ISI INTERNATIONAL STRATEGY & INVESTMENT GROUP INC

Bank Research: Our Money Center Bank Deep Value Screen

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We think BAC & JPM are the best risk-adjusted values among the MC Banks

- **BAC, C, JPM & WFC (the four Money Center Banks) trade at an average of only 8.2x our 2011E EPS and 1.4x tangible book value. They also comprise 55% of the market-cap of the nation's top 50 banks. However, appropriately, investors remain concerned about credit risk, revenue risk, and regulatory risk.**
- **In response, we have set up a multivariate screen to try to determine 1) the deepest value among the four Money Center Banks and 2) the best risk-adjusted value among the four.** The screen incorporates six value factors and four risk factors. **Our value factors are:** 1) price-to-adjusted tangible book (where tangible book excludes minority interest and net deferred tax assets), 2) price-to-(TBV + excess loan loss reserves), 3) the price-to-TBV valuation relative to each bank's normalized return on tangible common equity (both with & without loan loss reserve recapture), 4) price-to-normalized EPS (both with & w/o reserve recapture), 5) price-to-2010E revenue, and 6) price-to-2010E pre-tax, pre-provision earnings. **Our four risk factors are:** 1) 2-year beta, 2) 5-year quarterly earnings volatility, 3) tangible capital and reserve adequacy (where BAC, JPM & C were required to have more capital than WFC due to their global capital markets businesses—in consideration of Basel III), and 4) regulatory risk where WFC received a lower risk score than BAC, JPM & C.
- **The screen reveals that BAC is the deepest pure value and JPM is the best risk-adjusted value among the four Money Center Banks (please open this report for more detail on the scores).** Conversely, WFC screens as the most expensive on both pure value and risk-adjusted value. C screens almost as cheap as BAC on pure value but was third on risk-adjusted value.
- **Overall, the results of our screen reveal that Money Center bank stock investors that are primarily focused on deep value (without much sensitivity to risk) should select BAC first and C second. On the other hand, JPM should be the primary choice of value-oriented investors that are also sensitive to risk.**

*See the last page for an important disclosure regarding these stocks and this report.

ISI Large-cap Bank Coverage:

Bank of America (BAC)		
Last Stock Price		$15.66
Rating / Tgt Price	Buy	/ $23.00
Risk Rating		High
Exp 12-mo Return		48%
Market Cap ($mn)		$135,606
BB&T Corp. (BBT)		
Last Stock Price		$27.22
Rating / Tgt Price	Hold	/ $26.00
Risk Rating		High
Exp 12-mo Return		-3%
Market Cap ($mn)		$18,717
Citigroup (C)		
Last Stock Price		$3.41
Rating / Tgt Price	Hold	/ $4.00
Risk Rating		High
Exp 12-mo Return		18%
Market Cap ($mn)		$97,128
JPMorgan Chase (JPM)		
Last Stock Price		$40.04
Rating / Tgt Price	Buy	/ $55.00
Risk Rating		Med
Exp 12-mo Return		37%
Market Cap ($mn)		$157,838
PNC Financial (PNC)		
Last Stock Price		$51.85
Rating / Tgt Price	Hold	/ $53.00
Risk Rating		High
Exp 12-mo Return		2%
Market Cap ($mn)		$26,805
SunTrust Banks (STI)		
Last Stock Price		$22.60
Rating / Tgt Price	Sell	/ $18.00
Risk Rating		High
Exp 12-mo Return		-22%
Market Cap ($mn)		$11,281
US Bancorp (USB)		
Last Stock Price		$23.73
Rating / Tgt Price	Buy	/ $28.00
Risk Rating		Med
Exp 12-mo Return		18%
Market Cap ($mn)		$45,382
Wells Fargo & Co. (WFC)		
Last Stock Price		$27.33
Rating / Tgt Price	Hold	/ $29.00
Risk Rating		Med
Exp 12-mo Return		6%
Market Cap ($mn)		$141,480
Goldman Sachs Group (GS)		
Last Stock Price		$157.26
Rating / Tgt Price	Buy	/ $225.00
Risk Rating		Med
Exp 12-mo Return		43%
Market Cap ($mn)		$83,085
Morgan Stanley (MS)		
Last Stock Price		$27.39
Rating / Tgt Price	Buy	/ $40.00
Risk Rating		Med
Exp 12-mo Return		45%
Market Cap ($mn)		$37,267

Our Money Center Bank Deep Value Screen

In this report, we compare valuations across the Money Center banks (BAC, C, JPM & WFC) on a variety of tangible capital capital, revenue, earnings, and excess loan loss reserve metrics. We also adjust each bank's aggregate valuation score based on a risk score that captures a variety of risk metrics including earnings, capital, and regulatory risk. Overall, we note the following key observations:

- BAC and C offer deeper value than JPM and WFC, but also appear to have considerably more risk;
- Of the "deep-value" stocks (BAC & C), the value screen modestly favors BAC over C on both a pure valuation basis and a risk-adjusted basis (see Table 1). BAC screened the best on pure value and second best on a risk-adjusted basis. C was the second best on pure value and third best on a risk-adjusted basis;
- Between JPM and WFC, the screen favors JPM over WFC by a wide margin on both a pure valuation basis and a risk-adjusted value basis (see Table 1). JPM screened third best on a pure value basis (after BAC & C) but best on a risk-adjusted basis. WFC screened worst on both a pure value and risk-adjusted value basis;
- Overall, we believe Money Center Bank stock investors that are primarily focused on deep value (without much sensitivity to risk) should select BAC first and C second. On the other hand, JPM should be the primary choice for value-oriented investors that are also sensitive to risk.

Table 1 below outlines the results of our "deep value" screens for Money Center banks. Overall, we assigned rankings from 1 (worst or most expensive) to 3 (best or least expensive) across a variety of valuation metrics. In summing the individual scores, we note that BAC screened the best, with 16 out of a possible 18 points, followed by C with 15, JPM with 13, and WFC with just 8 (i.e. BAC screened as having the deepest value while WFC screened as most expensive among the four). We also added a risk component to our analysis using four risk factors, and assigned rankings from 1 (best/least risk) to 3 (worst/most risk). BAC and C both screened riskier than JPM and WFC, with scores of 10 vs. 7 for JPM and WFC. We then divided the value score by the risk score to determine a "risk-adjusted" value score. As Table 1 shows, JPM scored the best at 1.86 vs. BAC at 1.60, C at 1.50, and WFC at 1.14. We outline our methodology in more detail on pages 3-5 below:

Table 1: Summary deep value scoring matrix for Money Center banks

Valuation metric	BAC	C	JPM	WFC
P/TBV (4Q09)	**2**	**3**	**2**	**1**
P/(TBV + excess LLR)	**2**	**3**	**2**	**1**
P/TBV/ROTCE:				
2012E incl LLR recapture	*3*	*3*	*3*	*1*
2012E excl LLR recapture	*3*	*2*	*3*	*1*
Combined P/TBV/ROTCE	**3**	**3**	**3**	**1**
P/normalized EPS:				
2012E incl LLR recapture	*3*	*2*	*2*	*1*
2012E excl LLR recapture	*3*	*1*	*2*	*1*
Combined P/normalized EPS	**3**	**2**	**2**	**1**
Price to revenue	**3**	**3**	**2**	**2**
Price to pretax pre-prov profit	**3**	**2**	**2**	**2**
Overall value score	**16**	**15**	**13**	**8**
Risk metric	**BAC**	**C**	**JPM**	**WFC**
Beta 2-year	2	3	1	1
EPS consistency	2	3	1	1
Capital/reserve adequacy	3	1	2	3
Regulatory risk	3	3	3	2
Overall risk score	**10**	**10**	**7**	**7**
Risk-adjusted value score	1.60	1.50	1.86	1.14

Source: Company reports and ISI Group estimates

Our Deep Value Methodology

We used six value factors to compare valuation across the Money Center Banks as follows:

1. **Price to adjusted tangible book value**: this is the stock price divided by current tangible book value per share, but we adjusted TBV to exclude non-controlling interests and net deferred tax assets (in line with Basel III suggestions);

2. **Price to adjusted tangible book value plus "excess" loan loss reserves**: this is the same calculation above only we add "excess" loan loss reserves per share to the denominator in order to credit banks with strong reserves relative to observed credit risk. Our "excess" reserve figure is: 4Q09 loan loss reserves less 4Q09 annualized net charge-offs;

3. **Price to revenue:** this is the stock price divided by our estimate for total revenue in 2010, which generally means we are not picking up non-recurring revenue items. Given a lack of clarity on 1) each MC bank's future credit losses and 2) each bank's operating costs as a percentage of total revenue, we think a straight price-to-revenue metric is useful, especially when comparing these four banks where e-ratios are similar;

4. **Price to pretax pre-provision profit**: this is the stock price divided by our estimate for pre-tax pre-provision earnings in 2010 (i.e. revenue minus operating expenses), and benefits banks that are inexpensive relative to their pre-credit earnings;

5. **Price-to-tangible book value (TBV) relative to each bank's normalized return on tangible common equity (ROTCE):** this is the 4Q09 price/TBV ratio divided by our estimate for ROTCE in 2012 (which we consider a general proxy for a "normalized" earnings year for most banks). We calculate this ratio in two ways: 1) using our 2012 ROTCE estimate, which includes extra earnings from the recapture of loan loss reserves, and 2) using our 2012 ROTCE estimate excluding any extra earnings from loan loss reserve recapture (i.e. loan loss provisions = net charge-offs). We then average the results of these two methods to derive a (P/TBV)/ROTCE score. Thus, this screen captures if a bank's Price-to-TBV looks expensive or cheap relative to its "normalized" ROTCE potential.

6. **Price to normalized EPS:** this is essentially a classic P/E ratio on our 2012E EPS, but uses both our estimate for 2012 that includes the benefit of reserve recapture as well as a "through-cycle, normalized" earnings outlook that excludes reserve recapture (as in valuation score 5 above). Similar to that screen, we average the results including and excluding reserve recapture to derive a price-to-normalized EPS score.

Tables 2 and 3 below show the detailed result and ranking for each Money Center Bank across the six different valuation metrics used for the aggregate valuation score. We note the following key observations:

- C appears the least expensive on a P/TBV basis, even after excluding a substantial $45.7bn in net deferred tax assets from its tangible common equity (vs. DTA reductions from equity of $19.4bn for BAC, $12.9bn for JPM, and $4.1bn for WFC). Thus, for metrics 1 & 2, we gave C a 3-ranking, while giving BAC and JPM 2-rankings for each, and WFC a 1-rank for each (Table 2);

- BAC and C both appear cheap on price/revenue basis, and hence we gave each a 3-rank. JPM and WFC appear equally more expensive, though only modestly so, thereby driving a 2-rank for each (Table 2);

- BAC appears modestly cheaper than the other three on a price/pretax pre-provision profit basis, driving a 3-rank, while C, JPM, and WFC are only modestly more expensive, driving a 2-rank for each (Table 2);

- For (P/TBV)-to-normalized ROTCE, BAC screens the best when including and excluding potential loan loss reserve recapture, hence generating a 3-rank. JPM screens almost equally as well, hence also driving a

3-ranking both including and excluding loan loss reserve recapture. C gets a 3 with reserve recapture (which should be large in 2012) but a 2 without it. WFC is the most expensive by both metrics (Table 3);

For price-to-normalized EPS, BAC screens the cheapest when both including and excluding loan loss reserve recapture, hence driving 3-rankings in both. JPM screens the next best inclusive and exclusive of reserve recapture, hence driving a 2-ranking. C screens the third best inclusive of reserve recapture, but is materially more expensive excluding reserve recapture. Thus, we gave C a 2-ranking inclusive of reserve recapture and a 1-ranking excluding recapture. We gave WFC a 1-ranking for both measures as it screens worst including recapture and only slightly better than C excluding reserve recapture (Table 3).

