
BANK PERFORMANCE BAROMETER

MARCH 2009

Insights into the financial services industry's quarterly performance – who's on top & how they got there

This report looks at:

BANKS & THRIFTS WITH TOTAL ASSETS OF \$20B+

HIGHLIGHTED INSTITUTION: CITIGROUP, INC.

SNAPSHOT:



- Declining credit quality continued to impact earnings.
- TARP participation led to increased scrutiny of bank activities.
- Core deposit growth increased as consumers continued to pull money out of the stock market.
- The Federal Government continued to take unprecedented steps to address the banking crisis.
- Not all of the news from 4Q08 was bad – read on to find out which banks were successful despite these dire conditions.



I. Performance Summary

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All data in this report has been provided by SNL Financial LC as of December 31, 2008 and analyzed by CPG. Securities and Exchange Commission filings are the source for public data; all other data is from consolidated filings with the Federal Reserve, OTS, OCC, or FDIC.

I. Performance Summary

- How the industry performed in **4Q08** and who came out on top

Perhaps the best thing that one can say about 2008 is **that it is over**. Though Congress passed a “bailout” plan in early October and **margin remained relatively stable**, the earnings of large banks continued to be impacted by declining credit quality. **Strong balance sheet management** – specifically, the ability to gather low-cost deposits and use those funds to both replace higher-cost funding and make high-quality loans – proved key to achieving top performance in 4Q08.

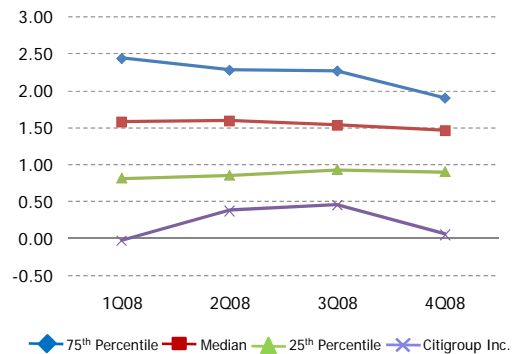
The next three pages present industry trends for eleven key performance indicators:

1. Price-to-Earnings
2. Return on Average Equity
3. EPS Growth
4. Operating Revenue to Average Assets
5. Noninterest Income to Average Assets
6. Net Interest Margin
7. Efficiency Ratio
8. Loan Growth
9. Core Deposits to Total Deposits
10. Core Deposit Growth
11. Nonperforming Assets to Total Loans

KEY PERFORMANCE INDICATORS

Noninterest Income/ Avg Assets (%)

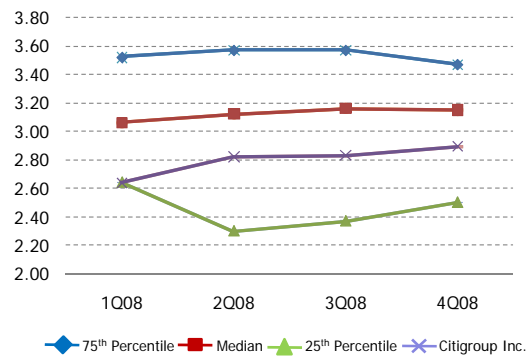
Fee income to average assets declined in 4Q08 for all but four banks in the peer group. Primary drivers include diminishing deposit service charges and fiduciary income, trading losses, ongoing decreases in securitization income, and declines in other sources of noninterest income.



4Q08 TOP PERFORMER: Bank of New York Mellon (5.71%)

Net Interest Margin, FTE (%)

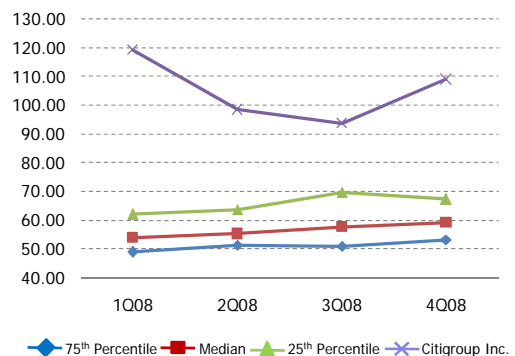
The 75th percentile NIM declined by 10 bps. All banks were affected by a decline in the yields realized on earning assets.



