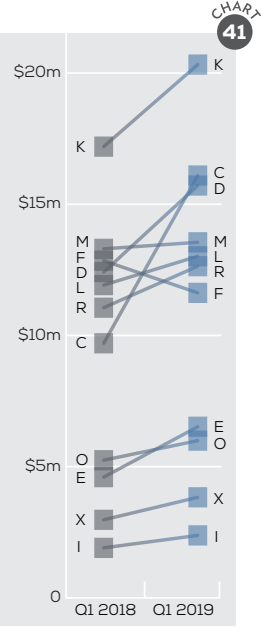
Recurring Revenue
YOY
Change

CHART 40 Recurring Revenue as % of Advisor Compensable Revenue



Annuity Revenue



Annuity Revenue YOY Change

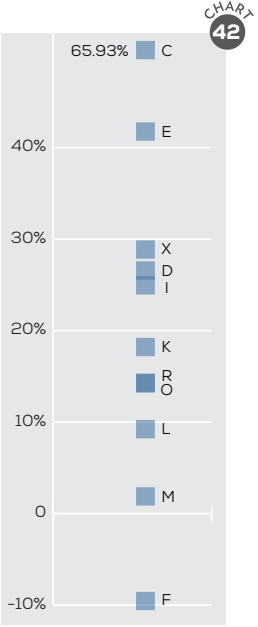
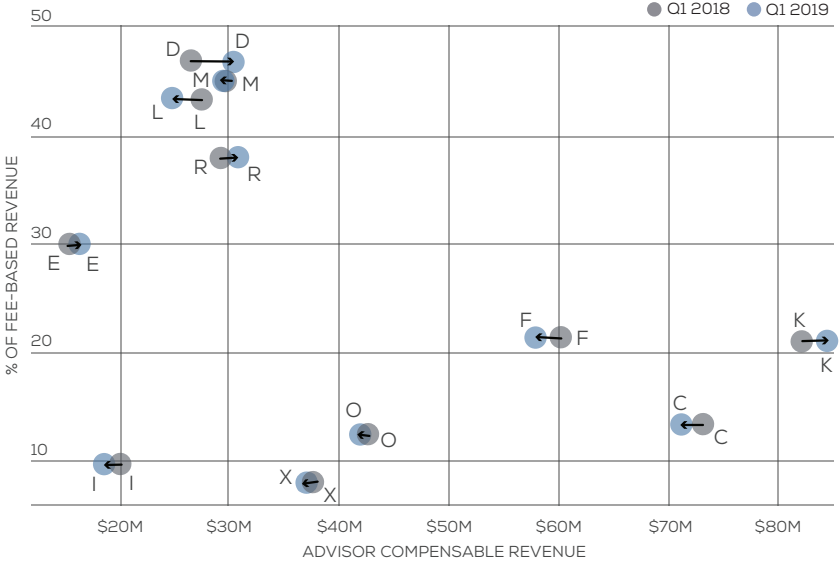
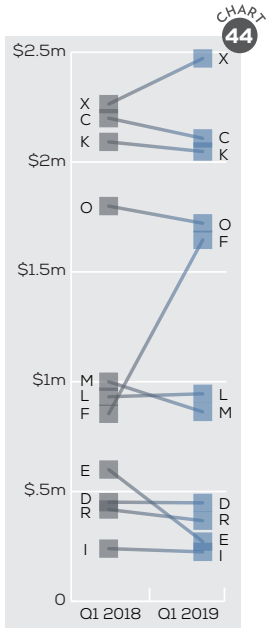


CHART 43 Annuity Revenue as % of Advisor Compensable Revenue



Life Insurance Revenue



Life Insurance YOY Change

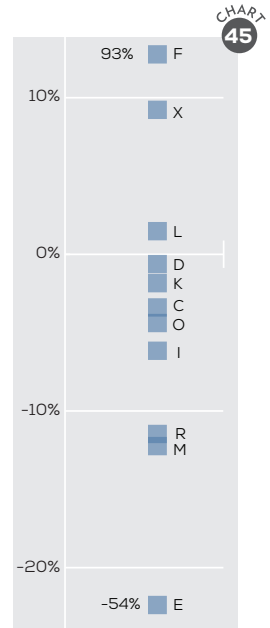
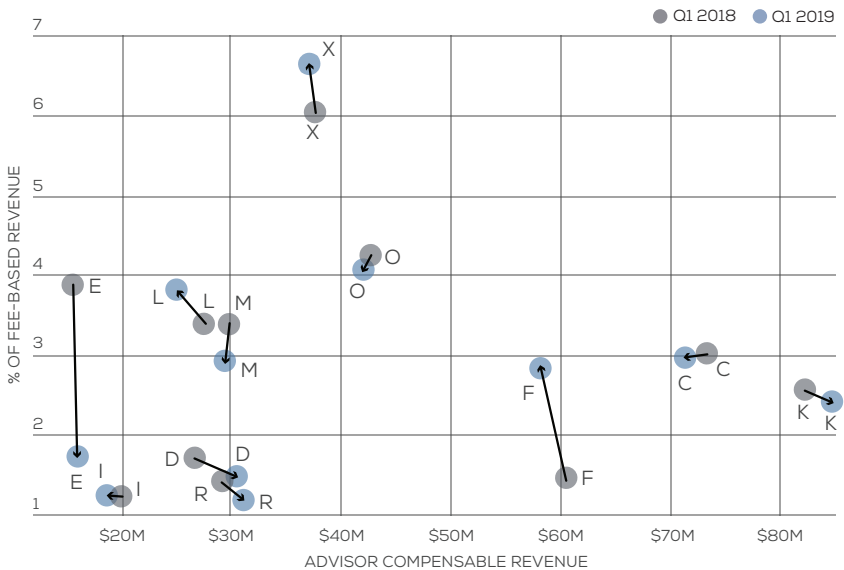
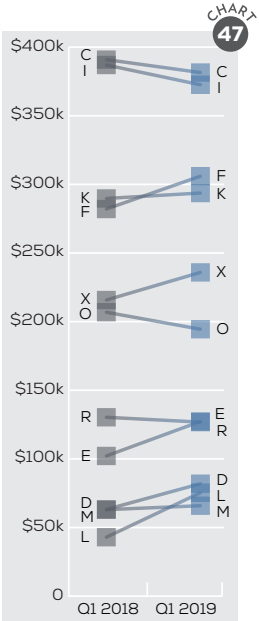


CHART 46

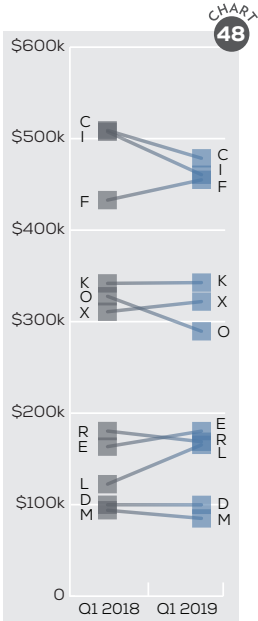
Life Insurance Revenue as % of Advisor Compensable Revenue



