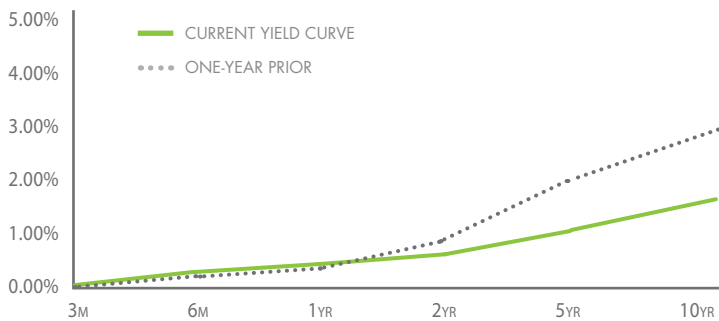




## Historical Yield Curve

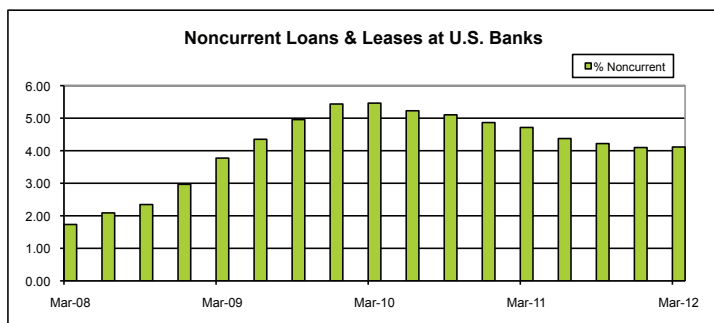


Source: Bloomberg Finance L.P., 6/1/12

## FEATURED ECONOMIC INDICATOR

### Noncurrent Loans & Leases

The amount of loans and leases that were noncurrent - 90 days or more past due or in nonaccrual status - fell for the eighth quarter in a row. Noncurrent loans are at their lowest level in three years. However, the rate of noncurrent loans & leases remains considerably higher than the levels reported prior to the 2008/09 recession. In the 1st quarter of 2012, noncurrent levels declined in most major loan categories. Noncurrent commercial loans including construction & land development, commercial real estate and commercial & industrial loans all declined. One exception to the improvement was 1-4 family residential real estate loans, which increased for the quarter. Source: FDIC Quarterly Banking Profile



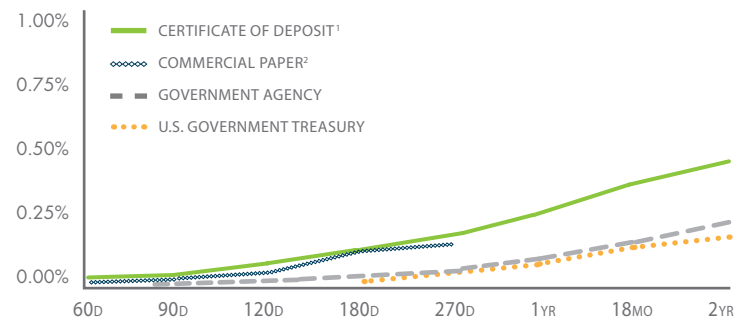
Source: FDIC

## RECENT NEWS

### European Crisis Update: Spain

Recent developments regarding the European Debt Crisis have centered on Spain. Foreign investors have sold Spanish bonds due to fears about Spain's banking system. The government's borrowing costs surged after officials announced that Spain plans to nationalize Bankia group, the country's third-largest lender. The bank has asked for \$19 billion euros and investors are uncertain whether Spain will be able to fund the planned rescue. If not, Spain could need international rescue loans from sources such as the European Stability Mechanism. Spain has become reliant on its banks to buy government bonds and the banks are increasingly dependent on the European Central Bank for funding. Some Spanish banking executives believe the situation has brought a European bailout for Spain's banking industry closer. The prospect that the Eurozone's fourth-largest economy could be in the position to seek international relief has riled markets in recent days. Source: Wall Street Journal, Bloomberg

## Indicative Rates



<sup>1</sup> Average of top ten banks; <sup>2</sup> General Electric Capital Corp.

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 6/1/12

## U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Housing Starts (MoM)	05/16/12	APR	685K	717K	699K (R)
Existing Home Sales (MoM)	05/22/12	APR	2.9%	3.4%	-2.8% (R)
S&P Case-Shiller Composite-20 (YoY)	05/29/12	MAR	-2.60%	-2.57%	-3.54% (R)
Consumer Confidence	05/29/12	MAY	69.6	64.9	68.7 (R)
GDP (QoQ Annualized)	05/31/12	1Q S	1.9%	1.9%	2.20%
Change in Nonfarm Payrolls	06/01/12	MAY	150K	69K	77K (R)
Unemployment Rate	06/01/12	MAY	8.1%	8.2%	8.1%
ISM Manufacturing	06/01/12	MAY	53.8	53.5	54.8
Initial Jobless Claims	06/07/12	2-Jun	380K	-	383K

Source: Bloomberg Finance L.P., 6/1/12

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