Shared National Credits Program

2013 Review

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

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Executive Summary

The interagency Shared National Credits (SNC) Review for 2013 indicates that credit quality of syndicated loans remains broadly unchanged from last year's review for large syndicated corporate loans and loan commitments held by U.S. bank organizations, foreign bank organizations (FBO), and nonbanks, such as securitization pools, hedge funds, insurance companies, and pension funds. Criticized and classified assets remain at elevated levels at 10.0 percent and 6.2 percent respectively. The volume of criticized assets increased 2.4 percent to $302 billion but as a percentage of total commitments the criticized asset rate fell from the prior year as the overall SNC portfolio grew more rapidly than did weak assets. A criticized asset is rated special mention, substandard, doubtful, or loss.

The 2013 SNC portfolio is comprised of a significant volume of leveraged loans that totaled $545 billion and accounted for $227 billion or 75 percent of criticized SNC assets. Forty-two percent of the leveraged loan portfolio was criticized by examiners. A focused review of leveraged loans found material widespread weaknesses in underwriting practices, including excessive leverage, inability to amortize debt over a reasonable period, and lack of meaningful financial covenants. Excluding leveraged loans from the SNC portfolio, the criticized rate drops to a relatively benign 3.1 percent.

The federal banking agencies issued updated leveraged lending supervisory guidance on March 21, 2013. This guidance outlines principles related to safe and sound leveraged lending activities, including the expectation that banks and thrifts originate leveraged loans using prudent underwriting standards, regardless of their intent to hold or distribute them. In addition, each lender should independently evaluate all participations purchased, including SNCs. While leveraged lending activity declined after the most recent financial crisis, volumes have since increased significantly.

The 2013 review included an evaluation of underwriting standards on SNCs that were originated in 2012. Examiners noted an increased frequency of weak underwriting during the past year, and this trend heightens the agencies' concern. Agent banks issued a high volume of syndicated leveraged loans to borrowers that may not have capacity to repay and de-lever to a sustainable level over a reasonable period. Borrowers also found it easier to increase leverage through dividend recapitalization transactions. As explained in the updated guidance, the agencies expect financial institutions to properly evaluate and monitor underwritten risk in leveraged loans, and ensure borrowers have sustainable capital structures.

Nonbank entities continue to be the primary buyers of riskier, leveraged loans. Nonbank entities hold a disproportionate share of classified assets compared to their overall ownership of the SNC portfolio. Nonbank entities own[1] $125 billion, or 67.0 percent of all SNC classified credits. A classified asset is rated substandard, doubtful or loss.

Near-term refinancing risk remains low in the SNC portfolio with only 15 percent of SNC commitments scheduled to mature in 2013 and 2014 compared to 60 percent which are scheduled to mature in 2016 and 2017. During 2012 and into 2013, borrowers continued to refinance and modify loan agreements to extend maturities. These transactions had the effect of relieving near-term refinancing risk, but may not improve borrowers' ability to repay their debts in the longer term.

Other findings from the 2013 SNC Review include:

- Total SNC commitments increased by $219 billion to $3.01 trillion, or 7.8 percent from the 2012 review. Total SNCs outstanding increased $119 billion to $1.36 trillion, an increase of 9.6 percent.

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[1] Ownership of SNCs results from retention of a portion of SNCs originated for distribution and/or purchase of SNC loan participations.

- Criticized assets, which include assets rated special mention, substandard, doubtful, and loss, increased from $295 billion to $302 billion, representing 10.0 percent of the SNC portfolio, compared with 10.6 percent in 2012. Criticized dollar volume increased 2.4 percent from the 2012 level.
- Classified assets, which include assets rated substandard, doubtful, and loss, declined from $196 billion to $187 billion, representing 6.2 percent of the portfolio, compared with 7.0 percent in 2012. Classified dollar volume fell 4.5 percent from the 2012 level.
- Credits rated special mention, which exhibit potential weakness and could result in further deterioration if uncorrected, increased from $99 billion to $115 billion, representing 3.8 percent of the portfolio, compared with 3.6 percent in 2012. Special mention dollar volume increased 15.8 percent from the 2012 level.
- The overall severity of classifications declined, with credits rated as doubtful decreasing from $29 billion to $14 billion and assets rated as loss increasing slightly from $5 billion to $8 billion. Loans that are rated either doubtful or loss account for 0.7 percent of the portfolio, compared with 1.2 percent in the prior review. Adjusted for losses, nonaccrual loans declined from $82 billion to $61 billion, a 25.8 percent reduction. Appendix C reflects nonaccrual loans inclusive of loss dispositions.
- The distribution of credits across entity types—U.S. bank organizations, FBOs, and nonbanks—remained relatively unchanged. U.S. bank organizations owned 44.4 percent of total SNC loan commitments, FBOs owned 35.8 percent, and nonbanks owned 19.7 percent. Nonbanks continued to own a larger share of classified (67.0 percent) and nonaccrual (72.3 percent) assets than their total share of the SNC portfolio (19.7 percent). Institutions insured by the Federal Deposit Insurance Corporation (FDIC) owned 12.2 percent of classified assets and 7.2 percent of nonaccrual loans.

