TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: Marshall & Ilsley Corporation | **Submission date: 08/01/11** | **Person to be contacted about this report: Gregory A. Smith**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)	2011 APR	MAY	JUNE	Key	Comments
1. First Mortgage					
a. Average Loan Balance (Daily Average Total Outstanding)	$5,648	$5,570	$5,495	Includes all closed end residential RE; First Mortgages and Home Equity Loans (Approximately 80% of Home Equity Loans are held in first position). This excludes construction and vacant land loans which are included in the Commercial Real Estate section as average loan balances.	**Mortgage originations increased consistent with the decrease in interest rates on fixed rate mortgages.**
b. Total Originations	$95	$95	$108	1-4 Family Residential Mortgage Originations - includes loans held by M&I Portfolio and loans originated to be sold into the secondary market. This excludes construction and vacant land loans which are included in the Commercial Real Estate section as new commitments.	
(1) Refinancings	$44	$48	$53		
(2) New Home Purchases	$51	$47	$56		
2. Home Equity					
a. Average Total Loan Balance	$2,398	$2,379	$2,354	Includes Home Equity Lines only.	**New originations kept pace with the prior month; however, total loan balances continue to decrease as paydowns continue to outpace new production.**
b. Originations (New Lines+Line Increases)	$22	$16	$16		
c. Total Used and Unused Commitments	$4,468	$4,438	$4,290		
3. US Card - Managed					
a. Average Total Loan Balance - Managed	$266	$266	$269	Includes Consumer Card only.	**Average Balances increased slightly reflecting normal seasonal trending. New Originations remained stable. Total Used and Unused Commitments decreased slightly.**
b. New Account Originations (Initial Line Amt)	$11	$7	$7		
c. Total Used and Unused Commitments	$1,340	$1,334	$1,329		
4. Other Consumer					
a. Average Total Loan Balance	$981	$1,004	$1,029	Includes consumer PRA & LOCs. Subcategories include Auto Leases, Dealer Finance, Personal, Securities Loans, and Student Loans.	**Average Total Loan Balances increased from May to June due primarily to the Dealer Finance portfolio. Originations increased, led by an increase in Private Banking personal loans.**
b. Originations	$59	$50	$82	Includes Additional Notes and Refinances to existing customers and notes to new customers.	

SCHEDULE B: COMMERCIAL LENDING (Millions $)	APR	MAY	JUNE	Key	Comments
1. C & I					
a. Average Total Loan and Lease Balance	$11,293	$11,245	$11,128	Includes A/R and Inventory, Dealer Commercial, Agricultural, IRB's and Muni, and Commercial Leases.	**Average Balances decreased month-over-month. Renewals and new commitments were higher month-over-month and comparable to prior year levels. Companies continue to defer capital expenditures, pay down debt, use internally generated cash and delay investments in infrastructure, all of which influences customer borrowing needs.**
b. Renewal of Existing Accounts	$119	$144	$222	Renewals include renewal of existing accounts where new money is requested, terms are modified, or new master line is established.	
c. New Commitments	$34	$34	$113	Includes New Loans to New Customers and Unused Commitments to C&I (Also includes Unused Commitments to: Finance Agricultural Production and Other).	
2. Commercial Real Estate					
a. Average Total Loan and Lease Balance	$14,459	$14,254	$13,916	Includes Business Purpose 1-4 and Construction, Development, & Vacant Land (Commercial and Residential).	**Continuing with past monthly trends, Commercial Real Estate Average Balances decreased month-over-month led by Construction and Development. Renewals were lower month-over-month while new commitments increased. Commercial Real Estate Average Balances are expected to continue contracting due to portfolio amortization.**
b. Renewal of Existing Accounts	$29	$41	$24	Renewals include renewal of existing accounts where new money is requested, terms are modified, or new master line is established.	
c. New Commitments	$20	$7	$19	Includes New Loans to New Customers and Unused Commitments for CRE (Also includes Unused Commitments to: New Construction, Land Development and Other Land; Farmland; 1-4 Family Residential Properties; Multi-Family (5 or more) Residential Properties).	
SCHEDULE C: MEMORANDA - SMALL BUSINESS LENDING (Millions $)					
4. Small Business Loans[3]					
a. Average Total Loan Balance	$2,865	$2,812	$2,749	Includes SBA-guaranteed loans and Business Loans & Commitments < $1 million to customers with Revenue < $1 million. Excludes Letters of Credit.	**Average Total Loan Balance decreased month-over-month led by Commercial Real Estate Loans. June Originations were lower than May, led by Agricultural Loans. Pipelines and Originations remain at historically low levels due to decreased demand as customers continue to address impacts from current economic conditions.**
b. Originations	$10	$9	$9		
SCHEDULE D: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	$0	$0	-$171	Includes Mortgage Backed security purchase activities net of any security MBS sale activities, within the consolidated investment holdings. At Qtr-end this may also include Traded-not-settled transactions.	**Sold seasoned Mortgage Backed securities.**
b. Asset Backed Securities	$0	$0	$0		
2. Secured Lending (Repo, PB, Margin Lending)					
a. Average Total Matched Book (Repo/Reverse Repo)[1]	N/A	N/A	N/A		
b. Average Total Debit Balances[2]	N/A	N/A	N/A		
3. Underwriting					
a. Total Equity Underwriting	N/A	N/A	N/A		
b. Total Debt Underwriting	N/A	N/A	N/A		

