BLACKROCK NEW YORK MUNICIPAL INCOME TRUST
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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10337

Name of Fund: BlackRock New York Municipal Income Trust (BNY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock New York Municipal Income Trust, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2012

Date of reporting period: 01/31/2012

Item 1 – Report to Stockholders

January 31, 2012

Semi-Annual Report (Unaudited)

BlackRock California Municipal Income Trust (BFZ)

BlackRock Florida Municipal 2020 Term Trust (BFO)

BlackRock Investment Quality Municipal Income Trust (RFA)

BlackRock Municipal Income Investment Trust (BBF)

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)

BlackRock New Jersey Municipal Income Trust (BNJ)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)

BlackRock New York Municipal Income Trust (BNY)

Table of Contents

	Page
Dear Shareholder	3
Semi-Annual Report:	
Municipal Market Overview	4
Trust Summaries	5
The Benefits and Risks of Leveraging	13
Derivative Financial Instruments	13
Financial Statements:	
Schedules of Investments	14
Statements of Assets and Liabilities	40
Statements of Operations	42
Statements of Changes in Net Assets	44
Statements of Cash Flows	46
Financial Highlights	47
Notes to Financial Statements	55
Officers and Trustees	63
Additional Information	64

Dear Shareholder

Early in 2011, global financial market action was dominated by political revolutions in the Middle East and North Africa, soaring prices of oil and other commodities, and natural disasters in Japan resulting in global supply chain disruptions. But corporate earnings were strong and the global economic recovery appeared to be on track. Investors demonstrated steadfast confidence as risk assets, including equities, commodities and high yield bonds, charged forward. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5th, Standard & Poor s downgraded the US government s credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded, resulting in highly correlated asset prices. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region s debt crisis. Investors came back from the sidelines and risk assets rallied through the month. Eventually, a lack of definitive details about Europe s rescue plan raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw political instability in Greece, unsustainable yields on Italian bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated investors, but confidence was easily tempered by sobering news flow. Sentiment improved in the New Year as investors saw bright spots in global economic data, particularly from the United States, China and Germany. International and emerging markets rebounded strongly through January. US stocks rallied on solid improvement in the domestic labor market and indications from the Federal Reserve that interest rates would remain low through 2014. Nonetheless, investors maintained caution as US corporate earnings began to weaken and a European recession appeared inevitable.

US equities and high yield bonds recovered their late-summer losses and posted positive returns for both the 6- and 12-month periods ended January 31, 2012. International markets, however, experienced some significant downturns in 2011 and remained in negative territory despite a strong rebound at the end of the period. Fixed income securities benefited from declining yields and delivered positive returns for the 6- and 12-month periods. US Treasury bonds outperformed other fixed income classes despite their quality rating downgrade, while municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain unresolved. For investors, the risks are daunting. BlackRock remains committed to helping you keep your financial goals on track in this challenging environment.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

BlackRock remains committed to helping you keep your financial goals on track in this challenging environment.

Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of January 31, 2012

	6-month	**12-month**
US large cap equities (S&P 500® Index)	2.71%	4.22%
US small cap equities (Russell 2000® Index)	0.22	2.86
International equities (MSCI Europe, Australasia,	(10.42)	(9.59)

Far East Index)		
Emerging market equities (MSCI Emerging Markets Index)	(9.56)	(6.64)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.02	0.09
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	10.81	18.49
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.25	8.66
Tax-exempt municipal bonds (S&P Municipal Bond Index)	7.25	14.40
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	1.84	5.81

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Municipal Market Overview

For the 12-Month Period Ended January 31, 2012

One year ago, the municipal bond market was steadily recovering from a difficult fourth quarter of 2010 that brought severe losses amid a steepening US Treasury yield curve and a flood of inflated headlines about municipal finance troubles. Retail investors had lost confidence in municipals and retreated from the market. Political uncertainty surrounding the midterm elections and tax policies exacerbated the situation. These conditions combined with seasonal illiquidity weakened willful market participation from the trading community. December 2010 brought declining demand with no comparable reduction in supply as issuers rushed their deals to market before the Build America Bond program was retired. This supply-demand imbalance led to wider quality spreads and higher yields for municipal bonds heading into 2011.

Demand is usually strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds in the first half of 2011. From the middle of November 2010, outflows persisted for 29 consecutive weeks, totaling $35.1 billion before the trend finally broke in June 2011. However, weak demand was counterbalanced by lower supply in 2011. According to Thomson Reuters, new issuance was down 32% in 2011 as compared to the prior year. While these technical factors were improving, municipalities were struggling to balance their budgets, although the late-2010 predictions for widespread municipal defaults did not materialize. Other concerns that resonated at the beginning of the year, such as rising interest rates, weakening credits and higher rates of inflation, abated as these scenarios also did not come to fruition.

On August 5th, 2011, Standard & Poor s (S&P) downgraded the US government s credit rating from AAA to AA+. While this led to the downgrade of approximately 11,000 municipal issues directly tied to the US debt rating, this represented a very small fraction of the municipal market and said nothing about the individual municipal credits themselves. In fact, demand for municipal bonds increased as severe volatility in US equities drove investors to more stable asset classes. The municipal market benefited from an exuberant Treasury market and continued muted new issuance. As supply remained constrained, demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history. The S&P Municipal Bond Index returned 10.62% in 2011, making municipal bonds a top-performing fixed income asset class for the year.

Supply and demand technicals continued to be favorable in January 2012. Overall, the municipal yield curve flattened during the period from January 31, 2011 to January 31, 2012. As measured by Thomson Municipal Market Data, yields declined by 161 basis points (bps) to 3.17% on AAA-rated 30-year municipal bonds and by 163 bps to 1.68% on 10-year bonds, while yields on 5-year issues fell 117 bps to 0.68%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 120 bps, and in the 2- to 10-year range, the spread tightened by 124 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country, while a small number of states continue to rely on a kick-the-can approach to close their budget shortfalls, with aggressive revenue projections and accounting gimmicks. The market s technical factors are also improving as demand outpaces supply in what is historically a light issuance period. It has been over a year since the first highly publicized interview about the fiscal problems plaguing state and local governments. Thus far, the prophecy of widespread defaults across the municipal market has not materialized. In 2011, there were fewer municipal defaults than seen in 2010. Throughout 2011 monetary defaults in the S&P Municipal Bond Index totaled roughly $805 million, representing less than 0.48% of the index. BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Trust Summary as of January 31, 2012 **BlackRock California Municipal Income Trust**

Trust Overview

BlackRock California Municipal Income Trust s (BFZ) (the Trust) investment objective is to provide current income exempt from regular US federal income and California income taxes. The Trust seeks to achieve its investment objective by investing primarily in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. The Trust invests, under normal market conditions, at least 80% of its assets in municipal obligations that are investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the six months ended January 31, 2012, the Trust returned 21.17% based on market price and 17.19% based on net asset value (NAV). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 21.02% based on market price and 14.53% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s slightly long duration (sensitivity to interest rate movements) had a positive impact on performance as interest rates generally declined amid the investor flight-to-quality in the US Treasury market. Increased exposure to inverse floating rate instruments (tender option bonds) while the municipal yield curve was historically steep boosted the Trust s income accrual. The Trust s holdings of higher quality essential service revenue bonds contributed positively, as did holdings of select general obligation bonds and school district credits with stronger underlying fundamentals. Additionally, purchases of zero-coupon bonds deemed undervalued added to the Trust s total return.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange (NYSE)	BFZ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of January 31, 2012 ($15.45)[1]	5.88%
Tax Equivalent Yield[2]	9.05%
Current Monthly Distribution per Common Share[3]	$0.0757
Current Annualized Distribution per Common Share[3]	$0.9084
Economic Leverage as of January 31, 2012[4]	39%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The Monthly Distribution per Common Share, declared on March 1, 2012, was increased to $0.0777 per share. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

4 Represents Auction Market Preferred Shares (AMPS) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 15.45	$ 13.16	17.40%	$ 15.45	$ 12.95
Net Asset Value	$ 15.76	$ 13.88	13.54%	$ 15.76	$ 13.88

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	37%	39%
Utilities	29	29
Health	12	11
Education	9	7
Transportation	6	7
State	6	5
Housing	1	2

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	10%	11%
AA/Aa	70	67
A	20	20
BBB/Ba	[6]	2

[5] Using the higher of Standard and Poor s (S&P s) or Moody s Investors Service (Moody s) ratings.

[6] Amount rounds to less than 1%.

Trust Summary as of January 31, 2012 **BlackRock Florida Municipal 2020 Term Trust**

Trust Overview

BlackRock Florida Municipal 2020 Term Trust s (BFO) (the Trust) investment objectives are to provide current income exempt from regular federal income tax and Florida intangible personal property tax and to return $15.00 per common share (the initial offering price per share) to holders of common shares on or about December 31, 2020. The Trust seeks to achieve its investment objectives by investing at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Florida intangible personal property tax. The Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust actively manages the maturity of its bonds to seek to have a dollar weighted average effective maturity approximately equal to the Trust s maturity date. The Trust may invest directly in such securities or synthetically through the use of derivatives. Effective January 1, 2007, the Florida intangible personal property tax was repealed.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the six months ended January 31, 2012, the Trust returned 13.28% based on market price and 7.94% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 16.44% based on market price and 11.33% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, municipal bond prices generally rose as the yield curve flattened and credit spreads tightened. Given these market conditions, the Trust s exposure to intermediate and longer maturity bonds and lower-quality investment grade bonds had a significant positive impact on the Trust s performance for the period. The Trust is scheduled to mature on or about December 31, 2020 and thus holds securities that will mature close to that date. The Trust s shorter maturity profile was a disadvantage as compared to its Lipper category peers that typically hold longer-dated issues, which exhibited greater price appreciation in the declining interest rate environment.