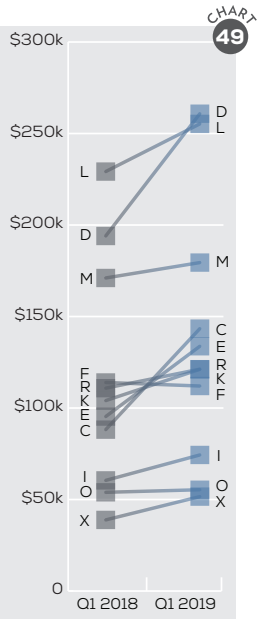
Fee-Based Revenue Per Advisor (Annualized)



Recurring Revenue Per Advisor (Annualized)



Annuity Revenue Per Advisor (Annualized)



Life Insurance Revenue Per Advisor (Annualized)

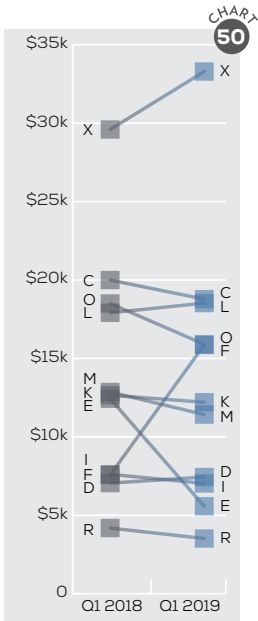
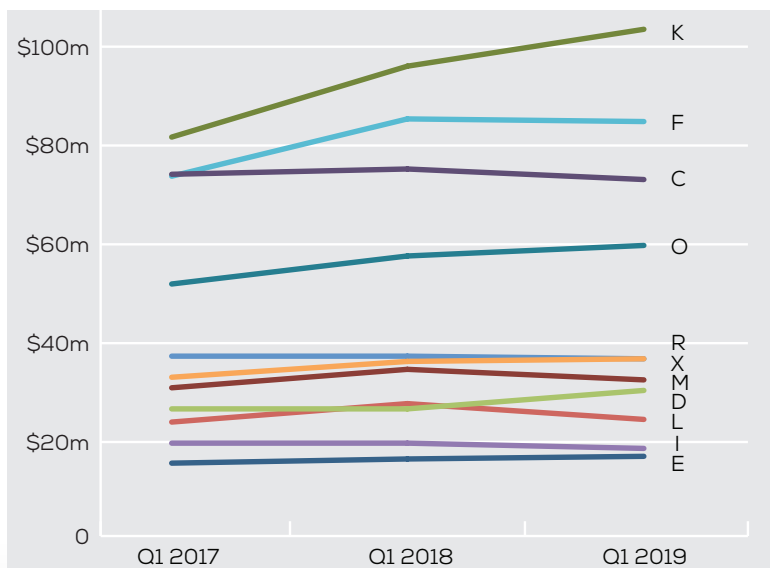


