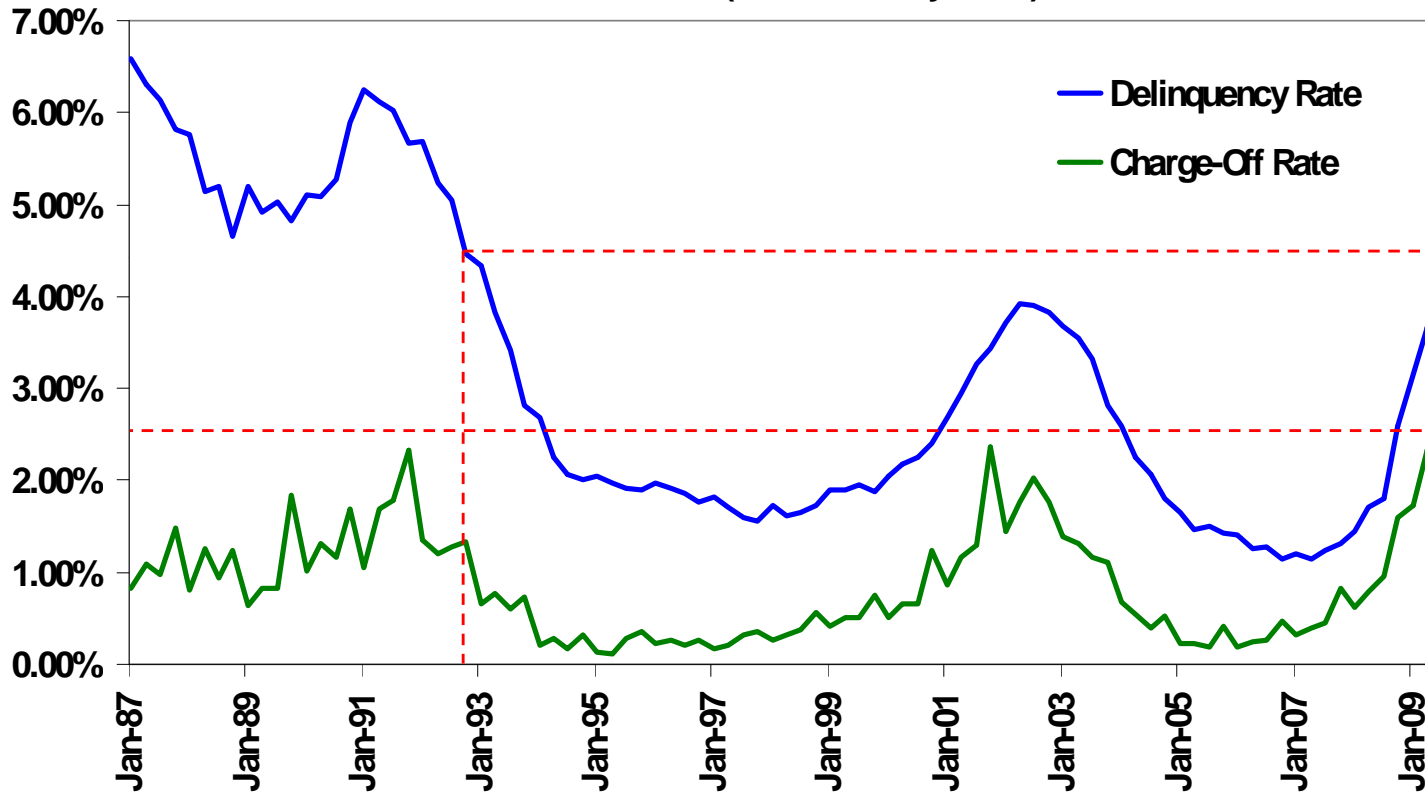


Watching for Improvement Part I:

Capital structure proves to be the driving force of business failure heading into 2010

Delinquency and Charge-Off Rate of Commercial and Industrial Loans at U.S. Commercial Banks (Jan. 1987-July, 2009)



- The most recent data from the Federal Reserve indicates that Delinquency Rates of C&I loans are currently at early 90's levels. The difference is that while the comparable level was seen coming out of a recession and after the rate had hit a ceiling, current delinquency rates have yet to peak.

- Charge-Off Rates are higher than they have been since the Federal Reserve began collecting and distributing the figure in the mid 1980's.