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Trust Information

Symbol on NYSE	BFO
Initial Offering Date	September 30, 2003
Termination Date (on or about)	December 31, 2020
Yield on Closing Market Price as of January 31, 2012 ($15.41)[1]	4.36%
Tax Equivalent Yield[2]	6.71%
Current Monthly Distribution per Common Share[3]	$0.056
Current Annualized Distribution per Common Share[3]	$0.672
Economic Leverage as of January 31, 2012[4]	33%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4

Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 15.41	$ 13.91	10.78%	$ 15.44	$ 13.79
Net Asset Value	$ 15.77	$ 14.94	5.56%	$ 15.77	$ 14.94

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	44%	46%
Utilities	15	18
State	14	11
Corporate	8	6
Health	8	12
Transportation	8	4
Housing	2	2
Education	1	1

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	7%	7%
AA/Aa	48	40
A	20	23
BBB/Baa	12	12
BB/Ba	1	1
Not Rated[6]	12	17

5 Using the higher of S&P s or Moody s ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was $6,284,191, representing 5%, and $10,771,005, representing 8%, respectively, of the Trust s long-term investments.

Trust Summary as of January 31, 2012

BlackRock Investment Quality Municipal Income Trust

Trust Overview

BlackRock Investment Quality Municipal Income Trust s (RFA) (the Trust) investment objective is to provide high current income exempt from regular federal income tax and to provide an exemption from Florida intangible personal property taxes consistent with preservation of capital. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Florida intangible personal property tax. Under normal market conditions, the Trust invests at least 80% of its assets in municipal bonds rated investment grade at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008 allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

No assurance can be given that the Trust s investment objective will be achieved.

On February 10, 2012, the Board of Trustees of the Trust approved a plan of liquidation and dissolution. If approved by shareholders, the liquidation and distribution of substantially all of the Trust s assets is expected to occur by the end of the third quarter of 2012.

Performance

For the six months ended January 31, 2012, the Trust returned 24.27% based on market price and 16.68% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 21.10% based on market price and 13.67% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health care, transportation and education sectors experienced the best price appreciation.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE Amex	RFA
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of January 31, 2012 ($14.00)[1]	6.00%
Tax Equivalent Yield[2]	9.23%
Current Monthly Distribution per Common Share[3]	$0.07
Current Annualized Distribution per Common Share[3]	$0.84
Economic Leverage as of January 31, 2012[4]	39%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 14.00	$ 11.65	20.17%	$ 14.00	$ 11.49
Net Asset Value	$ 13.28	$ 11.77	12.83%	$ 13.28	$ 11.77

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	21%	19%
Transportation	18	20
Health	18	17
Utilities	17	20
State	10	8
Education	7	7
Housing	6	6
Corporate	2	2
Tobacco	1	1

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	11%	8%
AA/Aa	58	57
A	23	25
BBB/Baa	7	8
BB/Ba		1
Not Rated	1	1

5 Using the higher of S&P s or Moody s ratings.

Trust Summary as of January 31, 2012 **BlackRock Municipal Income Investment Trust**

Trust Overview

BlackRock Municipal Income Investment Trust s (BBF) (the Trust) investment objective is to provide current income exempt from regular federal income tax and Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008 allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the six months ended January 31, 2012, the Trust returned 21.49% based on market price and 17.04% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 21.10% based on market price and 13.67% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health care, transportation and education sectors experienced the best price appreciation.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE	BBF
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of January 31, 2012 ($14.99)[1]	6.03%
Tax Equivalent Yield[2]	9.28%
Current Monthly Distribution per Common Share[3]	$0.075375
Current Annualized Distribution per Common Share[3]	$0.904500
Economic Leverage as of January 31, 2012[4]	39%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents Variable Rate Demand Preferred Shares (VRDP Shares) and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 14.99	$ 12.74	17.66%	$ 15.00	$ 12.20
Net Asset Value	$ 15.19	$ 13.40	13.36%	$ 15.19	$ 13.40

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	26%	19%
Utilities	18	18
Transportation	18	16
Health	17	21
State	11	9
Education	7	7
Corporate	1	8
Tobacco	1	1
Housing	1	1

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	9%	10%
AA/Aa	60	55
A	23	26
BBB/Baa	7	7
BB/Ba	[6]	1
Not Rated	1	1

5 Using the higher of S&P s or Moody s ratings.

6 Amount rounds to less than 1%.

Trust Summary as of January 31, 2012 **BlackRock New Jersey Investment Quality Municipal Trust Inc.**

Trust Overview

BlackRock New Jersey Investment Quality Municipal Trust Inc. s (RNJ) (the Trust) investment objective is to provide high current income exempt from regular federal income tax and New Jersey gross income tax consistent with preservation of capital. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in a portfolio of investment grade New Jersey municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New Jersey gross income taxes. Under normal market conditions, the Trust invests at least 80% of its assets in securities rated investment grade at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

On February 10, 2012, the Board of Trustees of the Trust approved a plan of liquidation and dissolution. If approved by shareholders, the liquidation and distribution of substantially all of the Trust s assets is expected to occur by the end of the third quarter of 2012.

Performance

For the six months ended January 31, 2012, the Trust returned 19.86% based on market price and 16.19% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 20.36% based on market price and 13.24% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health care, transportation and education sectors experienced the best price appreciation.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE Amex	RNJ
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of January 31, 2012 ($13.97)[1]	5.63%
Tax Equivalent Yield[2]	8.66%
Current Monthly Distribution per Common Share[3]	$0.0655
Current Annualized Distribution per Common Share[3]	$0.7860
Economic Leverage as of January 31, 2012[4]	35%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 13.97	$ 12.02	16.22%	$ 13.97	$ 11.85
Net Asset Value	$ 13.88	$ 12.32	12.66%	$ 13.88	$ 12.32

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
State	26%	17%
Education	17	19
County/City/Special District/School District	17	13
Transportation	15	18
Health	11	11
Housing	7	9
Corporate	7	10
Utilities		2
Tobacco		1

Credit Quality Allocations[5]

	1/31/12	7/31/11
AA/Aa	44%	39%
A	41	42
BBB/Baa	5	10
BB/Ba	1	
B	5	5
Not Rated[6]	4	4

5 Using the higher of S&P s or Moody s ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was $511,455, representing 2%, and $884,636, representing 4%, respectively, of the Trust s long-term investments.

Trust Summary as of January 31, 2012 **BlackRock New Jersey Municipal Income Trust**

Trust Overview

BlackRock New Jersey Municipal Income Trust s (BNJ) (the Trust) investment objective is to provide current income exempt from regular federal income tax and New Jersey gross income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New Jersey gross income taxes. The Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the six months ended January 31, 2012, the Trust returned 22.66% based on market price and 15.51% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 20.36% based on market price and 13.24% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health care, transportation and education sectors experienced the best price appreciation.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE	BNJ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of January 31, 2012 ($16.75)[1]	5.67%
Tax Equivalent Yield[2]	8.72%
Current Monthly Distribution per Common Share[3]	$0.0791
Current Annualized Distribution per Common Share[3]	$0.9492
Economic Leverage as of January 31, 2012[4]	36%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 16.75	$ 14.10	18.79%	$ 16.79	$ 13.34
Net Asset Value	$ 15.74	$ 14.07	11.87%	$ 15.74	$ 14.07

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
State	23%	22%
County/City/Special District/School District	19	12
Transportation	16	18
Health	14	15
Education	12	11
Housing	10	13
Corporate	5	7
Utilities	1	1
Tobacco		1

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	7%	5%
AA/Aa	36	33
A	32	33
BBB/Baa	12	12
BB/Ba	4	5
B	3	3
Not Rated[6]	6	9

[5] Using the higher of S&P s or Moody s ratings.

[6] The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was $8,545,602, representing 5%, and $13,046,133, representing 8%, respectively, of the Trust s long-term investments.

Trust Summary as of January 31, 2012 **BlackRock New York Investment Quality Municipal Trust Inc.**

Trust Overview

BlackRock New York Investment Quality Municipal Trust Inc. s (RNY) (the Trust) investment objective is to provide high current income exempt from regular federal, New York State and New York City income tax consistent with the preservation of capital. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City income taxes. Under normal market conditions, the Trust invests at least 80% of its assets in securities rated investment grade at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

On February 10, 2012, the Board of Trustees of the Trust approved a plan of liquidation and dissolution. If approved by shareholders, the liquidation and distribution of substantially all of the Trust s assets is expected to occur by the end of the third quarter of 2012.

Performance

For the six months ended January 31, 2012, the Trust returned 16.73% based on market price and 13.47% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return 17.53% based on market price and 11.32% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. Additionally, the Trust benefited from its long duration bias (greater sensitivity to interest rate movements) as overall interest rates declined. The Trust s heavy exposures to health care and education, which were among the better performing sectors for the period, had a positive impact on performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE Amex	RNY
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of January 31, 2012 ($15.27)[1]	5.74%
Tax Equivalent Yield[2]	8.83%
Current Monthly Distribution per Common Share[3]	$0.073
Current Annualized Distribution per Common Share[3]	$0.876
Economic Leverage as of January 31, 2012[4]	37%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low
Market Price	$ 15.27	$ 13.49	13.19%	$ 15.35	$ 13.43
Net Asset Value	$ 15.13	$ 13.75	10.04%	$ 15.13	$ 13.75

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	24%	25%
Health	15	14
State	14	9
Utilities	13	16
Corporate	11	11
Education	10	13
Transportation	7	3
Housing	6	7
Tobacco		2

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	13%	17%
AA/Aa	31	26
A	35	28
BBB/Baa	9	14
BB/Ba	5	6
B		4
Not Rated	7	5[6]

[5] Using the higher of S&P s or Moody s ratings.

[6] The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011, the market value of these securities was $1,312,653, representing 2% of the Trust s long-term investments.

