THE FINANCIAL SERVICES ROUNDTABLE

Impacting Policy. Impacting People.

1001 PENNSYLVANIA AVE., NW
SUITE 500 SOUTH
WASHINGTON, DC 20004
TEL 202-289-4322
FAX 202-628-2507

E-Mail info@fsround.org
www.fsround.org

December 17, 2008

via email at comments@fdic.gov

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Balance of comment on a proposed rulemaking (RIN 3064-AD35) on risk-based deposit-insurance premium assessments

Dear Mr. Feldman:

The Financial Services Roundtable[1] ("Roundtable") appreciates this opportunity to comment to the Federal Deposit Insurance Corporation ("FDIC") on that portion of its proposed rulemaking on risk-based deposit-insurance premium assessments that would become effective on April 1, 2009.[2]

While the Roundtable strongly supports the concept of risk-sensitive premium assessments, it has a number of concerns regarding the proposed changes in the assessment process that would become effective with the second quarter of 2009. These concerns are as follows:

- The four basis-point range for the "initial base assessment rate" range for Category I institutions is arbitrary, too narrow, and should be eliminated.
- The potential premium surcharge for secured liabilities ("the secured liability adjustment") is excessive relative to the risk of loss that the secured liabilities of Category I institutions pose to the Deposit Insurance Fund ("DIF").
- The cap on the amount of long-term unsecured debt for which a premium credit is given is too low.
- No credit is given for the beneficial impact uninsured deposits have on losses incurred by the DIF.

[1] The Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for $66.1 trillion in managed assets, $1.1 trillion in revenue, and 2.5 million jobs.
[2] In accordance with a news release the FDIC issued on November 7, 2008, the Roundtable submitted comments on November 17, 2008, with regard to the proposed seven basis point, across-the-board assessment increase for the first quarter of 2009 (Comment letter No. 232).

- The Roundtable questions the justification for any premium adjustment for brokered deposits held by Category I banks. However, if this adjustment is retained, certain ratios related to the brokered-deposit premium for Category I banks ("adjusted brokered deposit ratio") need refinement. Also, the definition of "brokered deposits" should exclude sweep arrangements between affiliated broker-dealers and depository institutions.
- Risk-based premiums should be determined on a bank-by-bank basis for Category II, III, and IV institutions.
- The proposed premium-rate increase for Category III and IV institutions is too low.
- Proposed changes in accounting practices will cause the proposed secured liabilities adjustment to be in an inaccurate method for determining a bank's risk profile and rate assessments.
- Given the current economic environment, the FDIC needs to take more than five years to rebuild the DIF reserve ratio to 1.15%.
- Given the numerous issues regarding risk-based assessments which need to be resolved, the FDIC should amend the proposed rule to the extent feasible, adopt the revised rule as an interim final rule for only the second quarter of 2009, and seek comments on the interim final rule.

The four basis-point range for the "initial base assessment rate" range for Category I institutions is arbitrary, too narrow, and should be eliminated.

The proposed rule provides for an "initial base assessment rate" that will range from 10 to 14 basis points, double the present two basis-point premium range for Category I institutions. Presumably the doubling of the initial rate range permits the FDIC to more sharply differentiate the risk of Category I banks, as that risk is reflected in each institution's initial base assessment rate. This bank-by-bank differentiation is based on various risk measures, including debt ratings for large banks. However, as the proposed rule notes, and as is readily evident from the three examples presented in Table 9 in the proposed rule, the sum of an institution's risk measures could indicate an initial base assessment rate of less than 10 basis points or more than 14 basis points, as shown on the line labeled "Sum of contributions." The FDIC did not present any data to indicate what the actual basis-point range might be among Category I banks. Presumably, it is much greater than four basis points.

The arbitrary rate floor and ceiling for the initial base assessment rate for Category I institutions, for which no justification is presented, should be discarded so as to permit a wider range of premium rates for Category I institutions. Doing so would enable the safest banks to enjoy an even lower initial rate than 10 basis points while the riskiest Category I institutions would pay more than 14 basis points. Limiting the premium rate range to four basis points effectively creates a cross-subsidy among Category I institutions, with the safest banks subsidizing the riskiest banks within the category. There is no valid rationale for such a cross-subsidy.

