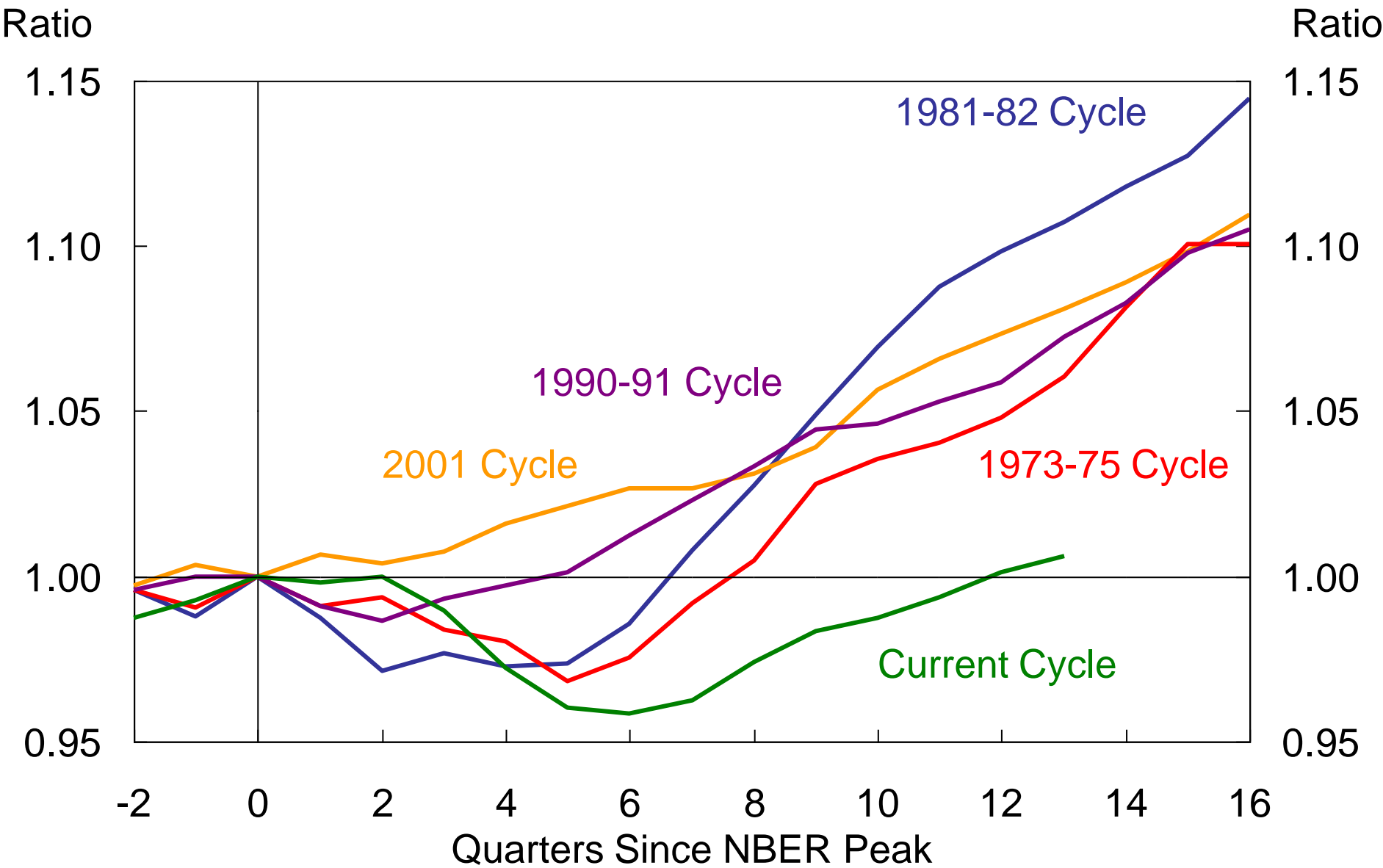


# 7. Potential Emerging Threats to U.S. Financial Stability

# 7.1 Vulnerabilities and Shocks

# 7.1.1 Real GDP Growth in Recoveries

(Series Set to 1.00 at NBER Peak)