Notes:
1. Not applicable if matched book activity does not exceed $50 billion.
2. Applicable only for institutions offering prime brokerage or other margin lending services to clients.
3. Memoranda: these loans are already accounted for in either consumer lending, commercial lending, or a combination of both, and include loans guaranteed by the Small Business Administration and/or any other loans that are internally classified as small business loans.

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: Marshall & Ilsley Corporation
Reporting month(s): June 2011
Submission date: 08/01/2011
Person to be contacted regarding this report: **Gregory A. Smith**

PART II. QUALITATIVE OVERVIEW

Please provide a brief overview of the intermediation activity during the month. This discussion should include a general commentary on the lending environment, loan demand, any changes in lending standards and terms, and any other intermediation activity.

Marshall & Ilsley Corporation (NYSE: MI) (M&I) is a diversified financial services corporation headquartered in Milwaukee, Wis. M&I Marshall & Ilsley Bank is the largest Wisconsin-based bank, with 188 offices throughout the state. In addition, M&I has 53 locations throughout Arizona; 36 offices along Florida's west coast and in central Florida; 33 offices in Indianapolis and nearby communities; 26 offices in metropolitan Minneapolis/St. Paul, and one in Duluth, Minn.; 17 offices in the greater St. Louis area; 15 offices in Kansas City and nearby communities; and one office in Las Vegas, Nev. M&I also provides trust and investment management, equipment leasing, mortgage banking, asset-based lending, financial planning, investments, and insurance services from offices throughout the country and on the Internet (www.mibank.com or www.micorp.com).

On December 17, 2010, M&I entered into a definitive agreement under which BMO Financial Group acquired all outstanding shares of common stock of M&I in a stock-for-stock transaction. Under the terms of the agreement, each outstanding share of M&I was exchanged for 0.1257 shares of Bank of Montreal upon closing. The transaction closed July 5, 2011.

The communities and customers M&I serves continue to face impacts from the current recessionary conditions of the economy. Nonetheless, M&I extended approximately $440 million of new credit to new and existing customers in June for a total of over $12.6 billion since the infusion of CPP capital in mid-November 2008 (The "new credit" amount includes new and expanded extensions of credit, or commitments to extend credit, as well as renewals of existing credit where a new promissory note was executed). Included in the figures above are small business new credit extensions of $14 million in June and over $830 million (actual $830,417,509) since receipt of CPP capital. ("Small business" includes: (1) SBA-guaranteed loans and (2) Commercial purpose loans where the original note amount was $1 million or less, outstanding commitments were $1 million or less and the customer had (recorded) revenue of $1 million or less). Additionally, M&I has a franchise-wide foreclosure moratorium program. The moratorium is on all owner-occupied residential loans for customers who agree to work in good faith to reach a successful repayment agreement.

In Commercial and Industrial loans, current line utilization from existing customers decreased slightly from May. Customers continue to resize their revolving credit facilities to match working capital needs.

In Commercial Real Estate, Construction and Development concentrations continue to decline in-line with our corporate goal of reducing credit exposure in this sector. Economic uncertainty has resulted in increased challenges for customers across a variety of sectors including retail, office and hospitality. Commercial Real Estate average balances are expected to continue contracting due to portfolio amortization.