Table 2: Valuation/scoring on tangible book value, revenue, pretax pre-provision profits

	Price 2/17/2010	Price to Adjusted Tangible BV 4Q09	Price to Adjusted Tangible BV +"Excess" Loan Loss Reserves 4Q09	Price to Revenue 2010E	Price to Pretax Pre-prov Profit 2010E
BAC	$15.66	1.6x	1.5x	1.4x	3.3x
C	$3.41	1.3x	1.2x	1.3x	3.5x
JPM	$40.04	1.7x	1.6x	1.6x	3.6x
WFC	$27.33	2.1x	2.0x	1.6x	3.7x
Valuation scores:					
BAC		2	2	3	3
C		3	3	3	2
JPM		2	2	2	2
WFC		1	1	2	2

Source: Company reports, Bloomberg and ISI Group estimates.

Table 3: Valuation/scoring on price-to-tangible book value & normalized EPS

	Price 2/17/2010	Price to Tangible BV to ROTCE incl (LLR release) 4Q09/2012E	Price to Tangible BV to ROTCE excl (LLR release) 4Q09/2012E	Price to "Normalized" EPS incl LLR recapture 2012E	Price to "Normalized" EPS excl LLR recapture 2012E
BAC	$15.66	7.9x	8.7x	5.8x	6.4x
C	$3.41	7.9x	10.1x	6.8x	8.7x
JPM	$40.04	8.1x	9.1x	6.4x	7.2x
WFC	$27.33	10.9x	11.4x	7.8x	8.5x
Valuation scores:					
BAC		3	3	3	3
C		3	2	2	1
JPM		3	3	2	2
WFC		1	1	1	1

Source: Company reports, Bloomberg and ISI Group estimates.

Our Risk Scoring Methodology

We used four factors to compare risk across the banks, as follows:

1. **2-year Beta**: this is the weekly adjusted stock beta, over the last two years, from Bloomberg;
2. **Earnings volatility**: this is the quarterly variance in fully-diluted GAAP EPS over the last five years divided by the average stock price over that period;
3. **Capital & reserve adequacy**: this is 4Q09 Tier 1 Common equity plus "excess" loan loss reserves (as defined by 4Q09 loan loss reserves less 4Q09 annualized net charge-offs), divided by 4Q09 risk-weighted assets. We also added 100bps to WFC's ratio to adjust it higher because WFC has substantially less capital markets-oriented business risk (and capital allocation requirements) relative to BAC, C, and JPM;
4. **Regulatory risk**: this is a subjective measure of the risk that bank re-regulation (broadly) will negatively impact future earnings potential.

Table 4 below shows the detailed result and ranking for each Money Center Bank across the four different metrics we used for the aggregate risk score. Note we reverse the rankings relative to the "value" score (i.e. a 3 is worst/highest risk and 1 is best/least risk). Thus, a higher risk score implies more risk and (when divided into the value score) drives a lower risk-adjusted valuation score. We note the following key observations:

- C has the highest stock price variability, with a Bloomberg-measured beta of 2.54 over the last 2 years vs. a beta of 2.21 for BAC. Hence, C gets a 3-ranking and BAC gets a 2-ranking. JPM and WFC each get a 1-ranking with betas of 1.61 and 1.73, respectively;
- C screens the most volatile on an EPS volatility basis with a five-year quarterly EPS standard deviation equal to 3.8% of its average stock price vs. 1.6% for BAC, 1.1% for WFC, and 0.9% for JPM. Thus, we give C a 3-rank, BAC a 2-rank, and JPM and WFC a 1-rank;
- C screens the strongest on capital and reserve adequacy with a Tier 1 Common + excess LLR / RWA ratio of 10.4%, thereby driving a 1-rank. JPM is the next best with a 9.5% ratio (a 2-rank), while we give a 3-rank to BAC and WFC with ratios of 8.1% and 6.8%, respectively. We view WFC's 6.8% ratio as being closer to 7.8% (at least relative to the other MC Banks) because WFC has substantially less capital markets-related business risk vs. BAC, C and JPM;
- We think WFC should have the least regulatory risk given a smaller capital markets business and somewhat less systemic risk vs. BAC, C, and JPM. Hence we give WFC a 2-rank and the others a 3-rank.

Table 4: Scoring on various risk metrics

	Beta 2-year	Earnings Consistency	Capital & Reserve Adequacy	Regulatory Risk	Overall Risk Rating
BAC	2	2	3	3	10
C	3	3	1	3	10
JPM	1	1	2	3	7
WFC	1	1	3	2	7

Source: Company reports, Bloomberg and ISI Group estimates.

Table 10: Bank of America Earnings Result and Forecast

Earnings Results And Forecast
($ Millions, Except As Noted)

						Forecast:					Forecast			% Change					
KEY FORECAST VARIABLES:	**08:4**	**09:1**	**09:2**	**09:3**	**09:4**	**10:1E**	**10:2E**	**10:3E**	**10:4E**	**2009**	**2010E**	**2011E**	**2012E**	**4Q/3Q**	**4Q/4Q**	**09/08**	**10E/09**	**11E/10E**	**12E/11E**
EOP Loans	$931,446	$977,008	$942,248	$914,266	$900,128	$891,127	$886,671	$886,671	$895,538	$900,128	$895,538	$940,315	$996,734	(1.5)	(3.4)	(3.4)	(0.5)	5.0	6.0
Average Loans	941,563	994,121	966,105	930,255	905,913	895,627	888,899	886,671	891,104	949,099	890,575	917,926	968,524	(2.6)	(3.8)	4.2	(6.2)	3.1	5.5
Average Earning Assets	1,616,673	1,912,483	1,811,981	1,790,000	1,807,898	1,802,612	1,800,884	1,803,656	1,813,089	1,830,591	1,805,060	1,836,411	1,891,009	1.0	11.8	17.1	(1.4)	1.7	3.0
Net Interest Margin (%)	3.31	2.70	2.64	2.61	2.62	2.63	2.65	2.67	2.68	2.64	2.66	2.71	2.71						
Net Interest Income (FTE)	13,406.0	12,819.0	11,942.0	11,753.0	11,896.0	11,689.8	11,898.2	12,138.4	12,247.5	48,410.0	47,973.9	49,725.3	51,203.7	1.2	(11.3)	4.0	(0.9)	3.7	3.0
Loan Loss Provision	8,535.0	13,380.0	13,375.0	11,705.0	10,110.0	9,554.4	8,643.0	7,822.1	6,262.8	48,570.0	32,282.4	17,998.7	15,496.4	(13.6)	18.5	81.1	(33.5)	(44.2)	(13.9)
Total Noninterest Income	2,574.0	23,261.0	21,144.0	14,612.0	13,517.0	15,306.4	16,032.3	16,286.8	16,414.0	72,534.0	64,039.5	70,353.8	76,258.6	(7.5)	425.1	164.5	(11.7)	9.9	8.4
Securities Transactions	762.0	1,498.0	632.0	1,554.0	1,039.0	0.0	0.0	0.0	0.0	4,723.0	0.0	0.0	0.0	(33.1)	36.4	148.6	(100.0)	NM	NM
Total Revenues	15,980.0	36,080.0	33,086.0	26,365.0	25,413.0	26,996.2	27,930.5	28,425.2	28,661.5	120,944.0	112,013.4	120,079.1	127,462.3	(3.6)	59.0	63.5	(7.4)	7.2	6.1
Staff Expenses	4,027.0	8,768.0	7,790.0	7,613.0	7,357.0	7,357.0	7,430.6	7,430.6	7,542.0	31,528.0	29,760.2	31,545.8	33,754.0	(3.4)	82.7	71.6	(5.6)	6.0	7.0
OREO Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NM	NM	NM	NM	NM	NM
Other Expenses	6,920.0	8,234.0	9,230.0	8,693.0	9,028.0	8,684.4	8,597.5	8,511.5	8,681.8	35,185.0	34,475.2	34,819.9	35,969.0	3.9	30.5	51.9	(2.0)	1.0	3.3
Total Expenses	10,947.0	17,002.0	17,020.0	16,306.0	16,385.0	16,041.4	16,028.1	15,942.1	16,223.8	66,713.0	64,235.4	66,365.7	69,723.0	0.5	49.7	60.6	(3.7)	3.3	5.1
Pre-Tax Income (FTE)	(3,502.0)	5,698.0	2,691.0	(1,646.0)	(1,082.0)	1,400.4	3,259.4	4,660.9	6,174.9	5,661.0	15,495.6	35,714.7	42,243.0	(34.3)	(69.1)	0.7	173.7	130.5	18.3
FTE Tax Rate (%)	48.9	25.5	(19.8)	39.2	82.1	30.0	30.0	30.0	30.0	(10.9)	30.0	32.0	33.0						
Operating Net Income	(1,789.0)	4,247.0	3,224.0	(1,001.0)	(194.0)	980.3	2,281.6	3,262.6	4,322.4	6,276.0	10,846.9	24,286.0	28,302.8	(80.6)	(89.2)	56.6	72.8	123.9	16.5
Oper NI Available For Common	(2,392.0)	2,814.0	2,419.0	(2,241.0)	(1,196.0)	640.3	1,941.6	2,922.6	3,982.4	1,796.0	9,486.9	22,926.0	26,942.8	(46.6)	(50.0)	(17.8)	240.9	127.0	16.5
OPERATING EPS (F.D.)	**($0.48)**	**$0.44**	**$0.33**	**($0.26)**	**($0.14)**	**$0.06**	**$0.20**	**$0.29**	**$0.40**	**$0.37**	**$0.95**	**$2.30**	**$2.70**	**(46.6)**	**(71.3)**	**(40.3)**	**155.7**	**141.7**	**17.5**
GAAP EPS	**($0.48)**	**$0.44**	**$0.33**	**($0.26)**	**($0.60)**	**$0.06**	**$0.20**	**$0.29**	**$0.40**	**($0.09)**	**$0.95**	**$2.30**	**$2.70**	**131.8**	**24.7**	**(114.6)**	**NM**	**141.7**	**17.5**
CASH EPS	**($0.42)**	**$0.49**	**$0.38**	**($0.22)**	**($0.11)**	**$0.09**	**$0.22**	**$0.32**	**$0.42**	**$0.54**	**$1.05**	**$2.39**	**$2.79**	**(52.1)**	**(74.8)**	**(38.6)**	**94.5**	**127.0**	**16.5**
Book Value Per Share	$27.77	$25.98	$22.71	$22.99	$21.84	$21.89	$22.08	$22.36	$22.75	$21.84	$22.75	$24.92	$26.73	(5.0)	(21.4)	(21.4)	4.2	9.5	7.3
Tangible Book Value Per Share	$9.74	$10.26	$11.21	$11.57	$11.94	$12.04	$12.26	$12.58	$13.01	$11.94	$13.01	$15.32	$17.26	3.2	22.6	0.0	0.0	0.0	0.0
Dividends Per Share	$0.32	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.04	$0.04	$0.04	$0.80	0.0	(96.9)	(98.2)	0.0	0.0	1,900.0
Average Fully-Diluted Shares	4,957.0	6,431.0	7,269.5	8,633.8	8,634.6	9,956.2	9,956.2	9,956.2	9,956.2	7,742.2	9,966.2	9,966.2	9,966.2	0.0	74.2	68.0	28.7	0.0	0.0
PROFITABILITY RATIOS:																			
Return On Assets (%)	-0.36	0.68	0.53	-0.17	-0.03	0.18	0.42	0.59	0.79	0.26	0.50	1.10	1.22						
Return On Common Equity (%)	-6.5	7.3	5.5	-4.5	-0.8	1.2	3.6	5.3	7.0	0.2	4.3	9.7	10.5						
Return On Tangible Common Equity (%)	-17.3	19.0	12.6	-9.1	-0.9	2.2	6.5	9.4	12.4	-0.3	7.7	16.3	16.6						
Operating Expenses/Revenues (%)	68.50	47.12	54.93	61.85	64.47	59.42	57.39	56.08	56.60	56.13	57.35	55.27	54.70						
Cash Efficiency (%)	65.52	45.68	53.26	59.91	62.77	57.88	55.96	54.74	55.32	54.47	55.95	54.09	53.70						
BALANCE SHEET ITEMS:																			
EOP Total Assets	$1,817,943	$2,321,963	$2,254,394	$2,251,043	$2,223,299	$2,201,066	$2,179,055	$2,179,055	$2,179,055	$2,223,299	$2,179,055	$2,255,322	$2,368,088	(1.2)	22.3	22.3	(2.0)	3.5	5.0
EOP Risk-weighted Assets	1,320,824	1,695,192	1,599,569	1,548,962	1,542,517	1,527,092	1,519,380	1,526,977	1,534,612	1,542,517	1,534,612	1,588,323	1,667,739	(0.4)	16.8	16.8	(0.5)	3.5	5.0
EOP Equity	177,052	239,549	255,152	257,683	231,444	254,727	256,569	259,392	263,275	231,444	263,275	284,804	302,797	(10.2)	30.7	30.7	13.8	8.2	6.3
EOP Common Equity	139,351	166,272	196,492	198,843	216,978	217,519	219,361	222,184	226,067	216,978	226,067	247,596	265,589	9.1	55.7	55.7	4.2	9.5	7.3
EOP Tangible Equity	86,583	138,936	155,661	158,959	133,104	156,803	159,045	162,252	166,503	133,104	166,503	189,442	208,704	(16.3)	53.7	53.7	25.1	13.8	10.2
EOP Tangible Common Equity	48,882	65,659	97,001	100,119	118,638	119,595	121,837	125,044	129,295	118,638	129,295	152,234	171,496	18.5	142.7	142.7	9.0	17.7	12.7
Tangible Common Equity/Assets (%)	2.83	2.96	4.50	4.65	5.58	5.69	5.85	6.01	6.21	5.58	6.21	7.05	7.54						
Tangible Common Equity/RWAs (%)	3.70	3.87	6.06	6.46	7.69	7.83	8.02	8.19	8.43	7.69	8.43	9.58	10.28						
Tangible Equity/Assets (%)	5.01	6.25	7.22	7.39	6.26	7.46	7.64	7.79	8.00	6.26	8.00	8.77	9.18						
Tier 1 Capital Ratio (%)	9.15	10.09	11.93	12.46	10.40	12.03	12.21	12.33	12.53	10.40	12.53	13.46	13.90						
CREDIT QUALITY INDICATORS:																			
Net Charge-Offs	$5,541	$6,942	$8,701	$9,624	$8,421	$9,054	$8,643	$7,822	$6,963	$33,688	$32,482	$23,682	$19,370	(12.5)	52.0	107.6	(3.6)	(27.1)	(18.2)
% Average Loans	2.36	2.85	3.64	4.13	3.69	4.10	3.90	3.50	3.10	3.55	3.65	2.58	2.00						
Nonperforming Assets (loans)	$18,212	$25,632	$30,982	$33,825	$35,747	$37,534	$37,534	$36,784	$34,944	$35,747	$34,944	$26,208	$20,967	5.7	96.3	96.3	(2.2)	(25.0)	(20.0)
% EOP Loans + OREO	1.96	2.62	3.29	3.70	3.97	4.21	4.23	4.15	3.90	3.96	3.88	2.78	2.10						
Loan Loss Reserve	$23,492	$31,150	$35,777	$37,399	$38,687	$39,187	$39,187	$39,187	$38,487	$38,687	$38,487	$32,803	$28,929	3.4	64.7	64.7	(0.5)	(14.8)	(11.8)
% EOP Loans	2.52	3.19	3.80	4.09	4.30	4.40	4.42	4.42	4.30	4.30	4.30	3.49	2.90						
% Nonperforming Loans	143.38	130.31	122.60	117.19	115.34	111.85	113.47	117.74	124.37	115.34	124.37	141.34	156.66						

