7. Potential Emerging Threats
7.2.1 Sovereign Yields

End Date: 6-Jul-2012

Note: After Oct-2011, Ireland switched to a 9-year benchmark bond. All other series are 10-year benchmark yields.

Source: Bloomberg
7.2.2 U.S. MMF Exposure to Europe

End Date: May-2012

Billions of US$

Source: SEC

*Greece, Italy, Ireland, Portugal, and Spain.
7.2.3 Large U.S. Banks’ Exposure* to Europe

Billions of US$

As Of: 2012 Q1

Billions of US$

Greece, Portugal, Austria, Belgium, Spain, Ireland, Italy, Netherlands, France, Germany

*Exposure includes the sum of all cross-border claims, including claims from derivative products and gross local country claims.

Source: FFIEC

Note: Large banks defined by FFIEC’s “LFI” designation.
7.2.4 Insurance Industry Exposure to Europe

As Of: 2011 Q4

Billions of US$

<table>
<thead>
<tr>
<th>Country</th>
<th>Preferred Stock</th>
<th>Common Stock</th>
<th>Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Spain</td>
<td>1.5</td>
<td>0.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Italy</td>
<td>1.5</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Greece</td>
<td>0.1</td>
<td></td>
<td>0.1</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.1</td>
<td></td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: NAIC
7.2.5 Real Private Residential Investment

Source: BEA  
Note: Series Set to 1.0 at NBER Trough. Seasonally Adjusted.
7.3.1 Aggregate BHC Capital Ratios

End Date: 2012 Q1

Percent of RWA

- Other Tier 1 Capital
- Tier 1 Common

Tier 1 Capital Ratio

Source: FR Y-9C, FSOC calculations

Note: Domestically owned BHCs that file a Y-9C.
7.3.2 Core Deposits as a Percent of Total Liabilities

End Date: 2012 Q1

Note: FDIC-insured institutions. Gray bar signifies NBER recession.

Source: FDIC, FSOC calculations
7.3.3 Short-Term Wholesale Funding

Trillions of US$ End Date: 2012 Q1

Percent

35 |
30 |
25 |
20 |
15 |
10 |
5  |
0   |


Short-Term Wholesale Financial Debt as a Percent of Institution Assets (right axis)

Total Financial Institution Assets (left axis)

Note: Gray bars signify NBER recessions.

Source: Flow of Funds, Haver Analytics
7.4.1 Less-Stable Funding Sources at 6 Largest BHCs

Percent of Total Liabilities

As Of: 2012 Q1

Percent of Total Liabilities

CP
Repos
Foreign Time Deposits < 1 Year
Time Deposits > $100K & < 1 Year

Other Borrowed Money Maturing < 1 Year

Source: FR Y-9C

Note: Liabilities excluding minority interest.
7.4.2 Credit Quality of High-Yield New Issues

End Date: 22-Jun-2012

Note: Includes Split B, CCC and non-rated new issuances.

Source: JP Morgan

* 2012 data are YTD as of 22-Jun-2012.
## 7.4.3 Complex Financial Institutions in 2012

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total Subsidiaries</th>
<th>% Foreign Subsidiaries</th>
<th>Countries of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP Morgan</td>
<td>5183</td>
<td>57%</td>
<td>72</td>
</tr>
<tr>
<td>Bank of America</td>
<td>4647</td>
<td>21%</td>
<td>56</td>
</tr>
<tr>
<td>Citigroup</td>
<td>3556</td>
<td>31%</td>
<td>93</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>3550</td>
<td>39%</td>
<td>53</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>2718</td>
<td>40%</td>
<td>64</td>
</tr>
</tbody>
</table>

Source: Bankscope  
As of: 17-May-2012
7.4.4 Assets of the Ten Largest Depository Institutions

End Date: 2012 Q1

Share of Industry (left axis)

Assets of Institutions (right axis)

Source: FDIC
7.4.5 Moody’s BHC Systemic Support Uplift

End Date: Jun-2012

Source: Moody’s
7.4.6 S&P Current Actual & Market Derived Signal*

As Of: 6-Jul-2012

Market Derived Signal (right axis)

Current Supported Rating (left axis)

BAC  C  GS  JPM  MS  WFC

Source: Standard & Poor's Rating Services

*Note: Market derived signal is CDS-based.