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In Residential Real Estate, we are primarily utilizing secondary market options to effectively address the demand for fixed rate mortgage originations and selectively using the balance sheet for adjustable rate mortgages. Mortgage originations increased slightly from May to June, consistent with the decrease in interest rates on fixed rate mortgages. The Average Loan Balance decline year-over-year is attributed to originations being sold in the secondary market and amortization of the portfolio.

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: Regions Financial Corporation | **Submission date: July 29, 2011** | **Person to be contacted about this report: David Turner, Chief Financial Officer**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)	Apr 2011	May 2011	Jun 2011	Key	Comments
1. First Mortgage					
a. Average Loan Balance (Daily Average Total Outstanding)	$15,352	$15,059	$14,911	First and second residential 1-4 family mortgages, including residential mortgages held for sale.	**The mortgage division originated mortgage loans totaling $496 million in June 2011. Overall production increased 10.1% from the prior month. New purchase originations increased 10.1% from prior month, and refinancing originations increased from the prior month 10.0%. Application activity in June increased 8.2% as compared to prior month.**
b. Total Originations	$447	$451	$496	Loan originations designated for the secondary market and those to be held in portfolio on Regions' balance sheet.	
(1) Refinancings	$186	$157	$173	Total originations designated as refinance status.	
(2) New Home Purchases	$261	$294	$324	Total originations designated as new purchase status.	
2. Home Equity					
a. Average Total Loan Balance	$13,842	$13,747	$13,644	Average balances include Home Equity loans and HELOCs.	**Home Equity average balances declined $102.7MM or 0.8% in June to $13.6B. The HELOAN portfolio declined $9.3MM or 0.7%, while HELOC balances declined $93.5MM or 0.8%. Portfolio run-off continues as payoffs/paydowns outpace production.**
b. Originations (New Lines+Line Increases)	$87	$84	$97	New Home Equity loans, lines and increases.	
c. Total Used and Unused Commitments	$22,860	$22,706	$22,566	Total portfolio of Home Equity loans and funded and unfunded HELOCs. Funded portion included in average balance above.	
3. US Card - Managed					
a. Average Total Loan Balance - Managed	N/A	N/A	$38	Regions Financial Corp was an Agent Bank until the current portfolio was acquired on June 30, 2011.	**Credit Card portfolio was acquired on June 30, 2011. Data not available yet to determine if any new accounts were originated on that day.**
b. New Account Originations (Initial Line Amt)	N/A	N/A	$0	Regions Financial Corp was an Agent Bank until the current portfolio was acquired on June 30, 2011.	
c. Total Used and Unused Commitments	N/A	N/A	$5,424		
4. Other Consumer					
a. Average Total Loan Balance	$2,853	$2,869	$2,892	Includes consumer direct, indirect, other revolving (i.e., overdraft lines) and student loans held for sale.	**June Other Consumer Lending balances increased by $23MM (or 0.8%) when compared to May. Balances are being favorably impacted by the re-entry of Indirect Lending that generated $100MM in new production for the month, offset by the continued run-off of the legacy Indirect Lending portfolio.**
b. Originations	$140	$149	$157	Includes direct and student lending origination activity.	