Trust Summary as of January 31, 2012 **BlackRock New York Municipal Income Trust**

Trust Overview

BlackRock New York Municipal Income Trust s (BNY) (the Trust) investment objective is to provide current income exempt from regular federal income tax and New York State and New York City personal income taxes. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City personal income taxes. The Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the six months ended January 31, 2012, the Trust returned 17.48% based on market price and 11.54% based on NAV. For the same period, the closed-end Lipper New York Municipal Debt Funds category posted an average return of 17.53% based on market price and 11.32% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. Additionally, the Trust benefited from its long duration bias (greater sensitivity to interest rate movements) as overall interest rates declined. The Trust s heavy exposures to education and transportation, which were among the better performing sectors for the period, had a positive impact on performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE	BNY
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of January 31, 2012 ($16.12)[1]	6.14%
Tax Equivalent Yield[2]	9.45%
Current Monthly Distribution per Common Share[3]	$0.0825
Current Annualized Distribution per Common Share[3]	$0.9900
Economic Leverage as of January 31, 2012[4]	38%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 Tax equivalent yield assumes the maximum federal tax rate of 35%.

3 The distribution rate is not constant and is subject to change.

4 Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust s market price and NAV per share:

	1/31/12	7/31/11	Change	High	Low

Market Price	$	16.12	$	14.20	13.52%	$	16.15	$	13.99
Net Asset Value	$	14.95	$	13.87	7.79%	$	14.95	$	13.87

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

Sector Allocations

	1/31/12	7/31/11
County/City/Special District/School District	18%	18%
Transportation	17	17
Education	16	17
Utilities	12	10
Corporate	10	11
Housing	9	10
Health	8	6
State	7	7
Tobacco	3	4

Credit Quality Allocations[5]

	1/31/12	7/31/11
AAA/Aaa	11%	11%
AA/Aa	37	33
A	29	27
BBB/Baa	16	20
BB/Ba	1	2
B		3
Not Rated[6]	6	4

5 Using the higher of S&P s or Moody s ratings.

6 The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of January 31, 2012 and July 31, 2011, the market value of these securities was $2,501,000, representing 1%, and $11,121,550 representing 4%, respectively, of the Trust s long-term investments.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and NAV of their common shares (Common Shares). However, these objectives cannot be achieved in all interest rate environments.

To obtain leverage, the Trusts issue Auction Market Preferred Securities (AMPS), Variable Rate Demand Preferred Shares (VRDP Shares) or Variable Rate Muni Term Preferred Shares (VMTP Shares) (collectively, Preferred Shares). Preferred Shares pay dividends at prevailing short-term interest rates, and the Trusts invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust s shareholders will benefit from the incremental net income.

To illustrate these concepts, assume a Trust s Common Shares capitalization is $100 million and it issues Preferred Shares for an additional $50 million, creating a total value of $150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust pays dividends on the $50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from the Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares (Preferred Shareholders) are significantly lower than the income earned on the Trust s long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Trust pays higher short-term interest rates whereas the Trust s total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Trusts portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Trusts Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts NAVs positively or negatively in addition to the impact on Trust performance from leverage from Preferred Shares discussed above.

The Trusts may also leverage their assets through the use of tender option bond trusts (TOBs), as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Trusts with economic benefits in periods of declining short-term interest rates, but expose the Trusts to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Trusts, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Trust s NAV per share.

The use of leverage may enhance opportunities for increased income to the Trusts and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Trusts NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Trusts net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Trust s net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Trust to incur losses. The use of leverage may limit each Trust s ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Trusts. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Trusts are permitted to issue senior securities in the form of equity securities (e.g., Preferred Shares) up to 50% of their total managed assets. In addition, each Trust voluntarily limits its economic leverage to 50% of its total managed assets for Trusts with AMPS or 45% for Trusts with VRDPs. As of January 31, 2012, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
BFZ	39%
BFO	33%
RFA	39%
BBF	39%
RNJ	35%
BNJ	36%
RNY	37%
BNY	38%

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts ability to use a derivative financial instrument successfully depends on the investment advisor s ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock California Municipal Income Trust (BFZ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
California 95.2%				
Corporate 0.2%				
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	$	680	$	786,957
County/City/Special District/School District 34.4%				
Butte-Glenn Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/30		8,425		9,935,518
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.63%, 11/01/34		8,000		9,386,960
Cerritos Community College District, GO, Election of 2004, Series C, 5.25%, 8/01/31		3,000		3,439,500
City of Los Angeles, RB, Series A, 5.00%, 6/01/39		2,000		2,196,540
City of San Jose California, RB, Convention Center Expansion & Renovation Project:				
6.13%, 5/01/31		500		562,900
6.50%, 5/01/36		1,210		1,364,009
6.50%, 5/01/42		2,225		2,497,585
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35		2,000		2,318,820
Desert Community College District, GO, CAB, Election of 2004, Series C (AGM), 5.90%, 8/01/46 (a)		4,230		602,394
Escondido Union High School District, GO, CAB (AGC), 6.09%, 8/01/36 (a)		5,280		1,498,939
Evergreen Elementary School District, GO, Election of 2006, Series B (AGC), 5.13%, 8/01/33		2,500		2,785,125
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40		2,000		2,377,800
Long Beach Unified School District California, GO, Refunding, Election of 2008, Series A, 5.75%, 8/01/33		4,135		4,887,570
Los Alamitos Unified School District California, GO, School Facilities Improvement District No. 1, 5.50%, 8/01/33		5,735		6,575,751
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/30		4,975		5,641,053
Modesto Irrigation District, COP, Capital Improvements, Series A:				
5.75%, 10/01/29		3,000		3,414,240
5.75%, 10/01/34		180		200,041
Norwalk-La Mirada Unified School District California, GO, CAB, Election of 2002, Series E (AGC), 5.53%, 8/01/38 (a)		7,500		1,790,025
Oak Grove School District California, GO, Election of 2008, Series A, 5.50%, 8/01/33		6,000		6,952,740
Orange County Sanitation District, COP (NPFGC), 5.00%, 2/01/33		3,600		3,704,832

Municipal Bonds	Par (000)	Value
California (continued)		

County/City/Special District/School District (concluded)		
Orange County Water District, COP, Refunding, 5.25%, 8/15/34	$ 2,000	$ 2,289,980
Pico Rivera Public Financing Authority, RB, 5.75%, 9/01/39	2,000	2,196,740
Pittsburg Unified School District, GO, Election 2006, Series B (FSA), 5.50%, 8/01/34	2,000	2,263,020
San Bernardino Community College District, GO, Election Of 2008, Series B, 6.33%, 8/01/44 (a)	5,000	857,350
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	1,500	1,721,910
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36	6,500	7,240,220
San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/37	6,000	6,025,860
San Leandro Unified School District California, GO, Election of 2010, Series A, 5.75%, 8/01/41	3,060	3,550,640
Santa Ana Unified School District, GO, Election of 2008, Series A:		
5.50%, 8/01/30	6,455	7,259,616
5.13%, 8/01/33	10,000	10,895,000
Santa Clara County Financing Authority, Refunding LRB, Series L, 5.25%, 5/15/36	21,000	22,945,650
Santa Cruz County Redevelopment Agency California, Tax Allocation Bonds, Live Oak/Soquel Community Improvement, Series A:		
6.63%, 9/01/29	1,000	1,165,940
7.00%, 9/01/36	1,700	1,996,667
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	2,250	2,560,455
Torrance Unified School District California, GO, Election of 2008, Measure Z, 6.00%, 8/01/33	4,000	4,756,240
Tustin Unified School District, GO, Election of 2008, Series B, 5.25%, 8/01/31	3,445	4,056,660
West Contra Costa Unified School District, GO, Election of 2010, Series A (AGM), 5.25%, 8/01/32	3,000	3,447,360
Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39	7,750	9,294,110
William S. Hart Union High School District, GO, CAB, Series B (AGM) (a):		
6.28%, 8/01/34	11,150	3,354,701
6.32%, 8/01/35	9,800	2,776,144
		172,786,605

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

ACA	American Capital Access Corp.
AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)

ARB	Airport Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
GARB	General Airport Revenue Bonds
GO	General Obligation Bonds
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDA	Industrial Development Authority
IDB	Industrial Development Board
ISD	Independent School District
LRB	Lease Revenue Bonds
MRB	Mortgage Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
Q-SBLF	Qualified School Bond Loan Fund
RB	Revenue Bonds
S/F	Single-Family
SONYMA	State of New York Mortgage Agency

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock California Municipal Income Trust (BFZ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
California (continued)				
Education 2.8%				
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39	$	2,900	$	3,252,379
California Educational Facilities Authority, Refunding RB, San Francisco University, 6.13%, 10/01/36		6,280		7,446,070
California Municipal Finance Authority, RB, Emerson College, 5.75%, 1/01/33		2,500		2,756,075
University of California, RB, Series O, 5.38%, 5/15/34		460		526,493
				13,981,017
Health 18.6%				
ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare:				
6.38%, 8/01/34		3,055		3,254,461
6.25%, 8/01/39		3,760		4,343,026
Series A, 6.00%, 8/01/30		2,275		2,743,559
California Health Facilities Financing Authority, RB:				
Adventist Health System West, Series A, 5.75%, 9/01/39		6,475		7,142,896
Catholic Healthcare West, Series J, 5.63%, 7/01/32		8,300		8,893,450
Children s Hospital, Series A, 5.25%, 11/01/41		6,985		7,496,931
Providence Health, 6.50%, 10/01/18 (b)		25		33,718
Sutter Health, Series A, 5.25%, 11/15/46		7,000		7,295,680
California Health Facilities Financing Authority, Refunding RB:				
Catholic Healthcare West, Series A, 6.00%, 7/01/29		1,000		1,178,470
Catholic Healthcare West, Series A, 6.00%, 7/01/34		4,400		5,075,664
Catholic Healthcare West, Series A, 6.00%, 7/01/39		2,750		3,128,207
Providence Health, 6.50%, 10/01/38		4,090		4,811,067
Sutter Health, Series B, 6.00%, 8/15/42		6,015		6,929,521
California Statewide Communities Development Authority, RB Series A:				
Health Facility Memorial Health Services, 5.50%, 10/01/33		7,000		7,301,490
Kaiser Permanente, 5.50%, 11/01/32		11,090		11,219,198
California Statewide Communities Development Authority, Refunding RB:				
Kaiser, Series C, 5.25%, 8/01/31		2,050		2,158,896
Catholic Healthcare West, Series B, 5.50%, 7/01/30		2,980		3,228,830
Catholic Healthcare West, Series E, 5.50%, 7/01/31		4,255		4,601,655
Grossmont Healthcare District, GO, Election of 2006, Series B, 6.00%, 7/15/34		2,275		2,707,250
				93,543,969
State 7.8%				
California State Public Works Board, RB:				
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34		9,000		10,383,300
Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34		5,025		5,800,508
State of California, GO, Various Purpose:				
6.00%, 3/01/33		5,015		5,956,917

