Nonperforming commercial loans and leases as a percentage of outstanding commercial loans and leases were 3.32 percent (3.35 percent excluding loans accounted for under the fair value option) and 3.98 percent (4.00 percent excluding loans accounted for under the fair value option) at December 31, 2010 and 2009. Accruing commercial loans and leases past due 90 days or more as a percentage of outstanding commercial loans and leases were 0.21 percent (0.22 percent excluding loans accounted for under the fair value option) and 0.34 percent (0.32 percent excluding loans accounted for under the fair value option) at December 31, 2010 and 2009.

Table 35 presents net charge-offs and related ratios for our commercial loans and leases for 2010 and 2009. Commercial real estate net charge-offs for 2010 declined in the homebuilder portfolio and in certain segments of the non-homebuilder portfolio.

Table 35 Commercial Net Charge-offs and Related Ratios

	Net Charge-offs		Net Charge-off Ratios (1)	
(Dollars in millions)	2010	2009	2010	2009
U.S. commercial (2)	$ 881	$2,190	0.50%	1.09%
Commercial real estate	2,017	2,702	3.37	3.69
Commercial lease financing	57	195	0.27	0.89
Non-U.S. commercial	111	537	0.39	1.76
	3,066	5,624	1.07	1.72
U.S. small business commercial	1,918	2,886	12.00	15.68
Total commercial	$4,984	$8,510	1.64	2.47

(1) Net charge-off ratios are calculated as net charge-offs divided by average outstanding loans and leases excluding loans accounted for under the fair value option.

(2) Excludes U.S. small business commercial loans.

Table 36 presents commercial credit exposure by type for utilized, unfunded and total binding committed credit exposure. Commercial utilized credit exposure includes SBLCs, financial guarantees, bankers' acceptances and commercial letters of credit for which the Corporation is legally bound to advance funds under prescribed conditions, during a specified period. Although funds have not yet been advanced, these exposure types are considered utilized for credit risk management purposes. Total commercial committed credit exposure decreased $68.1 billion, or eight percent, at December 31, 2010 compared to December 31, 2009 driven primarily by reductions in both funded and unfunded loan and lease exposure.

Total commercial utilized credit exposure decreased $45.1 billion, or nine percent, at December 31, 2010 compared to December 31, 2009. Utilized loans and leases declined as businesses continued to aggressively manage working capital and production capacity, maintain low inventories and defer capital expenditures as the economic outlook remained uncertain. Clients also continued to access the capital markets for their funding needs to reduce reliance on bank credit facilities. The decline in utilized loans and leases was also due to the sale of First Republic effective July 1, 2010 and the transfer of certain exposures into LHFS partially offset by the increase in conduit balances related to the adoption of new consolidation guidance. The utilization rate for loans and leases, letters of credit and financial guarantees, and bankers' acceptances was 57 percent at both December 31, 2010 and 2009.

Table 36 Commercial Credit Exposure by Type

	December 31					
	Commercial Utilized (1)		Commercial Unfunded (2, 3)		Total Commercial Committed	
(Dollars in millions)	2010	2009	2010	2009	2010	2009
Loans and leases	$296,990	$322,564	$272,172	$298,048	$569,162	$620,612
Derivative assets (4)	73,000	87,622	–	–	73,000	87,622
Standby letters of credit and financial guarantees	62,027	67,975	1,511	1,767	63,538	69,742
Debt securities and other investments (5)	10,216	11,754	4,546	1,508	14,762	13,262
Loans held-for-sale	10,380	8,169	242	781	10,622	8,950
Commercial letters of credit	3,372	2,958	1,179	569	4,551	3,527
Bankers' acceptances	3,706	3,658	23	16	3,729	3,674
Foreclosed properties and other	731	797	–	–	731	797
Total commercial credit exposure	$460,422	$505,497	$279,673	$302,689	$740,095	$808,186

(1) Total commercial utilized exposure at December 31, 2010 and 2009 includes loans and issued letters of credit accounted for under the fair value option including loans outstanding of $3.3 billion and $4.9 billion and letters of credit with a notional value of $1.4 billion and $1.7 billion.

(2) Total commercial unfunded exposure at December 31, 2010 and 2009 includes loan commitments accounted for under the fair value option with a notional value of $25.9 billion and $25.3 billion.

(3) Excludes unused business card lines which are not legally binding.

(4) Derivative assets are carried at fair value, reflect the effects of legally enforceable master netting agreements and have been reduced by cash collateral of $58.3 billion and $51.5 billion at December 31, 2010 and 2009. Not reflected in utilized and committed exposure is additional derivative collateral held of $17.7 billion and $16.2 billion which consists primarily of other marketable securities.

(5) Total commercial committed exposure consists of $14.2 billion and $9.8 billion of debt securities and $590 million and $3.5 billion of other investments at December 31, 2010 and 2009.