TREASURY DEPARTMENT MONTHLY LENDING AND INTERMEDIATION SNAPSHOT

Summary Analysis for December 2009

Summary Analysis

Economic Environment

Treasury's thirteenth survey of banks' activities was conducted as economic and financial conditions continued to improve. Real GDP jumped 5.7 percent at an annual rate in the fourth quarter of 2009, accelerating sharply from the third quarter's 2.2 percent pace. The pickup was due mainly to a sharp slowdown in the pace of inventory liquidation, but even excluding inventories real final sales were up a solid 2.2 percent. Housing starts and home sales both slowed in December but special factors -- including poor weather and the expected expiration of the first-time homebuyer tax credit (which was recently extended) -- may have played a role. House prices continued to stabilize and mortgage rates remained at low levels, providing support to sales. Labor market conditions remained weak heading into 2010, but the employment situation continued to show signs of stabilization. The unemployment rate fell to 9.7 percent in January from 10.0 percent in December. Payrolls continued to shrink but job losses have gotten noticeably smaller, averaging 35,000 over the three months ending in January compared to 260,000 in the third quarter. Several measures of financial risk have returned to pre-crisis norms, indicating a return to relative stability in some markets. Indicators of consumer spending early in 2010 (about 70 percent of GDP) are mixed; auto sales fell in January but consumer confidence edged higher. Private forecasters expect the economy to continue to grow in the first quarter, at about a 3 percent annual rate.

December Survey Results

This Monthly Lending and Intermediation Snapshot includes data from 11 institutions.[1] The 10 institutions that repaid in June 2009 are no longer submitting data. In subsequent Monthly Lending and Intermediation Snapshots, institutions that repay will report data for the month of repayment and then cease reporting.

[1] CIT did not submit December 2009 data as a result of ongoing bankruptcy proceedings.

Annual Results[2]

The total average outstanding balance of all loans increased 13 percent from December 2008 to December 2009 and total originations increased 17 percent from December 2008.

Compared to December 2008, the total outstanding mortgage balance increased 29 percent. Total mortgage originations increased 81 percent from December 2008 to December 2009. Refinancing originations drove the increase, rising 161 percent over the year, while new home purchases rose 40 percent. Low interest rates over the past year contributed to the dramatic increases. The total outstanding balance of home equity lines of credit (HELOCs) increased 13 percent from December 2008 to December 2009. Respondents noted however that through 2009 demand for new HELOC lines and loans was below 2008 levels. Accordingly, HELOC originations declined 43 percent from December 2008 to December 2009. Since December 2008, the total outstanding balance of credit card loans decreased 7 percent and total originations of credit card loans decreased 17 percent. In other consumer lending products, the total outstanding balance increased 28 percent from December 2008 to December 2009, and total originations increased 9 percent.

Respondents consistently indicated that demand in the commercial sector was muted during the past year. The total outstanding balance of commercial and industrial (C&I) loans fell 2 percent from December 2008 to December 2009, while renewals increased 22 percent and new commitments decreased 34 percent. The total outstanding balance of commercial real estate (CRE) loans increased 25 percent from December 2008 to December 2009. Total renewals of CRE loans increased 14 percent from December 2008 to December 2009, while new CRE commitments decreased 24 percent.

Monthly Results

The overall outstanding loan balance (of all respondents) fell 1 percent from November to December at the 11 institutions that submitted Monthly Lending and Intermediation Snapshots, while total originations of new loans increased 13 percent from November to December. In December, the 11 surveyed institutions originated approximately $178 billion in new loans. Total originations of loans by all respondents rose in 7 categories (mortgages, HELOCs, credit card loans, other consumer lending products, C&I renewals of existing accounts, CRE renewals of existing accounts and CRE new commitments) and fell in 1 loan category (C&I new commitments).

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[2] Year over year changes will be calculated only for the 10 CPP recipients that filed both December 2008 and December 2009 data. Year over year increases may in part be reflective of acquisition activity (namely Bank of America's acquisition of Merrill Lynch, PNC Financial Services Group's acquisition of National City Corporation and Wells Fargo & Company's acquisition of Wachovia Corporation) as data are not merger adjusted.