CHART
51

Total Revenue

CHART
52

Advisor Compensable Revenue

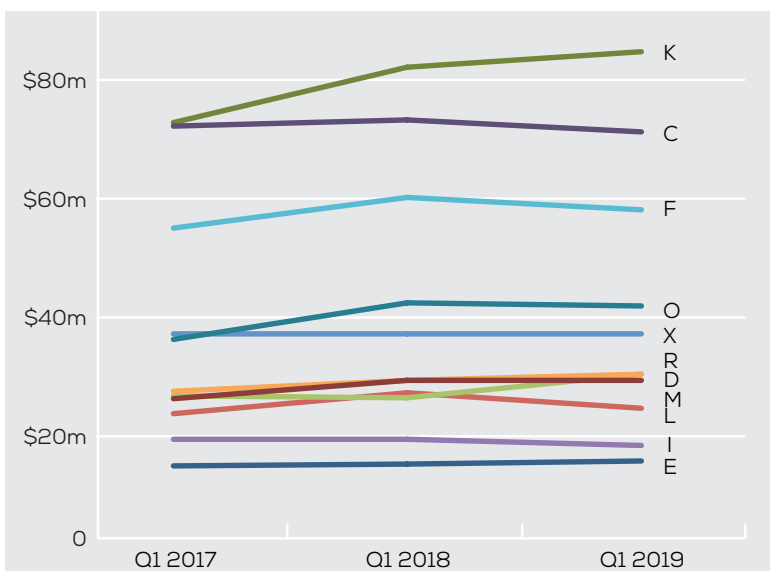


CHART
53

Fee-Based Revenue

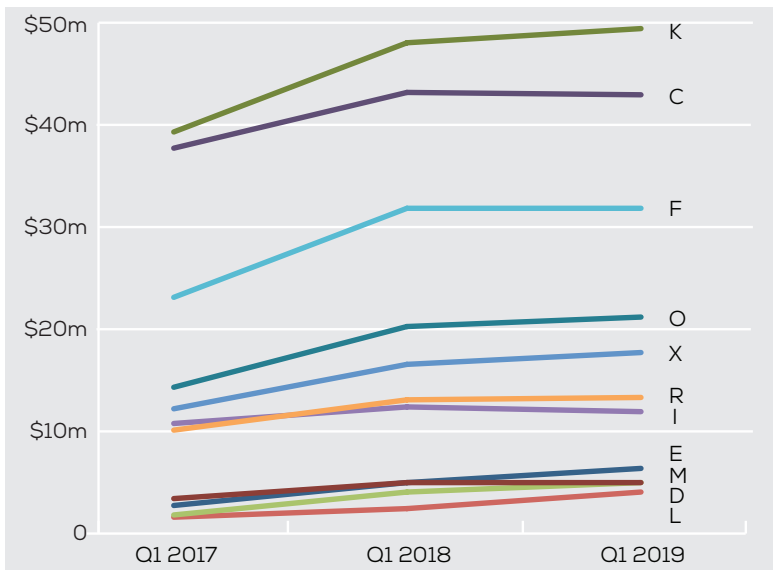


CHART
54

Fee-Based Revenue as a % of Compensable Revenue

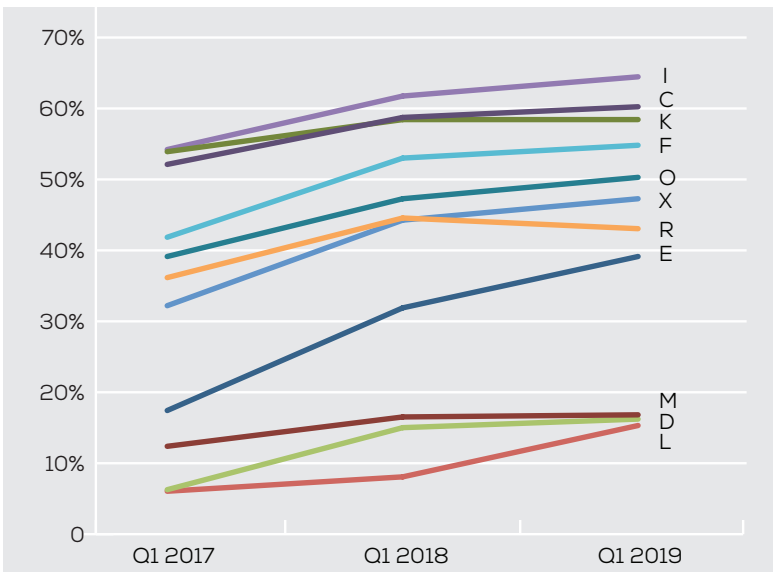
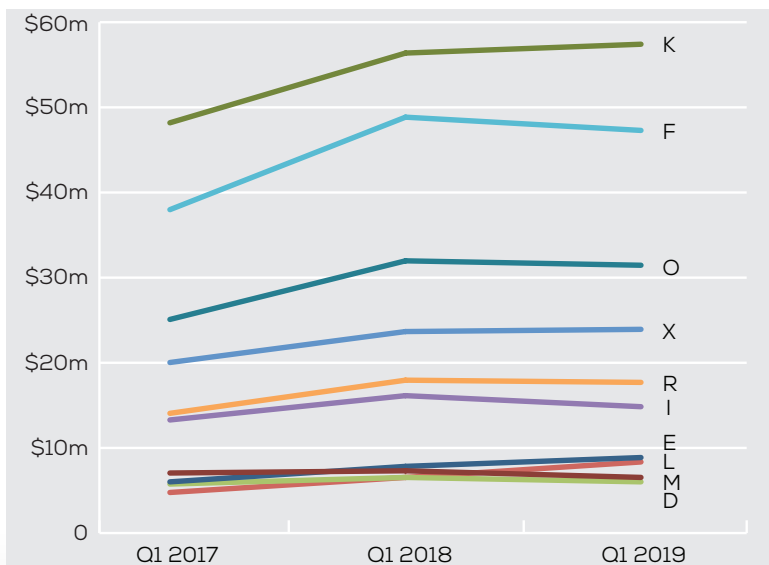


CHART
55

Recurring Revenue

CHART
56

Recurring Revenue as a % of Total Revenue

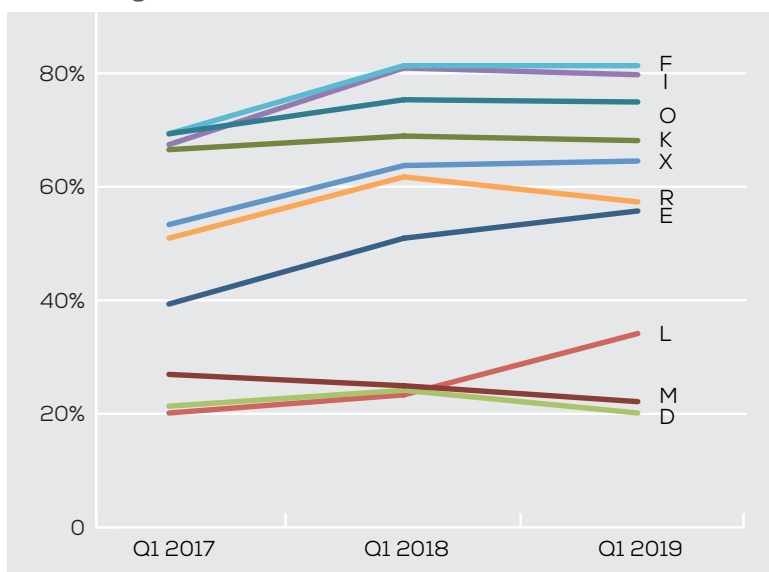


CHART
57

Annuity Revenue

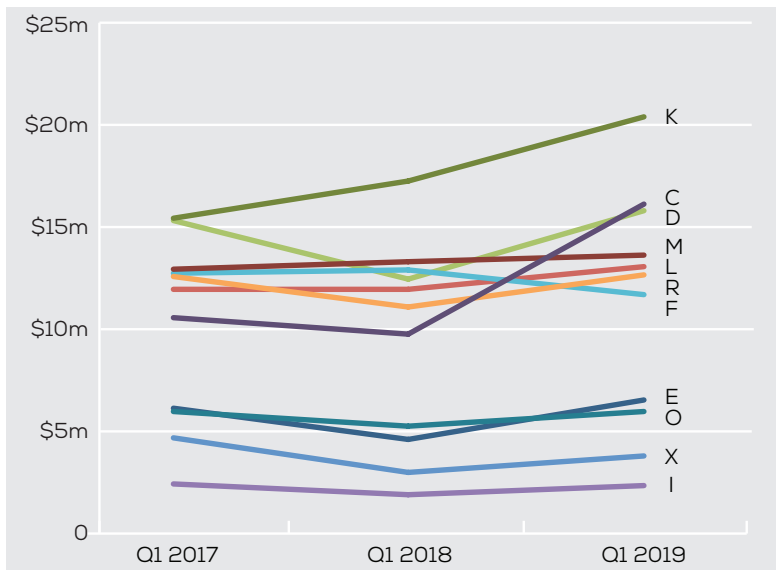


CHART
58

Annuity Revenue as a % of Compensable Revenue

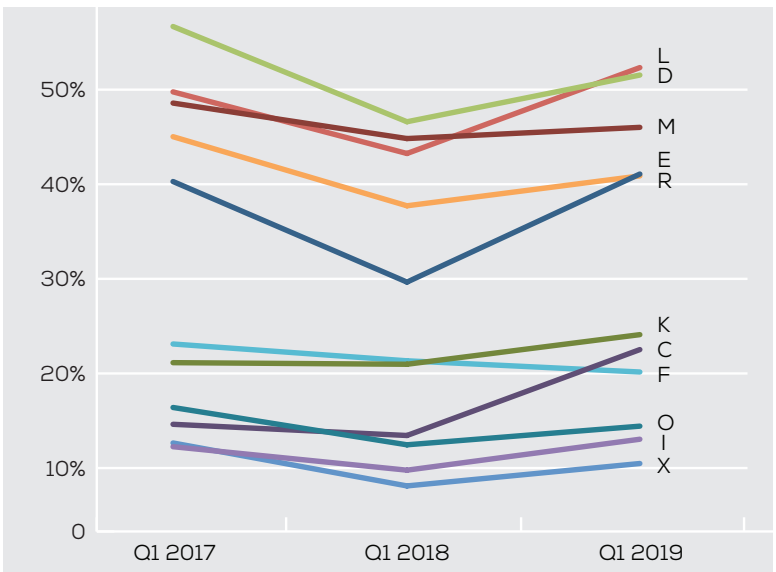
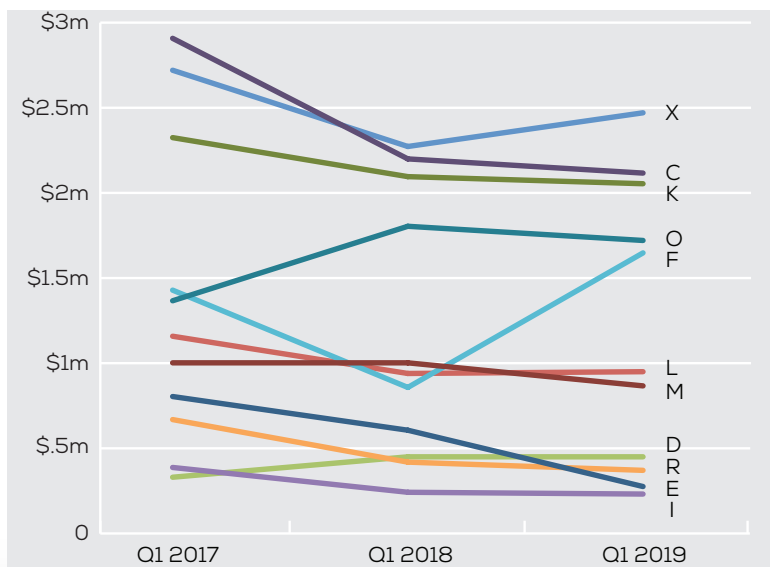