6.50%, 4/01/33		5,985		7,361,191
6.00%, 4/01/38		8,390		9,737,686
				39,239,602
Transportation 10.4%				
City of San Jose California, RB, California Airport, Series A-1, AMT:				
5.75%, 3/01/34		2,265		2,502,553
6.25%, 3/01/34		2,650		3,056,616
County of Orange California, RB, Series B, 5.75%, 7/01/34		8,000		9,002,720
County of Sacramento California, RB, Airport System:				
PFC/Grant, Sub-Series D, 6.00%, 7/01/35		3,000		3,349,080
Senior Series B, 5.75%, 7/01/39		1,850		2,041,457

Municipal Bonds		Par (000)		Value
California (concluded)				
Transportation (concluded)				
Los Angeles Department of Airports, RB, Series A:				
5.00%, 5/15/34	$	6,000	$	6,639,360
5.25%, 5/15/39		2,775		3,088,658
Los Angeles Department of Airports, Refunding RB, Los Angeles International Airport:				
Senior Series A, 5.00%, 5/15/35		2,945		3,284,971
Sub-Series C, 5.25%, 5/15/38		1,330		1,447,758
Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34		5,530		6,284,568
San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39		6,750		7,821,900
San Joaquin County Transportation Authority, RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36		2,880		3,458,362
				51,978,003
Utilities 21.0%				
Anaheim Public Financing Authority, RB:				
Anaheim Electric System Distribution, 5.25%, 10/01/39		1,500		1,673,100
Electric System Distribution Facilities, Series A, 5.38%, 10/01/36		7,690		8,857,573
California Infrastructure & Economic Development Bank, RB, California Independent System Operator, Series A, 6.25%, 2/01/39		5,500		6,047,690
Calleguas-Las Virgines Public Financing Authority California, RB, Calleguas Municipal Water District Project, Series A (NPFGC), 5.13%, 7/01/32		5,280		5,704,459
City of Chula Vista California, San Diego Gas & Electric, Refunding RB:				
Series D, 5.88%, 1/01/34		2,500		2,893,225
Series E, 5.88%, 1/01/34		6,500		7,522,385
City of Los Angeles California, Refunding RB, Sub-Series A, 5.00%, 6/01/32		4,000		4,544,760
City of Petaluma California, Refunding RB, 6.00%, 5/01/36		5,625		6,727,725
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41		2,425		2,873,140
East Bay Municipal Utility District, RB, Series A (NPFGC), 5.00%, 6/01/32		2,000		2,300,680
Los Angeles Department of Water & Power, RB:				
Power System, Sub-Series A-1, 5.25%, 7/01/38		11,215		12,435,865
Series A, 5.38%, 7/01/34		3,050		3,493,195
Series A, 5.25%, 7/01/39		4,000		4,581,520
Series A, 5.00%, 7/01/41		4,740		5,272,729

Los Angeles Department of Water & Power, Refunding RB, Power System, Sub-Series A-2, 5.00%, 7/01/30	2,200	2,293,742
San Diego County Water Authority, COP, Unrefunded, Series A (NPFGC), 5.00%, 5/01/32	1,850	1,876,381
San Diego Public Facilities Financing Authority, Refunding RB:		
Senior Series A, 5.25%, 5/15/34	9,520	10,819,099
Series A, 5.25%, 8/01/38	3,255	3,619,593
San Francisco City & County Public Utilities Commission, RB:		
Local Water Main, Sub-Series C, 5.00%, 11/01/36	1,000	1,136,230
Series A (NPFGC), 5.00%, 11/01/32	4,000	4,058,720
WSIP Sub-Series A, 5.00%, 11/01/37	5,695	6,445,487
		105,177,298
Total Municipal Bonds in California		477,493,451

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock California Municipal Income Trust (BFZ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
Multi-State 1.6%				
Housing 1.6%				
Centerline Equity Issuer Trust (c)(d):				
7.20%, 11/15/14	$	3,500	$	3,822,735
5.75%, 5/15/15		500		536,840
6.00%, 5/15/15		1,500		1,625,625
6.00%, 5/15/19		1,000		1,122,920
6.30%, 5/15/19		1,000		1,126,270
Total Municipal Bonds in Multi-State				8,234,390
Puerto Rico 1.3%3				
State 1.3%				
Puerto Rico Sales Tax Financing Corp., RB, CAB, Series C (a):				
5.73%, 8/01/37		13,260		3,458,739
6.00%, 8/01/39		12,420		2,892,245
Total Municipal Bonds in Puerto Rico				6,350,984
Total Municipal Bonds 98.1%				492,078,825

Municipal Bonds Transferred to Tender Option Bond Trusts (e)	Par (000)	Value
California 64.0%		
County/City/Special District/School District 25.8%		
El Dorado Union High School District, GO, Election of 2008, 5.00%, 8/01/35	5,020	5,526,869
Los Angeles Community College District California, GO:		
Election of 2001, Series A (AGM), 5.00%, 8/01/32	8,000	8,750,480
Election of 2003, Series F-1, 5.00%, 8/01/33	5,000	5,515,150
Election of 2008, Series A, 6.00%, 8/01/33	20,131	24,205,189
Election of 2008, Series C, 5.25%, 8/01/39	12,900	14,782,110
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,499,750
Mount San Antonio Community College District California, GO, Election of 2001, Series C (AGM), 5.00%, 9/01/31	10,770	11,628,261
Ohlone Community College District, GO, Ohlone, Series B (AGM), 5.00%, 8/01/30	12,499	13,387,850
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,000	2,217,220
San Diego Community College District California, GO:		
Election of 2002, 5.25%, 8/01/33	10,484	12,035,515
Election of 2006 (AGM), 5.00%, 8/01/32	9,000	9,930,420
San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series D, 5.00%, 8/01/32	14,625	16,041,985
		129,520,799
Education 11.4%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39	10,395	11,658,096
Grossmont Union High School District California, GO, Election of 2004, 5.00%, 8/01/33	13,095	14,307,663

Mount Diablo California Uniform School District, GO, Election of 2002, 5.00%, 6/01/31		4,000		4,190,240
San Mateo County Community College District, GO, Election of 2005, Series B, 5.00%, 9/01/31		8,630		9,643,594
University of California, RB:				
Limited Project, Series D (AGM), 5.00%, 5/15/41		2,600		2,774,200
Series O, 5.75%, 5/15/34		12,300		14,472,795
				57,046,588

Municipal Bonds Transferred to Tender Option Bond Trusts (e)		**Par (000)**		**Value**
California (concluded)				
Utilities 26.8%				
California State Department of Water Resources, Refunding RB, Central Valley Project, Series AE, 5.00%, 12/01/29	$	7,000	$	8,150,030
City of Napa California, RB (AMBAC), 5.00%, 5/01/35		3,000		3,222,900
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35		3,000		3,320,460
Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33		18,002		19,585,425
Los Angeles Department of Water & Power, RB:				
Power System, Sub-Series A-1 (AMBAC), 5.00%, 7/01/37		15,998		17,237,384
Water System, Sub-Series A-2 (AGM), 5.00%, 7/01/35		2,000		2,135,220
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37		11,180		12,301,689
Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/37		14,700		15,843,219
Orange County Water District, COP, Refunding, 5.00%, 8/15/39		10,480		11,586,688
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33		14,290		15,458,207
San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.25%, 5/15/39		12,457		13,976,831
San Francisco City & County Public Utilities Commission, RB, Series A, 5.00%, 11/01/35		10,625		11,866,210
				134,684,263
Total Municipal Bonds Transferred to Tender Option Bond Trusts 64.0%				321,251,650
Total Long-Term Investments (Cost $739,022,289) 162.1%				813,330,475

Short-Term Securities		**Shares**		
BIF California Municipal Money Fund, 0.00% (f)(g)		5,547,758		5,547,758
Total Short-Term Securities (Cost $5,547,758) 1.1%				5,547,758
Total Investments (Cost $744,570,047) 163.2%				818,878,233
Other Assets Less Liabilities 1.5%				7,623,578
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (30.6)%				(153,464,491)
AMPS, at Redemption Value (34.1)%				(171,327,859)
Net Assets Applicable to Common Shares 100.0%			$	501,709,461

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

See Notes to Financial Statements.

Schedule of Investments (concluded) **BlackRock California Municipal Income Trust (BFZ)**

(c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(d) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

(e) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(f) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	**Shares Held at July 31, 2011**	**Net Activity**	**Shares Held at January 31, 2012**	**Income**
BIF California Municipal Money Fund	2,720,243	2,827,515	5,547,758	$ 163

(g) Represents the current yield as of report date.