The potential premium surcharge for secured liabilities ("the secured liability adjustment") is excessive relative to the risk of loss that the secured liabilities of Category I institutions pose to the DIF.

The FDIC has stated that "an institution with secured liabilities [notably Federal Home Loan Bank advances] in place of another's deposits pays a smaller deposit insurance assessment even if both pose the same risk of failure, and would cause the same losses to the DIF in the event of failure."[3] More precisely, the FDIC's percentage loss rate on insured deposits (the amount of the bank's insolvency loss allocated to insured deposits divided by the amount of insured deposits) rises as secured liabilities increase relative to the amount of a bank's insured deposits.

Accordingly, it is understandable why the presence of secured liabilities should be reflected in an institution's premium-assessment calculation. However, the premium rate "adjustment" the FDIC has proposed to incorporate in its risk-based premium assessment far exceeds the actual increase in the risk of loss facing insured deposits in Category I institutions. Further, the proposed rule offers no analytical support for the premium-rate surcharge it has proposed for secured liabilities. Specifically, the FDIC plans no surcharge if secured liabilities are less than 15% of total domestic deposits, but proposes a surcharge of up to 50% "greater than it was before the adjustment," after taking into account "any large bank adjustment or unsecured debt adjustment." Leaving aside these two adjustments, the secured liabilities adjustment could be as much as 5 basis points (if the institution's initial base assessment rate was 10 basis points) or even 7 basis points, if the institution's initial base assessment rate was 14 basis points.

The spreadsheet appended to this comment letter demonstrates that the potential range of this surcharge – 0 to 7 basis points – is far too large for a Category I institution and excessively penalizes such an institution's use of secured borrowings of any type to finance its assets. This spreadsheet also illustrates another important point – numerous factors (uninsured deposits, unsecured borrowings, other liabilities subordinate to domestic deposits, and equity capital) – should be taken into account when determining the premium surcharge for secured borrowings. The examples presented in the appended spreadsheet (Cases 1, 2, and 3) are reasonably representative of the financial condition of a Category I institution – well capitalized and reasonably funded with various types of liabilities – secured borrowings, insured deposits, uninsured deposits, long-term unsecured borrowings, and other types of liabilities subordinate to domestic deposits (lines 7 to 12).

Even if the asset loss rate given default (i.e., the bank fails) is a fairly high 25% (line 17) and the probability of failure in any one year is .1% (1 in 1,000), which is higher than what should be the probability of failure for a Category I bank, the premium surcharge for an institution heavily dependent on secured borrowings (70%, as shown on line 1 for Case 3) should be 1.37 basis points, less than one-fifth the maximum premium surcharge the FDIC proposes for Category I

[3] Federal Register, Vol. 73, page 61570.

institutions heavily reliant on secured borrowings to finance their balance sheets. Only if the probability of failure rises significantly above .1% can the FDIC justify maximum premium surcharges of 5 to 7 basis points. However, institutions with such high failure probabilities most definitely should not be classified as Category I institutions – they are either Category II, III, or IV institutions.

The appended spreadsheet also illustrates another important consideration the FDIC needs to incorporate in its process of establishing premium rates for Category I institutions – the premium-rate effect of the interactions of the various factors included in the assessment-rate calculation. Those interactions do not appear to be present in the proposed rate-setting processes.

The cap on the amount of long-term unsecured debt for which a premium credit is given is too low.

The Roundtable applauds the FDIC for providing a premium credit for long-term unsecured debt since the presence on a bank balance sheet of such debt, which is subordinate to domestic deposits, increases the insolvency-loss cushion protecting the DIF against losses in protecting insured deposits should the bank fail. However, the proposed credit, at least as described in the Federal Register notice of the proposed rule, appears to cap the amount of long-term unsecured debt for which a premium credit will be granted at 10% of total domestic deposits.[4] The proposed rule provides no analytical justification for that 10% limit. The Roundtable proposes that the FDIC eliminate that 10% cap and provide a proportionally greater premium credit for higher degrees of funding reliance on long-term unsecured debt. For example, if a 10% cap warrants a 2 basis point premium credit, then long-term unsecured debt equal to 15% of total domestic deposits should warrant a 3 basis point premium credit.