Source: Company reports and ISI Group estimates.

Table 12: Citigroup Earnings Result and Forecast

($ Millions, Except As Noted)

						Forecast:					Forecast			% Change					
KEY FORECAST VARIABLES:	**08:4**	**09:1**	**09:2**	**09:3**	**09:4**	**10:1E**	**10:2E**	**10:3E**	**10:4E**	**2009**	**2010E**	**2011E**	**2012E**	**4Q/3Q**	**4Q/4Q**	**09/08**	**10E/09**	**11E/10E**	**12E/11E**
EOP Loans	$694,531	$657,292	$641,690	$622,211	$591,504	$582,631	$570,979	$559,559	$548,368	$591,504	$548,368	$509,982	$474,284	(4.9)	(14.8)	(14.8)	(7.3)	(7.0)	(7.0)
Average Loans	701,485	671,715	655,941	638,681	620,138	587,068	576,805	565,269	553,964	646,619	570,776	529,175	492,133	(2.9)	(11.6)	(12.5)	(11.7)	(7.3)	(7.0)
Average Earning Assets	1,635,854	1,572,315	1,588,059	1,615,505	1,672,424	1,642,354	1,632,091	1,620,555	1,612,750	1,612,076	1,626,937	1,587,336	1,550,294	3.5	2.2	(7.7)	0.9	(2.4)	(2.3)
Net Interest Margin (%)	3.26	3.36	3.26	3.04	2.69	2.75	2.75	2.75	2.75	3.08	2.75	2.80	2.80						
Net Interest Income (FTE)	13,430.0	13,023.0	12,911.0	12,385.0	11,347.0	11,136.5	11,189.9	11,232.9	11,178.8	49,666.0	44,738.1	44,442.8	43,405.6	(8.4)	(15.5)	(8.1)	(9.9)	(0.7)	(2.3)
Loan Loss Provision	12,695.0	10,307.0	12,676.0	9,095.0	8,184.0	7,700.0	7,400.0	6,000.0	5,000.0	40,262.0	26,100.0	14,000.0	9,380.0	(10.0)	(35.5)	16.0	(35.2)	(46.4)	(33.0)
Total Noninterest Income	(7,625.0)	11,595.0	6,062.0	7,010.0	4,344.0	8,249.2	8,149.6	7,784.4	7,792.7	29,011.0	31,975.9	33,211.3	34,406.2	(38.0)	(157.0)	NM	10.2	3.9	3.6
Realized gains from sales of investments	(1,198.0)	9.0	(160.0)	(285.0)	(435.0)	0.0	0.0	0.0	0.0	(871.0)	0.0	0.0	0.0	52.6	(63.7)	(57.7)	(100.0)	#DIV/0!	#DIV/0!
Total Revenues	5,805.0	24,618.0	18,973.0	19,395.0	15,691.0	19,385.7	19,339.5	19,017.3	18,971.5	78,677.0	76,714.0	77,654.1	77,811.8	(19.1)	170.3	51.6	(2.5)	1.2	0.2
Compensation and Benefits	6,298.0	6,235.0	6,359.0	6,136.0	6,257.0	6,257.0	6,257.0	6,319.6	6,382.8	24,987.0	25,216.3	25,468.5	25,468.5	2.0	(0.7)	(19.6)	0.9	1.0	0.0
OREO Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NM	NM	NM	NM	NM	NM
Other Expenses	8,073.0	5,463.0	5,339.0	5,722.0	6,091.0	5,905.1	5,846.0	5,816.8	5,765.7	22,615.0	23,333.7	23,100.3	22,638.3	6.4	(24.6)	(18.9)	3.2	(1.0)	(2.0)
Total Operating Expenses	15,942.0	11,685.0	11,666.0	11,824.0	12,314.0	12,187.1	12,128.0	12,161.4	12,173.5	47,489.0	48,650.0	48,568.8	48,106.8	4.1	(22.8)	(21.6)	2.4	(0.2)	(1.0)
Pre-Tax Income (FTE)	(22,832.0)	2,626.0	(5,369.0)	(1,524.0)	(4,807.0)	(501.3)	(188.6)	855.9	1,798.0	(9,074.0)	1,964.0	15,085.3	20,325.0	215.4	(78.9)	NM	NM	668.1	34.7
FTE Tax Rate (%)	46.2	35.5	58.5	83.1	68.0	100.0	100.0	50.0	50.0	74.3	67.6	30.0	30.0						
Operating Net Income	(12,293.0)	1,694.0	(2,226.6)	(258.0)	(1,540.0)	0.0	0.0	427.9	899.0	(2,330.6)	1,327.0	10,559.7	14,227.5	496.9	(87.5)	NM	NM	695.8	34.7
Oper NI Available For Common	(13,192.0)	(865.0)	(3,775.6)	(1,038.0)	(1,495.0)	0.0	0.0	427.9	899.0	(7,173.6)	1,327.0	10,559.7	14,227.5	44.0	(88.7)	NM	NM	695.8	34.7
OPERATING EPS (F.D.)	**($2.47)**	**($0.16)**	**($0.70)**	**($0.09)**	**($0.06)**	**$0.00**	**$0.00**	**$0.02**	**$0.03**	**($0.62)**	**$0.05**	**$0.37**	**$0.50**	**(25.4)**	**(97.4)**	**NM**	**NM**	**695.8**	**34.7**
GAAP EPS	**($3.40)**	**($0.18)**	**$0.50**	**($0.27)**	**($0.33)**	**($0.00)**	**($0.00)**	**$0.01**	**$0.03**	**($0.78)**	**$0.04**	**$0.37**	**$0.50**	**24.0**	**(90.2)**	**NM**	**NM**	**731.4**	**34.9**
CASH EPS	**($2.49)**	**($0.23)**	**($0.77)**	**($0.12)**	**($0.08)**	**($0.01)**	**($0.01)**	**$0.01**	**$0.03**	**($0.75)**	**$0.02**	**$0.39**	**$0.52**	**(31.4)**	**(96.8)**	**NM**	**NM**	**1,477.9**	**33.0**
Book Value Per Share	$13.46	$13.00	$14.50	$6.15	$5.35	$5.31	$5.31	$5.33	$5.36	$5.35	$5.36	$5.69	$6.15	(13.0)	(60.3)	(60.3)	0.2	6.2	8.1
Tangible Book Value Per Share	$5.88	$5.74	$8.02	$4.64	$4.15	$4.13	$4.13	$4.16	$4.20	$4.15	$4.20	$4.56	$5.06	(10.6)	(29.4)	(29.4)	1.0	8.8	10.9
Dividends Per Share	$0.16	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	#DIV/0!	(100.0)	(100.0)	NM	NM	NM
Average Fully-Diluted Shares	5,922.0	5,969.1	5,967.8	12,216.0	24,260.0	28,533.3	28,533.3	28,533.3	28,533.3	11,603.2	28,533.3	28,533.3	28,533.3	98.6	309.7	100.5	145.9	0.0	0.0
PROFITABILITY RATIOS:																			
Return On Assets (%)	-2.45	0.37	-0.49	-0.05	-0.33	0.00	0.00	0.10	0.21	-0.13	0.08	0.69	1.08						
Return On Common Equity (%)	-58.4	3.9	-18.6	-2.0	-4.7	0.0	0.0	1.1	2.3	-7.1	0.9	6.7	8.4						
Return On Tangible Common Equity (%)	-129.1	8.8	-37.1	-2.9	-6.1	0.0	0.0	1.4	3.0	-7.9	1.1	8.5	10.4						
Operating Expenses/Revenues (%)	274.63	47.47	61.49	60.96	78.48	62.87	62.71	63.95	64.17	60.36	63.42	62.55	61.82						
Cash Efficiency (%)	271.22	46.63	60.36	59.82	77.00	61.66	61.49	62.70	62.90	59.25	62.18	61.26	60.48						
BALANCE SHEET ITEMS:																			
EOP Total Assets	$1,938,470	$1,822,578	$1,846,624	$1,888,599	$1,856,164	$1,800,479	$1,746,465	$1,694,071	$1,643,249	$1,856,164	$1,643,249	$1,429,626	$1,215,182	(1.7)	(4.2)	(4.2)	(11.5)	(13.0)	(15.0)
EOP Risk-weighted Assets	996,247	1,023,038	995,414	989,711	1,087,000	1,054,390	1,022,758	992,076	962,313	1,087,000	962,313	837,213	711,631	9.8	9.1	9.1	(11.5)	(13.0)	(15.0)
EOP Equity	144,022	145,927	154,168	142,949	154,973	151,684	151,668	152,080	152,962	154,973	152,962	162,454	175,611	8.4	7.6	7.6	(1.3)	6.2	8.1
EOP Common Equity	73,358	71,681	79,867	140,530	152,388	151,372	151,356	151,768	152,650	152,388	152,650	162,142	175,299	8.4	107.7	107.7	0.2	6.2	8.1
EOP Tangible Equity	102,731	105,905	118,492	108,569	120,867	117,812	118,032	118,682	119,805	120,867	119,805	130,293	144,496	11.3	17.7	17.7	(0.9)	8.8	10.9
EOP Tangible Common Equity	32,067	31,659	44,191	106,150	118,282	117,500	117,720	118,370	119,493	118,282	119,493	129,981	144,184	11.4	268.9	268.9	1.0	8.8	10.9
Tangible Common Equity/Assets (%)	3.78	3.93	4.33	7.44	8.21	8.41	8.67	8.96	9.29	8.21	9.29	11.34	14.43						
Tangible Common Equity/RWAs (%)	3.22	3.09	4.44	10.73	10.88	11.14	11.51	11.93	12.42	10.88	12.42	15.53	20.26						
Tangible Equity/Assets (%)	5.41	5.94	6.54	5.86	6.63	6.67	6.89	7.15	7.44	6.63	7.44	9.32	12.20						
Tier 1 Capital Ratio (%)	11.92	11.92	12.74	12.76	11.70	11.74	12.11	12.52	13.00	11.70	13.00	16.08	20.76						
CREDIT QUALITY INDICATORS:																			
Net Charge-Offs	$6,143	$7,282	$8,355	$7,969	$7,135	$7,700	$7,400	$7,000	$6,500	$30,741	$28,600	$20,000	$14,000	(10.5)	16.1	61.6	(7.0)	(30.1)	(30.0)
% Average Loans	3.47	4.40	5.11	4.95	4.56	5.32	5.15	4.91	4.66	4.75	5.01	3.78	2.84						
Nonperforming Assets (loans)	$23,808	$27,391	$29,287	$33,644	$33,757	$33,907	$34,072	$32,427	$30,769	$33,757	$30,769	$24,877	$20,073	0.3	41.8	41.8	(8.9)	(19.1)	(19.3)
% EOP Loans + OREO	3.43	4.17	4.56	5.41	5.71	5.82	5.97	5.80	5.61	5.69	5.59	4.86	4.22						
Loan Loss Reserve	$30,503	$32,650	$37,022	$37,490	$37,190	$37,190	$37,190	$36,190	$34,690	$37,190	$34,690	$28,690	$24,070	(0.8)	21.9	21.9	(6.7)	(17.3)	(16.1)
% EOP Loans	4.39	4.97	5.77	6.03	6.29	6.38	6.51	6.47	6.33	6.29	6.33	5.63	5.08						
% Nonperforming Loans	136.33	124.67	130.74	114.44	115.29	115.29	115.29	118.08	119.13	115.29	119.13	123.08	128.98						