For Trust compliance purposes, the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Financial futures contracts sold as of January 31, 2012 were as follows:

Contracts	**Issue**	**Exchange**	**Expiration**	**Notional Value**	**Unrealized Depreciation**
60	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 7,935,000	$ (105,114)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 813,330,475		$ 813,330,475
Short-Term Securities	$ 5,547,758			5,547,758
Total	$ 5,547,758	$ 813,330,475		$ 818,878,233

[1] See above Schedule of Investments for values in each sector.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ (105,114)			$ (105,114)

[2] Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock Florida Municipal 2020 Term Trust (BFO)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
Florida 143.5%				
Corporate 11.1%				
County of Escambia Florida, Refunding RB, Environment, Series A, AMT, 5.75%, 11/01/27	$	4,000	$	4,088,000
Hillsborough County IDA, Refunding RB, Tampa Electric Co. Project:				
5.50%, 10/01/23		1,955		2,008,059
Series A, 5.65%, 5/15/18		1,000		1,162,310
Palm Beach County Solid Waste Authority, Refunding RB, 5.00%, 10/01/20		2,000		2,460,360
				9,718,729
County/City/Special District/School District 64.4%				
Broward County School Board Florida, COP, Refunding, Series A, 5.00%, 7/01/20		2,000		2,317,280
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/22		2,500		2,825,275
County of Hillsborough Florida, RB (AMBAC), 5.00%, 11/01/20		5,545		6,285,480
County of Miami-Dade Florida, RB, Sub-Series B (NPFGC), 5.63%, 10/01/32 (a)		7,560		2,296,123
County of Miami-Dade Florida, Refunding RB, Sub-Series A (NPFGC) (a):				
5.33%, 10/01/19		5,365		3,617,351
5.31%, 10/01/20		10,000		6,377,200
County of Orange Florida, Refunding RB, Series A (NPFGC), 5.13%, 1/01/22		2,200		2,279,288
Florida State Board of Education, GO, Refunding, Capital Outlay, Series B, 5.00%, 6/01/20		485		603,854
Hillsborough County School Board, COP (NPFGC), 5.00%, 7/01/27		1,000		1,027,090
Miami-Dade County Educational Facilities Authority Florida, RB, University of Miami, Series A (AMBAC), 5.00%, 4/01/14 (b)		1,000		1,096,160
Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.25%, 5/01/21		4,000		4,631,920
Northern Palm Beach County Improvement District, Special Assessment Bonds, Refunding, Water Control & Improvement District No. 43, Series B (ACA):				
4.50%, 8/01/22		1,000		915,050
5.00%, 8/01/31		1,000		893,350
Palm Beach County School District, COP, Refunding, Series D (AGM), 5.00%, 8/01/28		6,500		6,612,450
Sterling Hill Community Development District, Special Assessment Bonds, Series A, 6.10%, 5/01/23		3,705		3,428,829
Stevens Plantation Improvement Project Dependent Special District, RB, 6.38%, 5/01/13		2,425		1,888,954
Tolomato Community Development District, Special Assessment Bonds, 6.38%, 5/01/17		1,150		490,452
Village Center Community Development District, RB:				
(NPFGC), 5.25%, 10/01/23		5,000		5,102,100
Sub-Series B, 6.35%, 1/01/18		2,000		2,031,860

Village Community Development District No. 5 Florida, Special Assessment Bonds, Series A, 6.00%, 5/01/22	1,075	1,101,821
Watergrass Community Development District, Special Assessment Bonds, Series B, 5.13%, 11/01/14	980	683,148
		56,505,035
Education 1.6%		
Florida State Board of Governors, Refunding RB, University of Central Florida, Series A, 5.00%, 7/01/18	500	593,210
Orange County Educational Facilities Authority, RB, Rollins College Project (AMBAC), 5.25%, 12/01/22	725	826,906
		1,420,116

Municipal Bonds	Par (000)	Value
Florida (concluded)		
Health 12.0%		
Highlands County Health Facilities Authority, Refunding RB, Hospital, Adventist Health, Series I, 5.00%, 11/15/20	$ 2,155	$ 2,575,139
Hillsborough County IDA, RB, H. Lee Moffitt Cancer Center Project, Series A, 5.25%, 7/01/22	1,500	1,654,905
Marion County Hospital District Florida, Refunding RB, Health System, Munroe Regional, 5.00%, 10/01/22	1,500	1,605,915
Orange County Health Facilities Authority, RB, Hospital, Adventist Health System, 5.63%, 11/15/12 (b)	3,000	3,150,510
Palm Beach County Health Facilities Authority, Refunding RB, Bethesda Healthcare System Project, Series A (AGM), 5.00%, 7/01/20	1,285	1,531,746
		10,518,215
Housing 2.5%		
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 2, AMT (Ginnie Mae), 4.70%, 7/01/22	980	1,013,055
Jacksonville Housing Finance Authority, Refunding RB, Series A-1, AMT (Ginnie Mae), 5.63%, 10/01/39	505	547,531
Manatee County Housing Finance Authority, RB, Series A, AMT (Fannie Mae), 5.90%, 9/01/40	575	645,570
		2,206,156
State 19.0%		
Florida Municipal Loan Council, RB:		
CAB, Series A (NPFGC), 5.23%, 4/01/20 (a)	4,000	2,893,000
Series D (AGM), 5.00%, 10/01/19	1,050	1,257,984
Series D (AGM), 4.00%, 10/01/20	1,105	1,244,142
Series D (AGM), 4.00%, 10/01/21	500	562,530
Florida State Board of Education, GO, Public Education, Series J (AMBAC), 5.00%, 6/01/24	6,150	6,519,492
Florida State Board of Education, GO, Refunding, Public Education, Series I, 5.00%, 6/01/18	500	532,715
Florida State Department of Environmental Protection, Refunding RB, Series A, 5.00%, 7/01/20	3,000	3,640,860
		16,650,723
Transportation 11.2%		
Broward County Florida Port Facilities Revenue, Refunding RB, Series B, AMT, 5.00%, 9/01/20	2,500	2,794,950
County of Lee Florida, Refunding RB, Series B (AMBAC):		
5.00%, 10/01/20	2,250	2,419,335
5.00%, 10/01/22	3,000	3,200,850
Greater Orlando Aviation Authority, Refunding RB, Series C, 5.00%, 10/01/20	1,130	1,378,080
		9,793,215
Utilities 21.7%		
City of Deltona Florida, RB (NPFGC), 5.00%, 10/01/23	1,095	1,138,647

City of Lakeland Florida, Refunding RB, 5.00%, 10/01/12 (b)	1,000	1,031,960
City of Marco Island Florida, RB (NPFGC):		
5.25%, 10/01/13 (b)	1,000	1,081,180
5.00%, 10/01/22	2,000	2,134,280
5.00%, 10/01/23	1,375	1,456,001
County of Miami-Dade Florida, Refunding RB, System, Series B (AGM), 5.25%, 10/01/19	4,000	4,961,360
Tohopekaliga Water Authority, RB, Series B (AGM):		
5.00%, 10/01/22	1,975	2,111,018
5.00%, 10/01/23	1,180	1,260,240
Tohopekaliga Water Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/21	3,630	3,876,840
		19,051,526
Total Municipal Bonds in Florida		125,863,715

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Florida Municipal 2020 Term Trust (BFO)
(Percentages shown are based on Net Assets)

Municipal Bonds		**Par (000)**		**Value**
Puerto Rico 1.9%				
State 1.9%				
Commonwealth of Puerto Rico, GO, Public Improvement (AGM), 5.50%, 7/01/19	$	1,000	$	1,181,870
Puerto Rico Sales Tax Financing Corp., RB, Sales Tax Revenue, Series C, 5.00%, 8/01/22		415		500,262
Total Municipal Bonds in Puerto Rico				1,682,132
US Virgin Islands 1.1%				
Corporate 1.1%				
Virgin Islands Public Finance Authority, Refunding RB, Senior Secured, Hovensa Coker Project, AMT, 6.50%, 7/01/21		1,000		1,000,220
Total Municipal Bonds 146.5%				128,546,067
Municipal Bonds Transferred to Tender Option Bond Trusts (c)				
Florida 0.9%				
Housing 0.9%				
Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40		720		769,586
Total Municipal Bonds Transferred to Tender Option Bond Trusts 0.9%				769,586
Total Long-Term Investments (Cost $124,823,952) 147.4%				129,315,653

Short-Term Securities	**Shares**		**Value**
BIF Florida Municipal Money Fund, 0.00% (d)(e)	774,142		774,142
Total Short-Term Securities (Cost $774,142) 0.9%			774,142
Total Investments (Cost $125,598,094) 148.3%			130,089,795
Other Assets Less Liabilities 1.1%			1,000,415
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (0.5)%			(480,453)
AMPS, at Redemption Value (48.9)%			(42,900,310)
Net Assets Applicable to Common Shares 100.0%		$	87,709,447

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(d) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2012	Income
BIF Florida Municipal Money Fund	1,843,816	(1,069,674)	774,142	

(e) Represents the current yield as of report date.

For Trust compliance purposes, the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 129,315,653		$ 129,315,653
Short-Term Securities	$ 774,142			774,142
Total	$ 774,142	$ 129,315,653		$ 130,089,795

[1] See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock Investment Quality Municipal Income Trust (RFA)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
Alabama 0.3%				
Selma Industrial Development Board, RB, International Paper Co., Series A, 5.38%, 12/01/35	$	40	$	41,815
Alaska 0.3%				
Northern Tobacco Securitization Corp., RB, Series A, 5.00%, 6/01/46		50		36,804
California 8.3%				
California Health Facilities Financing Authority, RB:				
Series A, 5.00%, 11/15/40 (a)		25		26,860
Sutter Health, Series B, 6.00%, 8/15/42		120		138,245
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39		130		147,879
California State Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38		200		224,942
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38		200		221,772
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36		240		267,331
State of California, GO, Various Purpose, 6.00%, 3/01/33		185		219,747
				1,246,776
Colorado 1.1%				
Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34		155		171,570
Delaware 1.2%				
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40		175		181,429
Florida 6.8%				
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32		150		162,018
Manatee County Housing Finance Authority, RB, Series A, AMT (Ginnie Mae), 5.90%, 9/01/40		145		162,796
Orange County Health Facilities Authority, RB, 5.00%, 1/01/29		115		126,328
Village Center Community Development District, RB, Series A (NPFGC), 5.00%, 11/01/32		450		438,620
Village Community Development District No. 9, RB, 5.25%, 5/01/31 (a)		130		131,427
				1,021,189
Illinois 11.1%				
City of Chicago Illinois, Board of Education, GO, Series A, 5.50%, 12/01/39		200		226,616
City of Chicago Illinois, RB, Series A, 5.25%, 1/01/38		55		62,021
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41		445		537,756
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36		45		50,310
		75		79,583