4Q08 TOP PERFORMER: Capital One (5.36%)

Efficiency Ratio (%)

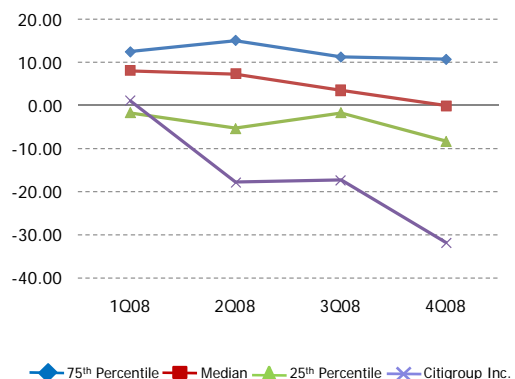
Operating revenues in 4Q08 fell virtually across the board. In addition, over half of the analyzed banks increased noninterest expenses during the fourth quarter. As a result, efficiency ratios increased for most institutions.



4Q08 TOP PERFORMER: Hudson City (20.60%)

Loan Growth (%)

Loan growth remained flat or declined at large banks in 4Q08, despite increased pressures from the Federal Government and regulators to lend to creditworthy borrowers.



4Q08 TOP PERFORMER: PNC Financial (532.79%; 10.9% organic)

II. Spotlight on...

- Each quarter, CPG examines a current issue affecting all institutions. This quarter, we look at **deposits**, and specifically, at strategies that banks are using to gather and retain core funds.

CPG'S VIEW: Despite benefiting from **a flight to quality** that increased deposit growth in 4Q08, banks remain heavily focused on deposit generation. **The disappearance of secondary investors and the instability and cost of other sources of liquidity** have made core deposits an even more important source of funding for institutions of all sizes.

As competition for deposits increases, many institutions are promoting **safety and soundness** heavily in their advertising in an attempt to counter very negative perceptions in the marketplace. We believe that banks with aggressive deposit growth goals must **consider both the acquisition and retention** of these deposits and should thus be:

FULL TEXT AVAILABLE IN PURCHASED REPORT

III. Performance Rankings

- The best institutions in several categories, based on **4Q08** data, and notes on how they got there

REVENUE GENERATION

OPERATING REVENUE TO AVERAGE ASSETS: Capital One continues to lead the peer group in terms of operating revenue to average assets, thanks to high earning asset yields and strong noninterest income contribution. The bank's ratio declined in 4Q08, in part due to a rather significant increase in its quarterly loan loss provision.

Top 10	2007 Rank	2006 Rank	Institution	Operating Rev/ Avg Assets YTD (%)		
				4Q08	3Q08	2007
1	1	1	Capital One Financial Corporation	8.87	9.24	9.66
2	2	8	Bank of New York Mellon Corporation	7.09	7.29	7.79
3	3	4	Wells Fargo & Company	6.89	7.29	7.52
4	21	9	First Horizon National Corporation	6.68	6.61	4.66
5	5	7	U.S. Bancorp	6.29	6.42	6.17
6	4	5	USAA Federal Savings Bank	6.06	6.33	6.66
7	6	10	Northern Trust Corporation	5.94	5.93	5.78
8	8	18	Fifth Third Bancorp	5.62	5.85	5.32
9	10	13	BB&T Corporation	5.32	5.39	5.25
10	7	3	PNC Financial Services Group, Inc.	5.19	5.21	5.44
35	30	15	Citigroup Inc.	2.54	2.90	3.71
75th Percentile				4.98	5.19	5.17
Median				4.26	4.49	4.66
25th Percentile				3.38	3.49	3.68

NONINTEREST INCOME TO AVERAGE ASSETS: Despite quarterly declines in fiduciary income to average assets, banks like BONY Mellon and Northern Trust lead the peer group in this category and are buoyed by their massive trust businesses. More broadly, fee income to average assets declined for all but four analyzed banks in 4Q08.