About the SNC Review

The SNC program, governed by an interagency agreement among the Board of Governors of the Federal Reserve System, the FDIC, and the Office of the Comptroller of the Currency (the agencies) is designed to review and assess risk in the largest and most complex credits shared by multiple financial institutions. The program provides uniform treatment of, and increased efficiency in, the risk analysis and classification of shared credits.

The annual SNC Review results are prepared and released jointly by the agencies. The 2013 SNC Review included examination of $800 billion in credit commitments covering 26.6 percent of the $3.01 trillion SNC portfolio. The sample was weighted toward noninvestment grade and criticized credits with 93.3 percent of all special mention and classified credits reviewed. Results of the review are based on analyses prepared in the second quarter of 2013, using credit-related data provided by federally supervised institutions as of December 31, 2012, and March 31, 2013.

Definitions

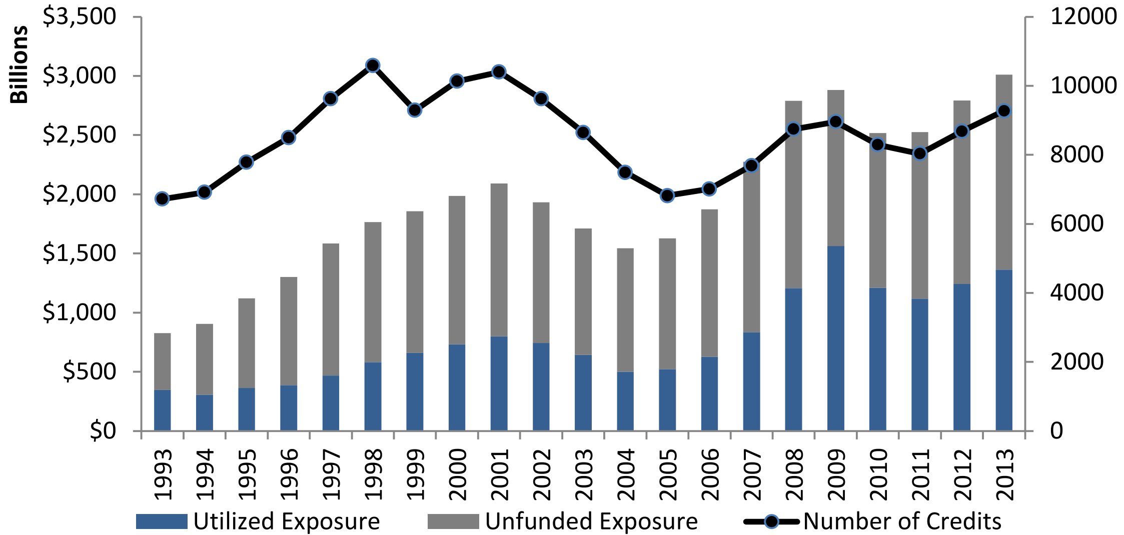
- **Credit Facilities**—Credit facilities include syndicated loans and loan commitments, letters of credit, and commercial leases, and other forms of credit. Commitment amounts include both drawn and undrawn portions of the loans, or facilities. The SNC review reports only the par amounts of commitments, which may differ from the amounts at which loans are carried by investors.
- **Criticized and Classified Assets**—Criticized assets include all assets rated special mention, substandard, doubtful, and loss. Classified assets include assets rated substandard, doubtful, and loss. The agencies' uniform loan classification standards and examination manuals define these risk rating classifications.
- **Doubtful**—Doubtful assets have all the weaknesses of assets classified as substandard and when the weaknesses make collection or liquidation in full, on the basis of available current information, highly questionable or improbable.
- **Loss**—Assets classified as loss are considered uncollectible and of so little value that their continuance as bankable assets is not warranted. Amounts classified as loss should be promptly charged off. This classification does not mean that there is no recovery or salvage value, but rather that it is not practical or desirable to defer writing off these assets, even though some value may be recovered in the future.
- **Nonaccrual**—Nonaccrual loans are defined for regulatory reporting purposes as loans and lease financing receivables that are required to be reported on a nonaccrual basis because (a) they are maintained on a cash basis owing to a deterioration in the financial position of the borrower, (b) payment in full of interest or principal is not expected, or (c) principal or interest has been in default for 90 days or longer, unless the obligation is both well secured and in the process of collection.
- **Pass**—A shared national credit that is in good standing and is not criticized in any way.
- **Shared National Credit (SNC)**—A shared national credit is any loan or formal loan commitment, and any asset such as real estate, stocks, notes, bonds, and debentures taken as debts previously contracted, extended to borrowers by a federally supervised institution, its subsidiaries, and affiliates, that aggregates to $20 million or more and is shared by three or more unaffiliated federally supervised institutions, or a portion of which is sold to two or more unaffiliated federally supervised institutions. The threshold of $20 million has remained unchanged since the first report in 1977.
- **Special Mention**—Special mention assets have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses could result in further deterioration of the repayment prospects, or in the institutions' credit position in the future. Special mention assets are not adversely rated and do not expose institutions to sufficient risk to warrant adverse rating.
- **Substandard**—Substandard assets are inadequately protected by the current sound worth and paying capacity of the obligor, or of the collateral pledged, if any. Assets so rated have well-defined weaknesses that jeopardize the liquidation of the debt and present the distinct possibility that the institution will sustain some loss if deficiencies are not corrected.