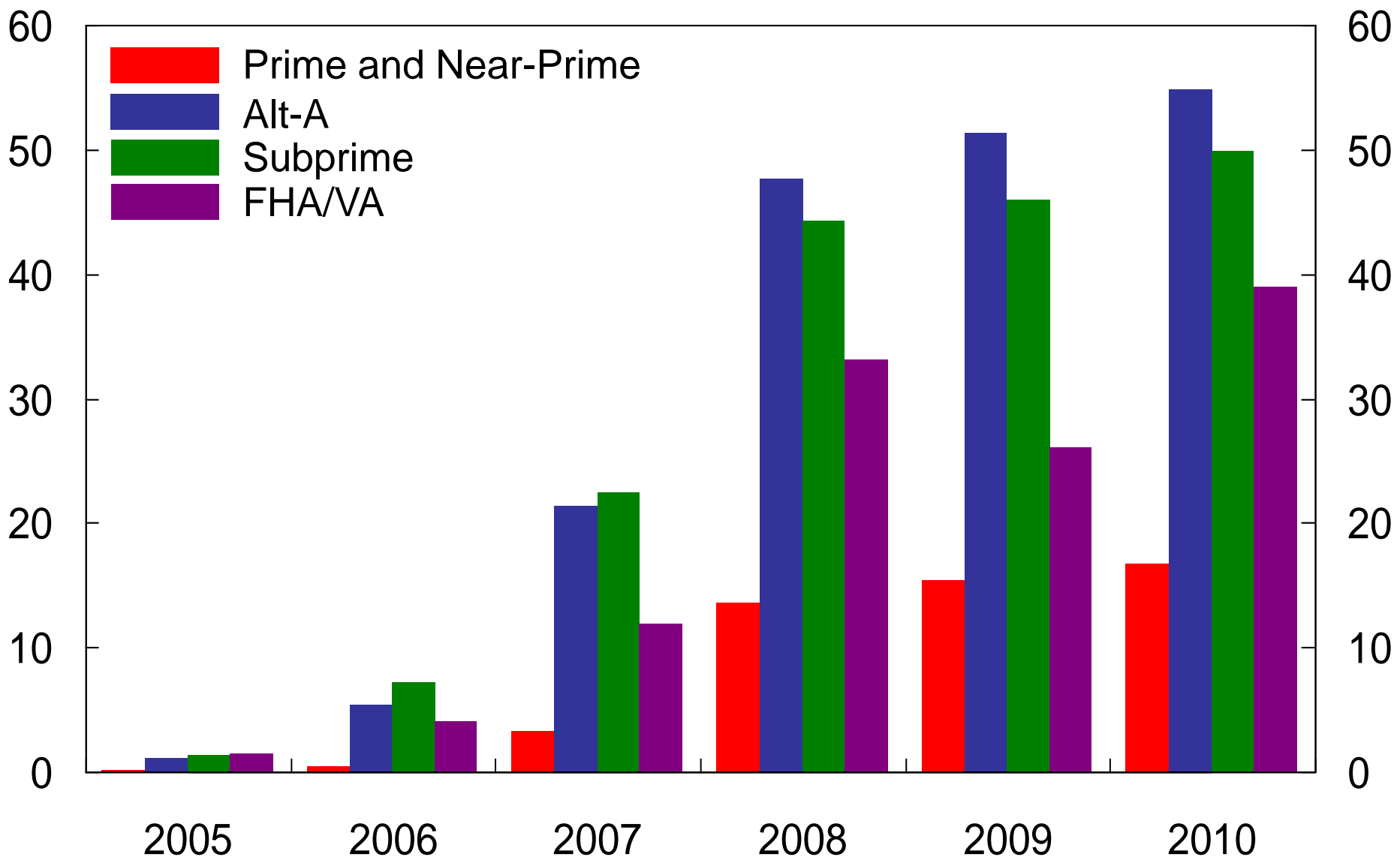


Source: BEA

# 7.1.2 Percent of Mortgages with Negative Equity

Percent

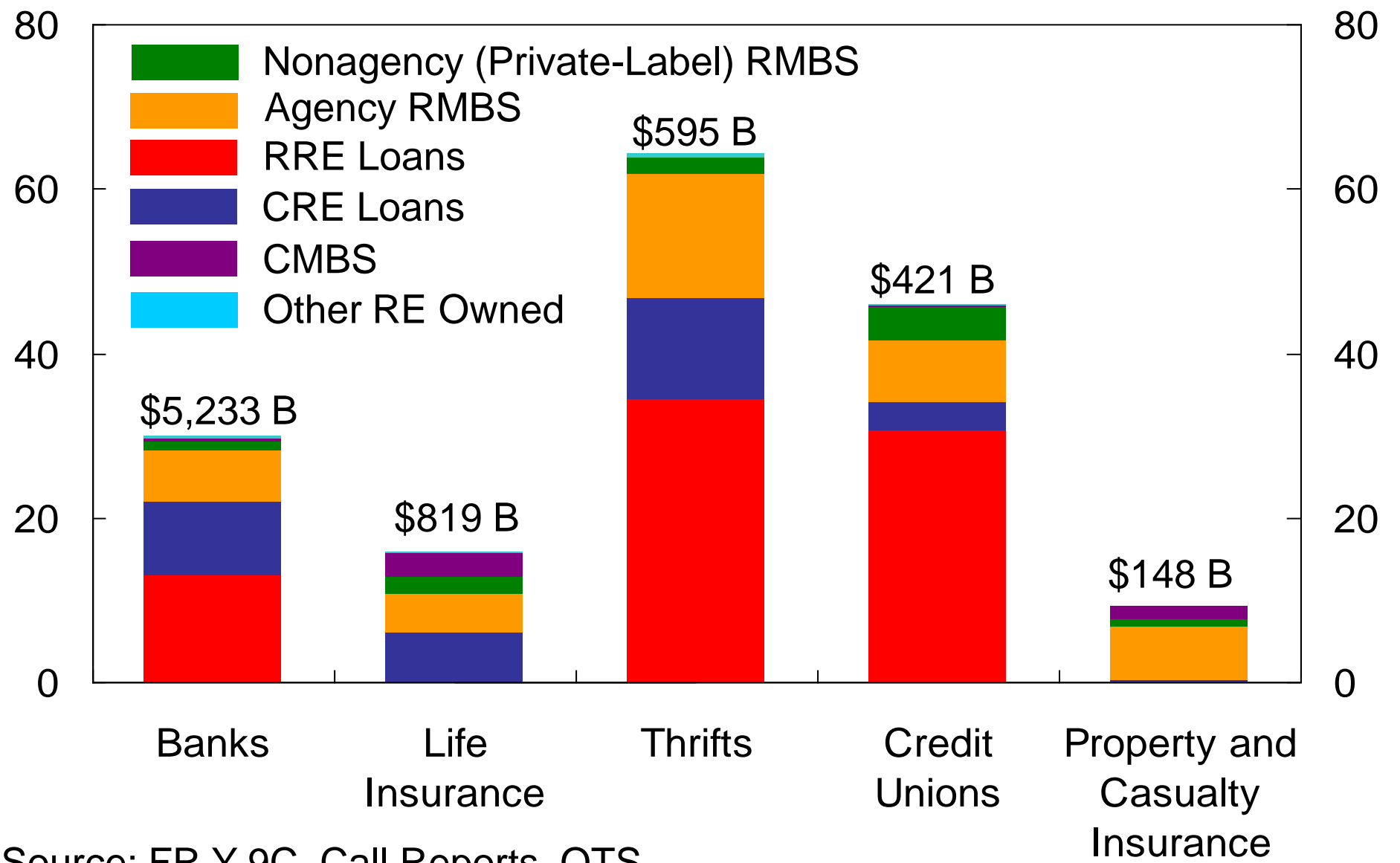
Percent



Source: CoreLogic and LPS

# 7.1.3 Real Estate Exposure as a Percent of Assets

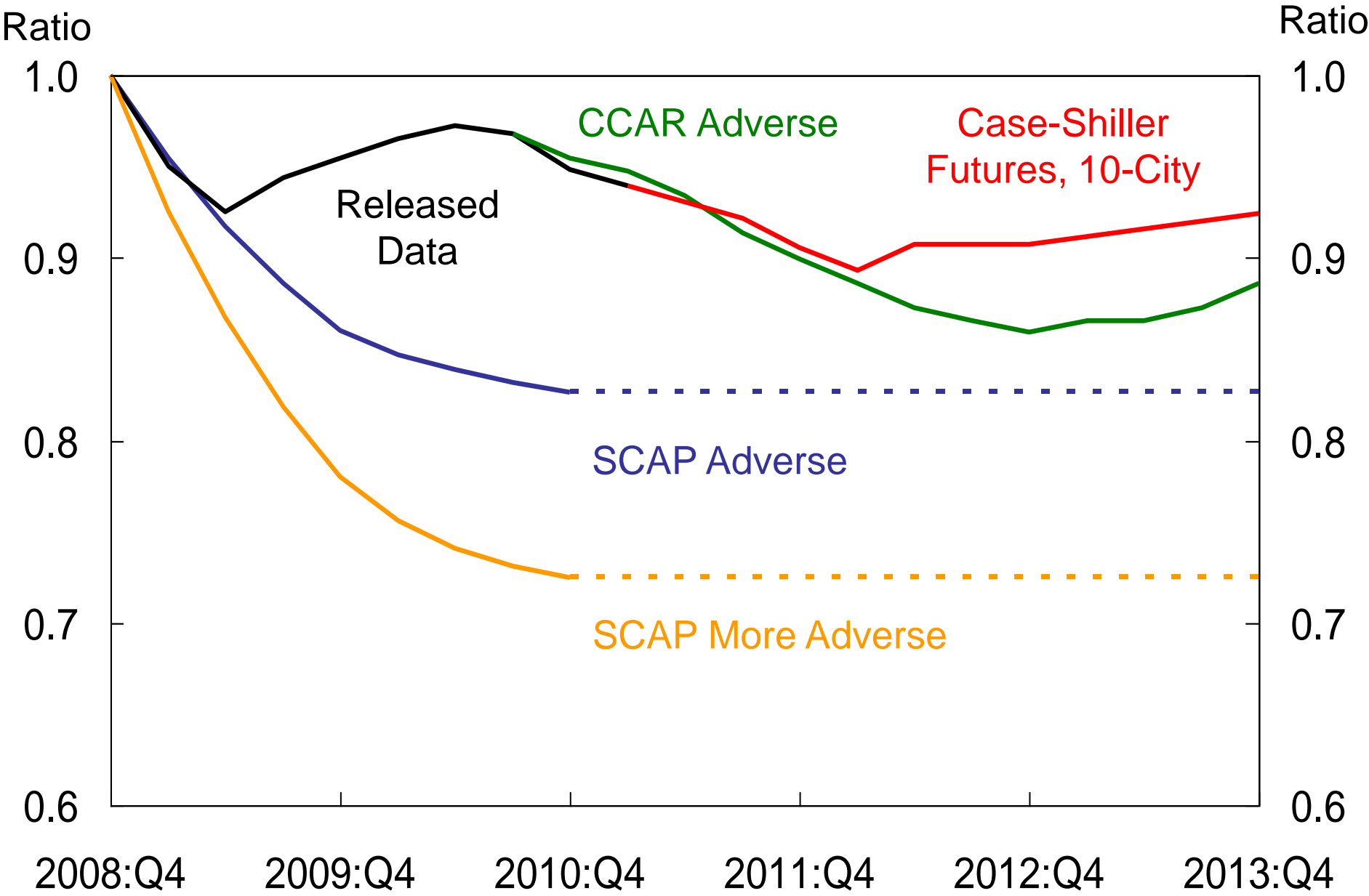
Percent Percent



Source: FR Y-9C, Call Reports, OTS, NAIC, NCUA, FSOC calculations

Note: Exposures as of 2010:Q4.