SCHEDULE B: COMMERCIAL LENDING (Millions $)					
1. C & I	**Apr**	**May**	**Jun**	**Key**	**Comments**
a. Average Total Loan and Lease Balance	$35,589	$35,837	$35,797	Average outstanding funded balances (net of deferred fees and costs) for commercial related loans and leases. Also includes owner-occupied commercial real estate mortgage and construction loans made to operating businesses.	Loan demand in the middle market, while somewhat soft by historical standards, picked up some momentum throughout the fourth quarter and into the first six months of 2011. The stagnant economy continues to drive more conservative leverage positions; however, more robust loan demand is seen in the upper end of the market and in certain industries. Outstanding loan balances decreased $40 million in June as compared to May levels. Commercial line utilization rates decreased in June as compared to May.
b. Renewal of Existing Accounts	$2,506	$2,159	$2,949	Renewal of existing funded and unfunded commitments for commercial and owner-occupied real estate related loans based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$1,015	$1,121	$1,703	New funded and unfunded commitments for commercial and owner-occupied real estate related loans based upon posting date of the commitment. Also includes letters of credit and leases. Variable Rate Demand Note (VRDN) fundings are excluded from new commitment activity.	
2. Commercial Real Estate					
a. Average Total Loan and Lease Balance	$15,042	$14,777	$14,489	Average outstanding funded balances (net of deferred fees and costs) for commercial investor-owned real estate related loans. Also includes Commercial loans held for sale.	In June, commercial real estate balances decreased $288 million from May levels. In June, new loan demand remained muted. Construction starts are at a multi-generational low and developers continue to remain cautious, however, pipelines appear to be rebuilding in the multi-family sector. Regions' focus in the commercial real estate market is to take a realistic and aggressive approach to identifying problems, understand the global financial position of our commercial real estate clients, and seek improvements to loan structures as appropriate.
b. Renewal of Existing Accounts	$580	$928	$1,288	Renewal of existing funded and unfunded commitments for commercial investor-owned real estate related loans based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$58	$118	$151	New funded and unfunded commitments for commercial investor-owned real estate related loans based upon posting date of the commitment. Also includes letters of credit. Variable Rate Demand Note (VRDN) fundings are excluded from new commitment activity.	
SCHEDULE C: MEMORANDA - SMALL BUSINESS LENDING (Millions $)					
4. Small Business Loans[3]					
a. Average Total Loan Balance	$12,932	$12,906	$12,868	Average outstanding funded balances (net of deferred fees and costs) for commercial and commercial real estate related loans made to small business clients, which we generally define as clients with revenues up to $20 million. These balances are reflected as components of C&I, Commercial Real Estate and First Mortgage reported above.	We expect small business demand to improve only modestly as consumer spending continues to remain weak. The June 2011 NFIB survey of small business owners reports that consumer spending is especially weak for the "services" sector dominated by small business, and that reports of positive earnings trends is largely the result of price hikes vs. improved sales. As a result, trends are still not supportive of capital spending or hiring. We still believe business owners will remain cautious about adding jobs and expansion even as sales and profits pick up. Small business line utilization rates were relatively flat in June as compared to May.
b. Originations	$624	$634	$672	New and renewed production of funded and unfunded commitments made to small business clients, which we generally define as clients with revenues up to $20 million. These originations are reflected as components of C&I and Commercial Real Estate reported above.	
SCHEDULE D: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	-$95	$992	-$1,422		Net purchase volume as captured in bond accounting system. Reflects settlement date. Consists of Government and Agency Fixed-Rate Mortgage-Backed Products. The Asset Backed securities consist of Non-Agency Commercial Mortgage Backed products.
b. Asset Backed Securities	$20	$0	$30		
2. Secured Lending (Repo, PB, Margin Lending)					
a. Average Total Matched Book (Repo/Reverse Repo)[1]	N/A	N/A	N/A		
b. Average Total Debit Balances[2]	$1,242	$1,232	$1,208	Reflects average margin receivables as recorded on the general ledger.	
3. Underwriting					
a. Total Equity Underwriting	$33	$65	$93	Total equity underwriting activity. Represents Regions' participation percentage.	The Morgan Keegan Equity department participated in 5 offerings during April 2011, 8 during May 2011, and 9 during June 2011. Gross debt issuance for April, May, and June was $8.2 billion, $5.5 billion, and $9.7 billion respectively.
b. Total Debt Underwriting	$709	$612	$1,245	Debt issuances delivered monthly. Represents Regions' participation percentage.	

Notes:
1. Not applicable if matched book activity does not exceed $50 billion.
2. Applicable only for institutions offering prime brokerage or other margin lending services to clients.
3. Memoranda: these loans are already accounted for in either consumer lending, commercial lending, or a combination of both, and include loans guaranteed by the Small Business Administration and/or any other loans that are internally classified as small business loans.

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Person to be contacted regarding this report: **David Turner, Chief Financial Officer**

PART II. QUALITATIVE OVERVIEW

Please provide a brief overview of the intermediation activity during the month. This discussion should include a general commentary on the lending environment, loan demand, any changes in lending standards and terms, and any other intermediation activity.

I. Company Description

Regions Financial Corporation ("Regions" or the "Company") is a financial holding company headquartered in Birmingham, Alabama, which operates throughout the South, Midwest and Texas. Regions provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of investment banking, asset management, trust, securities brokerage, insurance and other specialty financing. At June 30, 2011, Regions had total consolidated assets of approximately $130 billion.

Regions conducts its banking operations through Regions Bank, its brokerage and investment banking business through Morgan Keegan & Company, Inc. ("Morgan Keegan"), and its insurance brokerage business through Regions Insurance Group, Inc.