New home purchases were flat in December while refinancing originations rose in December. Seasonality contributed to the decline in new home purchases despite favorable rates. HELOCs saw an increase in total originations, though institutions indicated that demand remains below 2008 levels. Outstanding credit card balances held by the surveyed institutions were flat in December. Originations of other consumer loans increased in December with the onset of student loan disbursements for the new semester. Banks reported that demand in the commercial sector remain well below normal levels. Despite low demand, C&I renewals rose in December, as did CRE renewals and new commitments. Small business loan originations also increased in December.

- The total average outstanding balance of all loans fell 1 percent from November to December. The median change in total average outstanding balances was a decrease of 1 percent. Total originations of all loans increased 13 percent from November to December. Across all institutions, the median change in total originations was an increase of 16 percent.

- The total outstanding mortgage balance of all respondents was flat. Total mortgage originations by all respondents increased by 7 percent, driven by increases in refinancing originations. The median change in total mortgage originations was an increase of 2 percent. Refinancing mortgage originations rose 12 percent from November to December. New home purchase originations were flat from November to December. Seasonality contributed to the decline in new home purchases as December is typically a slow time for homebuyers. Favorable rates, however, boosted refinancing originations.

- The total outstanding balance of HELOCs fell by 1 percent from November to December. Total HELOC originations rose 3 percent in December. The median change in originations was an increase of 14 percent from November to December. Respondents noted that the pool of qualified HELOC borrowers has declined as home values have depreciated and that demand remained below 2008 levels.

- The total credit card outstanding balance of all respondents was flat in December. Total credit card originations by all respondents increased by 22 percent in December, though the median change in credit card originations was a decrease of 9 percent.

- The total outstanding balance of other consumer lending products fell 1 percent in December. Total other consumer loan originations increased by 27 percent from November to December. The median percentage change in other consumer loan originations was a decrease of 34 percent.

- The total outstanding balance of C&I loans fell 2 percent in December; the median change in average outstanding C&I balances was a decrease of 2 percent. Economic uncertainty has caused businesses to downsize, cut costs, reduce inventories, and delay capital expenditures. Lower overall merger and acquisition activity further contributed to the decreased demand for C&I credit. Nearly all respondents indicated that, throughout the recession, demand in C&I lending has remained well below pre-recession levels. Companies continued to focus on preserving liquidity, strengthening their balance sheets, building cash reserves and paying down existing debt rather than taking on new debt.

Total renewals of existing C&I accounts increased 22 percent in December, and the median change in renewals was an increase of 16 percent. Total new C&I commitments decreased 16 percent in December, and the median change in new commitments was an increase of 16 percent. Respondents noted that some of the improvements seen were in the following sectors: leasing, institutional bank, middle market, not-for-profit organizations, public institutions, and business banking. Additionally, signs of improvement have been seen in M&A activity.

- Demand for new CRE loans remains low due to the lack of new construction activity. Real estate developers are reluctant to begin new projects or purchase existing projects under current poor economic conditions, which include a surplus of office space as firms downsize and vacancies rise. Many respondents noted that their focus in the CRE sector has been on renewing and restructuring existing loans as opposed to making new commitments. The outstanding balance of CRE loans of all respondents fell 1 percent in December, and the median change in outstanding balances was a decrease of 1 percent.

  Total renewals of existing CRE accounts increased 57 percent from November to December. The median change in CRE renewals from November to December was an increase of 56 percent. Seasonality contributed to the increase, as year-end is an active time for renewals. Total new CRE commitments increased 157 percent from November to December, and the median change in new commitments was an increase of 75 percent.

- In December, total small business outstanding balances[3] fell 1 percent, and the median change in small business outstanding balances was a decrease of 1 percent. Total small business originations increased by 21 percent. The median change in small business originations was an increase of 17 percent.