No credit is given for the beneficial impact uninsured deposits have on losses incurred by the Deposit Insurance Fund.

While it is appropriate for the FDIC to give a premium credit for unsecured debt, a similar premium credit should be given for uninsured deposits. While uninsured deposits are included in the premium assessment base, the FDIC does not incur any loss in protecting those deposits. Although a premium credit would not be enormous for Category I institutions, as shown in Cases 4, 5, and 6 in the appended spreadsheet, the credit would not be insignificant, particularly for large banks with substantial uninsured deposits.

Some might note that the FDIC increasingly protects uninsured deposits in failed banks, as was the case in twelve of the thirteen most recent bank closures, between September 19, 2008, and December 12, 2008, in which the FDIC incurred a loss. However, the FDIC protects uninsured deposits only after it determines, under the Federal Deposit Insurance Corporation Improvement

[4] Federal Register, Vol. 73, page 61569.

Act's least-cost resolution requirement, that it is cheaper for the FDIC to protect all domestic deposits in the failed bank against any loss rather than just protecting insured deposits. This outcome – that it is cheaper for the FDIC to protect all domestic deposits and not just insured deposits – reinforces the point that a bank should receive a premium credit – however modest – for the presence of uninsured deposits on its balance sheet.

> The Roundtable questions the justification for any premium adjustment for brokered deposits held by Category I banks. However, if this adjustment is retained, certain ratios related to the brokered-deposit premium for Category I banks ("adjusted brokered deposit ratio") need refinement. Also, the definition of "brokered deposits" should exclude sweep arrangements between affiliated broker-dealers and depository institutions.

The proposed rule addresses a Category I institution's reliance on brokered deposits in a different manner than the proposed rule addresses brokered deposits in Categories II, III, and IV institutions. This comment applies only to the brokered-deposit provision for Category I institutions. Specifically, the proposed rule would incorporate a pricing multiplier for brokered deposits ("Adjusted Brokered Deposit Ratio") in the premium calculation for a Category I institution if the institution's "total assets were more than 20 percent greater than they had been four years previously, after adjusting for mergers and acquisitions," and its "brokered deposits made up more than 10 percent of domestic deposits".[5]

Brokered deposits can be a source of strength for both Category I institutions and the DIF, if properly managed. Brokered deposits allow an institution to raise deposits in a cost effective and efficient manner while diversifying their customer base. While brokered deposits have been a significant source of funding in many of the banks and thrifts which have failed this year, brokered deposits should not be singled out for punitive treatment in the calculation of risk-based assessments levied on Category I institutions, which by definition are well-capitalized and well-managed, for two reasons: 1) rapid growth does not automatically increase the failure probability of a bank if the growth occurs in low-risk assets – it is rapid growth of risky assets which increases the likelihood of failure; and 2) rapid growth of risky assets can be funded in many ways other than with brokered deposits, such as rapidly shifting the bank's asset mix from low-risk to high-risk assets, utilizing Federal Home Loan bank advances or other forms of secured borrowings, raising deposits over the Internet, or paying above-market interest rates on deposits gathered through branches.

In sum, the real issue is rapid growth of and a heavy concentration of risky assets on a bank's balance sheet, not a substantial reliance on brokered deposits for Category I institutions. Since Category I does not include institutions which are rapidly growing their risky assets, the FDIC should not include an Adjusted Broker Deposit Ratio at this time in the risk-based assessment calculation for Category I institutions. Instead, the FDIC should solicit comments on how best to directly address the solvency threat posed by the rapid growth of a bank's risky assets

[5] Federal Register, Vol. 73, page 61565.

regardless of how that growth is funded. By limiting the consideration of brokered deposits to Risk Category II – IV institutions, the FDIC would still be able to maintain adequate risk controls for activities that are inherently risky while not penalizing measured and proper growth. Such modifications to the proposed rule would provide an incentive for institutions that are in Risk Category I to continue to expand while discouraging growth at institutions that are by definition, not as well capitalized and financially sound.