# 7.1.4 House Prices Under Supervisory Scenarios



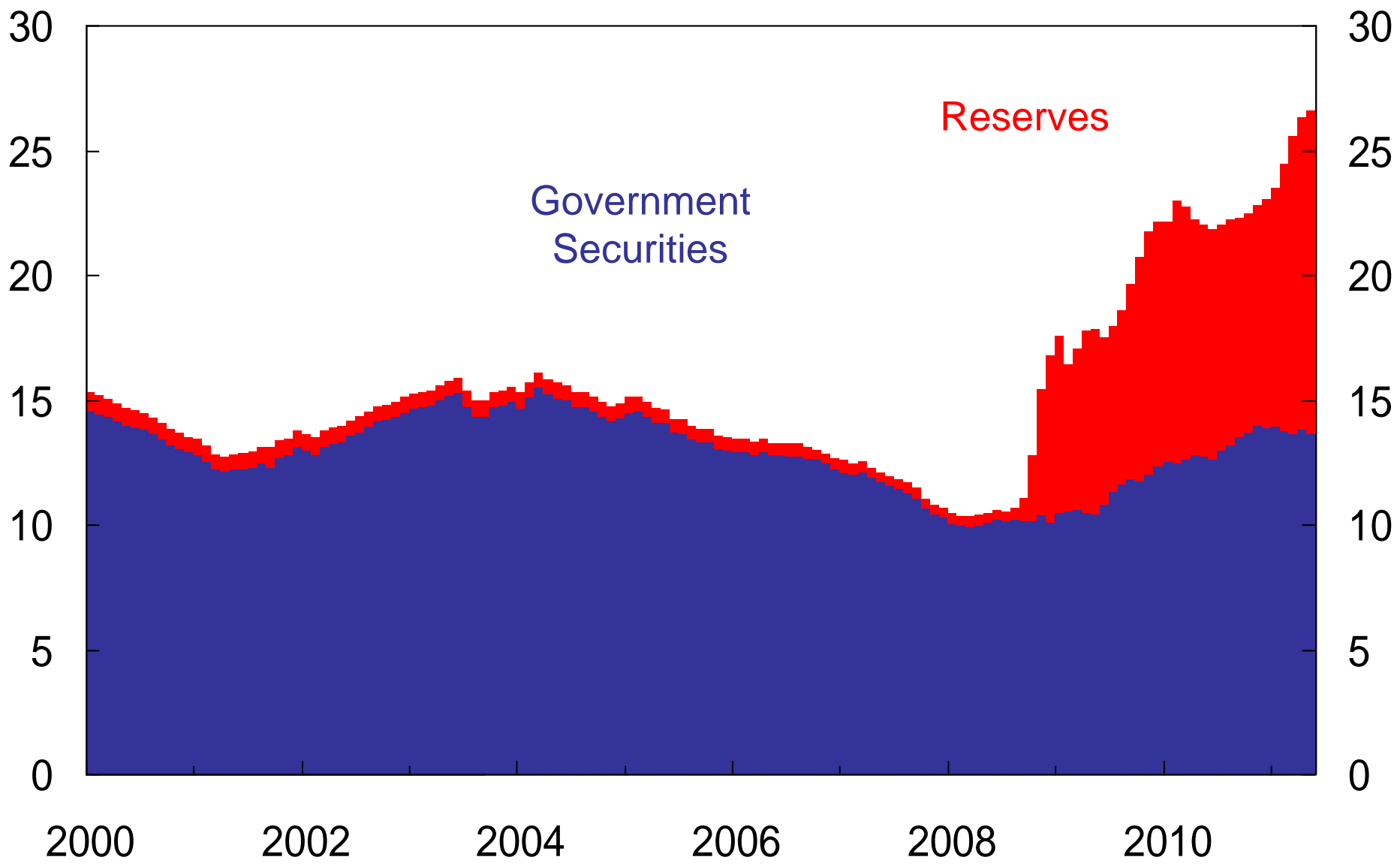
Source: S&P and FRB

Note: Case-Shiller 10-City Index.

# 7.1.5 Securities and Reserves as a Percent of Assets

Percent

Percent



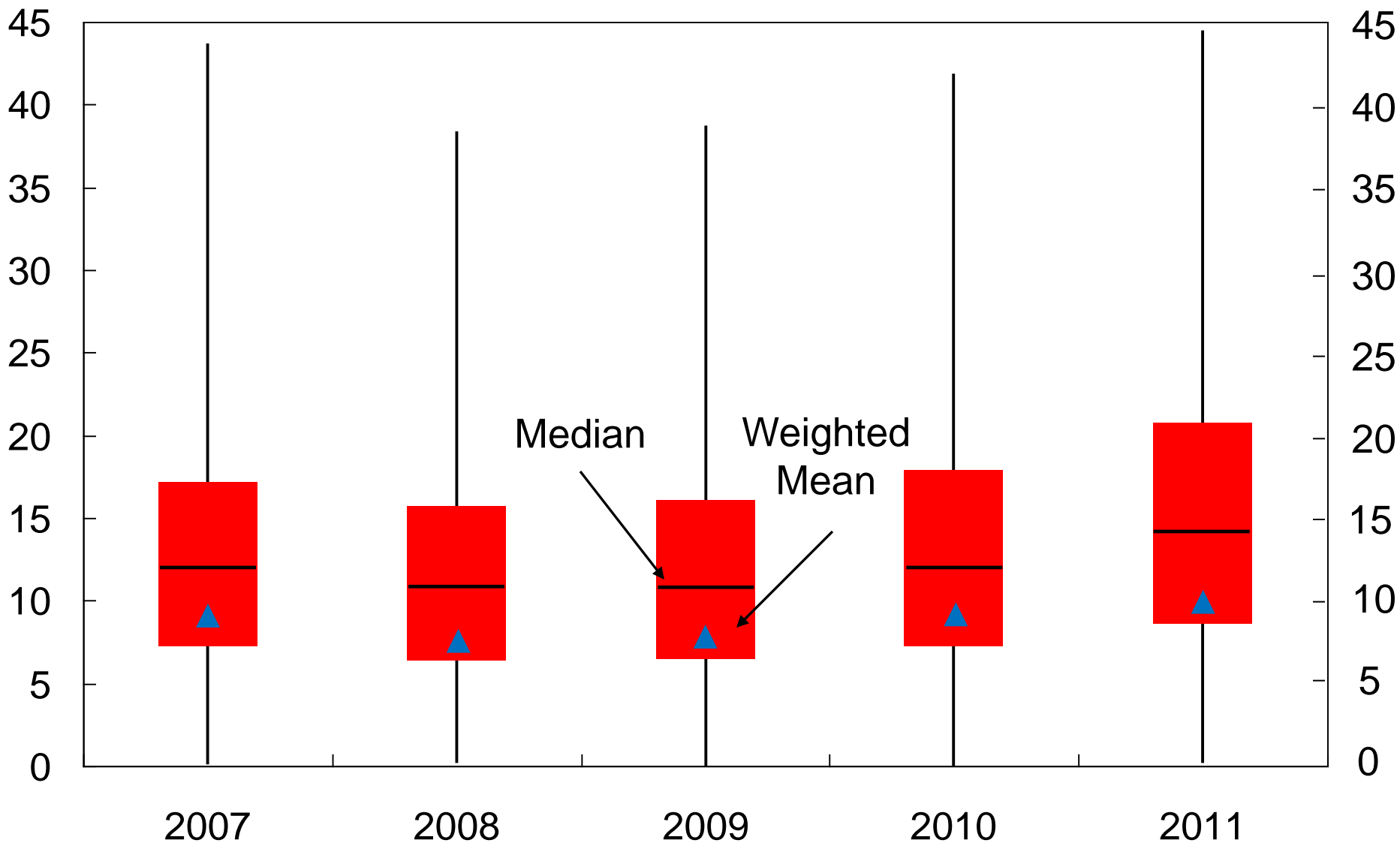
Source: Flow of Funds

Note: Data for all commercial banks.