Illinois Finance Authority, RB, Navistar International, Recovery Zone, 6.50%, 10/15/40				
Illinois Finance Authority, Refunding RB, Series A:				
Carle Foundation, 6.00%, 8/15/41		250		272,540
Northwestern Memorial Hospital, 6.00%, 8/15/39		250		287,522
Railsplitter Tobacco Settlement Authority, RB:				
5.50%, 6/01/23		100		114,092
6.00%, 6/01/28		30		33,640
				1,664,080

Municipal Bonds		Par (000)		Value
Indiana 5.4%				
Indiana Finance Authority WasteWater Utility, RB, First Lien, Series A, 5.25%, 10/01/31	$	200	$	230,792
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39		335		382,067
Indianapolis Local Public Improvement Bond Bank, RB, 5.00%, 6/01/25		170		195,789
				808,648
Iowa 0.2%				
Iowa Tobacco Settlement Authority, RB, Series C, 5.63%, 6/01/46		40		30,022
Kansas 1.9%				
Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29		250		289,350
Kentucky 4.0%				
Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40		100		110,416
Louisville & Jefferson County Metropolitan Government, Refunding RB, Jewish Hospital & St. Mary s HealthCare, 6.13%, 2/01/37		215		230,740
Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34		220		256,597
				597,753
Louisiana 0.7%				
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35		100		109,212
Maine 1.5%				
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32		190		217,628
Massachusetts 7.0%				
Massachusetts Development Finance Agency, Refunding RB, Trustees Deerfield Academy, 5.00%, 10/01/40		125		143,846
Massachusetts HFA, HRB, Series B, AMT, 5.50%, 6/01/41		220		229,691
Massachusetts HFA, Refunding HRB, Series F, AMT, 5.70%, 6/01/40		250		262,365
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42		120		126,138
Massachusetts State College Building Authority, RB, Series A, 5.50%, 5/01/39		250		281,418
				1,043,458
Michigan 5.6%				
Lansing Board of Water & Light Utilities System, RB, Series A, 5.50%, 7/01/41		130		150,927
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38		250		285,928

Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	325	401,901
		838,756
Nevada 5.2%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	250	291,712
County of Clark Nevada, RB, Series B, 5.75%, 7/01/42	440	493,698
		785,410

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Investment Quality Municipal Income Trust (RFA)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New Jersey 6.6%		
New Jersey EDA, Refunding RB:		
New Jersey American Water Co., Inc., Series A, AMT, 5.70%, 10/01/39	$ 175	$ 192,549
School Facilities Construction, Series AA, 5.50%, 12/15/29	250	284,845
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	165	176,989
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
5.25%, 6/15/36	100	112,515
Series A, 5.88%, 12/15/38	190	218,093
		984,991
New York 7.0%		
Hudson New York Yards Infrastructure Corp., RB, 5.75%, 2/15/47	40	45,200
New York City Transitional Finance Authority, RB:		
Building Aid, Sub-Series 1A, 5.25%, 7/15/37	150	169,941
Fiscal 2009, Series S-3, 5.25%, 1/15/39	250	276,472
Sub-Series S-2A, 5.00%, 7/15/30	185	213,697
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	85	92,013
Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.38%, 11/15/38	225	256,849
		1,054,172
Pennsylvania 8.1%		
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39	300	348,456
Pennsylvania HFA, Refunding RB, Series 99A, AMT, 5.15%, 4/01/38	200	217,266
Pennsylvania Turnpike Commission, RB:		
Sub-Series A, 6.00%, 12/01/41	350	390,457
Sub-Series C (AGC), 6.25%, 6/01/38	215	255,867
		1,212,046
Texas 10.6%		
Central Texas Regional Mobility Authority, RB, Senior Lien, 6.00%, 1/01/41	240	257,086
Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35	140	170,423
Harris County Cultural Education Facilities Finance Corp., RB, 5.25%, 10/01/29	100	114,347
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	250	300,597
North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41	250	289,080
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	280	318,212
	125	139,039

Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39				
				1,588,784
Virginia 2.0%				
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35		250		295,717
Total Municipal Bonds 94.9%				14,219,610

Municipal Bonds Transferred to Tender Option Bond Trusts (b)		**Par (000)**		**Value**
California 19.8%				
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39	$	300	$	336,453
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40		300		327,993
Los Angeles Community College District California, GO:				
Election of 2008, Series C, 5.25%, 8/01/39		390		446,901
Series A, 6.00%, 8/01/33		700		841,293
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34		60		65,997
San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39		615		707,543
University of California, RB, Series O, 5.75%, 5/15/34		210		247,096
				2,973,276
District of Columbia 3.8%				
District of Columbia, RB, Series A, 5.50%, 12/01/30		195		235,759
District of Columbia Water & Sewer Authority, RB, Series A, 5.50%, 10/01/39		300		339,746
				575,505
Florida 3.6%				
Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38		280		296,038
Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40		225		240,496
				536,534
Illinois 5.0%				
Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38		400		476,128
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33		250		275,199
				751,327
Massachusetts 1.7%				
Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41		220		249,465
Nevada 3.9%				
Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38		500		585,040
New Hampshire 1.2%				
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39		165		188,719
New Jersey 2.2%				
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32		300		325,677
New York 9.9%				
New York City Municipal Water Finance Authority, RB:				
Fiscal 2009, Series A, 5.75%, 6/15/40		240		280,377

Series FF-2, 5.50%, 6/15/40	255	293,526
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	315	357,850
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51	190	216,207
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	300	335,841
		1,483,801
Ohio 1.6%		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	230	244,821

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Investment Quality Municipal Income Trust (RFA)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (b)	**Par (000)**	**Value**
Puerto Rico 1.0%		
Puerto Rico Sales Tax Financing Corp., RB, Series C, 5.25%, 8/01/40	$ 130	$ 144,366
South Carolina 3.9%		
South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38	510	579,880
Texas 5.3%		
City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31	300	347,185
Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children s Hospital Project, 5.50%, 10/01/39	400	447,092
		794,277
Virginia 1.0%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	130	145,347
Wisconsin 1.7%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.25%, 4/01/39	240	255,386
Total Municipal Bonds Transferred to Tender Option Bond Trusts 65.6%		9,833,421
Total Long-Term Investments (Cost $21,565,570) 160.5%		24,053,031

Short-Term Securities	**Shares**	
FFI Institutional Tax-Exempt Fund, 0.01% (c)(d)	390,265	390,265
Total Short-Term Securities (Cost $390,265) 2.6%		390,265
Total Investments (Cost $21,955,835) 163.1%		24,443,296
Other Assets Less Liabilities 0.3%		47,801
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (32.9)%		(4,930,802)
AMPS, at Redemption Value (30.5)%		(4,575,076)
Net Assets Applicable to Common Stocks 100.0%		$ 14,985,219

(a) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	**Value**	**Unrealized Appreciation**
JPMorgan Chase Bank NA	$ 26,860	$ 270
Citigroup Global Markets, Inc.	$ 131,427	$ 1,427

(b) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(c) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2011	Income
FFI Institutional Tax-Exempt Fund	302,911	87,354	390,265	$ 17

(d) Represents the current yield as of report date.

Financial futures contracts sold as of January 31, 2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
5	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 661,250	$ (8,760)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 24,053,031		$ 24,053,031
	$ 390,265			390,265

Short-Term Securities								
Total	$	390,265	$	24,053,031			$	24,443,296

1 See above Schedule of Investments for values in each sector.

Valuation Inputs		**Level 1**		**Level 2**	**Level 3**		**Total**
Derivative Financial Instruments[2]							
Liabilities:							
Interest rate contracts	$	(8,760)				$	(8,760)

2 Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
Alabama 0.3%				
Selma Industrial Development Board, RB, International Paper Company Project, 5.38%, 12/01/35	$	275	$	287,480
Alaska 0.2%				
Northern Tobacco Securitization Corp., RB, Asset Backed, Series A, 5.00%, 6/01/46		330		242,903
California 9.8%				
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38		1,315		1,478,994
California Health Facilities Financing Authority, RB, Scripps Health, Series A, 5.00%, 11/15/40 (a)		170		182,650
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39		890		1,012,402
Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45		1,910		2,046,488
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38		1,750		1,940,505
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36		1,600		1,782,208
State of California, GO, Various Purpose, 6.00%, 3/01/33		1,275		1,514,470
				9,957,717
Colorado 1.2%				
Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34		1,095		1,212,056
Delaware 1.2%				
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40		1,230		1,275,190
District of Columbia 1.1%				
District of Columbia Water & Sewer Authority, RB, Series A, 5.25%, 10/01/29		1,000		1,171,140
Florida 4.1%				
Orange County Health Facilities Authority, RB, The Nemours Foundation Project, Series A, 5.00%, 1/01/29		780		856,830
Village Center Community Development District, RB, Series A (NPFGC), 5.00%, 11/01/32		1,795		1,749,605
Village Community Development District No. 9, RB, Special Assessment, Series 2012, 5.25%, 5/01/31 (a)		895		904,827
Watergrass Community Development District, Special Assessment Bonds, Series B, 5.13%, 11/01/14		980		683,148
				4,194,410
Georgia 1.9%				
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23		1,565		1,899,206
Illinois 16.2%				
Chicago Board of Education, GO, Series A:				
5.50%, 12/01/39		1,000		1,133,080
5.00%, 12/01/41		1,640		1,755,768

Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40		975		1,075,620
Chicago Transit Authority, RB:				
Sales Tax Receipts, Series 2011, 5.25%, 12/01/31		1,060		1,213,160
Sales Tax Revenue, Series 2011, 5.25%, 12/01/36		310		346,580
City of Chicago Illinois, RB, Sales Tax Receipts, Series 2011 A, 5.25%, 1/01/38		385		434,149
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41		2,955		3,570,940

