

Credit Risk Benchmarks from the RMA/AFS Risk Analysis Service

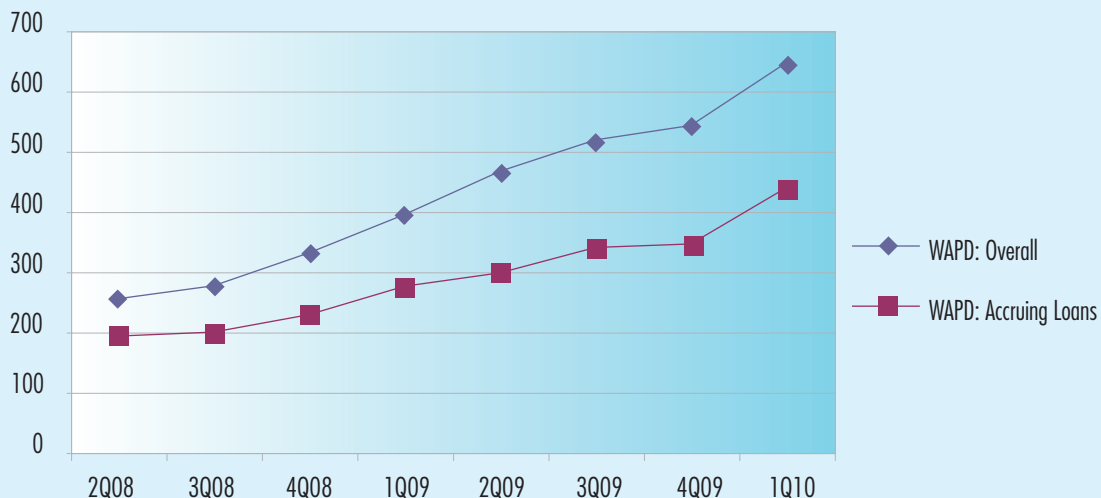


We are pleased to provide first-quarter 2010 metrics for this *Journal* feature, which provides an up-to-date view of middle market credit quality and trends. Comparing portfolio composition and performance to industry benchmarks is one of the keys to effective credit risk management. The graphs presented on the following pages are based on data reported in the RMA/AFS Risk Analysis Service, global banking's only comprehensive, industry-standard credit risk benchmark. Consistent with its "global reach, local markets" approach, RAS is currently offered in U.S. Commercial and Industrial, U.S. Commercial Real Estate, and European versions of the service. The service is an industry-led credit-

data consortium of key credit risk metrics that tracks risk ratings (PD and LGD), expected loss, delinquencies, nonaccruals, and charge-offs. The data in the consortium currently represents over half of the U.S. middle market in terms of total exposure and continues to grow.

The RMA/AFS Risk Analysis Service includes analytical capabilities for portfolio segmentation and in-depth analysis by line of business, industry, location, deal size, collateral, product type, and time period. For more information, please contact Suzanne Wharton at RMA at +1 215-446-4089 or Doug Skinner at AFS at +1 484-875-1562, or visit www.rmahq.org or www.afsvision.com.

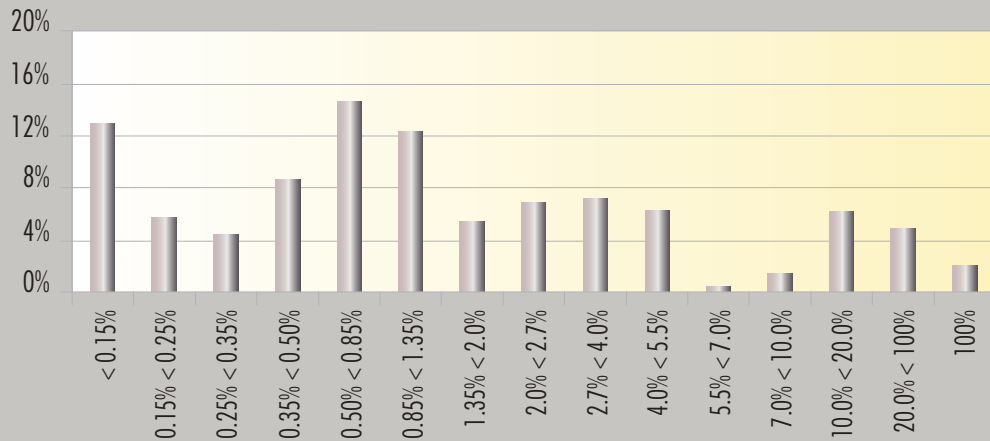
Trend in the Weighted-Average Probability of Default Relative to Outstanding Loan Balances



When we exclude defaulted loans, the weighted average probability of default for the accruing portfolio leveled off somewhat in 2009 before spiking up again in the first quarter of 2010. Most of this spike is attributable to banks recalibrating their risk rating models and scales.