# 7.1.6 Large BHC Treasury and Agency Debt Holdings

Percent of Assets

Percent of Assets



Source: FR Y-9C, FSOC Calculations

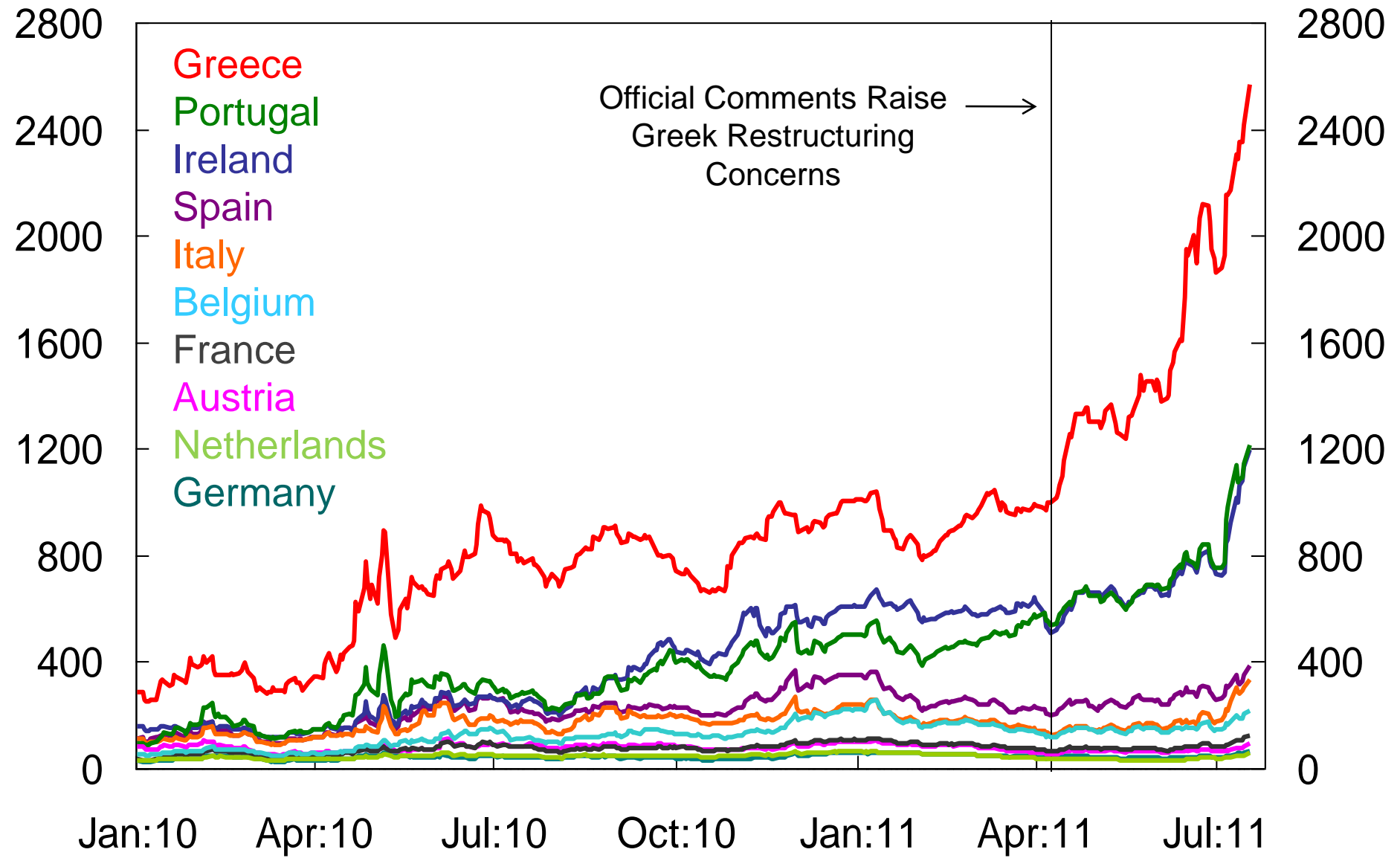
Note: Extremes of 1<sup>st</sup> and 99<sup>th</sup> Percentile, Box Ranges from 25<sup>th</sup> – 75<sup>th</sup> Percentile. Domestically owned BHCs.