Municipal Bonds		Par (000)		Value
Illinois (concluded)				
Illinois Finance Authority, RB:				
Navistar International, Recovery Zone, 6.50%, 10/15/40	$	510	$	541,161
Rush University Medical Center Obligation Group, Series B, 7.25%, 11/01/30		1,600		1,993,776
Illinois Finance Authority, Refunding RB, Series A:				
Carle Foundation, 6.00%, 8/15/41		1,000		1,090,160
Northwestern Memorial Hospital, 6.00%, 8/15/39		1,900		2,185,171
Railsplitter Tobacco Settlement Authority, RB:				
5.50%, 6/01/23		690		787,235
6.00%, 6/01/28		195		218,657
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34		125		138,416
				16,483,873
Indiana 5.4%				
Indiana Finance Authority Waste Water Utility, RB, First Lien, CWA Authority Project, Series A, 5.25%, 10/01/31		1,445		1,667,472
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39		2,210		2,520,505
Indianapolis Local Public Improvement Bond Bank, RB, Series K (AGM), 5.00%, 6/01/25		1,140		1,312,938
				5,500,915
Iowa 0.2%				
Iowa Tobacco Settlement Authority, RB, Asset Backed, Series C, 5.63%, 6/01/46		270		202,646
Kansas 1.8%				
Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29		1,600		1,851,840
Kentucky 4.0%				
Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40		660		728,746
Louisville & Jefferson County Metropolitan Government, RB, Parking Authority, Series A, 5.75%, 12/01/34		1,500		1,749,525
Louisville & Jefferson County Metropolitan Government, Refunding RB, Jewish Hospital & St. Mary s HealthCare, 6.13%, 2/01/37		1,450		1,556,154
				4,034,425
Louisiana 0.8%				
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35		715		780,866
Maine 1.4%				
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32		1,270		1,454,671
Massachusetts 2.0%				
Massachusetts Health & Educational Facilities Authority, RB, Tufts University, 5.38%, 8/15/38		1,000		1,174,430

Massachusetts State College Building Authority, RB, Series A, 5.50%, 5/01/39	750	844,252
		2,018,682
Michigan 3.4%		
Lansing Board of Water & Light, RB, Series A, 5.50%, 7/01/41	915	1,062,297
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38	1,000	1,143,710
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	995	1,230,437
		3,436,444

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
Nevada 5.2%				
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	$	1,600	$	1,866,960
County of Clark Nevada, RB, Series B, 5.75%, 7/01/42		3,075		3,450,273
				5,317,233
New Jersey 5.6%				
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29		1,165		1,249,649
New Jersey Transportation Trust Fund Authority, RB, Transportation System:				
Series A, 5.88%, 12/15/38		1,295		1,486,479
Series A, 5.50%, 6/15/41		1,000		1,147,390
Series B, 5.25%, 6/15/36		1,650		1,856,497
				5,740,015
New York 10.9%				
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47		1,000		1,130,010
New York City Transitional Finance Authority, RB, Building Aid:				
Fiscal 2009, Series S-3, 5.25%, 1/15/39		1,500		1,658,835
Fiscal 2012, Sub-Series S-1A, 5.25%, 7/15/37		2,000		2,265,880
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49		605		654,913
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38		3,250		3,638,277
Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.38%, 11/15/38		1,510		1,723,740
				11,071,655
Pennsylvania 5.4%				
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39		500		580,760
Pennsylvania Turnpike Commission, RB, Sub-Series A:				
5.63%, 12/01/31		1,500		1,717,020
6.00%, 12/01/41		1,500		1,673,385
Philadelphia Hospitals & Higher Education Facilities Authority, RB, Children s Hospital of Philadelphia Project, Series D, 5.00%, 7/01/32		1,375		1,522,922
				5,494,087
Puerto Rico 2.9%				
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37		2,605		2,915,776
Texas 13.1%				
Central Texas Regional Mobility Authority, RB, Senior Lien, 6.00%, 1/01/41		1,670		1,788,887
Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35		890		1,083,406
Harris County Cultural Education Facilities Finance Corp., RB, Texas Children s Hospital Project, 5.25%, 10/01/29		640		731,821

Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31		500		601,195
Lower Colorado River Authority, RB:				
5.50%, 5/15/19 (b)		5		6,489
5.50%, 5/15/19 (b)		80		103,370
5.50%, 5/15/33		1,915		2,171,265
North Texas Tollway Authority, RB:				
Special Projects System, Series A, 5.50%, 9/01/41		1,670		1,931,054
System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38		1,000		1,123,410

Municipal Bonds		**Par (000)**		**Value**
Texas (concluded)				
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	$	1,905	$	2,164,975
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39		1,505		1,674,027
				13,379,899
Virginia 1.2%				
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35		1,000		1,182,870
Total Municipal Bonds 99.3%				101,105,999

Municipal Bonds Transferred to Tender Option Bond Trusts (c)				
California 19.3%				
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39		1,995		2,237,412
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40		2,400		2,623,944
Los Angeles Community College District California, GO, Election of 2008:				
Series A, 6.00%, 8/01/33		3,898		4,687,201
Series C, 5.25%, 8/01/39		2,630		3,013,717
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34		400		439,980
San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39		4,214		4,849,261
University of California, RB, Series O, 5.75%, 5/15/34		1,500		1,764,975
				19,616,490
District of Columbia 3.7%				
District of Columbia, RB, Series A, 5.50%, 12/01/30		1,395		1,686,583
District of Columbia Water & Sewer Authority, RB, Series A, 5.50%, 10/01/39		1,799		2,038,475
				3,725,058
Illinois 3.3%				
Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38		2,800		3,332,896
Massachusetts 1.6%				
Massachusetts State School Building Authority, RB, Dedicated Sales Tax, Senior, Series B, 5.00%, 10/15/41		1,490		1,689,556
Nevada 5.2%				
Clark County Water Reclamation District, GO:				
Limited Tax, 6.00%, 7/01/38		2,500		2,925,200
Series B, 5.50%, 7/01/29		1,994		2,345,510
				5,270,710

New Hampshire 1.2%		
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39	1,094	1,252,406
New Jersey 2.1%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32	2,000	2,171,180
New York 10.0%		
New York City Municipal Water Finance Authority, RB:		
Fiscal 2009, Series A, 5.75%, 6/15/40	1,410	1,647,217
Series FF-2, 5.50%, 6/15/40	1,994	2,296,410
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	2,205	2,504,946

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (c)	Par (000)	Value
New York (concluded)		
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51	$ 1,300	$ 1,479,309
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	2,000	2,238,940
		10,166,822
Ohio 1.6%		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	1,560	1,660,526
Puerto Rico 1.0%		
Puerto Rico Sales Tax Financing Corp., RB, Sales Tax, Senior Series 2011 C, 5.25%, 8/01/40	880	977,249
South Carolina 2.0%		
South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38	1,755	1,995,470
Texas 5.3%		
City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31	2,025	2,343,497
Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children s Hospital Project, 5.50%, 10/01/39	2,750	3,073,758
		5,417,255
Virginia 1.0%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	899	1,006,246
Wisconsin 1.7%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.25%, 4/01/39	1,680	1,787,702
Total Municipal Bonds Transferred to Tender Option Bond Trusts 59.0%		60,069,566
Total Long-Term Investments (Cost $144,789,003) 158.3%		161,175,565

Short-Term Securities	Shares	
FFI Institutional Tax-Exempt Fund, 0.01% (d)(e)	3,319,178	3,319,178
Total Short-Term Securities (Cost $3,319,178) 3.3%		3,319,178
Total Investments (Cost $148,108,131) 161.6%		164,494,743
Other Assets Less Liabilities 1.6%		1,655,272
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (29.7)%		(30,189,135)
VRDP Shares, at Liquidation Value (33.6)%		(34,200,000)
Net Assets Applicable to Common Shares 100.0%		$ 101,760,880

(a) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty		Value		Unrealized Appreciation
JPMorgan Securities	$	182,650	$	1,838
Citigroup Global Markets	$	904,827	$	9,827

(b) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(d) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2011	Income
FFI Institutional Tax-Exempt Fund	2,119,108	1,200,070	3,319,178	$ 431

(e) Represents the current yield as of report date.

For Trust compliance purposes, the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Financial futures contracts sold as of January 31, 2012 were as follows:

Contracts	Issue	Exchange	Expiration		Notional Value		Unrealized Depreciation
34	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$	4,496,500	$	(59,565)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

Schedule of Investments (concluded) **BlackRock Municipal Income Investment Trust (BBF)**

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 161,175,565		$ 161,175,565
Short-Term Securities	$ 3,319,178			3,319,178
Total	$ 3,319,178	$ 161,175,565		$ 164,494,743

[1] See above Schedule of Investments for values in each state or political subdivision.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ (59,565)			$ (59,565)

[2] Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
New Jersey 130.4%				
Corporate 10.2%				
New Jersey EDA, RB, AMT, Continental Airlines Inc. Project, 7.00%, 11/15/30 (a)	$	925	$	925,037
New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39		175		192,549
Salem County Utilities Authority, Refunding RB, Atlantic City Electric, Series A, 4.88%, 6/01/29		300		329,103
				1,446,689
County/City/Special District/School District 18.6%				
City of Margate City New Jersey, GO, Improvement, 5.00%, 1/15/27		125		144,600
City of Perth Amboy New Jersey, GO, CAB (AGM), 4.50%, 7/01/34 (b)		100		103,225
Essex County Improvement Authority, RB, Newark Project, Series A (AGM), 6.00%, 11/01/30		275		315,469
Essex County Improvement Authority, Refunding RB, Project Consolidation (NPFGC):				
5.50%, 10/01/28		300		389,487
5.50%, 10/01/29		260		337,327
Hudson County Improvement Authority, RB:				
CAB, Series A-1 (NPFGC), 4.53%, 12/15/32 (c)		1,000		347,840
Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44		340		378,189
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (d)(e)		200		17,900
Newark Housing Authority, RB, South Ward Police Facility (AGC), 6.75%, 12/01/38		110		135,403
State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.13%, 6/15/24		150		172,047
Union County Utilities Authority, Refunding RB, New Jersey Solid Waste System, County Deficiency Agreement, Series A, AMT, 5.00%, 6/15/41		255		286,411
				2,627,898
Education 25.8%				
New Jersey EDA, RB, School Facilities Construction:				
Series CC-2, 5.00%, 12/15/31		200		220,836
Series CC-2, 5.00%, 12/15/32		200		219,772
Series S, 5.00%, 9/01/36		200		211,294
Series Y, 5.00%, 9/01/33		400		429,884
New Jersey Educational Facilities Authority, RB:				
Montclair State University, Series J, 5.25%, 7/01/38		100		108,838
Refunding Kean University, Series A, 5.50%, 9/01/36		240		267,492
New Jersey Educational Facilities Authority, Refunding RB:				
Georgian Court University, Series D, 5.00%, 7/01/33		100		102,860
New Jersey Institute of Technology, Series H, 5.00%, 7/01/31		80		88,374
Rowan University, Series B (AGC), 5.00%, 7/01/24		255		288,935
		175		213,833