- The chart on page 6 ("Change in Loan Originations, December 2009 vs. November 2009") illustrates the range of changes in loan originations among the 11 institutions. The bar on the far right, for example, indicates that the median change of loan originations of all types was an increase of 16 percent in from November to December; originations of all types rose by 11 percent for the institution at the 25th percentile, and originations of all types rose by 28 percent for the institution at the 75th percentile. As in past months, there was considerable variability in lending activity across in the commercial sector (C&I and CRE).

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[3] Small business loan data were first reported in April 2009 data and are not included in the year over year analysis.

Loan Originations, December 2009

Current Monthly Lending and Intermediation Snapshot Filers[1]

($ Millions)

Name	First Mortgage	HELOC (Lines and Increases)	US Card (Managed): Initial Line Amount	Other Consumer Lending	C & I: Renewal of Existing Accounts	C & I: New Commitments	CRE: Renewal of Existing Accounts	CRE: New Commitments	Small Business[2]	Total Originations[3]	*Monthly Change in Total Originations*[3]
Bank of America	$29,937	$803	$1,307	$1,886	$19,535	$6,569	$4,201	$390	$1,461	**$64,627**	***11%***
CIT	--	--	--	--	--	--	--	--	--	**--**	**--**
Citigroup	$3,908	$106	$8,482	$978	$1,583	$702	$282	$294	$107	**$16,336**	***11%***
Comerica	$36	$10	$23	$41	$2,251	$416	$350	$31	$173	**$3,158**	***-19%***
Fifth Third	$1,831	$102	$121	$352	$2,407	$1,919	$1,226	$196	$408	**$8,154**	***52%***
Hartford	$0	$0	N/A	$0	$0	$0	$1	$0	$0	**$1**	**--**
KeyCorp	$150	$57	$0	$66	$1,269	$530	$880	$88	$45	**$3,040**	***17%***
Marshall & Ilsley	$198	$57	$6	$59	$161	$146	$64	$71	$31	**$762**	***18%***
PNC	$686	$283	$119	$463	$5,580	$2,709	$888	$426	$285	**$11,154**	***48%***
Regions	$644	$94	N/A	$91	$1,249	$1,123	$1,916	$300	$630	**$5,416**	***14%***
SunTrust	$2,724	$110	$721	$485	$1,427	$1,184	$341	$215	$52	**$7,207**	***32%***
Wells Fargo	$33,306	$484	$1,034	$2,089	$8,638	$6,311	$3,586	$2,829	$2,459	**$58,277**	***6%***
Total (All Institutions)	**$73,420**	**$2,105**	**$11,813**	**$6,510**	**$44,100**	**$21,609**	**$13,735**	**$4,840**	**$5,652**	**$178,132**	***13%***
Monthly change in Total[4]	***7%***	***3%***	***22%***	***27%***	***22%***	***-16%***	***57%***	***157%***	***21%***	***13%***	
Annual change in Total[5]	***81%***	***-43%***	***-17%***	***9%***	***22%***	***-34%***	***14%***	***-24%***	***---***	***17%***	

[1] *CIT did not file December 2009 as a result of ongoing bankruptcy proceedings. All calculated changes exclude CIT data.*

[2] *These loans are already accounted for in either consumer lending, commercial lending, or a combination of both.*

[3] *Total Originations does not include the "Small Business Originations" column.*

[4] *Monthly percentage changes are calculated versus November 2009 figures.*

[5] *Annual percentage changes are calculated versus December 2008 figures. Annual changes will exclude data from Hartford Financial Services Group as their data begin in June 2009.*