PART I: SNC Credit Quality

Overall SNC Portfolio

The 2013 SNC portfolio totaled $3.01 trillion, with over 9,300 credit facilities to approximately 5,800 borrowers (see Figure 1). The commitment amount rose by $219 billion, or 7.8 percent, from 2012, while the outstanding dollar volume of the portfolio increased by $119 billion, or 9.6 percent (see Appendix A), and the number of credits increased by 590, or 6.8 percent. Appendix B contains a breakout of SNC results by major industry group.[2]

Figure 1: Overall Credit Facilities and Commitment Trends



Overall SNC Credit Quality and Trends

The percentages of criticized and classified assets remain elevated at 10.0 percent and 6.2 percent compared with 10.6 percent and 7.0 percent in 2012, respectively[3]. Asset quality improvement experienced during the past three SNC cycles stalled in 2013. This is particularly troubling given the current economic environment and low interest rates. The criticized asset ratio remains double that of the pre-crisis period. This year's reduction in the criticized rate is primarily a result of the 7.8 percent increase in the overall SNC portfolio; and does not reflect a dollar commitment reduction of criticized assets. Criticized assets increased by $7 billion to $302 billion (see Figure 2), a 2.4 percent increase from last year. Credits rated special mention increased by $16 billion to $115 billion, a 15.8 percent increase. Special mention credits represented 3.8 percent of the portfolio, compared with 3.6 percent in 2012. Borrowers in some segments were assigned improved regulatory ratings due to improved operating

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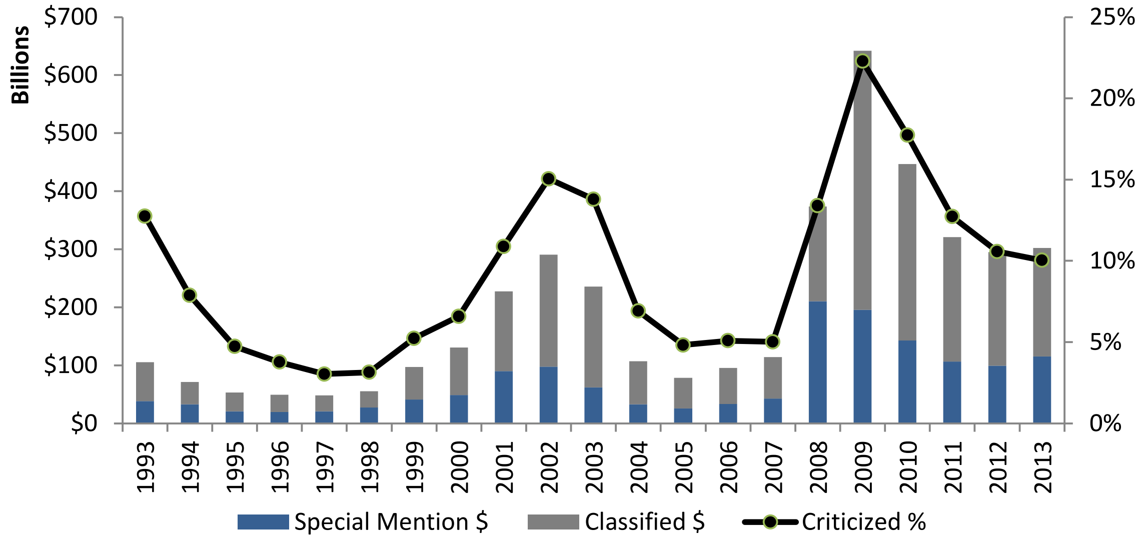
[2] The agencies introduced industry data in 2008 that presented industries vertically along product origination and distribution lines. The review places credits in seven primary sectors, largely following the outline of the 2007 U.S. Census Bureau North American Industry Classification System codes (see Appendix B). The seven primary sectors are further dissected into 24 industry groups constructed from 93 subgroups. The analysis in this report uses the 24 industry groups.