CHART
59

Life Insurance Revenue

CHART
60

Life Insurance Revenue as a % Advisor Compensable Revenue

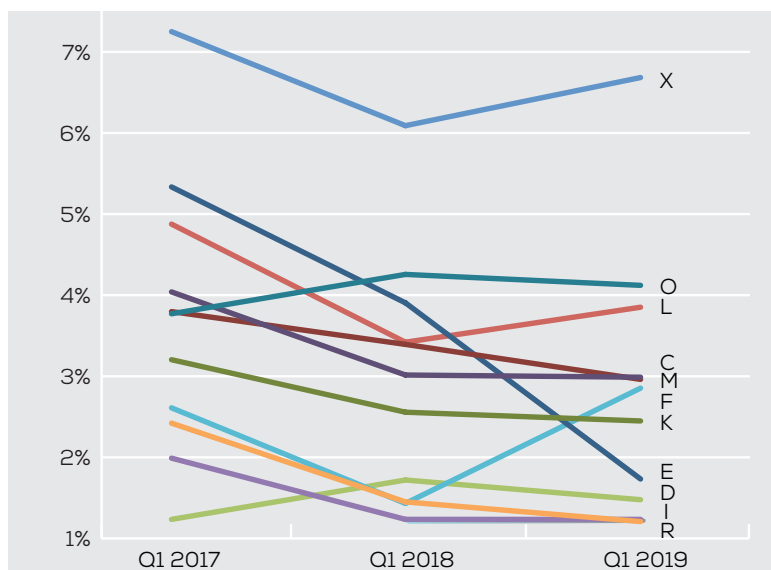


CHART
61

Advisor Headcount

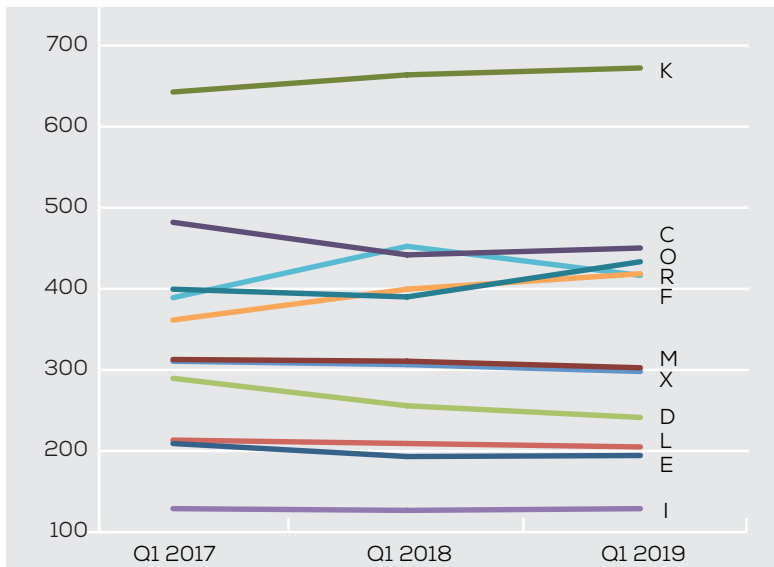


CHART
62

Advisor Productivity (Annualized)

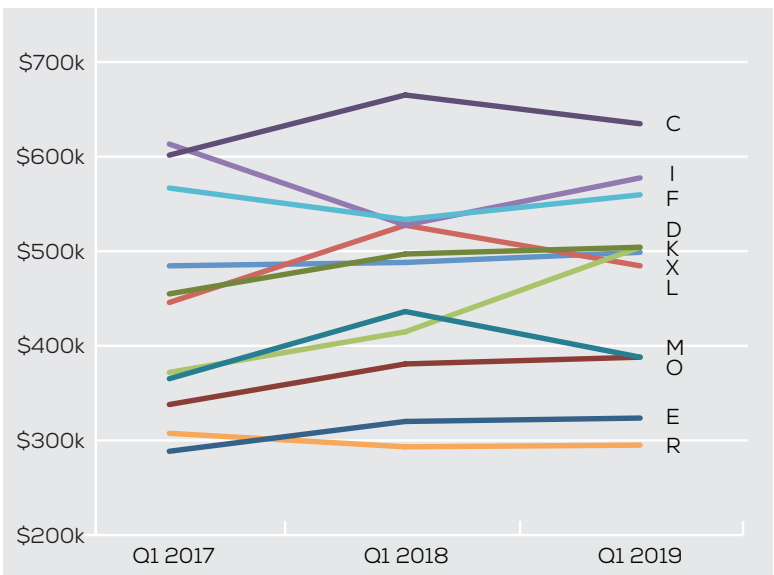
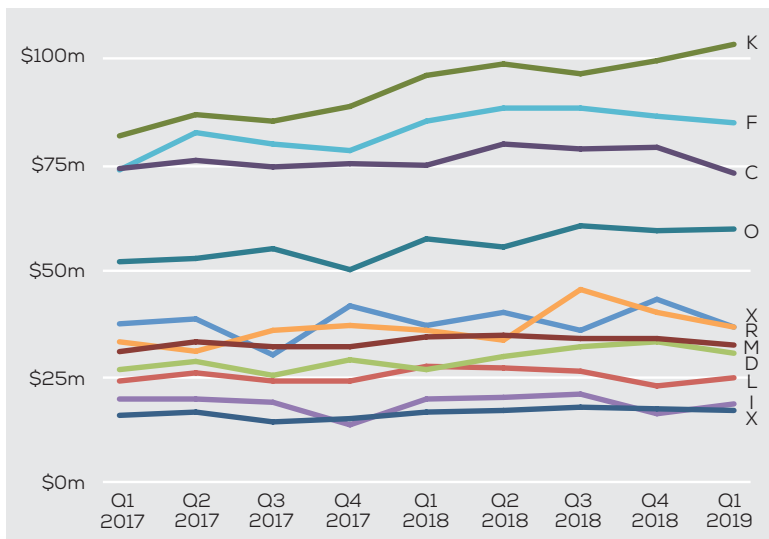