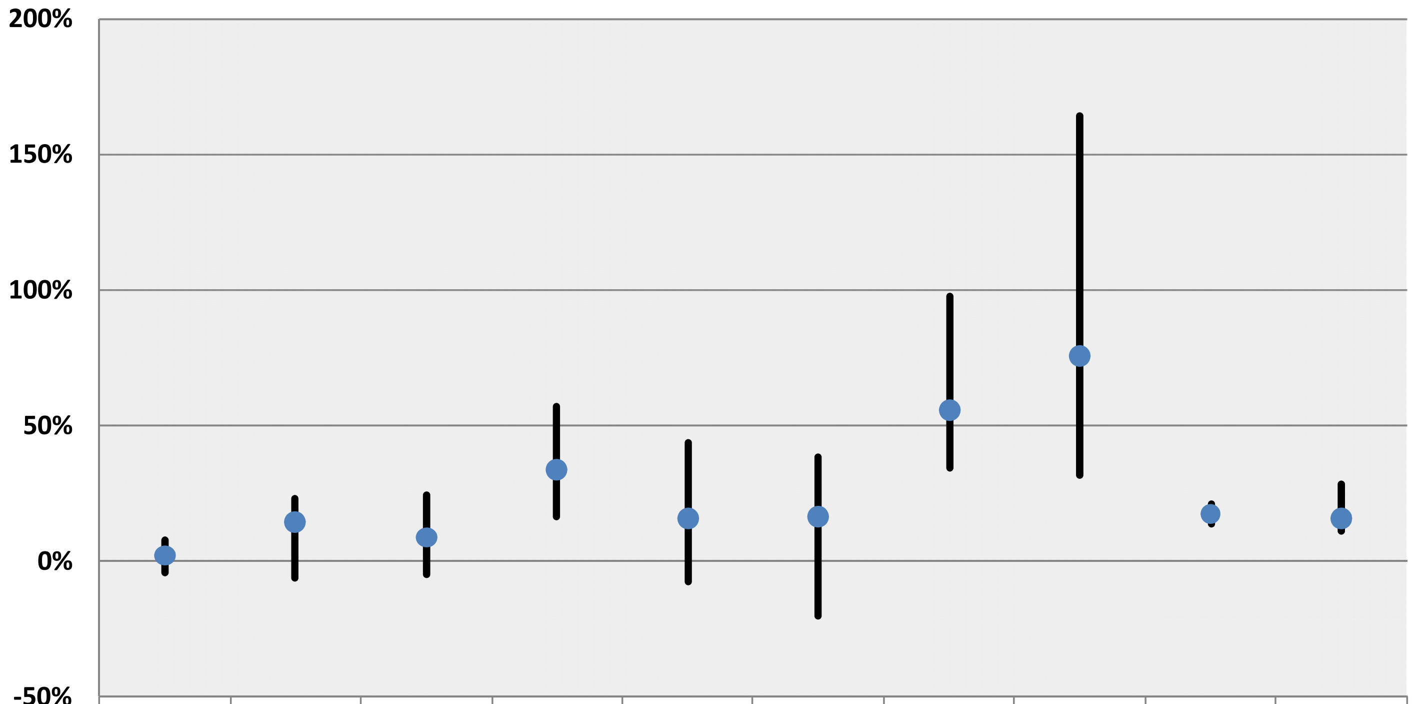
Loan Category Key	
First Mortgages	Loans secured by first liens on residential real estate
HELOC	Home equity lines of credit
US Card (Managed)	US credit cards (managed)
C & I	Commercial and industrial
CRE	Commercial real estate
Small Business	Loans to small businesses
N/A	Denotes recipient is not active in this category

NOTE: Reliance on internal reporting means that aggregation by loan category varies for each reporting bank. Because of the differences in loan category definitions, comparisons of origination levels across firms may be imperfect.