[3] The criticized credits and related ratios do not include the effects of hedging or other techniques that organizations may use to mitigate risk.

performance. In particular, criticized credits in the commercial real estate market showed marked improvement. Classified credits declined by $9 billion to $187 billion, a 4.5 percent decrease. The volume of nonaccrual loans net of loss dispositions declined from $82 billion to $61 billion, a 25.8 percent decrease, and represented 2.0 percent of the portfolio, down from 2.9 percent in 2012.

Figure 2: Overall Criticized Volume and Percentage Trends



PART 2: SNC Loan Distribution

Loan Distribution by Volume

Table 1 lists the dollar volume and percentage of the SNC portfolio by lender type. The percentage of SNC commitments owned by U.S. banking organizations increased slightly from 43.2 percent to 44.4 percent. The percentage of SNC commitments owned by FBOs declined slightly from 36.9 percent to 35.8 percent and commitments for nonbanks remained virtually unchanged from 19.8 percent to 19.7 percent of the portfolio. Nonbanks included securitization pools, hedge funds, insurance companies, and pension funds. FDIC-insured institutions' share of the SNC portfolio increased slightly from 44.9 percent to 47.3 percent (see Appendix C).

Table 1: Distribution of SNC Commitments by Lender Type

Lender Type	2012 Total Commitments ($ Trillion)	2013 Total Commitments ($ Trillion)	2012% Total Commitments	2013% Total Commitments
U.S. Banks	$1.21	$1.34	43.2%	44.4%
FBOs	$1.03	$1.08	36.9%	35.8%
Nonbanks	$0.55	$0.59	19.8%	19.7%
Total	$2.79	$3.01	100.0%	100.0%

Loan Distribution by Credit Quality

While nonbank entities owned the smallest share of SNC commitments (19.8 percent), they owned 67.0 percent of classified assets (see Appendix C). U.S. banks owned 15.6 percent of classified assets, and FBOs owned 17.3 percent. In addition, 21.1 percent of nonbank assets were classified, compared with 2.2 percent of the U.S. bank portfolio and 3.0 percent of the FBO portfolio. FDIC-insured institutions owned $23 billion of classified assets, a classified percentage of 1.6 percent, down from 2.1 percent in 2012. Of

nonaccrual loans, nonbank institutions owned 72.3 percent, or $50 billion; FDIC-insured institutions owned only $5 billion, or 7.2 percent.

Classified credits declined for U.S. Banks and FBOs, but increased for nonbanks over the past year. Classified credits held by nonbanks increased by $3 billion, or 2.6 percent, to $125 billion; U.S. bank classified credits decreased by $7 billion, or 18.4 percent, to $29 billion; and FBO classified credits decreased by $5 billion, or 14.1 percent, to $32 billion (see Appendix C).

PART 3: Leveraged Lending Trends

The 2013 SNC review included a review of 496 leveraged obligors, with $429 billion in commitments (approximately 53.6 percent of reviewed SNC commitments). The review identified a high level of risk associated with this subset of the portfolio. The criticized rate, at 42 percent, was substantially higher than the overall portfolio criticized rate of 10.0 percent. Twenty-six percent of the leveraged loan portfolio is classified, compared with only 6.2 percent of all SNCs. Further, 34 percent of recently originated transaction structures were cited as weak due largely to a combination of high leverage and absence of financial covenants. Other weak characteristics observed include minimal equity and minimal demonstration of deleveraging capacity. In addition, covenant protection weakened as evidenced by the reduced number of financial maintenance covenants, the use of net debt in many leverage covenants, and various provisions that allow increased debt above starting leverage and the dilution of senior secured positions.