Source: Company reports and ISI Group estimates.

Table 13: JPMorgan Chase Earnings Result and Forecast

($ Millions, Except As Noted)						Forecast:					Forecast:			% Change					
KEY FORECAST VARIABLES:	**08:4**	**09:1**	**09:2**	**09:3**	**09:4**	**10:1E**	**10:2E**	**10:3E**	**10:4E**	**2009**	**2010E**	**2011E**	**2012E**	**4Q/3Q**	**4Q/4Q**	**09/08**	**10E/09**	**11E/10E**	**12E/11E**
EOP Loans	$744,898	$708,243	$680,601	$653,144	$633,458	$620,789	$608,373	$602,289	$596,266	$633,458	$596,266	$596,266	$638,005	(3.0)	(15.0)	(15.0)	(5.9)	0.0	7.0
Average Loans	752,524	726,959	697,908	665,386	642,406	628,123	615,581	606,331	600,278	683,165	612,578	596,266	627,136	(3.5)	(14.6)	16.0	(10.3)	(2.7)	5.2
Average Earning Assets	1,687,935	1,658,213	1,666,668	1,642,394	1,635,021	1,625,738	1,618,196	1,613,946	1,610,893	1,650,574	1,617,193	1,610,881	1,641,751	(0.4)	(3.1)	20.2	(2.0)	(0.4)	1.9
Net Interest Margin (%)	3.28	3.29	3.07	3.10	3.02	3.02	3.02	3.03	3.05	3.12	3.03	3.10	3.10						
Net Interest Income (FTE)	13,930.0	13,463.0	12,757.0	12,826.0	12,436.0	12,106.2	12,183.9	12,326.1	12,384.0	51,482.0	49,000.2	49,937.3	50,894.3	(3.0)	(10.7)	30.8	(4.8)	1.9	1.9
Loan Loss Provision	7,313.0	8,596.0	8,031.0	8,104.0	7,284.0	6,900.0	6,800.0	5,800.0	4,700.0	32,015.0	24,158.0	14,069.4	11,536.9	(10.1)	(0.4)	52.6	(24.5)	(41.8)	(18.0)
Noninterest Revenues	3,394.0	11,658.0	12,953.0	13,885.0	10,786.0	12,224.3	12,495.0	11,923.7	12,029.5	49,282.0	48,672.5	53,264.3	57,149.3	(22.3)	217.8	73.1	(1.2)	9.4	7.3
Securities Transactions	456.0	198.0	347.0	184.0	381.0	200.0	100.0	0.0	0.0	1,110.0	300.0	0.0	0.0			-	-	-	-
Total Revenue	17,324.0	25,121.0	25,710.0	26,711.0	23,222.0	24,330.5	24,678.9	24,249.8	24,413.5	100,764.0	97,672.7	103,201.6	108,043.6	(13.1)	34.0	48.6	(3.1)	5.7	4.7
Staff Expenses	5,024.0	7,588.0	6,917.0	7,311.0	5,112.0	7,100.0	7,100.0	6,921.0	6,921.0	26,928.0	28,042.0	29,234.1	31,134.3	(30.1)	1.8	18.4	4.1	4.3	6.5
OREO Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Other Expenses	6,231.0	5,785.0	5,928.0	6,144.0	6,892.0	6,192.0	6,161.0	6,707.2	6,774.3	24,749.0	25,834.6	27,639.2	28,551.3	12.2	10.6	19.2	4.4	7.0	3.3
Total Expenses	11,255.0	13,373.0	12,845.0	13,455.0	12,004.0	13,292.0	13,261.0	13,628.2	13,695.3	51,677.0	53,876.6	56,873.3	59,685.6	(10.8)	6.7	18.8	4.3	5.6	4.9
Pre-Tax Income (FTE)	(1,244.0)	3,152.0	4,834.0	5,152.0	3,934.0	4,138.5	4,617.8	4,821.6	6,018.2	17,072.0	19,596.1	32,258.9	36,821.1	(23.6)	(416.2)	409.3	14.8	64.6	14.1
FTE Tax Rate (%)	49.9	32.1	36.0	31.8	16.7	34.0	34.0	34.0	34.0	29.6	34.0	34.5	35.0						
Net Income	(623.0)	2,141.0	3,092.3	3,512.0	3,278.0	2,731.4	3,047.8	3,182.2	3,972.0	12,023.3	12,933.4	21,129.6	23,933.7	(6.7)	(626.2)	225.0	7.6	63.4	13.3
Available For Common	(1,093.0)	1,519.0	2,555.3	3,164.0	2,952.0	2,569.4	2,885.8	3,020.2	3,810.0	10,190.3	12,285.4	20,481.6	23,285.7	(6.7)	(370.1)	236.9	20.6	66.7	13.7
OPERATING EPS (F.D.)	**($0.29)**	**$0.40**	**$0.67**	**$0.80**	**$0.74**	**$0.65**	**$0.73**	**$0.76**	**$0.96**	**$2.61**	**$3.10**	**$5.30**	**$6.30**	**(7.0)**	**(354.0)**	**211.5**	**18.5**	**71.0**	**18.9**
GAAP EPS	**$0.06**	**$0.40**	**$0.28**	**$0.82**	**$0.74**	**$0.65**	**$0.73**	**$0.76**	**$0.96**	**$2.25**	**$3.10**	**$5.30**	**$6.30**	**(9.2)**	**1,096.7**	**64.1**	**37.9**	**71.0**	**18.9**
CASH EPS (F.D.)	**($0.24)**	**$0.45**	**$0.73**	**$0.89**	**$0.83**	**$0.69**	**$0.77**	**$0.80**	**$1.00**	**$2.89**	**$3.25**	**$5.44**	**$6.43**	**(6.9)**	**(450.4)**	**171.3**	**12.3**	**67.3**	**18.3**
Book Value Per Share	$36.15	$36.78	$37.36	$39.12	$39.88	$40.48	$41.17	$41.68	$42.40	$39.88	$42.40	$45.43	$48.83	1.9	10.3	10.3	6.3	7.2	7.5
Tangible Book Value Per Share	$21.79	$22.53	$23.76	$25.62	$26.44	$27.10	$27.84	$28.42	$29.20	$26.44	$29.20	$31.79	$34.83	3.2	21.4	21.4	10.4	8.9	9.6
Dividends Per Share	$0.38	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.25	$0.25	$0.20	$0.60	$1.60	$2.00	0.0	(86.8)	(86.8)	200.0	166.7	25.0
Average Fully-Diluted Shares	3,737.5	3,758.7	3,824.1	3,962.0	3,974.1	3,967.0	3,967.0	3,967.0	3,967.0	3,879.7	3,967.0	3,867.0	3,697.0	0.3	6.3	7.6	2.2	(2.5)	(4.4)
PROFITABILITY RATIOS:																			
Return On Assets (%)	-0.11	0.42	0.61	0.70	0.65	0.55	0.62	0.64	0.80	0.59	0.65	1.07	1.19						
Return On Common Equity (%)	-3.1	4.5	7.3	8.4	7.5	6.6	7.2	7.3	9.1	7.0	7.6	12.2	13.5						
Return On Tangible Common Equity (%)	-5.0	7.4	11.7	13.1	11.3	9.9	10.7	10.8	13.3	10.5	10.8	17.0	18.7						
Operating Expenses/Revenues (%)	(2.5)	5.0	7.9	9.3	8.3	7.0	7.6	7.7	9.5	7.7	8.0	12.5	13.8						
Cash Efficiency (%)	65.0	53.2	50.0	50.4	51.7	54.6	53.7	56.2	56.1	51.3	55.2	55.1	55.2						
BALANCE SHEET ITEMS:																			
EOP Total Assets	$2,175,052	$2,079,188	$2,026,642	$2,041,009	$2,031,989	$2,001,509	$1,971,487	$1,961,629	$1,961,629	$2,031,989	$1,961,629	$1,961,629	$2,020,478	(0.4)	(6.6)	(6.6)	(3.5)	0.0	3.0
EOP Risk-weighted Assets	1,258,909	1,207,490	1,260,237	1,237,760	1,198,080	1,237,066	1,246,344	1,255,691	1,264,045	1,198,080	1,264,045	1,333,568	1,406,914	(3.2)	(4.8)	(4.8)	5.5	5.5	5.5
EOP Equity	166,884	170,194	154,766	162,253	165,365	167,737	170,426	172,461	175,285	165,365	175,285	177,980	183,371	1.9	(0.9)	(0.9)	6.0	1.5	3.0
EOP Common Equity	134,945	138,201	146,614	154,101	157,213	159,585	162,274	164,309	167,133	157,213	167,133	169,828	175,219	2.0	16.5	16.5	6.3	1.6	3.2
EOP Tangible Equity	113,276	116,644	101,396	109,057	112,387	114,993	117,915	120,184	123,242	112,387	123,242	127,108	133,256	3.1	(0.8)	(0.8)	9.7	3.1	4.8
EOP Tangible Common Equity	81,337	84,651	93,244	100,905	104,235	106,841	109,763	112,032	115,090	104,235	115,090	118,956	125,104	3.3	28.2	28.2	10.4	3.4	5.2
Tangible Common Equity/Assets (%)	3.83	4.18	4.73	5.08	5.27	5.48	5.72	5.87	6.03	5.27	6.01	6.20	6.33						
Tangible Common Equity/RWAs (%)	6.46	7.01	7.40	8.15	8.70	8.64	8.81	8.92	9.10	8.70	9.10	8.92	8.89						
Tangible Equity/Assets (%)	5.34	5.76	5.14	5.49	5.68	5.90	6.14	6.29	6.45	5.68	6.45	6.65	6.76						
Tier 1 Capital Ratio (%)	10.90	11.30	9.70	10.20	11.10	10.94	11.07	11.15	11.30	11.10	11.30	10.92	10.73						
CREDIT QUALITY INDICATORS:																			
Net Charge-Offs	$3,315	$4,396	$6,019	$6,373	$6,177	$6,900	$6,800	$6,300	$5,700	$22,965	$25,700	$19,069	$15,694	(3.1)	86.3	133.5	11.9	(25.8)	(17.7)
% Average Loans	1.79	2.50	3.53	3.88	3.90	4.56	4.53	4.22	3.86	3.36	4.20	3.20	2.50						
Nonperforming Assets	$12,714	$14,654	$17,517	$20,362	$19,741	$19,741	$19,741	$18,754	$16,879	$19,741	$16,879	$13,165	$10,401	(3.0)	55.3	55.3	(14.5)	(22.0)	(21.0)
% EOP Loans + OREO	1.70	2.06	2.56	3.11	3.11	3.17	3.24	3.11	2.83	3.11	2.83	2.21	1.63						
Loan Loss Reserve	$23,823	$28,019	$29,818	$31,454	$32,541	$32,541	$32,541	$32,041	$31,041	$32,541	$31,041	$26,041	$21,884	3.5	36.6	36.6	(4.6)	(16.1)	(16.0)
% EOP Loans	3.20	3.96	4.38	4.82	5.14	5.24	5.35	5.32	5.21	5.14	5.21	4.37	3.43						
% Nonperforming Loans	266.09	245.76	201.68	177.04	185.27	174.78	174.78	181.16	186.03	185.27	186.03	208.09	233.16						