CHART
63

Total Revenue

CHART
64

Advisor Compensable Revenue

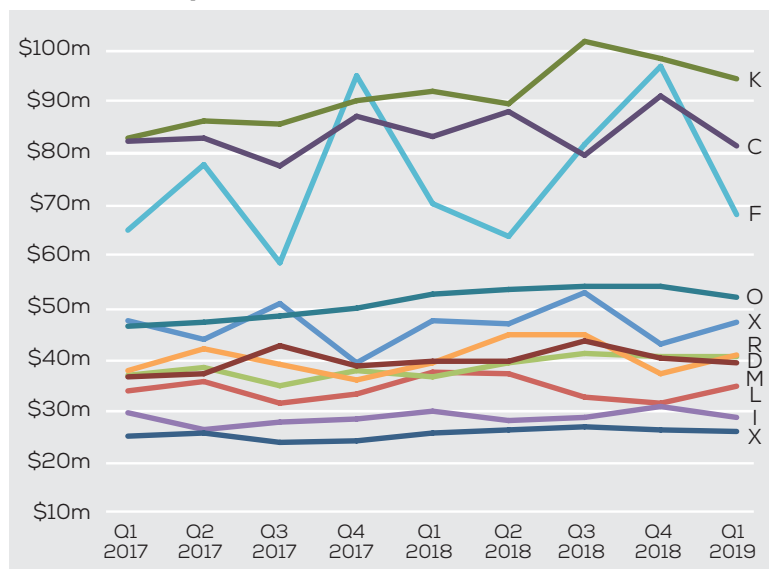


CHART
65

Fee-Based Revenue

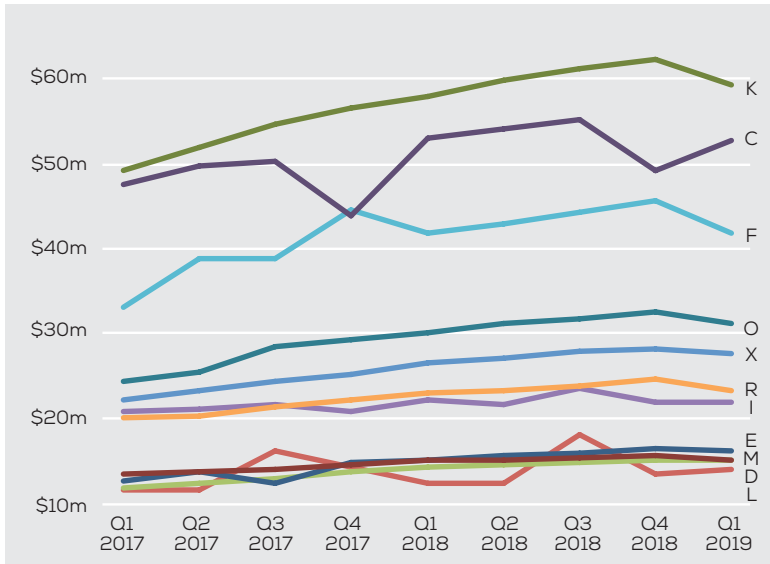
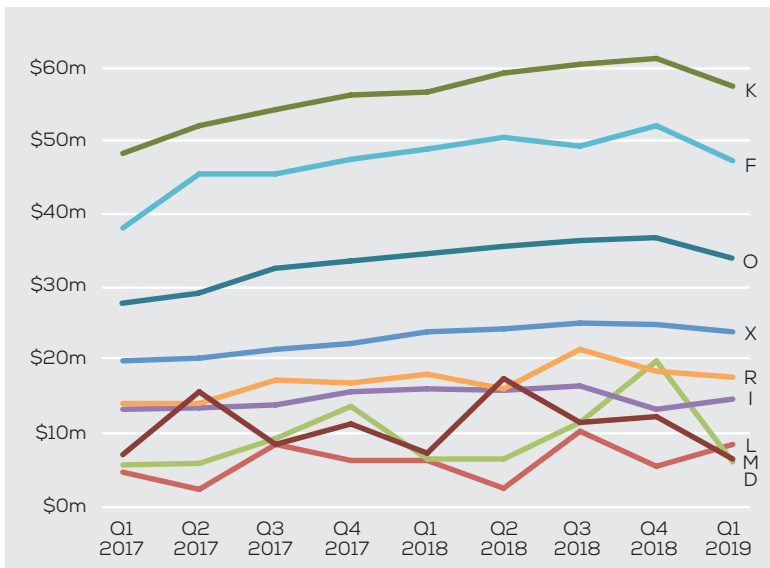