# 7.1.7 European Sovereign 5-year CDS Spreads

Basis Points

Basis Points

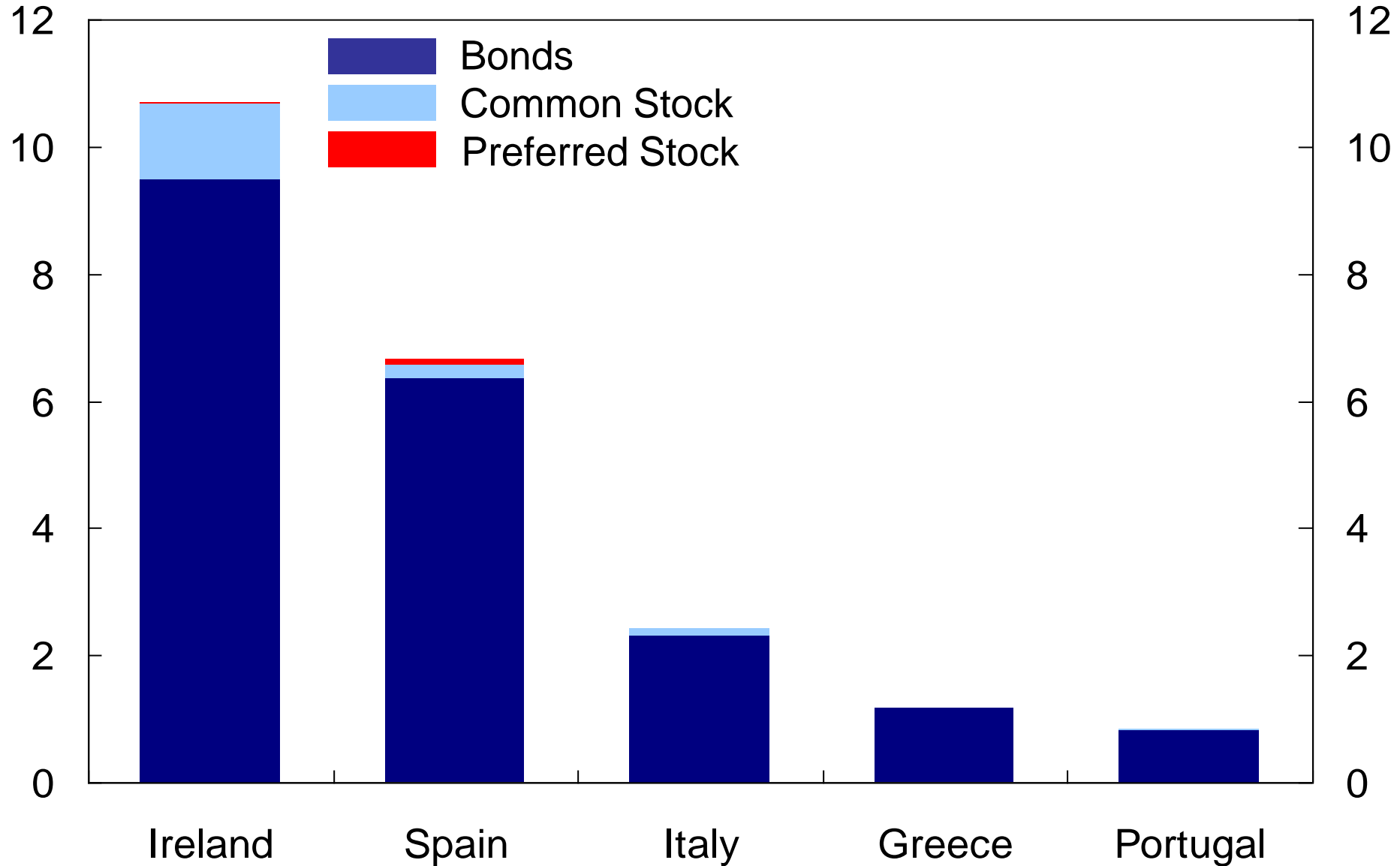


Source: Bloomberg

# 7.1.8 Insurance Industry Exposure to Europe

Billions of US\$

Billions of US\$



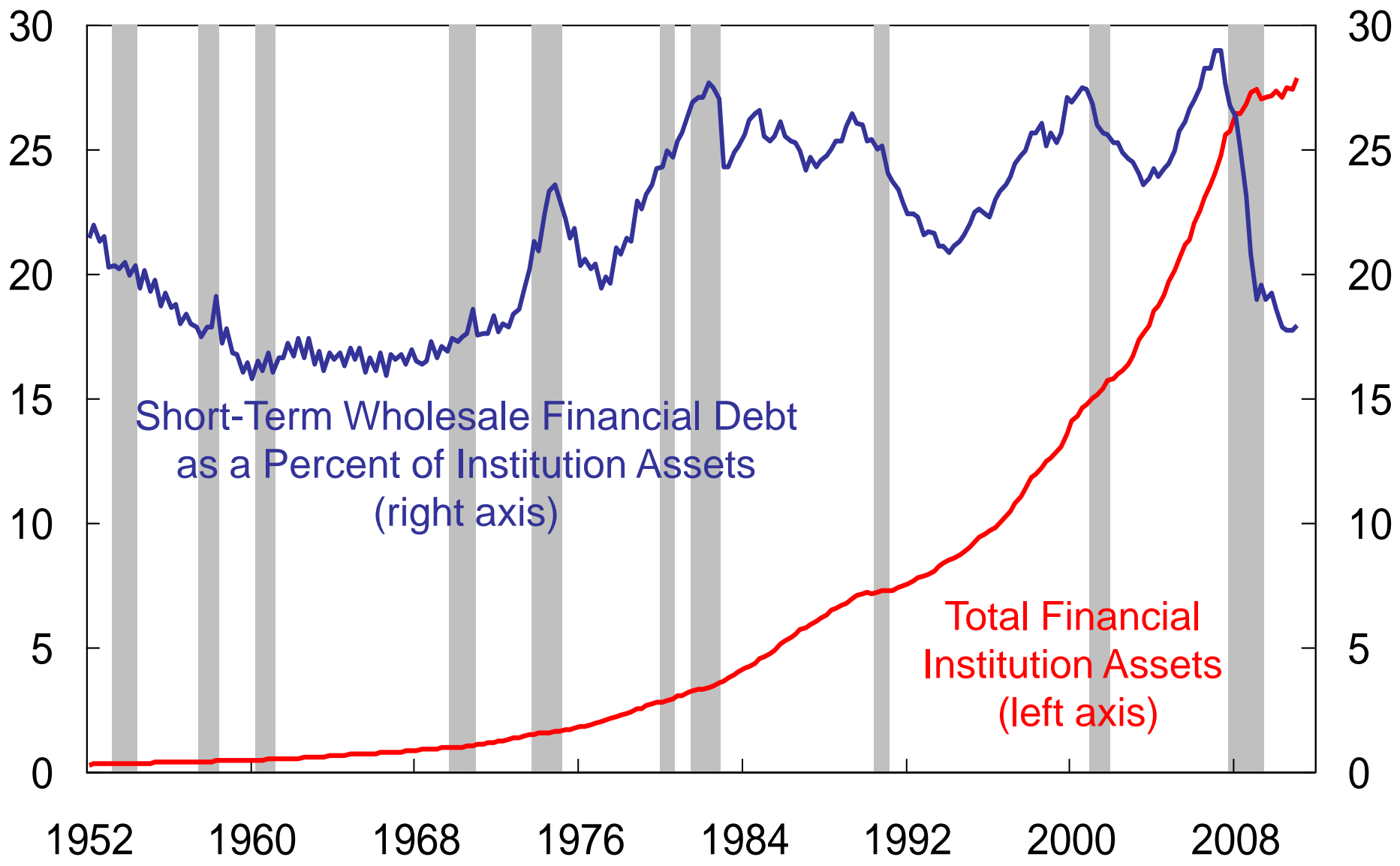
Source: NAIC

Note: As of 2010:Q4.