Top 10	2007 Rank	2006 Rank	Institution	Noninterest Inc/ Avg Assets YTD (%)		
				4Q08	3Q08	2007
1	1	4	Bank of New York Mellon Corporation	5.71	6.04	6.24
2	3	5	Northern Trust Corporation	4.46	4.53	4.41
3	2	2	Capital One Financial Corporation	4.27	4.60	5.15
4	11	9	First Horizon National Corporation	4.09	4.02	2.20
5	6	8	U.S. Bancorp	3.15	3.33	3.19
6	4	6	USAA Federal Savings Bank	2.87	3.16	3.54
7	5	10	Wells Fargo & Company	2.67	3.08	3.40
8	8	3	PNC Financial Services Group, Inc.	2.50	2.54	3.08
9	10	14	Fifth Third Bancorp	2.41	2.61	2.24
10	12	16	BB&T Corporation	2.23	2.27	2.19
39	20	12	Citigroup Inc.	0.05	0.45	1.54
75th Percentile				1.90	2.27	2.20
Median				1.46	1.53	1.53
25th Percentile				0.90	0.93	0.93

BALANCE SHEET MANAGEMENT

CORE DEPOSITS TO TOTAL DEPOSITS: E*TRADE maintained the #1 position by continuing to reduce its non-core deposit levels. Total deposits at E*Trade fell by 7% during 2008, with a 47% reduction in time deposits. TD Banknorth increased its deposit base with its acquisition in 2008 of Commerce Bancorp and ended the year with 74% of its deposits in MMDA balances.

Top 10	2007 Rank	2006 Rank	Institution	Core Deposits/ Total Deposits (%)		
				4Q08	3Q08	2007
1	1	2	E*TRADE Bank	90.60	88.54	83.61
2	2	9	TD Banknorth Inc.	82.65	84.61	82.44
3	3	1	ING Bank, FSB	78.49	82.74	80.53
4	6	3	UnionBanCal Corporation	77.23	73.66	71.28
5	5	6	Zions Bancorporation	74.94	72.14	71.96
6	18	16	Harris Financial Corp.	74.19	64.89	62.66
7	13	34	First Horizon National Corporation	74.18	71.11	64.70
8	4	4	USAA Federal Savings Bank	73.15	76.97	78.71
9	22	24	M&T Bank Corporation	69.25	64.78	59.96
10	12	15	Associated Banc-Corp	68.48	68.17	67.16
40	40	39	Citigroup Inc.	29.30	28.12	23.87
75th Percentile				67.81	70.94	68.18
Median				60.18	59.93	60.98
25th Percentile				51.29	51.01	52.02

CORE DEPOSIT GROWTH: Core deposit growth increased in the 4th quarter for all but the lowest 25th percentile of large banks. Many large banks benefited from the flight to safety. In addition, many large banks at the top of our rankings continue to introduce new products and packages for deposit rich segments including the affluent and small businesses. TD Banknorth's performance also reflects its acquisition of Commerce (NJ).

Top 10	2007 Rank	2006 Rank	Institution	Core Deposit Growth (%)		
				4Q08	3Q08	2007
1	29	7	TD Banknorth Inc.	119.10	113.66	86.91
2	6	41	Bank of New York Mellon Corporation	116.13	152.58	193.88
3	11	37	Wells Fargo & Company	115.98	10.35	5.21
4	13	13	Harris Financial Corp.	113.58	36.46	-3.76
5	5	36	PNC Financial Services Group, Inc.	107.53	10.37	19.01
6	17	19	Northern Trust Corporation	62.64	30.00	13.80
7	12	25	JPMorgan Chase & Co.	47.72	43.63	2.58
8	22	18	RBC Bancorporation (USA)	29.74	25.98	6.53
9	8	6	Hudson City Savings Bank	25.53	26.45	-6.96
10	31	12	New York Community Bancorp, Inc.	22.24	4.10	-6.36
15	10	11	Citigroup Inc.	14.98	18.51	11.36
75th Percentile				19.18	19.85	14.48
Median				10.57	5.92	4.33
25th Percentile				-0.03	-0.60	0.43

CPG's Bank Performance Barometer is available on a subscription basis. Reports can be customized to include institutions that operate within any specific asset tier or region, for example:

Asset Tiers	Regions
✓ Less than \$500MM	✓ New England
✓ \$500MM to \$1B	✓ Mid-Atlantic
✓ \$1B to \$5B	✓ Southeast
✓ \$5B to \$20B	✓ Great Lakes
✓ \$20B+	✓ Great Plains
✓ Custom	✓ Mountain West
	✓ Southwest
	✓ Pacific Coast
	✓ Custom

For information on how to order the Barometer, please see page 10.