CHART
66

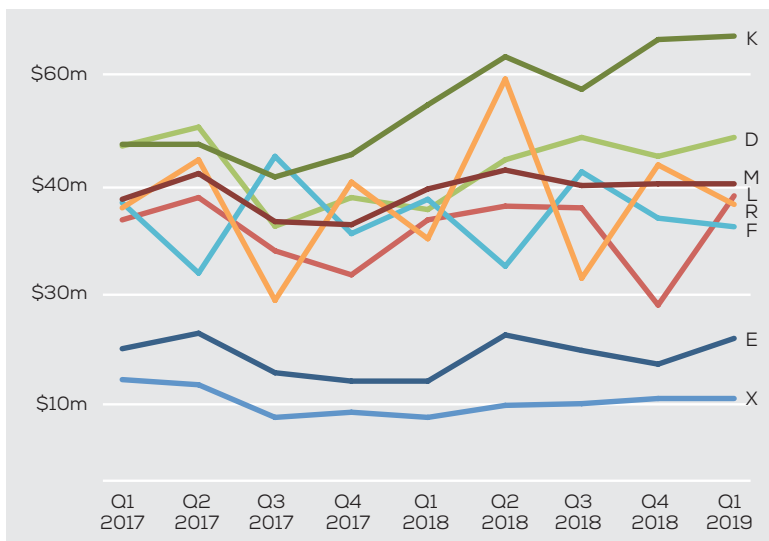
Recurring Revenue



CHART

67

Annuity Revenue



CHART

68

Life Insurance Revenue

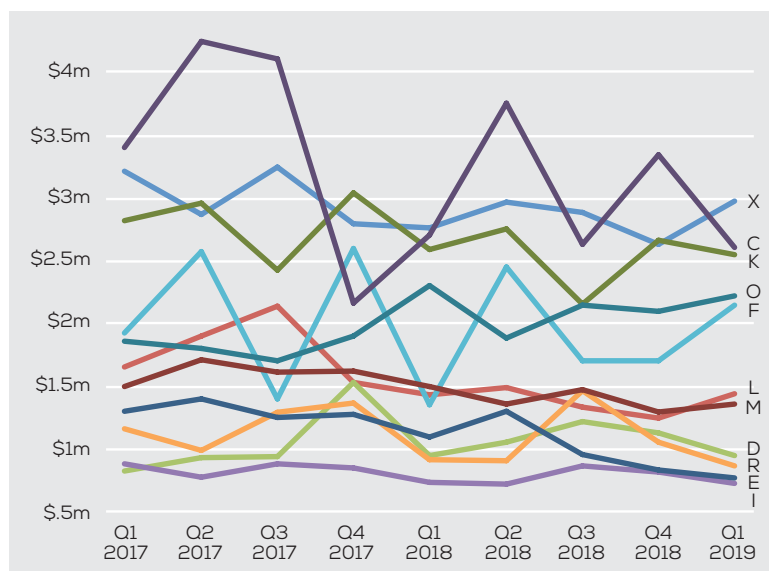


CHART
69

Advisor Count

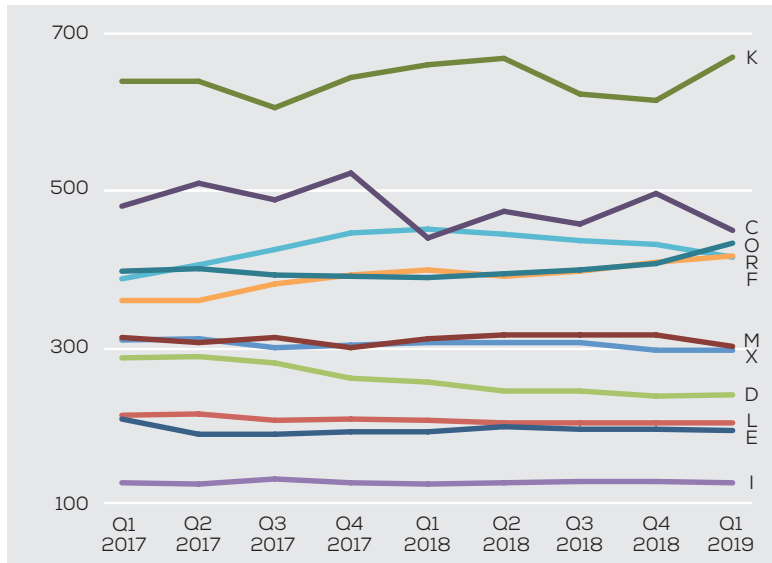


CHART
70

Advisor Productivity

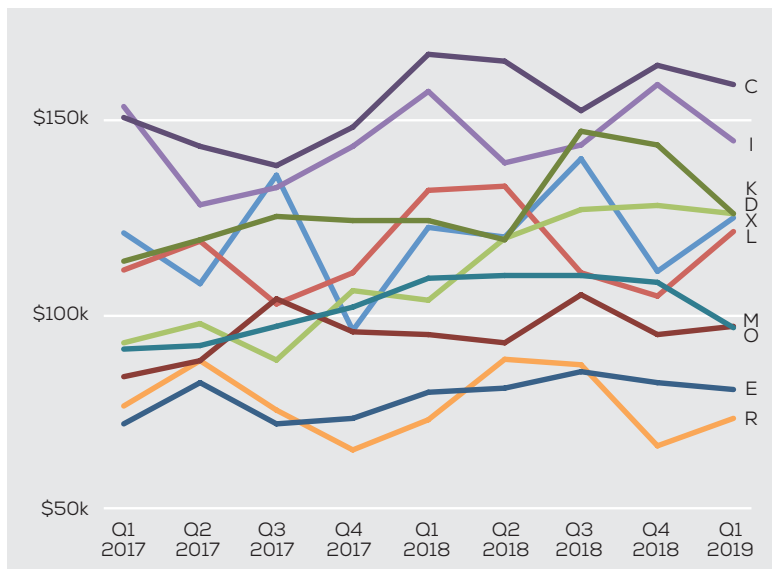
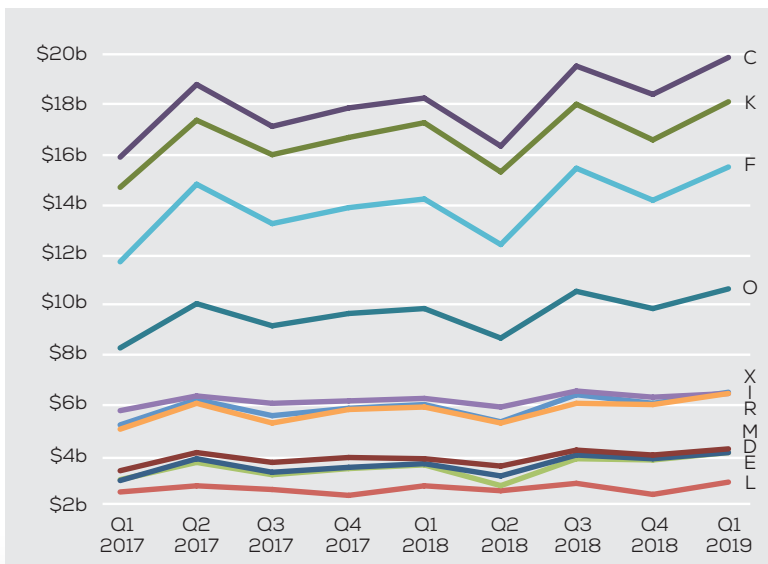


CHART
71

Managed Money AUM



Notes

Annuity Companies by Sales Volume*

(Bank Channel Sales Only - All Banks, not just the Core 11 Bank BDs.)

FIXED ANNUITIES (NON-MVA)

- 1 Global Atlantic
- 2 AIG Companies
- 3 Symetra Financial
- 4 Protective Life
- 5 Principal Financial
- 6 New York Life
- 7 Pacific Life
- 8 Liberty Mutual
- 9 Security Benefit
- 10 Athene USA

INDEXED ANNUITIES

- 1 Great American
- 2 AIG Companies
- 3 Symetra Financial
- 4 Pacific Life
- 5 Global Atlantic
- 6 Lincoln National
- 7 Reliance Standard Life
- 8 Delaware Life
- 9 Nationwide
- 10 Allianz

FIXED ANNUITIES (MVA)

- 1 Delaware Life
- 2 Reliance Standard Life
- 3 Athene USA
- 4 AIG Companies
- 5 Great American
- 6 New York Life
- 7 Security Benefit
- 8 The Standard
- 9 American Equity
- 10 Global Atlantic

VARIABLE ANNUITIES¹

- 1 Jackson National Life
- 2 Pacific Life
- 3 Lincoln National
- 4 Nationwide
- 5 Prudential
- 6 AIG Companies
- 7 AXA US
- 8 AEGON USA
- 9 Protective Life
- 10 Brighthouse Financial

INCOME ANNUITIES (SPIA + DIA)

- 1 New York Life
- 2 Principal Financial
- 3 Nationwide
- 4 CUNA Mutual Group
- 5 Symetra Financial
- 6 Pacific Life
- 7 Integrity Life
- 8 American National Insurance Co.
- 9 Global Atlantic
- 10 Brighthouse Financial

INDEXED VARIABLE ANNUITIES

- 1 AXA US
- 2 Brighthouse Financial
- 3 CUNA Mutual Group
- 4 Allianz Life
- 5 Lincoln National
- 6 Allianz NY
- 7 Great American
- 8 Protective Life

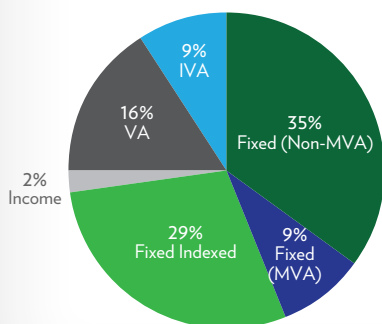
¹ AIG Companies & TIAA do not provide channel level sales.

*Sales Volume YTD through December 31, 2018.

Source: The Annuity Market Study, Beacon Research, Inc.