II. Overall Summary

In June, new and renewed commitments increased by $1.8 billion to $6.8 billion for the month, while average balances declined $0.5 billion from May to $81.8 billion.

The month over month increase in new and renewed commitments was driven by a $0.8 billion increase in C&I renewals , a $0.6 billion increase in C&I commitments and a $0.4 billion increase in Commercial Real Estate renewals.

III. Consumer Lending

A. Mortgage Lending

The mortgage division originated mortgage loans totaling $496 million in June 2011. Overall production increased 10.1% from the prior month. New purchase originations increased 10.1% from prior month, and refinancing originations increased from the prior month 10.0%. Application activity in June increased 8.2% as compared to prior month.

Regions' mortgage division rolled out the U.S. Treasury sponsored Home Affordable Refinance Program (HARP) in late March 2009, which provides borrowers who have an existing loan owned or securitized by Fannie Mae or Freddie Mac, the ability to refinance to more beneficial financing terms with no new or additional mortgage insurance required, even if their current loan-to-value ratio is higher than it was on the original loan. The loan-to-value ratio cannot exceed 125%. June originations included approximately $24.6 million related to 166 loans refinanced under the Home Affordable Refinance Program.

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Regions' has implemented the U. S. Treasury sponsored Home Affordable Modification Program (HMP) for FNMA/FHLMC loans serviced by Regions. This program is designed to assist mortgage borrowers who have an existing loan owned or securitized by Fannie Mae or Freddie Mac, and who are in imminent danger of default or are already in default to obtain modified financing terms prescribed by the program. On March 26, 2010, the U.S. Treasury announced program modifications to the existing HMP program. These program modifications are designed to expand flexibility for mortgage servicers and originators to assist more unemployed homeowners and to help more people who owe more on their mortgage than their home is worth because their local markets saw large declines in home values. In accordance with the program guidelines, Regions has distributed approximately 2,509 modification packages to eligible borrowers subject to a ninety-day trial period. The first modifications under this program were seen in July 2009. In the month of June, Regions completed 39 modifications totaling $6 million in unpaid principal. Regions currently services approximately $ 26 billion of Agency mortgages.

B. Home Equity Lending

Home Equity production increased 16.3% to $97.3MM from prior month due in part to seasonality but decreased 21.9% versus same period prior year. Activities for June included: daily pre-approved point of sale Equity offers at DDA account opening, pre-approved direct mail offer with lead lists to the branches as well as continued momentum from targeting the lending needs of customers that do not qualify for the traditional HELOC product but are NOT considered subprime borrowers.

Overall Home Equity average balances declined $102.7MM or 0.8% in June to $13.6B. The HELOAN portfolio declined $9.3MM or 0.7%, while HELOC balances declined $93.5MM or 0.8%. Portfolio run-off continues as payoffs/paydowns outpace production.

C. US Card – Managed

Regions completed its purchase of the Regions-branded credit card portfolio from FIA Card Services, effective June 30, 2011. The transaction acquired the portfolio of over 500,000 existing Regions consumer credit card accounts with balances of $947MM and 40,000 business credit card accounts with balances of $129MM.

D. Other Consumer Lending

Other Consumer Lending production increased 5.5% in June to $157.1MM from prior month and increased 50.6% versus same period prior year due to continued momentum from our re-entry into Indirect Auto Lending. Other Consumer Lending activities for June included: daily pre-approved point of sale Auto/Unsecured LOC offers at DDA account opening; pre-approved direct mail offer with lead lists to the branches, and continued momentum from targeting the lending needs of customers that do not qualify for traditional credit products but are NOT considered subprime borrowers.

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As mentioned last month, effective May 1, 2011 Regions launched Ready Advance™, a short-term, small-dollar line of credit with limits ranging from $50 to $500. Ready Advance provides qualifying customers with the ability to resolve temporary cash-flow needs quickly. New Ready Advance™ production, which is included in the $157.1MM above, totaled $5.5MM in June.

Overall, June Other Consumer Lending balances increased by $23MM or 0.8% when compared to May. Balances are being favorably impacted by the re-entry of Indirect Lending that generated $100MM in new production for the month, offset by the continued run-off of the legacy Indirect Lending portfolio.