# 7.1.9 Short-Term Wholesale Funding

Trillions of US\$

Percent

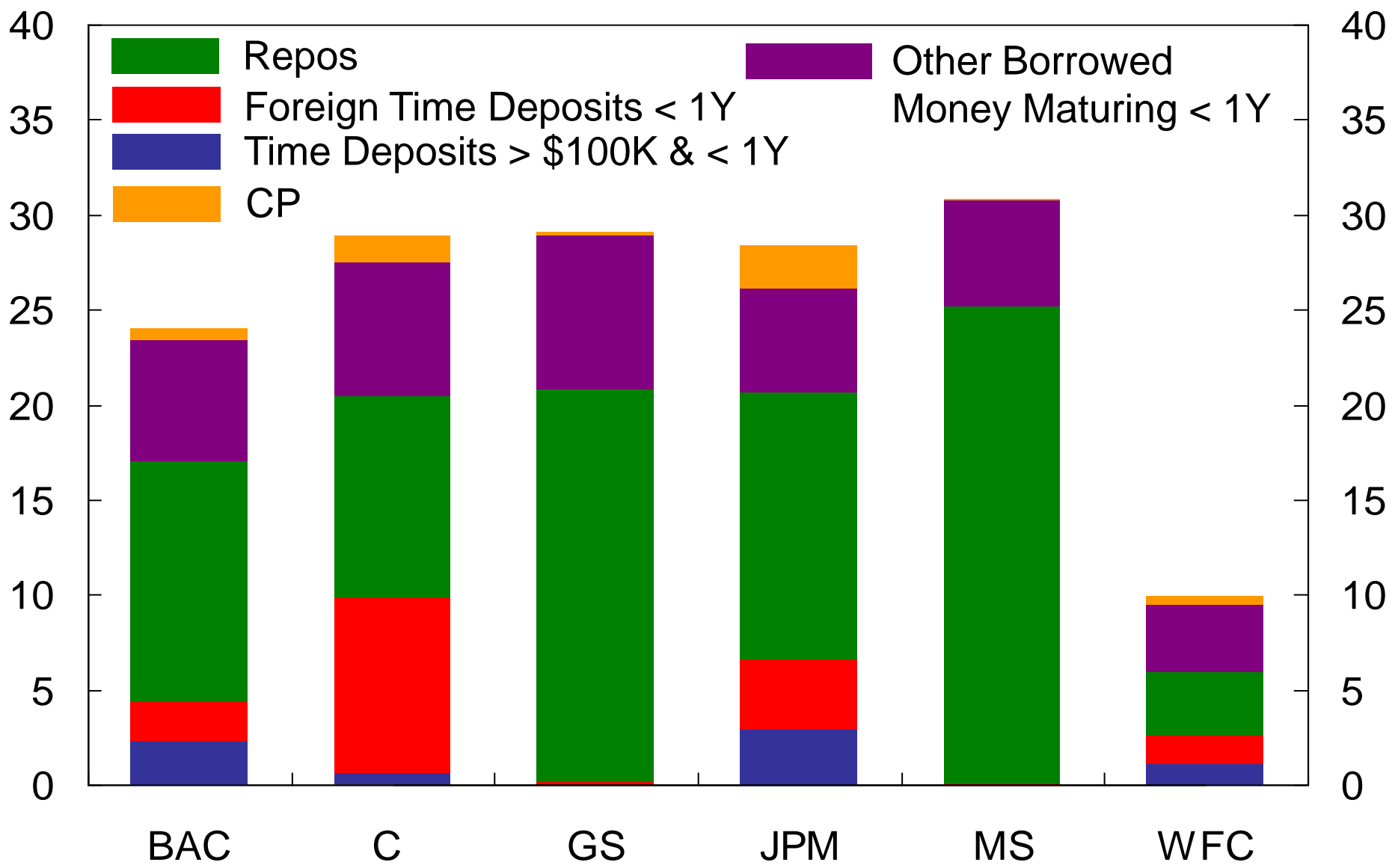


Source: Flow of Funds

# 7.1.10 Less-Stable Funding Sources at 6 Largest BHCs

Percent of Total Liabilities

Percent of Total Liabilities



Source: FR Y-9C

Note: 2011:Q1, liabilities excluding minority interest.

## 7.1.11 Potential BHC Ratings Without Support Uplift

	S&P Ratings		Moody's	
	LT Rating No Support	ST Rating No Support	LT Rating No Support	ST Rating No Support
BAC	BBB+	A-2	Baa3*	P-2*
C	BBB+	A-2	Baa3*	P-2*
GS	A-	A-2	A2	P-1
JPM	A+	A-1	A1	P-1
MS	BBB+	A-2	Baa1	P-2
WFC	AA-	A-1	A3*	P-1 or P-2

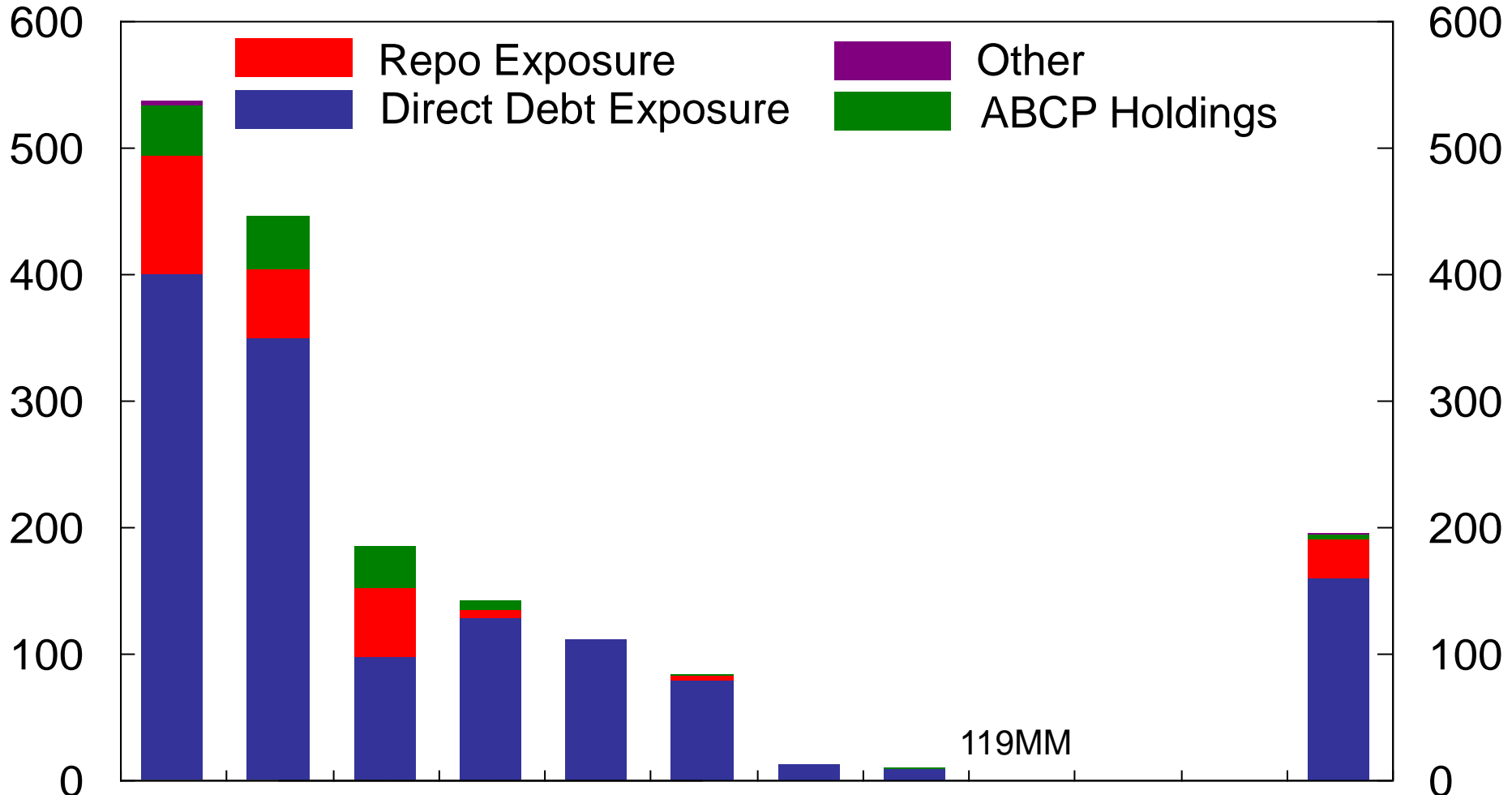
Source: Moody's, S&P

Note: \*Denotes rating is under review for downgrade.