The agencies recognize that leveraged lending is an important type of financing for the U.S. and global economies, and the U.S. banking system plays a key role in making credit available by syndicating credit to investors. Leveraged loan transactions should be structured to reflect a sound business premise, including an appropriate capital structure, reasonable cash flow, and reasonable balance sheet leverage. Such structures should clearly support a borrower's capacity to repay and to de-lever to a sustainable level over a reasonable period, whether underwritten to hold or distribute.

Banks should ensure they do not unnecessarily heighten risk by originating poorly underwritten and low quality loans. Poorly underwritten or low quality leveraged loans, including those that are pooled with other loans or participated with other institutions, may generate risks for the financial system.

The Interagency Guidance on Leveraged Lending issued on March 21, 2013 addresses the basis of the agencies' supervisory focus and heightened expectations for underwriting and other risk management practices of supervised financial institutions involved in leveraged lending. Institutions that participate in this lending activity but do not implement strong risk management processes consistent with this guidance will be criticized by the appropriate agency.

PART 4: Syndicated Loan Underwriting Trends

This is the seventh consecutive SNC Review in which examiners conducted an analysis of syndicated loan underwriting standards. The 2013 review included an evaluation of underwriting standards on 714 SNCs originated in 2012 compared to 830 in 2011. Underwriting assessments covered 21 percent of the number of loans underwritten in 2012 and 19 percent of the dollar volume. The review evaluated structure, repayment terms, pricing, collateral, and loan agreements.

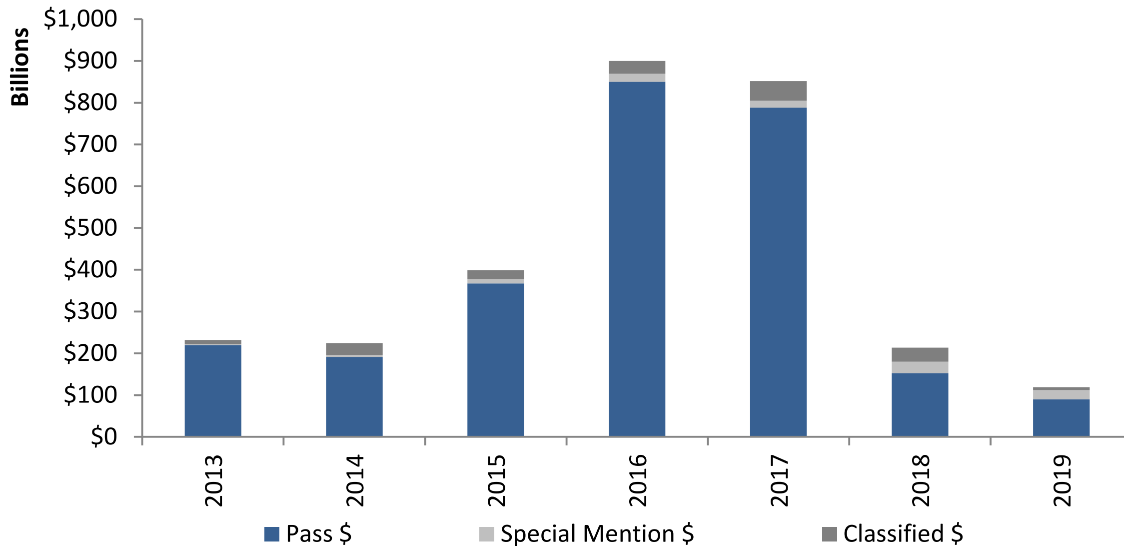
Of the 9,276 SNC reported facilities, 3,338 or 36 percent have 2012 origination dates. The quality of 2012 originations slightly improved from 2011 originations as more transactions were reported as investment grade. The SNC examination noted weak underwriting standards in 24 percent of the loan transactions sampled. This percentage compares unfavorably to 2011, 2010 and 2009 percentages of 19

percent, 16 percent and 13 percent, respectively. Leveraged lending transactions are the primary driver of this deterioration. The most frequently cited underwriting deficiencies identified during the 2013 SNC Review were minimal or no loan covenants, liberal repayment terms, repayment dependent on refinancing, and inadequate collateral valuations. The weak underwriting structures are in part attributable to aggressive competition and market liquidity.