E. Customer Assistance Program

Regions' continues to work to meet the unique needs of financially troubled borrowers to stem foreclosures and keep customers in their homes. Well before the full effects of the credit crisis were realized, Regions launched an extensive Customer Assistance Program (CAP) for troubled borrowers. As unemployment levels continue to be elevated and the housing crisis lingers our goal remains the same - to ensure customers who encounter financial difficulty know they have options and that Regions wants to work with them.

As a result, Regions has taken steps including renegotiating the terms of mortgages and home equity loans, keeping families in their homes and allowing Regions to maintain a foreclosure rate well below industry average for residential first mortgages. Overall, the number of Regions serviced first mortgage loans in the foreclosure process is less than half the national average. (1.97% for Regions vs. 4.52% nationally in the first quarter of 2011.) Since inception of the program, Regions has restructured more than $3.4 billion in mortgages, including $44 million in June 2011. Regions has assisted more than 38,000 homeowners with solutions.

In addition, Regions introduced the U.S. Treasury sponsored Home Affordable Modification Program for loans serviced on behalf of Fannie Mae and Freddie Mac back in late March 2009. To date, we have initiated 2,509 trial period modifications for $379 million and of those 1,792 have been completed for $271 million.

IV. Commercial Lending

A. Commercial and Industrial Lending

Loan demand in the middle market, while somewhat soft by historical standards, picked up some momentum throughout the fourth quarter and into the first six months of 2011. The stagnant economy continues to drive more conservative leverage positions; however, more robust loan demand is seen in the upper end of the market and in certain industries. Outstanding loan balances decreased $40 million in June as compared to May levels. Commercial line utilization rates decreased in June as compared to May.

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Regions defines small business, in general, as clients with revenues up to $20 million. Small business lending activity is reflected within our Commercial and Industrial, Commercial Real Estate and First Mortgage outstanding loan balances and production.

We expect small business demand to improve only modestly as consumer spending continues to remain weak. The June 2011 NFIB survey of small business owners reports that consumer spending is especially weak for the “services” sector dominated by small business, and that reports of positive earnings trends is largely the result of price hikes vs. improved sales. As a result, trends are still not supportive of capital spending or hiring. We still believe business owners will remain cautious about adding jobs and expansion even as sales and profits pick up. Small business line utilization rates were relatively flat in June as compared to May.

B. Commercial Real Estate Lending

Regions’ focus in the commercial real estate market is to take a realistic and aggressive approach to identifying problems, understand the global financial position of our commercial real estate clients, and seek improvements to loan structures (such as additional security or principal curtailments) as appropriate. In addition, we are selectively originating new loans to the right clients that meet our stringent profitability and credit quality hurdles. Also, as homebuilders sell existing inventory, we continue to convert lot loans to residential construction loans, in turn, reducing our land and lot portfolio.

In June, new loan demand remained muted. Construction starts are at a multi-generational low and developers continue to remain cautious, however, pipelines appear to be rebuilding in the multi-family sector. The demand for financing for purchase of existing properties also remains limited as transaction volume remains low.

V. Treasury Activities

Management of interest rate risk is among the most fundamental tenets in banking. Banking institutions utilize the Available for Sale investment portfolio as a primary tool to balance the inherent interest rate risk arising from core banking activities. Agency Mortgage-Backed securities provided an efficient means to offset asset sensitivity and maintain the desired liquidity profile, while offering a compelling risk adjusted return on the use of capital. Mortgage-Backed security activity in June totaled -$1,422 million, which consists of Government and Agency Fixed-Rate Mortgage-Backed Products. Asset-Backed security activity in June totaled $29.77 million, which consisted of Non-Agency Commercial Mortgage Backed products.

VI. Equity and Debt Activities at Morgan Keegan

In June Wall Street saw 71 deals price in the Equity Capital Markets. Of those, 13 offerings were IPO’s with the remaining being follow-on’s. The industry leaders were REIT’s, Energy and Healthcare. The buzz offerings for June were HomeAway, Pandora Media and Groupon. We anticipate Groupon will be

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another strong performer in the tech sector. The backlog for IPO equity offerings stands at 128 offerings. For the Morgan Keegan Debt department municipal issuance in June was much stronger than the previous months of 2011, but still down significantly (40%) from last year. We expect July to be slower, which is consistent with the traditional summer issuance slowdown. Corporate issuance slowed during the last two weeks of June, and issuance for July is expected to remain slower than previous months due to seasonality and spread volatility.