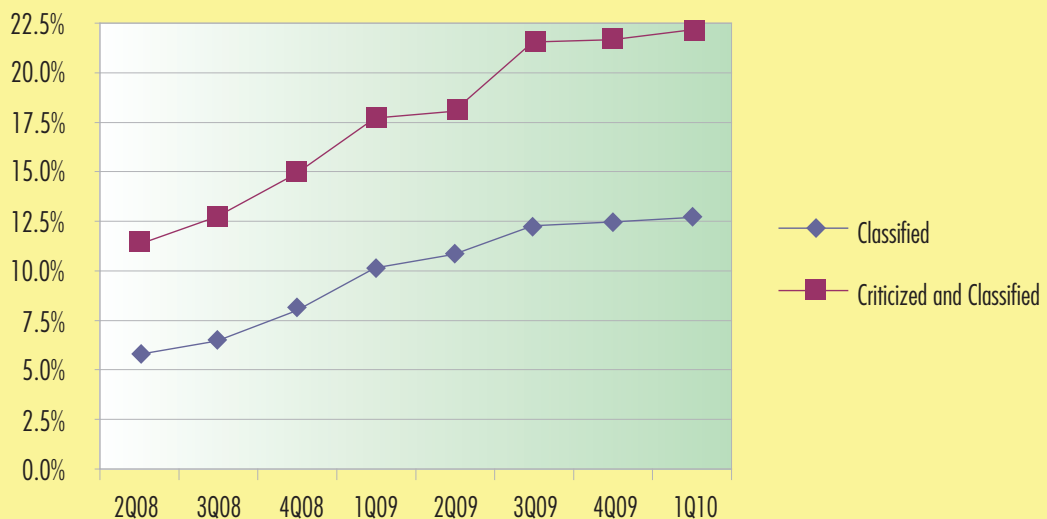
Probability of default (PD) reflects the bank's estimate of the likelihood that a loan will not be repaid as expected, calculated using a one-year time horizon. The graph on the top of the next page shows the PD distribution in the middle market.

Probability of Default Distribution as Percentage of Loans Outstanding



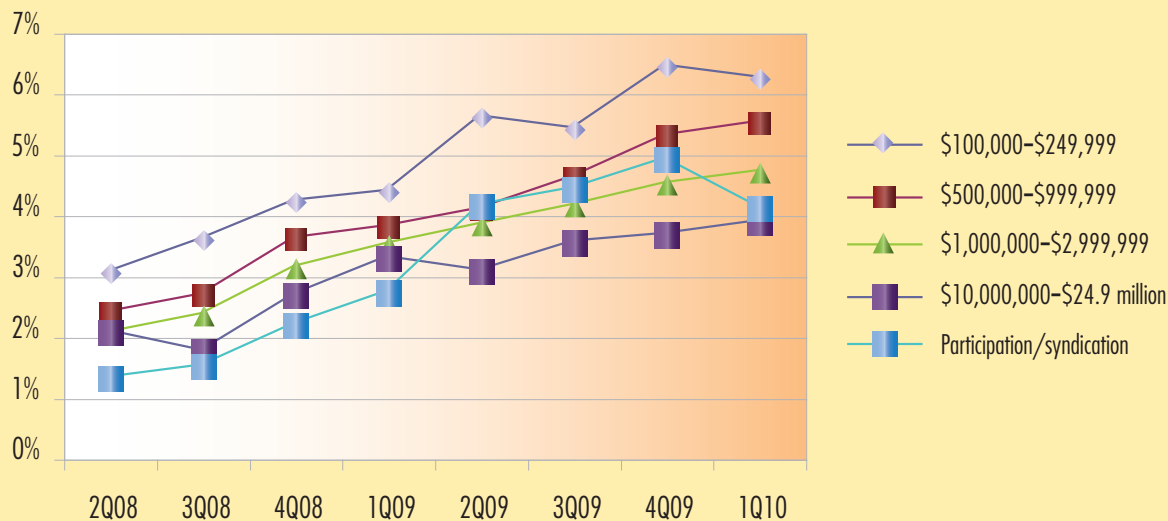
The probability of default (PD) is the bank's estimate of the likelihood that a loan will not be repaid as expected in the coming 12 months.