PART 5: SNC Portfolio – Maturity Profile

Refinancing risk has declined in the SNC portfolio as only 15 percent of SNC commitments will mature over the next two years compared with 23 percent for the same time frame in the 2012 SNC Review. During 2012 and into 2013, syndicators continued to refinance and modify loan agreements to extend maturities. These transactions had the effect of relieving near-term refinancing risk, but may not improve borrowers' ability to repay their debts in the longer term. Bank management should ensure such loan modification strategies are not used to substitute for realistic debt repayment, or to avoid recognizing problem loans.

Figure 3: SNC Portfolio—Maturity Schedule



Appendix A: Committed and Outstanding Balances

(In Billions of Dollars)

Appendix A

Committed and Outstanding Balances
(Dollars in Billions)

Year	Special Mention	Sub-Standard	Doubtful	Loss	Total Classified	Total Criticized	Total Committed	Total Outstanding
1989	24.0	18.5	3.5	0.9	22.9	46.9	692	245
1990	43.1	50.8	5.8	1.8	58.4	101.5	769	321
1991	49.2	65.5	10.8	3.5	79.8	129.0	806	361
1992	50.4	56.4	12.8	3.3	72.5	122.9	798	357
1993	31.7	50.4	6.7	3.5	60.6	92.3	806	332
1994	31.4	31.1	2.7	2.3	36.1	67.5	893	298
1995	18.8	25.0	1.7	1.5	28.2	47.0	1,063	343
1996	16.8	23.1	2.6	1.4	27.1	43.9	1,200	372
1997	19.6	19.4	1.9	0.9	22.2	41.8	1,435	423
1998	22.7	17.6	3.5	0.9	22.0	44.7	1,759	562
1999	30.8	31.0	4.9	1.5	37.4	68.2	1,829	628
2000	36.0	47.9	10.7	4.7	63.3	99.3	1,951	705
2001	75.4	87.0	22.5	8.0	117.5	192.8	2,049	769
2002	79.0	112.0	26.1	19.1	157.1	236.1	1,871	692
2003	55.2	112.1	29.3	10.7	152.2	207.4	1,644	600
2004	32.8	55.1	12.5	6.4	74.0	106.8	1,545	500
2005	25.9	44.2	5.6	2.7	52.5	78.3	1,627	522
2006	33.4	58.1	2.5	1.2	61.8	95.2	1,874	626
2007	42.5	69.6	1.2	0.8	71.6	114.1	2,275	835
2008	210.4	154.9	5.5	2.6	163.1	373.4	2,789	1,208
2009	195.3	337.1	56.4	53.3	446.8	642.1	2,881	1,563
2010	142.7	256.4	32.6	15.4	304.5	447.2	2,519	1,210
2011	106.4	190.7	14.0	9.9	214.6	321.0	2,524	1,118
2012	99.3	161.7	29.5	4.6	195.8	295.1	2,792	1,243
2013	115.0	164.5	14.5	8.0	187.0	302.0	3,011	1,362

Note: Figures may not add to totals due to rounding

Appendix B: SNC Industry Trends by Sector

(In Billions of Dollars)