# 7.1.12 U.S. Prime MMF Exposure by Country and Type

Billions of US\$

Billions of US\$



119MM

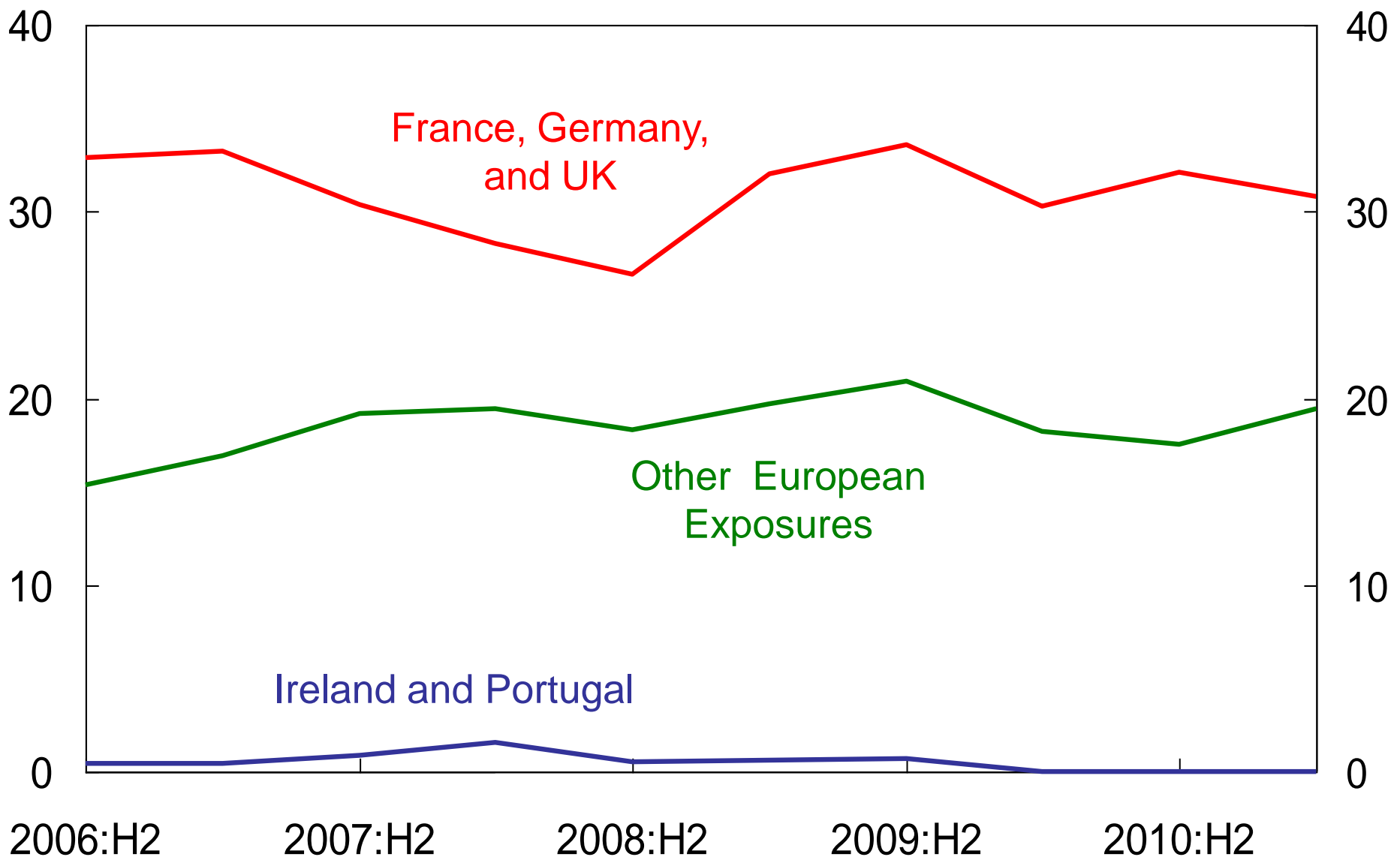
Note: Exposures as of 6/30/2011. Exposure for Greece and Portugal is reported as zero.

Source: SEC Form N-MFP

# 7.1.13 U.S. Prime MMF European Exposures

Percent of Assets

Percent of Assets



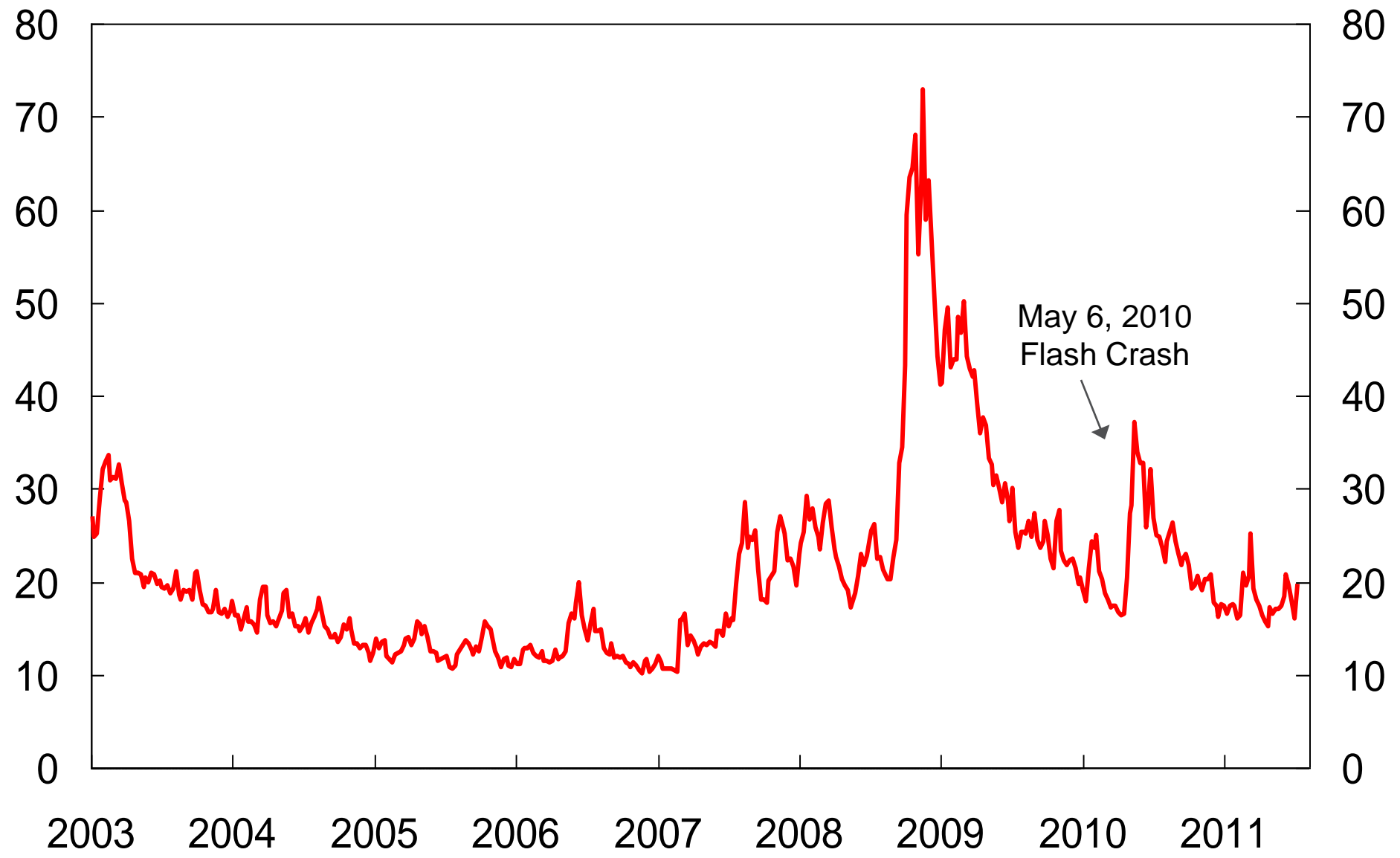
Source: Fitch Ratings

Note: Sample based on 10 largest U.S. prime MMFs.