Middle Market Loan Quality: Percentage of Total Outstandings



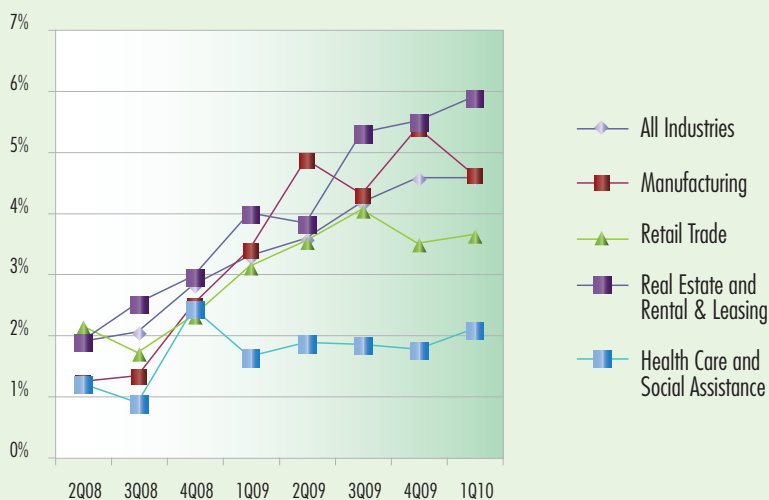
Problem loans continue to increase in the industry, but at a decelerating rate. After averaging 15% for nearly two years, the quarterly rate of increase in problem loan levels eased to 2% in the fourth quarter of 2009 and 5% in the first quarter of 2010.

RAS Performance Indicator for Selected Deal Size



Smaller-balance loans typically experience higher delinquency than larger loans.

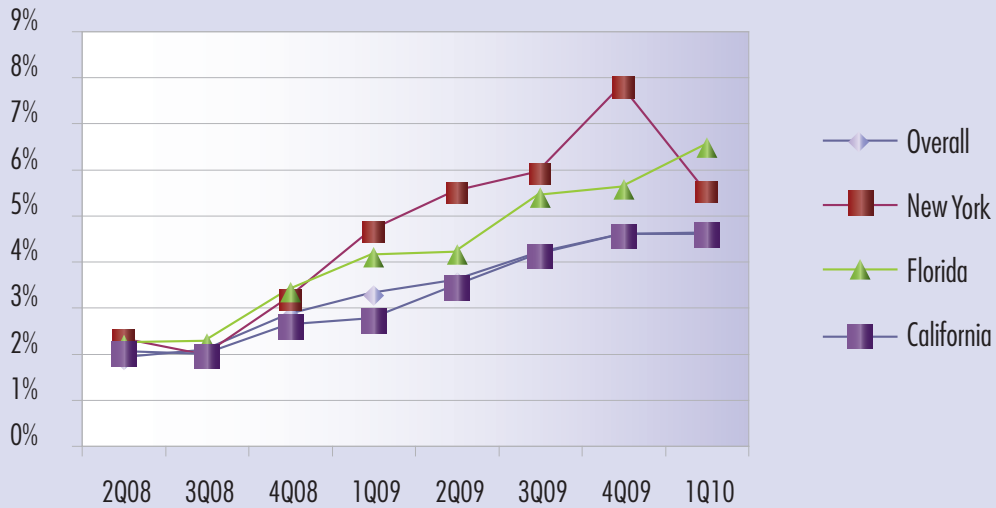
RAS Performance Indicator for Selected Industries



Middle market loans with ties to the health care and social services sector experienced a modest increase in the level of potential and realized problem assets from the low levels seen throughout 2009.