Source: Company reports and ISI Group estimates.

Table 17: Wells Fargo & Company Earnings Result and Forecast

($ Millions, Except As Noted)						Forecast					Forecast			% Change					
KEY FORECAST VARIABLES:	**08:4**	**09:1**	**09:2**	**09:3**	**09:4**	**10:1E**	**10:2E**	**10:3E**	**10:4E**	**2009**	**2010E**	**2011E**	**2012E**	**4Q/3Q**	**4Q/4Q**	**09/08**	**10E/09**	**11E/10E**	**12E/11E**
EOP Loans	$864,830	$843,579	$821,614	$799,952	$782,770	$767,115	$759,443	$751,849	$751,849	$782,770	$751,849	$789,441	$836,808	(2.1)	(9.5)	(9.5)	(4.0)	5.0	6.0
Average Loans	413,940	855,591	833,945	810,191	792,440	774,942	763,279	755,646	751,849	823,042	761,429	770,645	813,125	(2.2)	91.4	106.6	(7.5)	1.2	5.5
Average Earning Assets	547,714	1,107,442	1,108,741	1,085,060	1,085,622	1,073,124	1,066,461	1,063,828	1,065,031	1,096,716	1,067,111	1,091,327	1,139,807	0.1	98.2	109.5	(2.7)	2.3	4.4
Net Interest Margin (%)	4.90	4.16	4.30	4.36	4.31	4.31	4.31	4.31	4.31	4.29	4.31	4.35	4.35						
Net Interest Income (FTE)	6,845.0	11,547.0	11,940.0	11,861.0	11,682.0	11,404.5	11,459.6	11,557.0	11,570.0	47,030.0	45,991.1	47,472.7	49,581.6	(1.5)	70.7	84.9	(2.2)	3.2	4.4
Loan Loss Provision	8,444.0	4,558.0	5,086.0	6,111.0	5,913.0	5,950.7	5,708.9	5,523.5	4,616.7	21,668.0	21,799.8	14,241.5	12,095.2	(3.2)	(30.0)	35.6	0.6	(34.7)	(15.1)
Noninterest Revenues	3,100.0	9,641.0	10,743.0	10,782.0	11,196.0	10,801.1	10,953.7	10,520.4	10,388.6	42,362.0	42,663.8	42,908.3	46,040.9	3.8	261.2	148.0	0.7	0.6	7.3
Securities Transactions	721.0	(119.0)	(78.0)	(40.0)	110.0	100.0	0.0	0.0	0.0	(127.0)	100.0	0.0	0.0	-	-	-	-	-	-
Tot. Revenue	9,945	21,188	22,683	22,643	22,878	22,206	22,413	22,077	21,959	89,392	88,655	90,381	95,623	1.0	130.0	110.3	(0.8)	1.9	5.8
Staff Expenses	3,177.0	6,494.0	6,725.0	6,513.0	6,735.0	6,585.0	6,607.7	6,656.0	6,771.2	26,467.0	26,619.8	27,783.2	29,505.9	3.4	112.0	104.5	0.6	4.4	6.2
OREO Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Other Expenses	2,633.0	5,324.0	5,972.0	5,171.0	6,086.0	5,825.0	5,825.0	5,883.3	5,942.1	22,553.0	23,475.3	23,983.9	24,883.0	17.7	131.1	133.5	4.1	2.2	3.7
Total Expenses	5,810.0	11,818.0	12,697.0	11,684.0	12,821.0	12,410.0	12,432.7	12,539.3	12,713.2	49,020.0	50,095.2	51,767.1	54,388.9	9.7	120.7	116.9	2.2	3.3	5.1
Pre-Tax Income (FTE)	(4,309.0)	4,812.0	4,900.0	4,848.0	4,144.0	3,844.9	4,271.7	4,014.6	4,628.7	18,704.0	16,760.0	24,372.5	29,138.4	(14.5)	(196.2)	375.2	(10.4)	45.4	19.6
FTE Tax Rate (%)	163.4	36.7	33.7	33.3	31.9	35.0	35.0	35.0	35.0	34.0	35.0	35.0	35.0						
Net Income	2,734.0	3,045.0	3,249.0	3,235.0	2,823.0	2,499.2	2,776.6	2,609.5	3,008.7	12,352.0	10,894.0	15,842.1	18,939.9	(12.7)	3.3	52.1	(11.8)	45.4	19.6
Available For Common	(2,833.0)	2,384.0	2,575.0	2,637.0	2,264.5	2,315.2	2,592.6	2,425.5	2,824.7	9,860.5	10,158.0	15,106.1	18,203.9	(14.1)	(179.9)	286.2	3.0	48.7	20.5
Op. EARNINGS PER SHARE (F.D.)	**($0.79)**	**$0.56**	**$0.57**	**$0.56**	**$0.47**	**$0.44**	**$0.50**	**$0.47**	**$0.54**	**$2.16**	**$1.95**	**$2.90**	**$3.50**	**(15.7)**	**(159.9)**	**187.0**	**(9.7)**	**48.7**	**20.5**
GAAP EPS (F.D.)	**($0.79)**	**$0.56**	**$0.57**	**$0.56**	**$0.08**	**$0.44**	**$0.50**	**$0.47**	**$0.54**	**$1.75**	**$1.95**	**$2.90**	**$3.50**	**(85.3)**	**(110.4)**	**132.7**	**11.4**	**48.7**	**20.5**
CASH EARNINGS PER SHARE	**($0.78)**	**$0.67**	**$0.67**	**$0.66**	**$0.57**	**$0.53**	**$0.58**	**$0.55**	**$0.62**	**$2.56**	**$2.27**	**$3.34**	**$3.91**	**(13.7)**	**(172.6)**	**223.0**	**(11.1)**	**46.9**	**17.2**
Book Value Per Share	$16.79	$17.75	$19.25	$20.80	$19.95	$20.34	$20.79	$21.21	$21.71	$19.95	$21.71	$23.38	$25.28	(4.1)	18.8	18.8	8.8	7.7	8.1
Tangible Book Value Per Share	$8.53	$9.47	$11.62	$13.40	$13.24	$13.75	$14.32	$14.85	$15.46	$13.24	$15.46	$17.57	$19.88	(1.2)	55.3	55.3	16.8	13.7	13.1
Dividends Per Share	$0.34	$0.34	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05	$0.49	$0.20	$0.80	$1.20	0.0	(85.3)	(62.3)	(59.2)	300.0	50.0
Average Fully-Diluted Shares	3,593.6	4,249.3	4,501.6	4,706.4	4,796.1	5,205.6	5,205.6	5,205.6	5,205.6	4,563.4	5,205.6	5,205.6	5,205.6	1.9	33.5	34.6	14.1	0.0	0.0
PROFITABILITY RATIOS:																			
Return On Assets (%)	1.71	0.96	1.02	1.03	0.90	0.82	0.90	0.84	0.96	0.98	0.88	1.26	1.44						
Return On Common Equity (%)	-20.8	13.2	12.7	11.3	8.2	9.0	9.8	8.8	10.1	11.1	9.4	12.9	14.4						
Return On Tangible Common Equity (%)	-20.8	25.3	22.5	18.1	12.0	13.4	14.3	12.7	14.3	18.2	13.6	17.7	18.8						
Return On Equity Cash Basis (%)	-20.5	15.7	14.9	13.2	9.9	10.7	11.4	10.3	11.5	13.1	11.0	14.9	16.2						
Operating Expenses/Revenues (%)	58.42	55.78	55.98	51.60	56.04	55.89	55.47	56.80	57.90	54.84	56.51	57.28	56.88						
Cash Efficiency (%)	57.95	52.72	53.13	48.77	53.23	53.08	52.77	54.13	55.29	51.95	53.81	54.77	54.62						
BALANCE SHEET ITEMS:																			
EOP Total Assets	$1,309,639	$1,285,891	$1,284,176	$1,228,625	$1,243,646	$1,237,428	$1,237,428	$1,237,428	$1,237,428	$1,243,646	$1,237,428	$1,286,925	$1,351,271	1.2	(5.0)	(5.0)	(0.5)	4.0	5.0
EOP Risk-weighted Assets	1,101,308	1,071,526	1,047,714	1,023,775	1,012,600	1,007,537	1,007,537	1,007,537	1,007,537	1,012,600	1,007,537	1,047,838	1,100,230	(1.1)	(8.1)	(8.1)	(0.5)	4.0	5.0
EOP Equity	102,316	107,057	121,382	128,924	114,359	113,841	116,173	118,338	120,903	114,359	120,903	129,575	139,377	(11.3)	11.8	11.8	5.7	7.2	7.6
EOP Common Equity	70,994	75,646	89,885	97,335	103,301	105,356	107,688	109,853	112,418	103,301	112,418	121,090	130,892	6.1	45.5	45.5	8.8	7.7	8.1
EOP Tangible Equity	67,374	71,764	85,741	94,292	79,609	79,714	82,652	85,406	88,542	79,609	88,542	99,483	111,440	(15.6)	18.2	18.2	11.2	12.4	12.0
EOP Tangible Common Equity	36,052	40,353	54,244	62,703	70,851	73,529	76,467	79,221	82,357	70,851	82,357	93,298	105,255	13.0	96.5	96.5	16.2	13.3	12.8
Tangible Common Equity/Assets (%)	2.83	3.23	4.34	5.25	5.67	5.92	6.16	6.39	6.64	5.67	6.64	7.24	7.78						
Tangible Common Equity/RWAs (%)	3.27	3.77	5.18	6.12	7.00	7.30	7.59	7.86	8.17	7.00	8.17	8.90	9.57						
Tangible Equity/Assets (%)	5.29	5.74	6.87	7.90	6.59	6.62	6.87	7.09	7.35	6.59	7.35	7.92	8.42						
Tier 1 Capital Ratio (%)	7.84	8.28	9.80	10.63	9.26	9.32	9.61	9.88	10.19	9.26	10.19	10.85	11.42						
CREDIT QUALITY INDICATORS:																			
Net Charge-Offs	$2,804	$3,258	$4,386	$5,111	$5,413	$5,551	$5,709	$5,523	$5,117	$18,168	$21,900	$16,954	$14,230	5.9	93.0	131.8	20.5	(22.6)	(16.1)
% Average Loans	2.69	1.54	2.11	2.50	2.71	2.90	3.00	2.90	2.70	2.21	2.88	2.20	1.75						
Nonperforming Assets	$9,009	$12,612	$18,342	$23,451	$27,639	$30,403	$31,923	$31,285	$29,720	$27,639	$29,720	$23,776	$19,021	17.9	206.8	206.8	7.5	(20.0)	(20.0)
% EOP Loans + OREO	1.04	1.49	2.23	2.92	3.52	3.95	4.18	4.14	3.94	3.52	3.94	2.99	2.26						
Loan Loss Reserve	$21,711	$22,846	$23,530	$24,528	$25,031	$25,431	$25,431	$25,431	$24,931	$25,031	$24,931	$22,218	$20,084	2.1	15.3	15.3	(0.4)	(10.9)	(9.6)
% EOP Loans	2.51	2.71	2.86	3.07	3.20	3.32	3.35	3.38	3.32	3.20	3.32	2.81	2.40						
% Nonperforming Loans	319.28	217.25	148.94	117.53	102.51	94.68	90.17	91.64	94.08	102.51	94.08	115.26	138.32						