Change in Loan Originations

Current Monthly Lending and Intermediation Snapshot Filers[1]

December 2009 vs. November 2009



	First Mortgage	HELOC (Lines and Increases)	US Card (Managed): Initial Line Amount	Other Consumer Lending	C & I: Renewal of Existing Accounts	C & I: New Commitmen ts	CRE: Renewal of Existing Accounts	CRE: New Commitmen ts	Small Business Originations	Total
75th Percentile	8%	23%	24%	57%	44%	38%	97%	164%	21%	28%
25th Percentile	-4%	-6%	-5%	16%	-7%	-20%	35%	31%	13%	11%
● Median	2%	14%	9%	34%	16%	16%	56%	75%	17%	16%
Total (Across All Institutions)	7%	3%	22%	27%	22%	-16%	57%	157%	21%	13%

[1] *CIT did not file December 2009 as a result of ongoing bankruptcy proceedings. All calculated changes exclude CIT data.*

Total Outstanding Loan Balances

Current Monthly Lending and Intermediation Snapshot Filers

December 2008 vs. December 2009

$ Billions

	December 2008	December 2009	Change
First Mortgage	$576.8	$745.5	29.3%
HELOC	$379.8	$427.3	12.5%
US Card (Managed)	$337.2	$312.3	-7.4%
Other Consumer Lending	$230.3	$295.7	28.4%
C & I	$615.0	$604.8	-1.7%
CRE	$298.4	$373.9	25.3%
Small Business[1]	N/A	$169.4	---
Total Outstanding Loan Balances	$2,437.4	$2,759.5	13.2%

Total Loan Originations

Current Monthly Lending and Intermediation Snapshot Filers

December 2008 vs. December 2009

$ Billions

	December 2008	December 2009	Change
First Mortgage	$40.6	$73.4	80.8%
HELOC (Lines and Increases)	$3.7	$2.1	-43.4%
US Card (Managed): Initial Line Amount	$14.2	$11.8	-16.7%
Other Consumer Lending	$6.0	$6.5	9.0%
C & I: Renewal of Existing Accounts	$36.2	$44.1	21.9%
C & I: New Commitments	$32.8	$21.6	-34.1%
CRE: Renewal of Existing Accounts	$12.1	$13.7	13.9%
CRE: New Commitments	$6.4	$4.8	-23.9%
Small Business[1]	N/A	$5.7	---
Total Originations	$151.9	$178.1	17.3%

Loan Category Key	
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HELOC	Home equity lines of credit
US Card (Managed)	US credit cards (managed)
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CRE	Commercial real estate
Small Business	Loans to small businesses

<u>*Notes:*</u>

[1] *These loans are already accounted for in either consumer lending, commercial lending, or a combination of*

All totals exclude data from Hartford Financial Services (as they began reporting in June 2009) and CIT (as they did not submit December 2009 data due to ongoing bankruptcy proceedings).