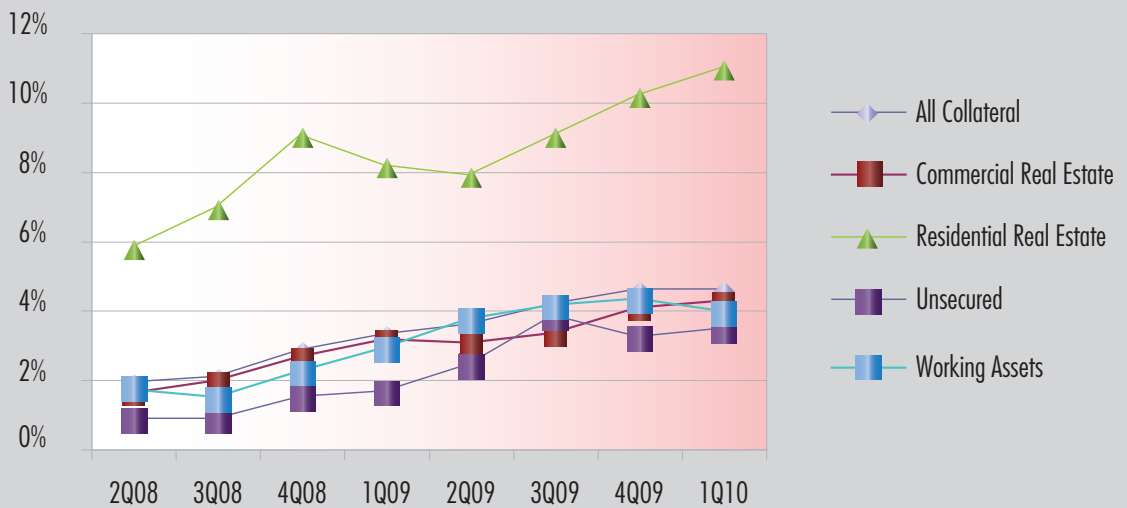
The RAS Performance Indicator represents a combination of past-due and nonaccruing loan balances as a percentage of the outstanding balances of the specific portfolio dimension cited. The RAS Performance Indicator includes the sum of loans past due 30 days and over and still accruing interest, and loans placed on nonaccrual, to present an overall view of potential and realized problem assets in specific portfolio segments.

RAS Performance Indicator for Selected States



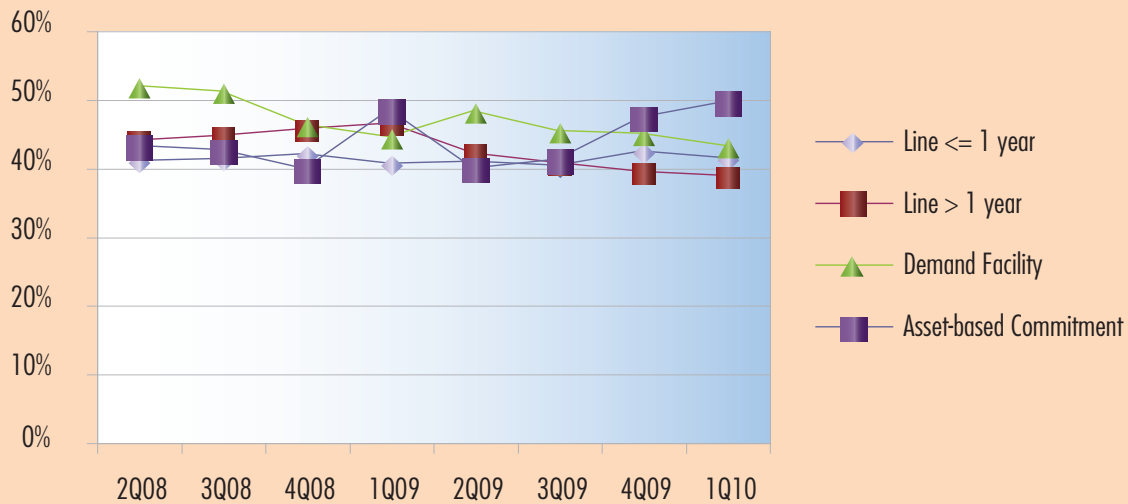
Florida experienced a larger deterioration in performance compared to other states.

RAS Performance Indicator for Selected Collateral



Unsecured middle market loans experienced the largest increase in potential and realized problem assets year-over-year.

RAS Line-Usage Trend for Selected Products



Asset-based commitments demonstrated an increase in line usage, as other products declined.

Credit Quality Comparison by Market Segment

	Business Banking	Middle Market	Large Corporate
% 30–89 days past due	1.56%	1.01%	0.32%
% on nonaccrual	4.88%	3.42%	1.75%
% Noncurrent (90 days + nonaccrual)	5.11%	3.53%	1.83%
Weighted Average Risk Rating (10 pt RMA scale)	5.95	5.27	5.17
Weighted Average PD	7.14%	6.45%	4.04%
Weighted Average PD: Non-defaulted portfolio	3.31%	4.39%	3.13%
% Classified	14.78%	11.70%	13.01%
% Classified & Criticized	27.82%	20.06%	22.60%

Business banking represents loans to private companies with annual sales of less than \$20 million; middle market represents loans to private or public companies with annual sales of between \$20 million and \$200 million; and large corporate represents loans to predominately public companies with annual sales greater than \$200 million.