



2Q10 Repo and Warranties

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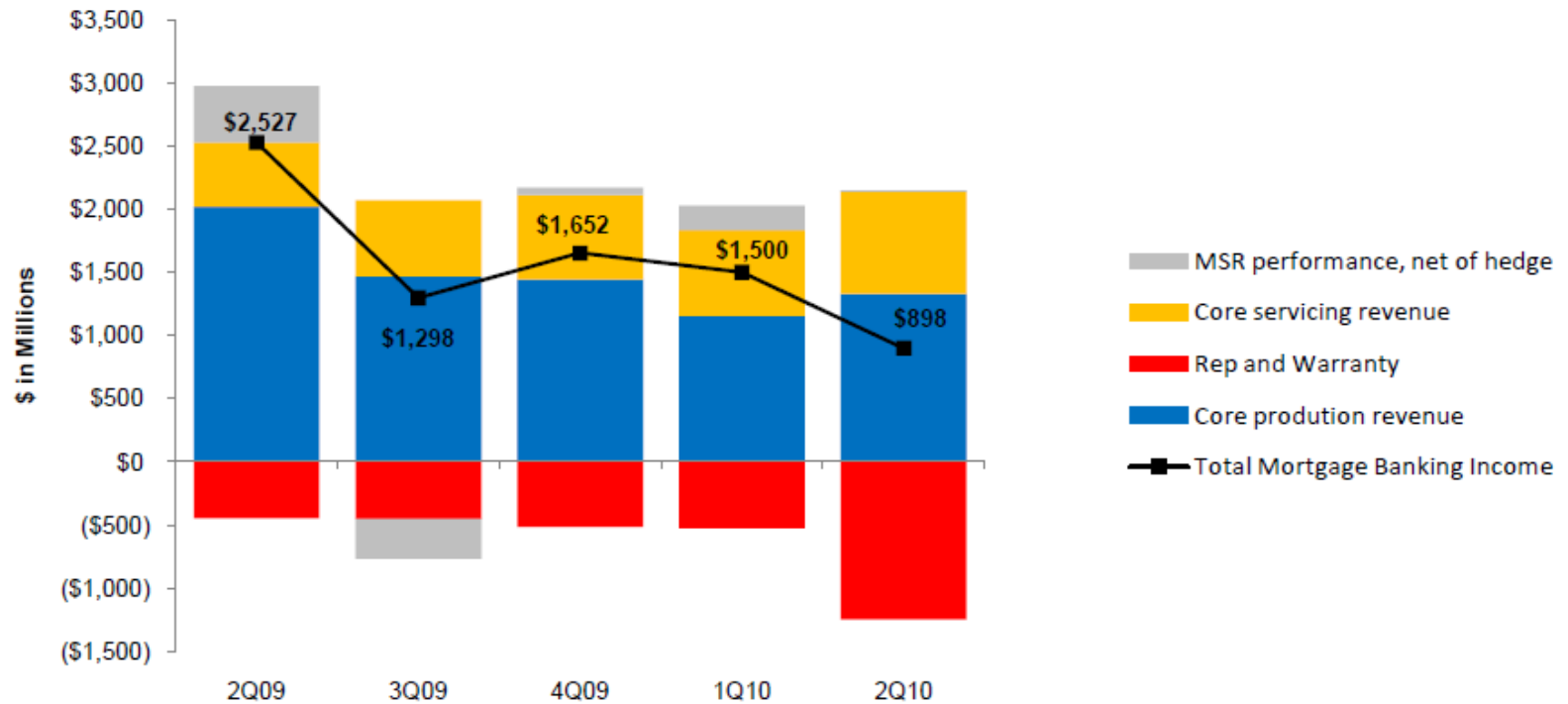
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The sources for all data are FBR Research and Company documents



Bank of America (BAC)



Source: FBR Research, Company Reports\

SunTrust Inc. (STI)

Losses declined and reserves stable...