Industry	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Services											
Commitment	407.6	377.1	401.6	464.0	589.3	779.0	820.1	735.4	701.3	784.9	821.2
Classified	51.9	21.6	24.0	20.1	18.1	45.0	156.5	120.1	92.3	92.8	86.2
Special Mention	11.9	12.7	5.7	13.3	14.3	106.6	81.5	73.1	57.3	43.2	47.3
% Classified	12.7%	5.7%	6.0%	4.3%	3.1%	5.8%	19.1%	16.3%	13.2%	11.8%	10.5%
% Special Mention	2.9%	3.4%	1.4%	2.9%	2.4%	13.7%	9.9%	9.9%	8.2%	5.5%	5.8%
Commodities											
Commitment	345.7	312.0	325.6	364.1	439.6	578.1	658.8	592.3	593.0	665.0	709.5
Classified	55.3	32.7	18.0	18.3	10.7	12.7	77.8	57.7	42.5	34.8	39.4
Special Mention	26.7	15.2	8.9	7.6	7.0	53.6	34.9	20.4	14.0	22.4	27.7
% Classified	16.0%	10.5%	5.5%	5.0%	2.4%	2.2%	11.8%	9.7%	7.2%	5.2%	5.6%
% Special Mention	7.7%	4.9%	2.7%	2.1%	1.6%	9.3%	5.3%	3.4%	2.4%	3.4%	3.9%
Financial											
Commitment	381.6	372.7	363.2	431.1	506.3	541.0	470.9	391.3	435.4	462.6	521.9
Classified	9.5	4.2	0.9	2.1	19.2	32.5	60.4	32.6	27.6	24.7	25.3
Special Mention	3.7	0.6	0.5	2.9	3.3	13.7	28.0	17.7	9.6	9.6	12.1
% Classified	2.5%	1.1%	0.3%	0.5%	3.8%	6.0%	12.8%	8.3%	6.3%	5.3%	4.8%
% Special Mention	1.0%	0.2%	0.1%	0.7%	0.7%	2.5%	5.9%	4.5%	2.2%	2.1%	2.3%
Manufacturers											
Commitment	283.8	261.7	271.9	289.4	339.4	405.0	436.6	368.4	385.2	431.4	480.1
Classified	27.9	11.6	7.3	18.8	18.8	39.8	78.4	27.2	17.0	16.6	15.7
Special Mention	8.7	2.6	9.6	8.1	10.8	13.2	16.3	7.6	4.3	7.7	13.0
% Classified	9.8%	4.4%	2.7%	6.5%	5.5%	9.8%	18.0%	7.4%	4.4%	3.9%	3.3%
% Special Mention	3.1%	1.0%	3.5%	2.8%	3.2%	3.3%	3.7%	2.1%	1.1%	1.8%	2.7%
Real Estate											
Commitment	97.9	99.5	122.9	159.2	203.6	241.6	244.4	198.2	164.8	164.8	171.9
Classified	2.3	1.6	0.6	0.6	2.9	25.3	49.2	45.9	23.7	14.4	5.1
Special Mention	1.6	0.9	0.2	0.5	2.2	9.2	22.3	15.3	11.4	6.9	2.1
% Classified	2.4%	1.6%	0.5%	0.4%	1.4%	10.5%	20.1%	23.1%	14.4%	8.8%	3.0%
% Special Mention	1.6%	0.9%	0.1%	0.3%	1.1%	3.8%	9.1%	7.7%	6.9%	4.2%	1.2%
Distribution											
Commitment	112.0	108.7	122.3	146.1	175.7	216.0	220.5	199.0	225.9	268.7	291.3
Classified	5.4	2.2	1.7	1.5	1.9	7.7	23.2	19.6	10.0	10.7	11.8
Special Mention	2.6	0.9	1.0	0.9	4.7	13.9	12.1	8.4	9.8	8.9	12.4
% Classified	4.8%	2.0%	1.4%	1.0%	1.1%	3.6%	10.5%	9.9%	4.4%	4.0%	4.1%
% Special Mention	2.3%	0.8%	0.8%	0.6%	2.7%	6.4%	5.5%	4.2%	4.4%	3.3%	4.3%
Government											
Commitment	18.4	14.3	19.1	20.1	21.6	28.6	29.9	34.0	18.5	14.6	15.3
Classified	0.2	0.0	0.0	0.4	0.1	0.0	1.2	1.5	1.5	1.6	3.4
Special Mention	0.1	0.1	0.0	0.1	0.1	0.1	0.2	0.1	0.0	0.5	0.3
% Classified	0.8%	0.3%	0.1%	1.8%	0.5%	0.0%	4.0%	4.3%	8.4%	11.0%	22.4%
% Special Mention	0.5%	0.6%	0.0%	0.4%	0.2%	0.4%	0.7%	0.4%	0.0%	3.4%	2.1%
All Industries (Total)											
Commitment	1,647.0	1,546.1	1,626.6	1,873.9	2,275.4	2,789.2	2,881.2	2,518.5	2,524.2	2,792.0	3,011.1
Classified	152.4	74.0	52.5	61.8	71.7	163.1	446.8	304.5	214.6	195.8	187.0
Special Mention	55.3	32.8	25.9	33.4	42.4	210.4	195.3	142.7	106.4	99.3	115.0
% Classified	9.3%	4.8%	3.2%	3.3%	3.2%	5.8%	15.5%	12.1%	8.5%	7.0%	6.2%
% Special Mention	3.4%	2.1%	1.6%	1.8%	1.9%	7.5%	6.8%	5.7%	4.2%	3.6%	3.8%

Note: Figures may not add to totals due to rounding

Appendix C: Exposure by Entity Type

Share of Total Commitments (%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US Banking Institutions	**45.4**	**46.5**	**44.8**	**44.3**	**42.7**	**41.1**	**40.8**	**40.8**	**41.5**	**43.2**	**44.4**
Insured	42.5	43.4	41.5	40.8	38.9	37.4	35.0	36.4	36.3	38.6	40.3
Uninsured(*)	2.9	3.1	3.3	3.5	3.8	3.7	5.8	4.4	5.3	4.7	4.1
FBOs	**43.8**	**41.6**	**42.1**	**41.5**	**41.4**	**39.0**	**38.0**	**37.9**	**38.3**	**36.9**	**35.8**
Insured	5.4	5.5	6.0	6.2	6.4	5.1	5.8	5.8	5.7	6.3	6.8
Uninsured	38.4	36.1	36.1	35.3	35.0	33.9	32.2	32.1	32.6	30.6	29.0
Nonbanks	**10.8**	**12.0**	**13.1**	**14.3**	**15.9**	**19.9**	**21.2**	**21.3**	**20.2**	**19.8**	**19.7**