CHART
72**All Annuity Sales | 2018**

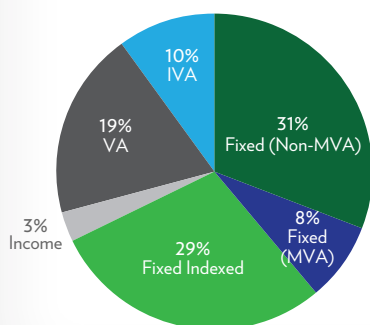
Bank Annuity Sales by Product Type (thousands)



Fixed Indexed	29%	\$11,405,319
Fixed (MVA)	9%	\$3,482,598
Fixed Income	2%	\$769,771
Fixed (Non-MVA)	35%	\$13,526,518
VA	16%	\$6,059,276
IVA	9%	\$3,394,402

CHART
73**All Annuity Sales | 2017**

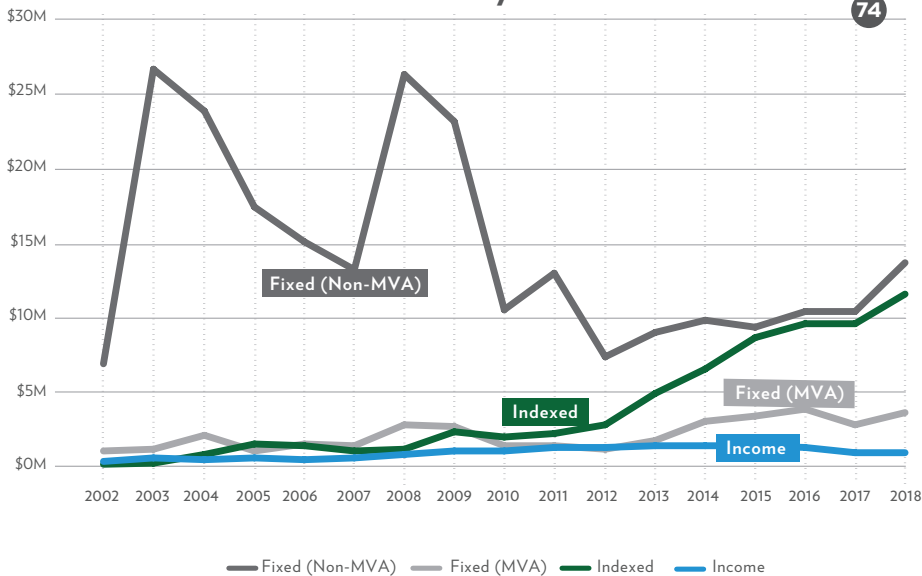
Bank Annuity Sales by Product Type (thousands)



Fixed Indexed	29%	\$9,474,885
Fixed (MVA)	8%	\$2,640,958
Fixed Income	3%	\$830,360
Fixed (Non-MVA)	31%	\$10,289,805
VA	19%	\$6,225,174
IVA	10%	\$3,225,868

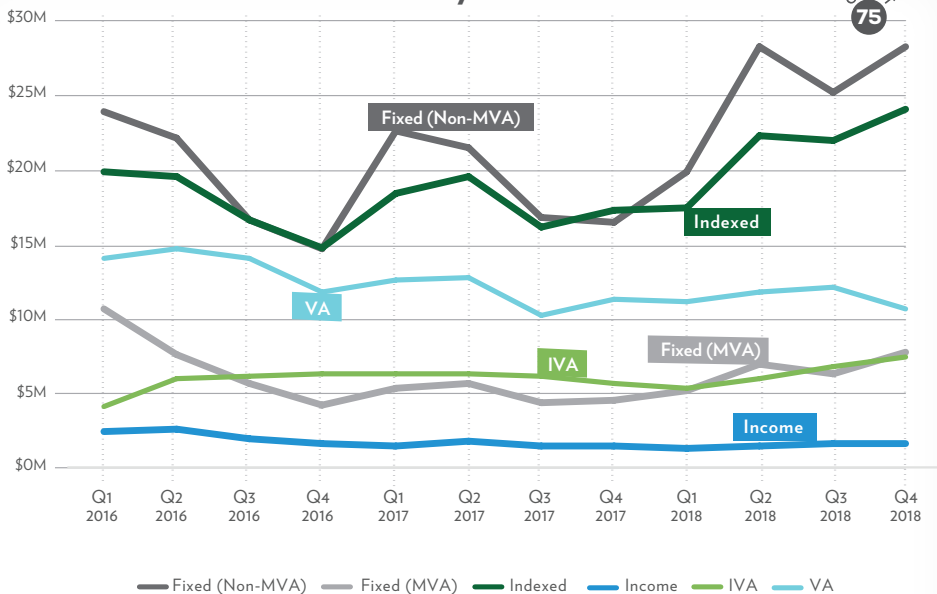
Bank Channel Fixed Annuity Sales

CHART
74



Bank Channel All Annuity Sales

CHART
75



Source: The Annuity Market Study, Beacon Research, Inc.

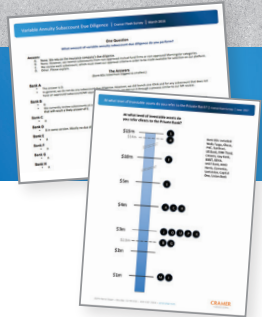
Our Best Kept Secret:

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:

2019

- MYGA Rates and Compensation Requirements
- Electronic Correspondence
- State Licensing for Service Only Annuity Contracts
- Advisor Incentives for Managed Money
- Licensed Banker Reporting and Staffing
- Licensed Banker Base Salary Ranges
- Single Premium Life Insurance – Capping of Commission Payments

2018

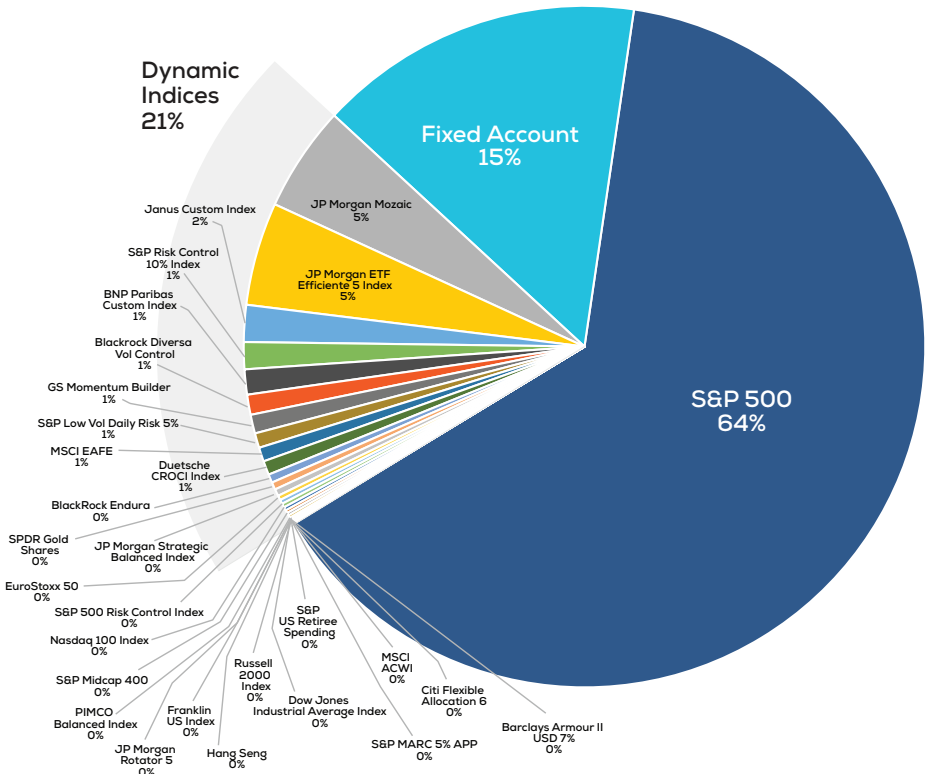
- Annual Award Trips for Advisors
- Annuity Compensation and Processing
- Annuity Complaints
- Broker Dealer Scale, Comp, & Costs
- Cash Management Accounts
- Cash Policies and Security Concentrations in APM Accounts
- CD Breakage Policy
- Credit Rating Agency Requirements
- DOL Impact on Annuity Sales 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