(\$ in millions)	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010
Beginning Balance	92	93	92	123	200
Additions	26	63	136	220	128
Charge-offs	(25)	(64)	(105)	(143)	(118)
Ending balance	93	92	123	200	210

Source: FBR Research, Company Reports

First Horizon (FHN)

Mortgage Repurchase Reserve

(\$ in mm)	2Q09	3Q09	4Q09	1Q10	2Q10
Beginning Balance	\$38	\$52	\$61	\$106	\$126
Net Charge-Offs	(\$14)	(\$17)	(\$15)	(\$20)	(\$20)
Provision	\$29	\$26	\$59	\$41	\$56
Ending Balance	\$52	\$61	\$106	\$126	\$162

Source: FBR Research, Company Reports\

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Paul Miller, CFA, Managing Director & Group Head . 703.469.1252 . pmiller@fbr.com

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Buying Calls or Puts--Investors may lose the entire premium paid.

Selling Covered Calls--Selling calls on long stock position. Risk is that the stock will be called away at strike, limiting investor profit to strike plus premium received.

Selling Uncovered Calls--Unlimited risk that investors may experience losses much greater than premium received.

Selling Uncovered Puts--Significant risk that investors will experience losses much greater than premium income received.

Buying Vertical Spreads (Calls--long call and short call with higher strike; Puts--long put and short put with lower strike) Same expiration month for both options. Investors may lose the entire premium paid.

Buying Calendar Spreads (different expiration months with short expiration earlier than long). Investors may lose the entire premium paid.

Selling Call or Put Vertical Spreads (Calls--short call and long call with higher strike; Puts--short put and long put with a lower strike, same expiration month for both options.) Investors risk the loss of the difference between the strike prices, reduced by the premium received.

Buying Straddle--Buying a put and a call with the same underlying strike and expiration. Investors risk loss of the entire premium paid.

Selling Straddle--Sale of call and put with the same underlying strike and expiration.) Unlimited risk that investors will experience losses much greater than the premium income received.

Buying Strangle--Long call and long put, both out of the money, with the same expiration and underlying security. Investors may lose the entire premium paid.

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Paul Miller, CFA, Managing Director & Group Head . 703.469.1252 . pmiller@fbr.com

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BUY [Outperform] 50.7% 9.8%

HOLD [Market Perform] 43.4% 6.8%

SELL [Underperform] 5.9% 7.7%

(1)

As of midnight on the business day immediately prior to the date of this publication.

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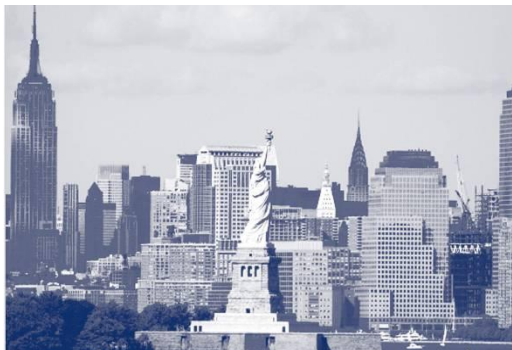


Paul Miller, CFA, Managing Director & Group Head . 703.469.1252 . pmiller@fbr.com



Metropolitan Washington, D.C. Headquarters

1001 Nineteenth Street North . Arlington, VA 22209
703.312.9500 . 703.312.9501F . www.fbrcapitalmarkets.com



Boston

100 Federal Street, 29th Floor Boston, MA 02110
617.757.2900

Dallas

2100 McKinney Avenue, Suite 1940 Dallas, TX 75201
469.341.1200

Houston

600 Travis Street, Suite 6070 Houston, TX 77002
713.343.1000

Irvine

18101 Von Karman Avenue, Suite 950 Irvine, CA 92612
949.477.3100

New York

299 Park Avenue, 7th Floor New York, NY 10171
212.457.3300



San Francisco

4 Embarcadero Center, Suite 1950 San Francisco, CA 94111
415.248.2900

London, U.K.

FBR Capital Markets International Limited
8th Floor, Berkeley Square House
Berkeley Square London W1J 6DB
011.44.20.7409.5300



Paul Miller, CFA, Managing Director & Group Head . 703.469.1252 . pmiller@fbr.com