Source: Company reports and ISI Group estimates.

Table 20: Bank of America: Quarterly Net Charge-off Actuals (by Loan Category)

Bank of America	2Q08		3Q08		4Q08		1Q09		2Q09		3Q09	
Loan Category	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)
Residential R/E	**40.2%**	**1.20**	**45.2%**	**1.11**	**44.6%**	**1.46**	**44.1%**	**2.16**	**44.4%**	**2.63**	**43.8%**	**3.04**
1-4 family	11.1%	2.48	11.6%	2.33	11.7%	2.99	11.8%	4.17	12.2%	4.63	12.1%	5.67
First lien	26.7%	0.25	29.6%	0.34	29.2%	0.64	29.0%	0.92	29.3%	1.29	28.6%	1.55
Second lien	2.4%	5.94	4.0%	3.24	3.7%	3.10	3.2%	6.01	2.9%	7.78	3.0%	6.59
Commercial R/E	**8.7%**	**0.48**	**7.6%**	**0.89**	**7.5%**	**1.32**	**8.0%**	**1.49**	**8.0%**	**2.09**	**8.2%**	**4.22**
Construction	3.8%	1.32	4.1%	2.44	4.2%	3.68	4.0%	4.43	4.1%	6.16	4.1%	12.72
1-4 Res. Construction	1.2%	2.40	1.1%	4.67	1.0%	8.85	1.0%	8.02	0.9%	11.64	0.8%	17.28
Other Construction	2.6%	0.82	3.0%	1.61	3.2%	1.99	3.0%	3.28	3.2%	4.60	3.3%	11.59
Multifamily	1.2%	0.14	1.0%	0.05	1.0%	0.00	1.1%	0.00	1.1%	0.00	1.2%	0.00
Nonfarm, nonres'l	6.3%	0.12	5.7%	0.06	5.6%	0.00	5.8%	0.00	5.7%	0.00	5.7%	0.00
Farmland	0.2%	0.22	0.2%	0.00	0.2%	0.00	0.2%	0.00	0.2%	0.00	0.2%	0.00
Foreign property	1.0%	0.00	0.8%	0.00	0.7%	0.00	0.9%	0.00	1.0%	0.00	1.2%	0.00
C&I	**25.9%**	**1.08**	**23.3%**	**1.43**	**23.7%**	**1.89**	**25.9%**	**1.67**	**25.1%**	**2.47**	**23.8%**	**2.60**
US C&I	16.9%	1.45	16.1%	1.71	16.5%	2.06	15.9%	2.16	15.3%	3.35	14.6%	3.33
Foreign C&I	3.4%	0.06	3.1%	0.61	3.1%	1.74	3.0%	1.35	3.8%	1.26	3.2%	1.95
US banks	0.0%	0.00	0.1%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00
Foreign banks	0.6%	0.00	0.6%	0.00	0.5%	0.00	0.3%	0.00	0.3%	0.00	0.4%	0.00
Foreign gov't	0.0%	0.00	0.0%	0.03	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.30
Other	5.0%	0.68	3.5%	1.13	3.5%	1.55	6.6%	0.74	5.5%	1.06	5.5%	1.26
Credit Cards	8.8%	**5.63**	8.4%	**6.04**	8.5%	**6.99**	6.6%	**9.49**	6.9%	**11.90**	7.3%	**12.35**
Other Consumer	10.3%	**2.92**	9.3%	**3.75**	9.4%	**4.79**	9.6%	**5.15**	9.5%	**6.26**	10.8%	**5.63**
Leases	**2.2%**	**0.12**	**1.9%**	**0.17**	**1.9%**	**0.69**	**1.8%**	**1.47**	**1.9%**	**0.96**	**1.9%**	**0.88**
Foreign leases	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
US leases	2.2%	0.00	1.9%	0.00	1.9%	0.00	1.8%	0.00	1.9%	0.00	1.9%	0.00
Agricultural Loans	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.2%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**0.00**

Source: Federal Reserve Data and ISI Group estimates.

Table 21: Bank of America: Net Charge-off Forecast (by Loan Category)

($ millions)	2009 Forecast	2010 Forecast					2011 Forecast				
Loan Category	2009E Balance	2010E Growth	2010E Balance	% of Loans	NCO Rate (bp)	$ Losses	2011E Growth	2011E Balance	% of Loans	NCO Rate (bp)	$ Losses
Residential R/E	$418,095	-6%	$391,429	44.0%	263	$10,312	3%	$404,980	44.1%	183	$7,415
1-4 family (2nd lien)	$118,180	-7%	$109,907	12.3%	460	$5,050	3%	$113,205	12.3%	325	$3,685
First lien	$259,997	-6%	$244,397	27.4%	125	$3,055	4%	$253,538	27.6%	90	$2,294
Second lien	$39,918	-7%	$37,124	4.2%	595	$2,207	3%	$38,238	4.2%	375	$1,436
Commercial R/E	$114,708	-7%	$106,779	12.0%	259	$2,763	2%	$108,858	11.9%	153	$1,661
1-4 Res. Construction	$9,943	-8%	$9,147	1.0%	1000	$915	0%	$9,147	1.0%	750	$686
Other Construction	$30,798	-8%	$28,334	3.2%	475	$1,346	0%	$28,334	3.1%	275	$781
Multifamily	$9,805	-7%	$9,168	1.0%	60	$55	3%	$9,443	1.0%	50	$48
Nonfarm, nonres'l	$54,957	-7%	$51,385	5.8%	80	$411	3%	$52,927	5.8%	25	$135
Farmland	$1,590	-5%	$1,511	0.2%	0	$0	3%	$1,556	0.2%	0	$0
Foreign property	$7,616	-5%	$7,235	0.8%	50	$36	3%	$7,452	0.8%	15	$11
C&I	$228,371	-6%	$214,889	24.1%	202	$4,345	3%	$221,286	24.1%	182	$4,019
US C&I	$158,834	-6%	$149,304	16.8%	225	$3,359	3%	$153,783	16.8%	200	$3,068
Foreign C&I	$30,024	-6%	$28,222	3.2%	140	$395	3%	$29,069	3.2%	130	$378
US banks	$450	-4%	$432	0.0%	0	$0	3%	$445	0.0%	0	$0
Foreign banks	$5,034	-4%	$4,832	0.5%	0	$0	2%	$4,929	0.5%	0	$0
Foreign gov't	$195	-4%	$188	0.0%	0	$0	2%	$191	0.0%	0	$0
Other	$33,835	-6%	$31,912	3.6%	185	$590	3%	$32,869	3.6%	175	$574
Credit Cards	$78,051	-6%	$73,211	8.2%	1225	$8,968	3%	$75,408	8.2%	750	$5,652
Other Consumer	$90,331	-6%	$84,731	9.5%	700	$5,931	3%	$87,273	9.5%	550	$4,796
Leases	$19,037	-5%	$18,085	2.0%	90	$163	3%	$18,628	2.0%	75	$140
Foreign leases	$0	0%	$0	0.0%	0	$0	0%	$0	0.0%	0	$0
US leases	$19,037	-5%	$18,085	2.0%	90	$163	3%	$18,628	2.0%	75	$140
Agricultural Loans	$1,450	0%	$1,450	0.2%	0	$0	3%	$1,494	0.2%	0	$0
Total	**$950,044**	**-6.3%**	**$890,575**	**100.0%**	**365**	**$32,482**	**3.1%**	**$917,926**	**100.0%**	**258**	**$23,682**

Source: Federal Reserve Data and ISI Group estimates.