If the FDIC is intent on implementing a pricing multiplier for Category I institutions based on an Adjusted Brokered Deposit Ratio effective with the second quarter of 2009, then the Roundtable offers these comments on the proposed rule as it would apply to brokered deposits held by Category I banks. First, 20% asset growth is hardly rapid growth – that growth rate barely approximates the growth of nominal GDP. For example, from 2003 to 2007, nominal U.S. GDP grew 26% while in the previous four-year period, 1999 to 2003, which encompassed a recession, nominal GDP grew 18%. For the 2003-2007 period, total bank and thrift assets grew significantly faster than GDP – 43.6%, as reported in the FDIC's Quarterly Banking Profile. The FDIC needs to substantially increase the asset-growth rate which would trigger the addition of brokered deposits as a pricing multiplier.

Second, the other triggering factor – brokered deposits accounting for more than 10% of total domestic deposits – appears arbitrary and perhaps is too low, especially since banks increasingly can gather non-core deposits over the Internet so as to side-step a brokered-deposit trigger. As Cases 7, 8, and 9 in the appended spreadsheet show, the premium surcharge for the presence of brokered deposits should be relatively modest, merely reflecting the fact that brokered deposits have little, if any, franchise value.

Because the definition of brokered deposits is quite broad, the definition would include deposits arising from sweep arrangements established between a depository institution and an affiliated broker-dealer that "sweep" excess funds in a client's brokerage account into a deposit account at the depository institution. These deposits lack the risk raised by the FDIC in proposing a pricing multiplier for Category I institutions based on an Adjusted Brokered Deposit Ratio (high interest rates or rate-sensitive deposits). Additionally, we are unaware of any failure of a depository institution that has participated in such a program. As such, the Roundtable recommends that the FDIC exclude from its definition of brokered deposits those deposits generated by sweep arrangements between a depository institution and an affiliated broker-dealer.

Risk-based premiums should be determined on a bank-by-bank basis for Category II, III, and IV institutions.

The FDIC has expended substantial staff resources to develop a sophisticated premium-assessment determination process on a bank-by-bank basis for Category I banks, yet the FDIC has failed to develop a comparable process for its riskiest insured institutions – those in Categories II, III, and IV. Instead, all institutions in one of these categories are charged the same premium rate. Not only do most bank failures occur among institutions which have

deteriorated to a Category II, III, or IV status, but these are the very institutions which can be given the greatest financial incentive, through a bank-by-bank rate-setting process, to raise capital and improve their operations so as to reduce their risk of failure, and potential loss to the DIF. The Roundtable urges the FDIC to extend to all Category II, III, and IV banks the same bank-by-bank premium-setting methodologies that it has implemented for Category I institutions. This extension offers the potential to substantially lower the DIF's insolvency losses by giving individual weaker banks a better calibrated financial incentive to reduce their riskiness and probability of failure. That improvement would lead to lower deposit-insurance assessments for Category I institutions, which pay for the failure of Category II, III, and IV institutions, through higher deposit-insurance assessments.

The proposed premium-rate increase for Category III and IV institutions is too low.

The Roundtable has calculated from Tables 3 and 4 in the proposed rule that while the base assessment rates for Category I institutions will rise 5 to 7 basis points (100% increases) from their present level and while the assessment rate for all Category II institutions will rise 10 basis points (also a 100% increase), the assessment rates for Category III and IV institutions will rise only 2 basis points, increases of 7.1% and 4.7%, respectively. That is, those institutions which pose the greatest risk of loss to the DIF will experience very modest assessment rate increases relative to safer, stronger institutions. The Roundtable recommends that until the FDIC can implement bank-by-bank risk-based premium assessments for Category II, III, and IV institutions, it should increase the Category III and IV assessment rates by 10 basis points, to match the proposed increase in the Category II assessment rate.