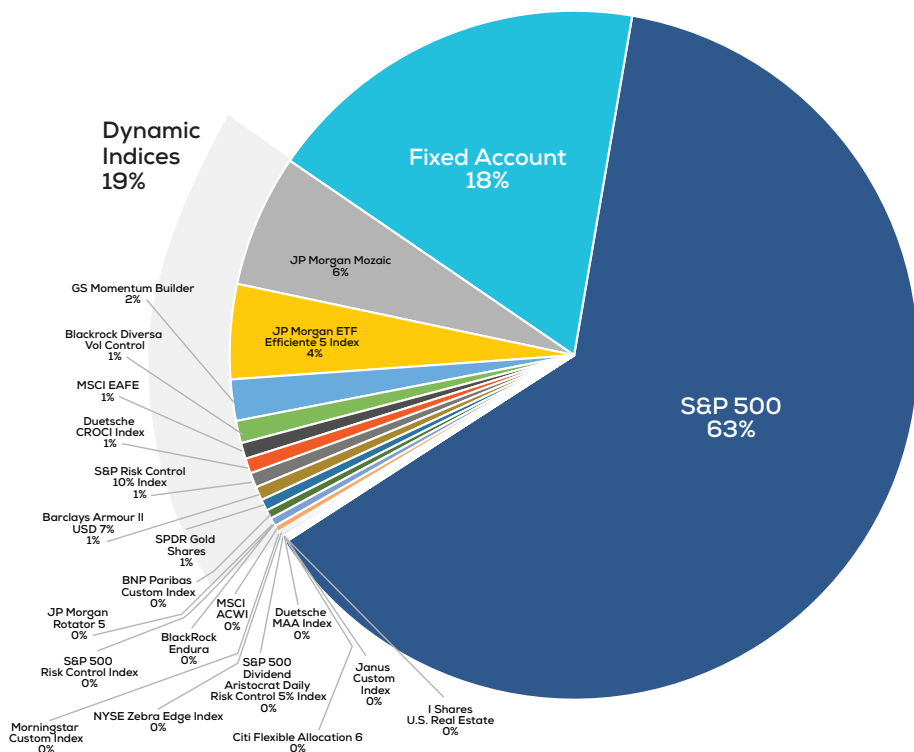
2016

- 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 Strategies 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

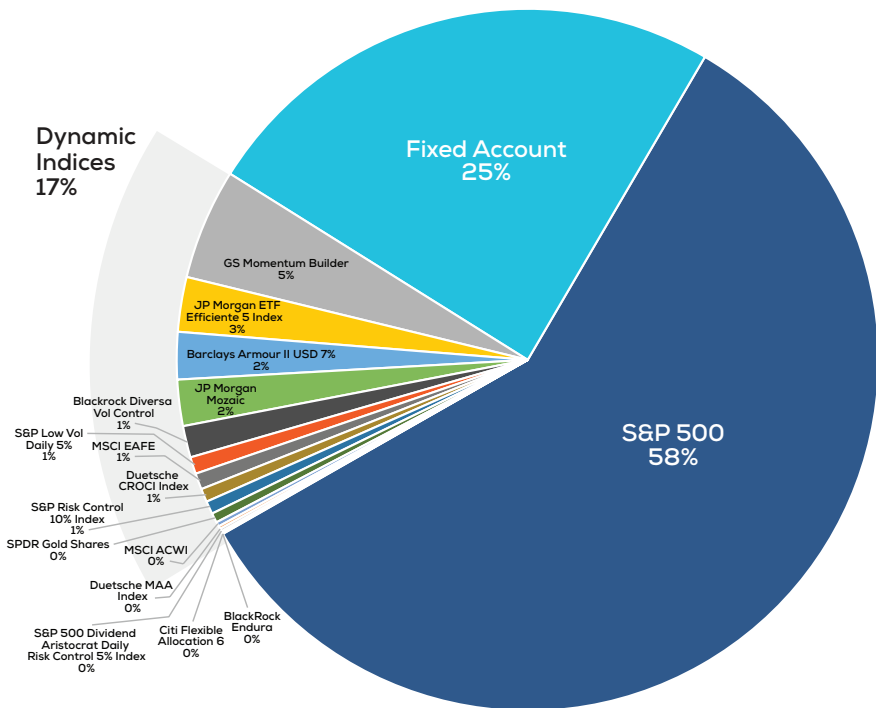
2018 Bank Channel Indexed Annuity Sales— Index Allocations**CHART**
76

- 64% – S&P 500
- 15% – Fixed Account
- 21% – Dynamic Indices

2017 Bank Channel Indexed Annuity Sales– Index Allocations

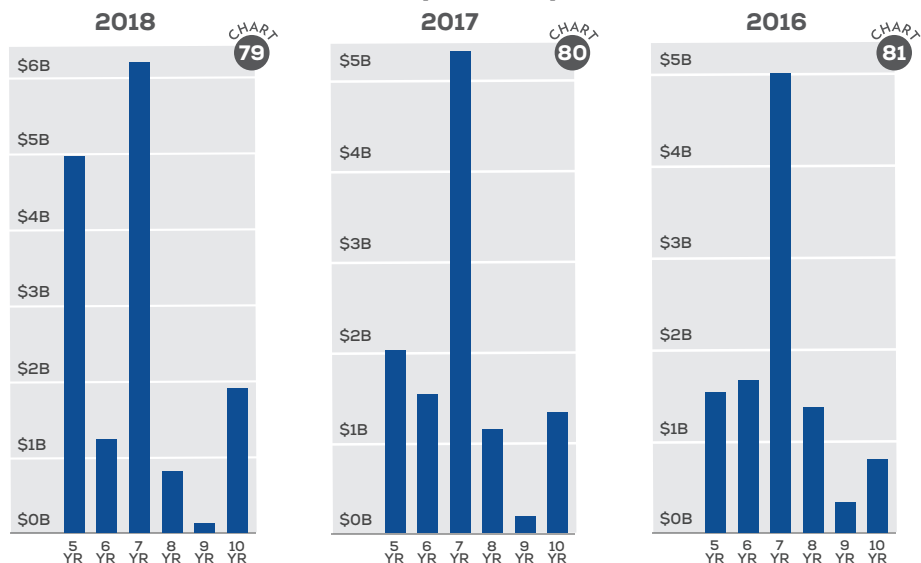
CHART
77

- 63% – S&P 500
- 18% – Fixed Account
- 19% – Dynamic Indices

2016 Bank Channel Indexed Annuity Sales– Index AllocationsCHART
78

- 58% – S&P 500
- 25% – Fixed Account
- 17% – Dynamic Indices

Bank Channel Indexed Annuity Sales by CDSC Duration



Bank Channel Indexed Annuity Sales—Rider Utilization