Table 24: Citigroup: Quarterly Net Charge-off Actuals (by Loan Category)

Citigroup	2Q08		3Q08		4Q08		1Q09		2Q09		3Q09	
Loan Category	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)
Residential R/E	**28.1%**	**1.94**	**28.9%**	**2.39**	**30.4%**	**3.05**	**31.4%**	**3.66**	**31.2%**	**4.74**	**30.4%**	**4.58**
1-4 family	3.7%	2.61	3.9%	2.66	4.4%	3.49	4.7%	3.77	4.8%	7.02	4.9%	5.03
First lien	19.6%	1.01	20.2%	1.58	20.9%	2.04	21.7%	2.54	21.7%	3.35	21.2%	2.89
Second lien	4.8%	5.20	4.8%	5.55	5.0%	6.93	4.9%	8.48	4.7%	8.89	4.3%	12.28
Commercial R/E	**9.7%**	**0.38**	**9.6%**	**0.44**	**10.3%**	**0.45**	**10.7%**	**0.47**	**11.4%**	**0.58**	**11.9%**	**2.36**
Construction	0.4%	0.13	0.4%	0.00	0.4%	0.26	0.4%	1.79	0.4%	0.15	0.4%	6.81
1-4 Res. Construction	0.1%	0.46	0.1%	0.00	0.1%	0.82	0.1%	0.51	0.1%	0.00	0.1%	0.00
Other Construction	0.3%	0.00	0.3%	0.00	0.3%	0.00	0.3%	2.31	0.3%	0.21	0.3%	8.99
Multifamily	1.0%	0.00	1.0%	0.10	1.1%	0.36	1.1%	0.21	1.1%	0.89	1.2%	2.05
Nonfarm, nonres'l	1.1%	0.04	1.2%	0.04	1.7%	0.03	1.9%	0.09	1.9%	0.42	1.9%	10.23
Farmland	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00
Foreign property	7.6%	0.49	7.3%	0.58	7.5%	0.58	7.7%	0.53	8.4%	0.59	8.8%	0.50
C&I	**33.7%**	**0.80**	**32.7%**	**1.01**	**31.3%**	**2.18**	**31.0%**	**3.46**	**30.0%**	**4.20**	**29.2%**	**2.90**
US C&I	6.6%	2.71	6.6%	2.75	6.3%	4.26	6.8%	11.98	6.2%	8.34	5.6%	9.74
Foreign C&I	15.4%	0.54	14.6%	0.65	14.6%	1.33	14.3%	0.41	14.3%	1.71	13.8%	1.17
US banks	0.0%	0.00	0.1%	0.00	0.0%	0.00	0.0%	0.00	0.1%	0.00	0.0%	0.00
Foreign banks	1.0%	0.20	1.1%	0.18	1.1%	6.20	1.2%	0.25	1.0%	0.48	1.3%	-0.10
Foreign gov't	0.1%	0.72	0.1%	0.00	0.1%	0.00	0.1%	0.00	0.2%	-1.17	0.2%	0.00
Other	10.6%	0.05	10.2%	0.52	9.3%	1.69	8.5%	2.22	8.4%	5.99	8.3%	1.68
Credit Cards	10.0%	**5.60**	10.4%	**6.32**	11.0%	**7.15**	9.7%	**9.68**	10.4%	**9.33**	10.7%	**9.85**
Other Consumer	17.4%	**4.19**	17.8%	**3.68**	16.4%	**5.77**	16.7%	**6.19**	16.6%	**7.18**	17.3%	**7.56**
Leases	**1.0%**	**-0.25**	**0.5%**	**0.30**	**0.5%**	**0.44**	**0.5%**	**0.48**	**0.5%**	**0.25**	**0.5%**	**1.03**
Foreign leases	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
US leases	1.0%	-0.05	0.5%	0.10	0.5%	0.00	0.5%	0.00	0.5%	0.00	0.5%	0.00
Agricultural Loans	**0.1%**	**0.35**	**0.1%**	**0.00**	**0.2%**	**0.35**	**0.2%**	**0.34**	**0.2%**	**0.00**	**0.2%**	**0.00**

Source: Federal Reserve Data and ISI Group estimates.

Table 25: Citigroup: Net Charge-off Forecast (by Loan Category)

($ millions)	2009 Forecast	2010 Forecast					2011 Forecast				
Loan Category	2009E Balance	2010E Growth	2010E Balance	% of Loans	NCO Rate (bp)	$ Losses	2011E Growth	2011E Balance	% of Loans	NCO Rate (bp)	$ Losses
Residential R/E	$188,859	-12%	$167,101	29.3%	458	$7,652	-7%	$154,892	29.3%	341	$5,274
1-4 family (2nd lien)	$26,382	-12%	$23,216	4.1%	525	$1,219	-8%	$21,359	4.0%	425	$908
First lien	$130,744	-11%	$115,959	20.3%	350	$4,059	-7%	$107,842	20.4%	250	$2,696
Second lien	$31,734	-12%	$27,926	4.9%	850	$2,375	-8%	$25,692	4.9%	650	$1,670
Commercial R/E	$63,556	-12%	$56,044	9.8%	25	$649	-6%	$52,637	9.9%	86	$451
1-4 Res. Construction	$809	-13%	$704	0.1%	400	$28	-8%	$648	0.1%	350	$23
Other Construction	$1,856	-13%	$1,614	0.3%	300	$49	-8%	$1,485	0.3%	275	$41
Multifamily	$6,448	-11%	$5,739	1.0%	90	$52	-6%	$5,395	1.0%	85	$46
Nonfarm, nonres'l	$7,583	-11%	$6,749	1.2%	100	$67	-6%	$6,344	1.2%	80	$51
Farmland	$36	-8%	$33	0.0%	0	$0	0%	$33	0.0%	0	$0
Foreign property	$46,824	-12%	$41,205	7.2%	110	$453	-6%	$38,733	7.3%	75	$290
C&I	$210,331	-12%	$185,801	32.6%	315	$5,848	-5%	$175,839	33.2%	192	$3,370
US C&I	$42,403	-12%	$37,315	6.5%	860	$3,211	-6%	$35,076	6.6%	325	$1,140
Foreign C&I	$96,902	-12%	$85,274	14.9%	175	$1,492	-6%	$80,157	15.1%	175	$1,399
US banks	$408	-11%	$363	0.1%	0	$0	-5%	$345	0.1%	0	$0
Foreign banks	$7,643	-11%	$6,802	1.2%	50	$34	-5%	$6,456	1.2%	50	$32
Foreign gov't	$606	-11%	$540	0.1%	0	$0	-4%	$518	0.1%	0	$0
Other	$62,368	-11%	$55,508	9.7%	200	$1,111	-4%	$53,287	10.1%	150	$799
Credit Cards	$68,251	-12%	$60,061	10.5%	1050	$6,309	-10%	$54,054	10.2%	900	$4,865
Other Consumer	$111,980	-12%	$98,542	17.3%	825	$8,130	-10%	$88,688	16.8%	680	$6,031
Leases	$2,581	-12%	$2,271	0.4%	50	$11	-6%	$2,146	0.4%	40	$9
Foreign leases	$0	0%	$0	0.0%	0	$0	0%	$0	0.0%	0	$0
US leases	$2,581	-12%	$2,271	0.4%	50	$11	-6%	$2,146	0.4%	40	$9
Agricultural Loans	$1,062	-10%	$956	0.2%	0	$0	-4%	$918	0.2%	0	$0
Total	**$646,619**	**-11.7%**	**$570,776**	**100.0%**	**501**	**$28,600**	**-7.3%**	**$529,175**	**100.0%**	**378**	**$20,000**

Table 26: JPMorgan Chase: Quarterly Net Charge-off Actuals (by Loan Category)

JPMorgan Chase	2Q08		3Q08		4Q08		1Q09		2Q09		3Q09	
Loan Category	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)
Residential R/E	**28.1%**	**2.04**	**38.4%**	**1.48**	**39.3%**	**1.72**	**40.8%**	**2.41**	**41.2%**	**3.00**	**41.7%**	**2.99**
1-4 family	12.4%	1.42	14.2%	1.15	14.6%	1.48	15.6%	2.37	15.9%	2.78	16.2%	2.56
First lien	12.9%	1.84	21.9%	1.18	22.1%	1.37	23.1%	1.64	23.2%	2.34	23.5%	2.51
Second lien	2.8%	5.75	2.3%	6.24	2.6%	5.98	2.2%	10.87	2.1%	12.13	2.0%	12.09
Commercial R/E	**3.0%**	**0.36**	**7.4%**	**0.15**	**7.6%**	**0.30**	**7.9%**	**0.37**	**8.2%**	**0.66**	**8.4%**	**1.64**
Construction	1.2%	1.41	1.4%	0.75	1.4%	1.46	1.4%	0.81	1.3%	2.14	1.3%	3.41
1-4 Res. Construction	0.4%	3.48	0.3%	2.67	0.3%	3.92	0.4%	2.02	0.3%	5.66	0.3%	9.96
Other Construction	0.8%	0.37	1.1%	0.24	1.0%	0.62	1.0%	0.38	1.0%	0.95	1.0%	1.62
Multifamily	0.1%	-0.54	4.1%	0.00	4.2%	0.10	4.4%	0.41	4.7%	0.42	4.8%	0.99
Nonfarm, nonres'l	2.5%	-0.03	3.1%	0.08	3.2%	0.08	3.3%	0.14	3.3%	0.47	3.4%	1.92
Farmland	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	13.42
Foreign property	0.4%	0.00	0.2%	0.00	0.2%	0.00	0.1%	0.00	0.1%	0.00	0.2%	0.00
C&I	**45.3%**	**0.36**	**34.5%**	**0.39**	**31.4%**	**0.88**	**30.1%**	**0.85**	**29.4%**	**2.58**	**29.0%**	**3.16**
US C&I	18.3%	0.89	13.8%	0.91	13.9%	1.78	13.8%	1.72	13.5%	5.24	13.1%	3.49
Foreign C&I	8.5%	0.03	5.7%	0.01	6.0%	0.21	5.8%	0.01	5.3%	0.17	5.3%	1.65
US banks	0.0%	0.00	0.1%	0.00	0.0%	0.00	0.1%	0.00	0.0%	0.00	0.0%	2.51
Foreign banks	2.5%	-0.06	2.1%	-0.02	1.5%	0.00	1.2%	0.00	1.0%	1.04	0.9%	0.00
Foreign gov't	0.1%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.1%	0.00
Other	16.0%	-0.02	12.8%	0.06	9.9%	0.17	9.3%	0.19	9.5%	0.32	9.5%	3.89
Credit Cards	11.7%	**5.42**	10.5%	**4.41**	12.4%	**4.98**	11.1%	**8.69**	10.8%	**11.81**	10.1%	**13.52**
Other Consumer	10.0%	**1.27**	7.4%	**1.18**	7.5%	**1.96**	8.2%	**2.33**	8.6%	**1.47**	9.1%	**1.44**
Leases	**0.6%**	**0.00**	**0.4%**	**0.87**	**0.4%**	**0.00**	**0.4%**	**0.00**	**0.4%**	**1.88**	**0.4%**	**0.29**
Foreign leases	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
US leases	0.6%	0.00	0.4%	0.50	0.4%	0.00	0.4%	0.00	0.4%	0.00	0.4%	-0.15
Agricultural Loans	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**0.00**	**0.1%**	**1.02**

Source: Federal Reserve Data and ISI Group estimates.