# 7.1.14 VIX: A Measure of Financial Market Volatility

Percent

Percent

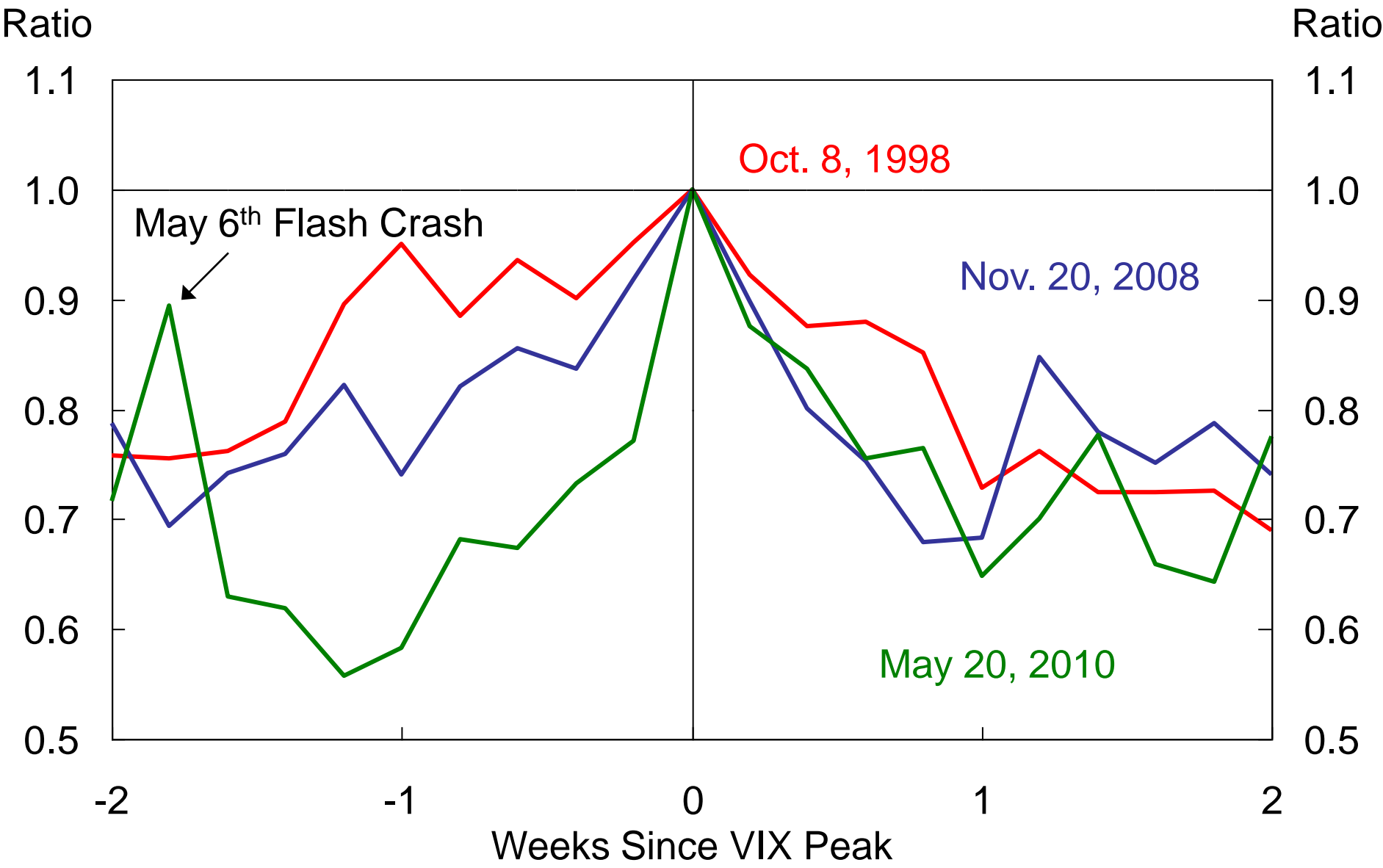


Source: CBOE, NYSE



# 7.1.15 Sharp Jumps in Market Volatility

(Series Set to 1.00 at VIX Peak)

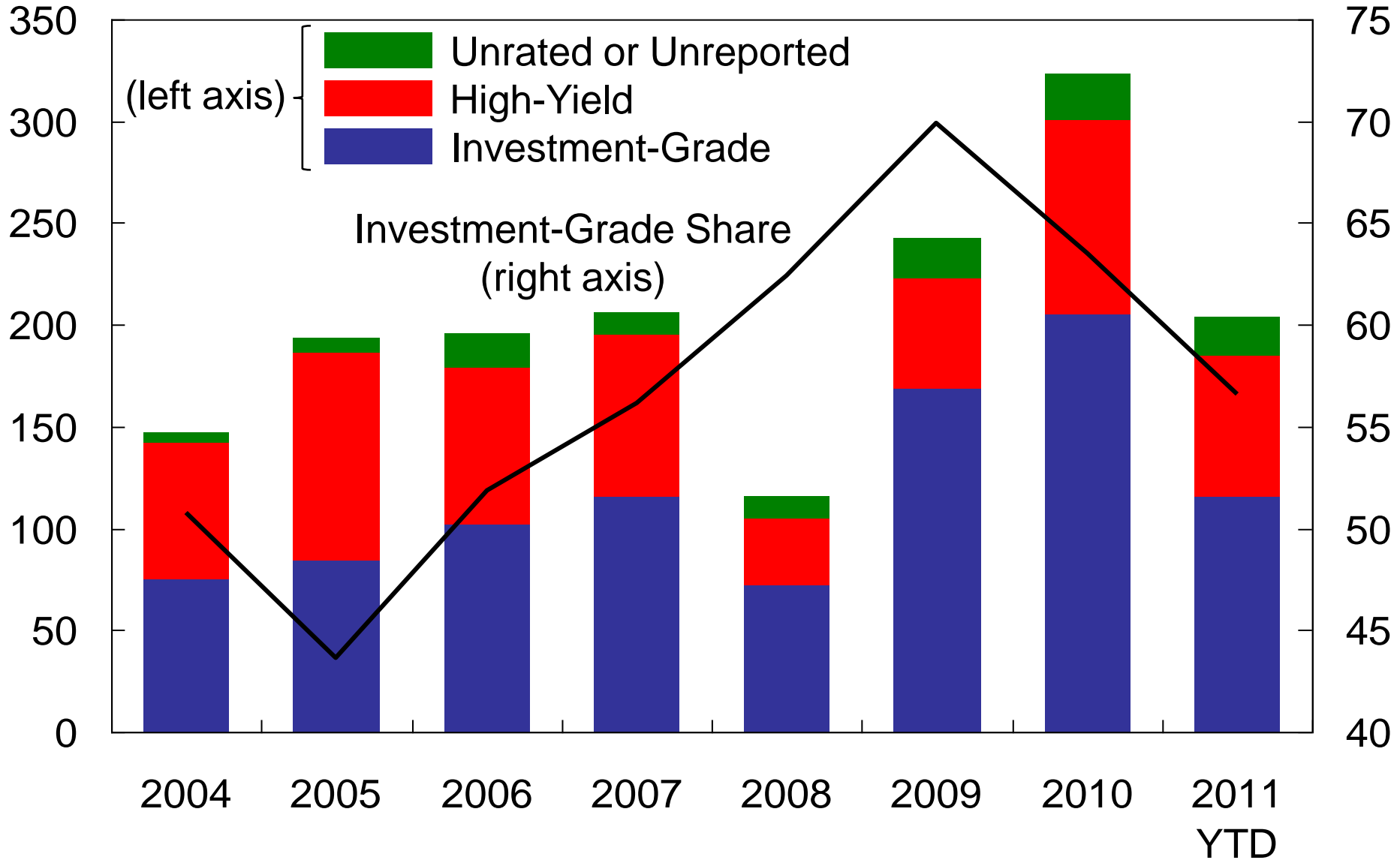


Source: Bloomberg

# 7.1.16 Emerging Market Bond Issuance

Billions of US\$

Percent



Source: Dealogic

Note: 2011 is YTD as 2011:H1.

## 7.1.17 Market and Funding Liquidity Spirals