For questions about the Barometer, please contact:

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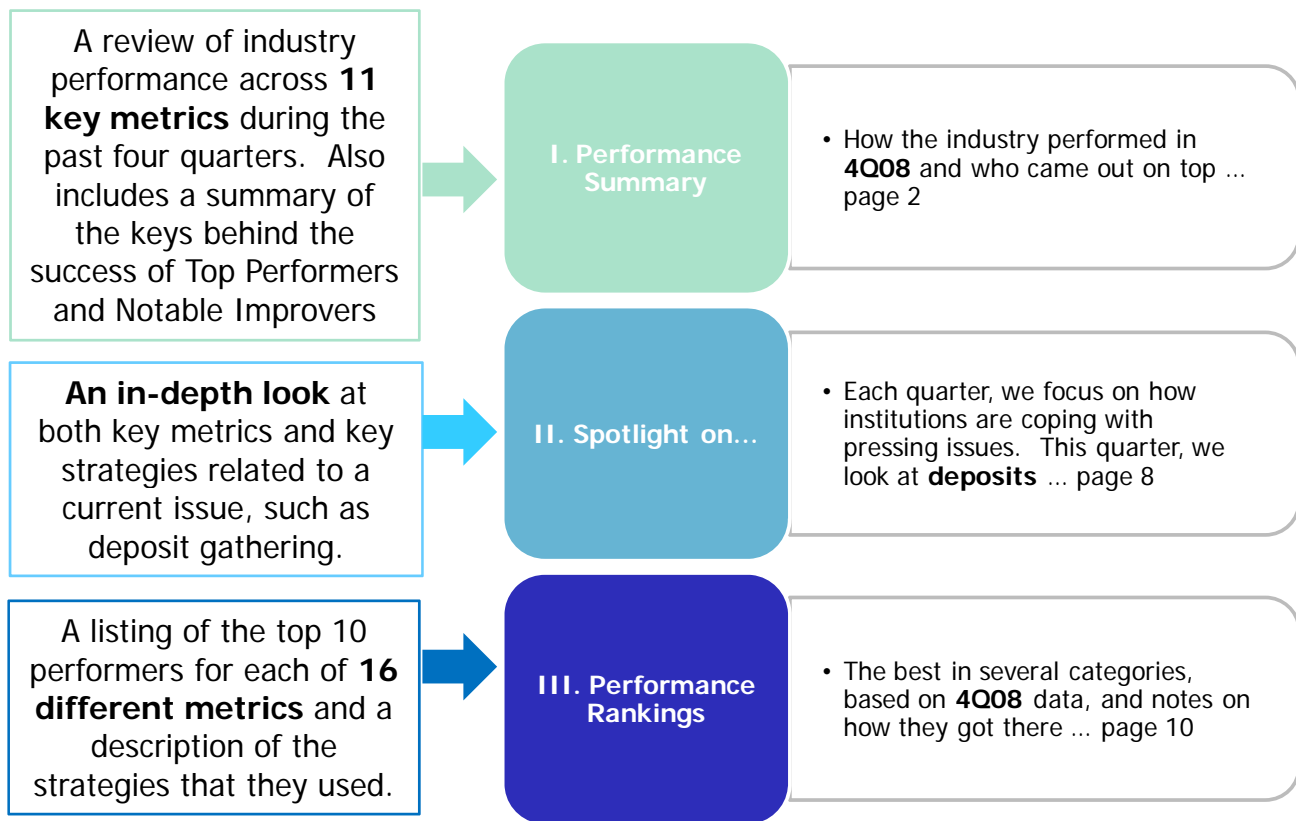
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ABOUT THE BAROMETER

- The Barometer is designed to provide subscribers with information on not only which banks and thrifts have performed well, but how they have managed to succeed.
- The Barometer is published quarterly and is available within 10 days of the date on which the last member of the peer group files.
- Each report includes the following:



The Barometer is available in three versions:

- 1. Standard:** Includes quarterly trend analysis, Spotlight analysis, and rankings for a group of banks. Peer group is defined based on standard CPG asset size cuts.
- 2. Highlights:** Includes the same content as the Standard version. In addition, your bank is highlighted on all graphs, charts, and ranking tables.
- 3. Custom:** Peer group can be customized based on asset size, region, or some combination thereof. If desired, the metrics shown in Sections I and III can also be customized. See previous page for more information

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