Total Classifications ($ billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US Banking Institutions	**43.6**	**18.8**	**11.9**	**13.1**	**19.2**	**47.2**	**134.8**	**81.6**	**49.4**	**35.8**	**29.2**
Insured	37.8	16.0	8.6	9.0	13.2	38.3	96.3	57.9	31.2	22.3	19.1
Uninsured(*)	5.8	2.8	3.2	4.1	6.0	9.0	38.6	23.8	18.2	13.5	10.1
FBOs	**65.0**	**31.3**	**15.5**	**17.3**	**17.6**	**45.9**	**101.8**	**62.0**	**41.7**	**37.8**	**32.4**
Insured	6.8	2.8	1.5	1.6	2.3	5.1	11.7	11.2	5.2	4.0	3.4
Uninsured	58.3	28.5	14.0	15.7	15.4	40.8	90.1	50.8	36.5	33.8	29.0
Nonbanks	**43.6**	**24.0**	**25.0**	**31.5**	**34.8**	**70.0**	**210.2**	**160.9**	**123.5**	**122.2**	**125.4**
Totals	**152.2**	**74.2**	**52.5**	**61.8**	**71.6**	**163.1**	**446.8**	**304.5**	**214.6**	**195.8**	**187.0**

Classifieds as % of Commitments

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US Banking Institutions	**5.8**	**2.6**	**1.6**	**1.6**	**2.0**	**4.1**	**11.5**	**7.9**	**4.7**	**3.0**	**2.2**
Insured	5.1	2.2	1.2	1.1	1.4	3.3	8.2	5.6	3.0	1.8	1.4
Uninsured(*)	0.8	0.4	0.4	0.5	0.6	0.8	3.3	2.3	1.7	1.1	0.8
FBOs	**9.0**	**4.9**	**2.3**	**2.2**	**1.9**	**4.2**	**9.3**	**6.0**	**4.3**	**3.7**	**3.0**
Insured	0.9	0.4	0.2	0.2	0.2	0.5	1.1	1.1	0.5	0.4	0.3
Uninsured	8.1	4.4	2.0	2.0	1.6	3.7	8.2	4.9	3.8	3.3	2.7
Nonbanks	**24.5**	**13.0**	**11.7**	**11.8**	**9.6**	**12.6**	**34.4**	**30.0**	**24.3**	**22.1**	**21.1**
Totals	**9.3**	**4.8**	**3.2**	**3.3**	**3.1**	**5.8**	**15.5**	**12.1**	**8.5**	**7.0**	**6.2**

Total Nonaccrual Commitments ($ billion)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US Banking Institutions	**18.4**	**7.7**	**3.9**	**2.8**	**0.8**	**7.4**	**46.8**	**35.6**	**22.0**	**12.9**	**7.9**
Insured	16.5	0.1	3.1	1.8	0.5	6.3	35.5	24.2	12.8	7.1	4.2
Uninsured(*)	1.9	7.6	0.8	1.0	0.3	1.1	11.3	11.4	9.2	5.8	3.7
FBOs	**29.5**	**17.6**	**9.0**	**4.7**	**0.9**	**5.6**	**35.5**	**28.6**	**18.1**	**15.9**	**11.2**
Insured	3.2	-	0.4	0.4	0.2	1.0	3.6	3.1	2.0	1.1	0.7
Uninsured	26.3	17.6	8.6	4.3	0.7	4.6	31.9	25.5	16.1	14.8	10.5
Nonbanks	**20.5**	**12.3**	**11.9**	**10.2**	**2.2**	**9.3**	**89.8**	**87.0**	**61.0**	**56.9**	**49.7**
Totals	**68.4**	**37.6**	**24.8**	**17.7**	**3.9**	**22.3**	**172.1**	**151.2**	**101.1**	**85.6**	**68.8**

(*)Uninsured refers to organizations that do not take consumer deposits such as holding companies, brokerage firms, finance companies, etc.

Note: Figures may not add to totals due to rounding