Table 27: JPMorgan Chase: Net Charge-off Forecast (by Loan Category)

($ millions)	2009 Forecast	2010 Forecast					2011 Forecast				
Loan Category	2009E Balance	2010E Growth	2010E Balance	% of Loans	NCO Rate (bp)	$ Losses	2011E Growth	2011E Balance	% of Loans	NCO Rate (bp)	$ Losses
Residential R/E	$281,843	-10%	$253,659	41.4%	464	$11,766	-2%	$247,479	41.5%	342	$8,459
1-4 family (2nd lien)	$105,018	-10%	$94,516	15.4%	450	$4,253	-3%	$91,681	15.4%	350	$3,204
First lien	$158,901	-10%	$143,011	23.3%	390	$5,577	-2%	$140,151	23.5%	275	$3,847
Second lien	$17,924	-10%	$16,132	2.6%	1200	$1,935	-3%	$15,648	2.6%	900	$1,408
Commercial R/E	$58,718	-10%	$52,709	8.6%	186	$981	-2%	$51,576	8.6%	135	$698
1-4 Res. Construction	$2,402	-12%	$2,126	0.3%	675	$143	-3%	$2,062	0.3%	500	$103
Other Construction	$6,933	-12%	$6,135	1.0%	400	$245	-3%	$5,951	1.0%	300	$179
Multifamily	$27,521	-10%	$24,769	4.0%	90	$222	-2%	$24,273	4.1%	60	$146
Nonfarm, nonres'l	$20,305	-10%	$18,275	3.0%	200	$365	-2%	$17,909	3.0%	150	$269
Farmland	$167	-8%	$153	0.0%	0	$0	0%	$153	0.0%	0	$0
Foreign property	$1,390	-10%	$1,251	0.2%	50	$6	-2%	$1,226	0.2%	15	$2
C&I	$206,144	-10%	$185,537	30.3%	187	$3,473	-3%	$180,096	30.2%	119	$2,151
US C&I	$95,676	-10%	$86,109	14.1%	275	$2,364	-3%	$83,525	14.0%	175	$1,458
Foreign C&I	$42,095	-10%	$37,893	6.2%	190	$720	-3%	$36,756	6.2%	125	$458
US banks	$370	-10%	$333	0.1%	0	$0	-2%	$326	0.1%	0	$0
Foreign banks	$13,341	-10%	$12,007	2.0%	0	$0	-2%	$11,767	2.0%	0	$0
Foreign gov't	$185	-10%	$167	0.0%	0	$0	-2%	$163	0.0%	0	$0
Other	$54,477	-10%	$49,030	8.0%	80	$390	-3%	$47,559	8.0%	50	$235
Credit Cards	$81,092	-12%	$71,361	11.6%	1100	$7,850	-3%	$69,220	11.6%	925	$6,399
Other Consumer	$51,976	-11%	$46,259	7.6%	350	$1,617	-3%	$44,930	7.5%	300	$1,346
Leases	$2,951	-10%	$2,656	0.4%	50	$13	-3%	$2,576	0.4%	65	$17
Foreign leases	$0	0%	$0	0.0%	0	$0	0%	$0	0.0%	0	$0
US leases	$2,951	-10%	$2,656	0.4%	50	$13	-3%	$2,576	0.4%	65	$17
Agricultural Loans	$441	-10%	$397	0.1%	10	$0	-2%	$389	0.1%	0	$0
Total	**$683,165**	**-10.3%**	**$612,578**	**100.0%**	**420**	**$25,700**	**-2.7%**	**$596,266**	**100.0%**	**320**	**$19,069**

Source: Federal Reserve Data and ISI Group estimates.

Table 34: Wells Fargo: Quarterly Net Charge-off Actuals (by Loan Category)

Wells Fargo	2Q08		3Q08		4Q08		1Q09		2Q09		3Q09	
Loan Category	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)	% of Loans	NCO Rate (pp)
Residential R/E	**41.0%**	**0.99**	**39.8%**	**1.83**	**42.5%**	**0.95**	**43.9%**	**1.27**	**44.5%**	**2.00**	**44.3%**	**2.45**
1-4 family	16.0%	1.67	16.1%	2.98	11.6%	2.12	11.9%	2.50	12.0%	3.74	12.3%	3.96
First lien	21.1%	0.35	19.9%	0.55	27.9%	0.27	29.2%	0.56	29.8%	1.03	29.4%	1.51
Second lien	3.9%	1.70	3.7%	3.69	2.9%	2.73	2.8%	3.51	2.7%	4.96	2.6%	5.91
Commercial R/E	**15.0%**	**0.21**	**15.5%**	**0.26**	**15.9%**	**0.26**	**16.1%**	**0.38**	**16.3%**	**1.05**	**16.1%**	**1.22**
Construction	4.6%	0.60	4.6%	0.70	4.5%	0.83	4.4%	1.10	4.4%	2.70	4.3%	2.73
1-4 Res. Construction	1.2%	1.68	1.1%	0.83	1.1%	0.91	1.0%	1.05	0.9%	5.21	0.8%	4.76
Other Construction	3.4%	0.22	3.5%	0.66	3.4%	0.81	3.4%	1.12	3.5%	2.05	3.5%	2.24
Multifamily	0.8%	0.00	0.7%	0.12	1.0%	0.00	1.0%	0.00	1.0%	0.88	1.1%	0.60
Nonfarm, nonres'l	8.6%	0.03	9.1%	0.07	9.6%	0.04	10.0%	0.14	10.0%	0.44	10.3%	0.68
Farmland	0.5%	0.17	0.6%	0.00	0.4%	0.13	0.3%	-0.39	0.4%	0.00	0.4%	0.39
Foreign property	0.5%	0.00	0.5%	0.00	0.5%	0.00	0.4%	0.00	0.5%	0.00	0.0%	-
C&I	**23.2%**	**1.24**	**24.1%**	**1.09**	**25.8%**	**1.30**	**24.4%**	**1.04**	**23.6%**	**1.48**	**23.0%**	**2.04**
US C&I	20.4%	1.28	21.2%	1.08	19.6%	1.21	18.4%	1.18	17.6%	1.63	17.0%	2.25
Foreign C&I	0.5%	1.60	0.5%	1.65	1.1%	0.57	1.2%	0.43	1.1%	0.32	1.2%	0.57
US banks	0.0%	0.00	0.0%	0.00	0.1%	0.00	0.5%	0.00	0.1%	0.00	0.1%	0.00
Foreign banks	0.2%	0.00	0.1%	0.00	1.2%	0.00	1.1%	0.00	0.9%	0.45	0.9%	0.60
Foreign gov't	0.0%	-	0.0%	-	0.0%	0.00	0.0%	0.00	0.0%	-3.59	0.0%	0.00
Other	2.1%	0.91	2.2%	1.14	3.8%	2.48	3.2%	0.97	3.8%	1.43	3.8%	1.99
Credit Cards	4.7%	**6.79**	4.8%	**7.13**	2.7%	**7.63**	2.6%	**10.18**	2.7%	**11.43**	2.8%	**10.98**
Other Consumer	13.1%	**2.78**	12.8%	**3.58**	10.5%	**2.49**	10.6%	**2.99**	10.5%	**2.69**	10.8%	**3.07**
Leases	**1.8%**	**0.64**	**1.8%**	**0.95**	**1.8%**	**0.50**	**1.7%**	**0.45**	**1.7%**	**0.78**	**1.7%**	**1.89**
Foreign leases	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
US leases	1.8%	0.05	1.8%	0.11	1.8%	0.05	1.7%	0.03	1.7%	0.05	1.7%	0.08
Agricultural Loans	**1.2%**	**0.23**	**1.2%**	**0.31**	**0.7%**	**0.25**	**0.7%**	**0.39**	**0.7%**	**0.64**	**0.7%**	**0.72**

Source: Federal Reserve Data and ISI Group estimates.

Table 35: Wells Fargo: Net Charge-off Forecast (by Loan Category)

($ millions)	2009 Forecast	2010 Forecast					2011 Forecast				
Loan Category	2009E Balance	2010E Growth	2010E Balance	% of Loans	NCO Rate (bp)	$ Losses	2011E Growth	2011E Balance	% of Loans	NCO Rate (bp)	$ Losses
Residential R/E	$335,217	-7%	$310,720	40.8%	266	$8,276	1%	$313,957	40.7%	212	$6,648
1-4 family (2nd lien)	$83,463	-8%	$76,786	10.1%	450	$3,455	0%	$76,786	10.0%	350	$2,688
First lien	$232,008	-7%	$215,768	28.3%	175	$3,776	2%	$219,004	28.4%	150	$3,279
Second lien	$19,746	-8%	$18,166	2.4%	575	$1,045	0%	$18,166	2.4%	375	$681
Commercial R/E	$131,659	-9%	$120,290	15.8%	188	$2,259	1%	$121,768	15.8%	138	$1,678
1-4 Res. Construction	$10,887	-10%	$9,798	1.3%	510	$499	0%	$9,798	1.3%	400	$392
Other Construction	$35,055	-10%	$31,550	4.1%	350	$1,104	0%	$31,550	4.1%	235	$741
Multifamily	$7,843	-8%	$7,215	0.9%	75	$54	2%	$7,395	1.0%	60	$44
Nonfarm, nonres'l	$69,668	-8%	$64,095	8.4%	90	$577	2%	$65,394	8.5%	75	$490
Farmland	$3,341	-7%	$3,107	0.4%	40	$13	0%	$3,107	0.4%	30	$9
Foreign property	$4,865	-7%	$4,524	0.6%	25	$12	0%	$4,524	0.6%	0	$0
C&I	$226,566	-7%	$210,706	27.7%	176	$3,699	1%	$212,812	27.6%	136	$2,900
US C&I	$167,419	-7%	$155,699	20.4%	190	$2,958	1%	$157,256	20.4%	150	$2,367
Foreign C&I	$5,145	-7%	$4,785	0.6%	100	$48	1%	$4,833	0.6%	75	$36
US banks	$2,981	-7%	$2,773	0.4%	0	$0	1%	$2,800	0.4%	0	$0
Foreign banks	$11,670	-7%	$10,853	1.4%	50	$54	1%	$10,962	1.4%	15	$16
Foreign gov't	$126	-7%	$117	0.0%	0	$0	0%	$117	0.0%	0	$0
Other	$39,225	-7%	$36,479	4.8%	175	$638	1%	$36,844	4.8%	130	$481
Credit Cards	$23,834	-8%	$21,955	2.9%	1250	$2,744	2%	$22,394	2.9%	1000	$2,241
Other Consumer	$90,881	-8%	$84,065	11.0%	575	$4,830	2%	$85,746	11.1%	400	$3,432
Leases	$8,214	-8%	$7,557	1.0%	50	$38	2%	$7,708	1.0%	25	$19
Foreign leases	$0	0%	$0	0.0%	0	$0	0%	$0	0.0%	0	$0
US leases	$8,214	-8%	$7,557	1.0%	50	$38	2%	$7,708	1.0%	25	$19
Agricultural Loans	$6,670	-8%	$6,136	0.8%	90	$55	2%	$6,259	0.8%	60	$38
Total	**$823,042**	**-7.5%**	**$761,429**	**100.0%**	**288**	**$21,900**	**1.2%**	**$770,645**	**100.0%**	**220**	**$16,954**

Source: Federal Reserve Data and ISI Group estimates.

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