Proposed Changes in Accounting Practices will Cause the Proposed Secured Liabilities Adjustment to be in an Inaccurate Method for Determining a Bank's Risk Profile and Rate Assessments.

One critical issue which the FDIC must address in 2009, and which the proposed rule does not raise is the implementation in January 2010 of the Financial Accounting Standards Board's (FASB) currently proposed Exposure Draft (Revised) of Proposed Statement of Financial Accounting Standards, *Accounting for Transfers of Financial Assets, an Amendment of FASB Statement No. 140* and the Exposure Draft of Proposed Statement of Financial Accounting Standards, *Amendments to FASB Interpretation No. 46(R).* These proposed accounting changes would require banks with traditional securitization programs for consumer credit receivables such as credit cards, auto loans and mortgage loans to include these newly consolidated assets together with a corresponding amount of secured liabilities in their quarterly reports of condition. This consolidation of assets and liabilities will suddenly and, in some cases dramatically, inflate the ratio of secured liabilities to domestic deposits for banks who previously and/or currently engage in securitization and other off-balance sheet transactions.

Importantly, upon an institution's failure, these newly consolidated assets and related secured liabilities have not been and, assuming the proposed accounting changes are adopted, will

continue to not impact the FDIC's risk and severity of loss. While the newly consolidated assets and related secured liabilities would be reported on the institution's quarterly report of condition, it is investors in asset-backed securities, not the transferor bank or the FDIC, that retains the majority of the benefits and risks associated with the ownership of newly consolidated credit card, auto and mortgage loans or receivables from traditional securitization transactions.

We believe the secured liabilities adjustment should be removed or at a minimum these securitization-related liabilities be excluded from the FDIC's calculation where there is no evidence that the FDIC's loss due to failure increases from the consolidation of securitized assets and related liabilities on an institution's balance sheet.

> Given the current economic environment, the FDIC needs to take more than five years to rebuild the DIF reserve ratio to 1.15%.

Given that the proposed rule more than doubles the current premiums we believe that the negative impact this increase will have on bank earnings will directly result in healthy banks being less able to extend credit, which is critical in this current economic environment. The sharp decline in interest rates this year, coupled with the intense competition by banks to attract deposits, has narrowed net interest margins, making it that much harder for banks to absorb higher deposit-insurance premiums. Just yesterday, the Federal Reserve predicted that these low rates will continue when it stated that "weak economic conditions are likely to warrant exceptionally low levels of the federal funds rate for some time. For these reasons, the Roundtable recommends that the FDIC utilize its "extraordinary circumstances" authority to extend beyond five years the time taken to rebuild the DIF reserve ratio to 1.15%. This extension will limit unnecessary financial stress on insured depository institutions caused by an elevated level of deposit-insurance premiums.

> Given the numerous issues regarding risk-based assessments which need to be resolved, the FDIC should amend the proposed rule to the extent feasible, adopt the revised rule as an interim final rule for only the second quarter of 2009, and seek comments on the interim final rule.

Given the importance of properly determining deposit-insurance premium assessment rates on a bank-by-bank basis, the Roundtable recommends that the FDIC amend the proposed rule, to the extent feasible, to reflect the comments in this letter as well as the comments of others, and then issue the revised rule as an interim final rule that would be applicable only for the second quarter of 2009. Upon issuing the interim final rule, the FDIC should immediately solicit comments on it so as to open the door for further revisions in the risk-based methodology which the FDIC lacks sufficient time to satisfactorily address in the interim final rule.

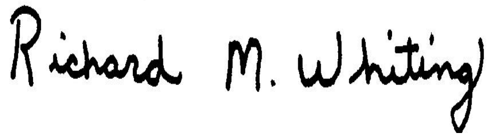
We also believe that it would not be in the best interest of the economy, especially during the current recession, for the FDIC to implement changes in the calculation of premium assessments

which could be harmful to healthy insured institutions due to pending changes in accounting rules. For this reason alone, the proposed rule should be adopted only as an interim final rule for the second quarter of 2009 and immediately reopened for comment.