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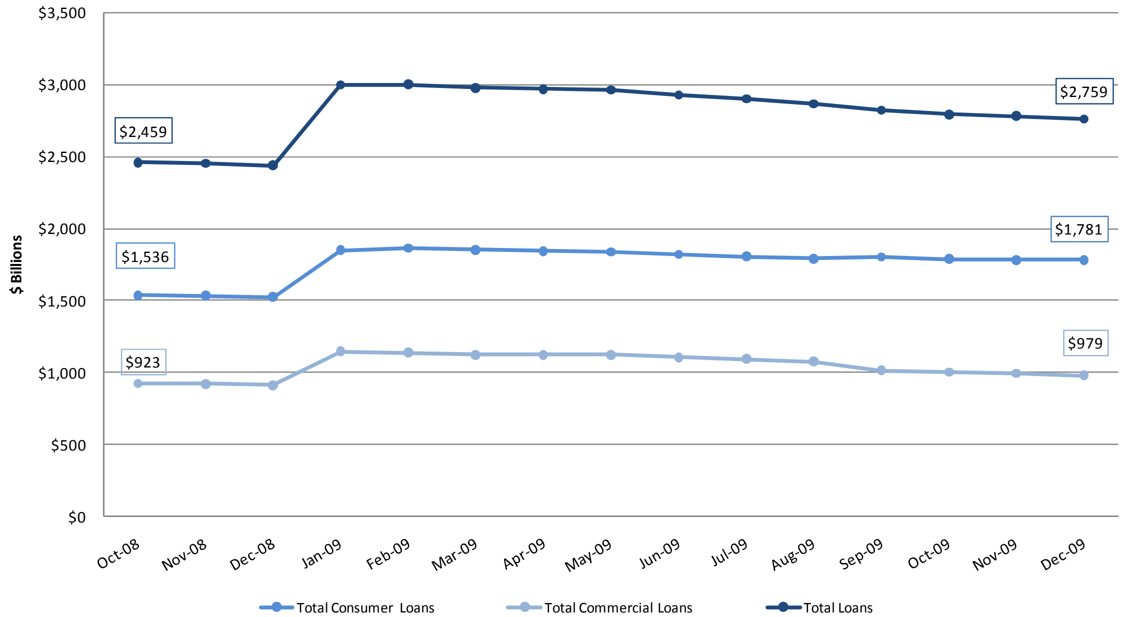
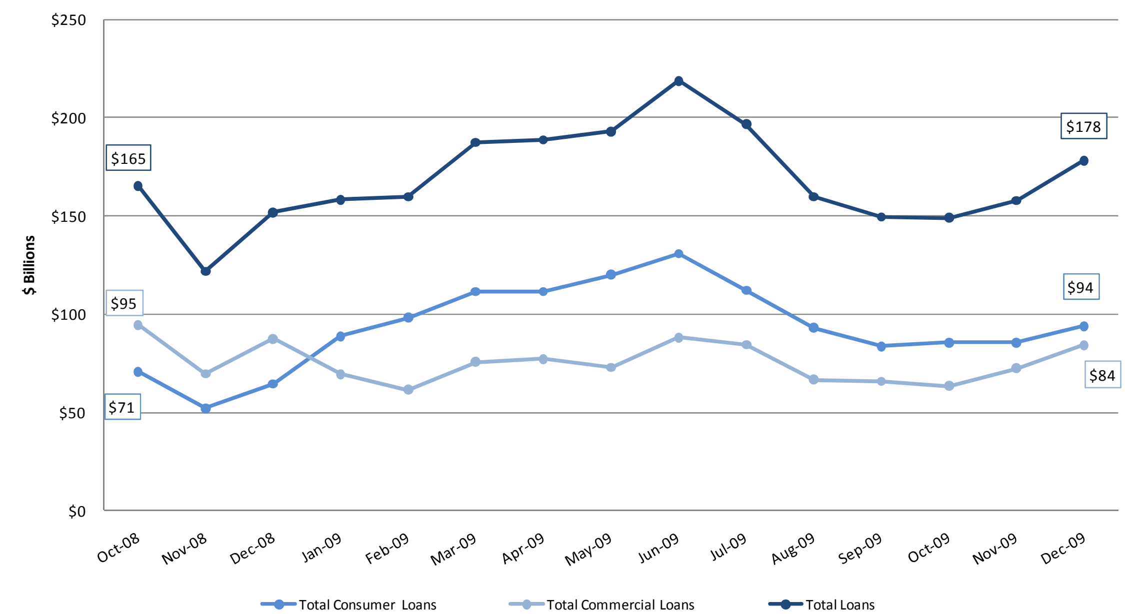
Because of the differences in loan category definitions, comparisons of figures across firms may be imperfect.

Average Outstanding Loan Balance
Current Monthly Lending and Intermediation Snapshot Filers
October 2008 - December 2009



Total consumer loans are defined as first mortgages, home equity lines of credit, credit card loans, and other consumer loans. Total commercial loans are defined as commercial & industrial loans and commercial real estate loans. Total loans are defined as the sum of total consumer loans and total commercial loans. All totals exclude data from Hartford Financial Services, which began reporting in June 2009. All totals also exclude data from CIT as they did not submit December 2009 data due to ongoing bankruptcy proceedings.
Data are not merger adjusted. Large increases from December 2008 to January 2009 may in part be reflective of acquisitions (Bank of America's acquisition of Merrill Lynch, PNC Financial Services Group's acquisition of National City Corporation, and Wells Fargo & Company's acquisition of Wachovia Corporation).

Total Originations
Current Monthly Lending and Intermediation Snapshot Filers
October 2008 - December 2009



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