The Roundtable would be glad to electronically transmit to FDIC staff the Excel spreadsheet model which was used to produce the appended spreadsheet so that FDIC staff can verify the calculations shown in the appended spreadsheet.

Thank you again for the opportunity to share our views with you on this subject. If you have any questions, please feel free to contact me or Melissa Netram at 202-289-4322.

Sincerely,



Richard Whiting
Executive Director and General Counsel

Attachment

Impact of secured borrowings, unsecured borrowings, and brokered deposits on deposit-insurance premiums

Line number		Base case	Variations in: Secured borrowings			Uninsured deposits			Brokered deposits		
			Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8	Case 9
	Key assumptions:										
	As a percentage of total domestic deposits:										
1	Secured borrowings, as defined in the proposed rule	15%	**15%**	**40%**	**70%**	15%	15%	15%	15%	15%	15%
2	Uninsured deposits	20%	20%	20%	20%	**20%**	**30%**	**40%**	20%	20%	20%
3	Brokered deposits, as defined in the rule	10%	10%	10%	10%	10%	10%	10%	**5%**	**15%**	**20%**
4	Long-term unsecured borrowings, as defined in the proposed rule	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
5	Value of deposit franchise as a % of non-brokered domestic deposits	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
	Balance sheet:										
6	**Total assets**	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Liabilities plus capital										
7	Secured borrowings, as defined in the proposed rule	1,092	1,092	2,427	3,539	1,092	1,092	1,092	1,092	1,092	1,092
8	Insured domestic deposits	5,824	5,824	4,853	4,044	5,824	5,096	4,368	5,824	5,824	5,824
9	Uninsured domestic deposits	1,456	1,456	1,213	1,011	1,456	2,184	2,912	1,456	1,456	1,456
10	Long-term unsecured borrowings, as defined in the proposed rule	728	728	607	506	728	728	728	728	728	728
11	Other liabilities subordinate to domestic deposits (1)	200	200	200	200	200	200	200	200	200	200
12	Equity capital plus minority interests	700	700	700	700	700	700	700	700	700	700
13	Total liabilites plus capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

(1) Includes deposits in foreign branches and all other unsecured liabilities.

Line number	Loss given default (LGD)	Base case	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8	Case 9
	Insolvency loss as a percent of total domestic deposits:										
14	10% assumed asset loss percentage upon failure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	15% assumed asset loss percentage upon failure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	20% assumed asset loss percentage upon failure	0.61%	0.61%	3.63%	7.26%	0.61%	0.61%	0.61%	0.36%	0.86%	1.11%
17	25% assumed asset loss percentage upon failure	7.48%	7.48%	11.87%	17.15%	7.48%	7.48%	7.48%	7.23%	7.73%	7.98%

Premium rate increase, in basis points, based on (1) the probability of failure (PF) and (2) insured deposits as a percent of total deposits

	0.01% annual probability of failure (1 in 10,000)										
18	10% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
19	15% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20	20% assumed loss on assets upon failure	0.005	0.005	0.029	0.058	0.005	0.004	0.004	0.003	0.007	0.009
21	25% assumed loss on assets upon failure	0.060	0.060	0.095	0.137	0.060	0.052	0.045	0.058	0.062	0.064
	0.10% annual probability of failure (1 in 1,000)										
22	10% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23	15% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	20% assumed loss on assets upon failure	0.049	0.049	0.291	0.581	0.049	0.043	0.037	0.029	0.069	0.089
25	25% assumed loss on assets upon failure	0.598	0.598	0.950	1.372	0.598	0.523	0.449	0.578	0.618	0.638
	1.00% annual probability of failure (1 in 100)										
26	10% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
27	15% assumed loss on assets upon failure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28	20% assumed loss on assets upon failure	0.488	0.488	2.905	5.807	0.488	0.427	0.366	0.288	0.688	0.888
29	25% assumed loss on assets upon failure	5.982	5.982	9.499	13.719	5.982	5.235	4.487	5.782	6.182	6.382

Note: Numerical assumptions are in the blue (shaded) cells.