University of Medicine & Dentistry, Series B, 7.50%, 12/01/32		
New Jersey Higher Education Assistance Authority, Refunding RB, Series 1A:		
5.00%, 12/01/25	65	71,304
5.00%, 12/01/26	50	54,468
5.13%, 12/01/27	200	220,390
5.25%, 12/01/32	300	326,883
New Jersey Higher Education Student Assistance Authority, RB, Series 1A, AMT, 5.75%, 12/01/29	240	263,611
Rutgers-State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39	500	551,335
		3,640,109

Municipal Bonds	**Par (000)**	**Value**
New Jersey (continued)		
Health 16.1%		
New Jersey EDA, RB, First Mortgage, Lions Gate Project, Series A:		
5.75%, 1/01/25	$ 60	$ 57,931
5.88%, 1/01/37	110	101,058
New Jersey EDA, Refunding RB:		
First Mortgage, Winchester, Series A, 5.80%, 11/01/31	500	511,455
Seabrook Village Inc. Facility, 5.25%, 11/15/26	140	131,090
New Jersey Health Care Facilities Financing Authority, RB:		
AHS Hospital Corp., 6.00%, 7/01/41	230	270,130
Hospital Asset Transformation Program, Series A, 5.25%, 10/01/38	250	267,210
Meridian Health, Series I (AGC), 5.00%, 7/01/38	100	105,433
Virtua Health (AGC), 5.50%, 7/01/38	150	164,211
New Jersey Health Care Facilities Financing Authority, Refunding RB:		
Barnabas Health, Series A, 5.63%, 7/01/32	70	74,934
Barnabas Health, Series A, 5.63%, 7/01/37	190	199,551
Meridian Health System Obligated Group Issue, 5.00%, 7/01/26	115	130,054
St. Barnabas Health Care System, Series A, 5.00%, 7/01/29	250	255,338
		2,268,395
Housing 10.7%		
New Jersey State Housing & Mortgage Finance Agency, RB:		
S/F Housing, Series X, AMT, 4.85%, 4/01/16	500	513,150
S/F Housing, Series X, AMT, 5.05%, 4/01/18	215	230,478
S/F Housing, Series CC, 5.00%, 10/01/34	210	219,631
Series A, 4.75%, 11/01/29	140	146,644
Series AA, 6.38%, 10/01/28	235	260,175
Series AA, 6.50%, 10/01/38	125	135,195
		1,505,273
State 27.9%		
New Jersey EDA, RB:		
Kapkowski Road Landfill Project, Series 1998B-MB, AMT, 6.50%, 4/01/31	250	265,275
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24	300	363,975
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	570	696,284
Newark Downtown District Management Corp., 5.13%, 6/15/37	100	100,577
	500	560,915

School Facilities Construction, Series Z (AGC), 5.50%, 12/15/34		
School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	300	346,041
New Jersey EDA, Refunding RB:		
New Jersey American Water Co., Inc., Project, Series B, AMT, 5.60%, 11/01/34	150	167,607
School Facilities, Series GG, 5.25%, 9/01/27	255	295,198
School Facilities Construction, Series AA, 5.50%, 12/15/29	200	227,876
School Facilities Construction, Series N-1 (NPFGC), 5.50%, 9/01/28	100	127,625
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A (AGC), 5.63%, 12/15/28	100	115,450
Series B, 5.25%, 6/15/36	300	337,545
State of New Jersey, COP, Equipment Lease Purchase, Series A:		
5.25%, 6/15/27	200	225,412
5.25%, 6/15/28	100	112,039
		3,941,819

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New Jersey (concluded)		
Transportation 21.1%		
Delaware River Port Authority of Pennsylvania and New Jersey, RB:		
Port District Project, Series B (AGM), 5.70%, 1/01/22	$ 400	$ 401,016
Series D, 5.00%, 1/01/40	95	101,722
New Jersey State Turnpike Authority, RB, Series E, 5.25%, 1/01/40	215	236,958
New Jersey State Turnpike Authority, Refunding RB, Series C (AMBAC):		
6.50%, 1/01/16	160	190,520
6.50%, 1/01/16 (f)	180	202,585
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
6.00%, 12/15/38	100	115,611
Series A, 6.00%, 6/15/35	450	545,220
Series A, 5.88%, 12/15/38	175	200,875
Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 6.00%, 12/01/42	170	183,391
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.75%, 11/01/30	250	294,890
South Jersey Transportation Authority, RB, Series A (NPFGC), 4.50%, 11/01/35	490	499,109
		2,971,897
Total Municipal Bonds in New Jersey		18,402,080
Puerto Rico 8.7%		
County/City/Special District/School District 3.7%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.00%, 8/01/42	250	282,815
Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub-Series C, 6.00%, 8/01/39	205	234,934
		517,749
State 5.0%		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGM), 5.50%, 7/01/30	250	299,993
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37	365	408,544
		708,537
Total Municipal Bonds in Puerto Rico		1,226,286
Total Municipal Bonds 139.1%		19,628,366

Municipal Bonds Transferred to Tender Option Bond Trusts (g)		
New Jersey 9.0%		
County/City/Special District/School District 5.2%		
Union County Utilities Authority, Refunding RB, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31	670	732,370

Transportation 3.8%				
Port Authority of New York & New Jersey, Refunding RB, AMT:				
Consolidated, 106th Series, GO, 5.00%, 10/15/41		255		272,618
Consolidated, 152nd Series, 5.25%, 11/01/35		240		260,771
				533,389
Total Municipal Bonds in New Jersey				1,265,759

Municipal Bonds Transferred to Tender Option Bond Trusts (g)		**Par (000)**		**Value**
Puerto Rico 1.1%				
State 1.1%				
Puerto Rico Sales Tax Financing Corp., RB, Senior Series C, 5.25%, 8/01/40	$	140	$	155,471
Total Municipal Bonds Transferred to Tender Option Bond Trusts 10.1%				1,421,230
Total Long-Term Investments (Cost $19,568,741) 149.2%				21,049,596

Short-Term Securities	**Shares**		
BIF New Jersey Municipal Money Fund, 0.00% (h)(i)	304,465		304,465
Total Short-Term Securities (Cost $304,465) 2.1%			304,465
Total Investments (Cost $19,873,206) 151.3%			21,354,061
Other Assets Less Liabilities (7.6)%			393,252
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable 5.2%			(735,050)
AMPS, at Redemption Value (48.9)%			(6,900,175)
Net Assets Applicable to Common Shares 100.0%		$	14,112,088

(a) Variable rate security. Rate shown is as of report date.

(b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(d) Issuer filed for bankruptcy and/or is in default of interest payments.

(e) Non-income producing security.

(f) Security is collateralized by Municipal or US Treasury obligations.

(g) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(h) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	**Shares Held at July 31, 2011**	**Net Activity**	**Shares Held at January 31, 2012**		**Income**
BIF New Jersey Municipal Money Fund	209,983	94,482	304,465	$	15

(i) Represents the current yield as of report date.

For Trust compliance purposes,the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

See Notes to Financial Statements.

Schedule of Investments (concluded) **BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)**

Financial futures contracts sold as of January 31, 2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
5	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 661,250	$ (8,760)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 21,049,596		$ 21,049,596
Short-Term Securities	$ 304,465			304,465
Total	$ 304,465	$ 21,049,596		$ 21,354,061

[1] See above Schedule of Investments for values in each sector.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ (8,760)			$ (8,760)

2 Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
New Jersey 118.1%				
Corporate 8.1%				
New Jersey EDA, RB, AMT, Continental Airlines Inc. Project (a):				
7.00%, 11/15/30	$	3,450	$	3,450,138
7.20%, 11/15/30		2,000		1,999,920
New Jersey EDA, Refunding RB, New Jersey American Water Co. Inc., Project, Series A, AMT, 5.70%, 10/01/39		1,500		1,650,420
Salem County Utilities Authority, Refunding RB, Atlantic City Electric, Series A, 4.88%, 6/01/29		2,400		2,632,824
				9,733,302
County/City/Special District/School District 14.8%				
City of Margate City New Jersey, GO, Improvement, 5.00%, 1/15/28		1,085		1,246,036
City of Perth Amboy New Jersey, GO, CAB (AGM) (b):				
5.00%, 7/01/34		1,075		1,109,669
5.00%, 7/01/35		175		180,035
Essex County Improvement Authority, RB, Newark Project, Series A (AGM), 6.00%, 11/01/30		1,090		1,250,404
Essex County Improvement Authority, Refunding RB, Project Consolidation (NPFGC):				
5.50%, 10/01/28		1,440		1,869,537
5.50%, 10/01/29		2,630		3,412,188
Hudson County Improvement Authority, RB, Harrison Parking Facility Project, Series C (AGC):				
5.25%, 1/01/39		2,000		2,213,300
5.38%, 1/01/44		2,400		2,669,568
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (c)(d)		1,790		160,205
Newark Housing Authority, RB, South Ward Police Facility (AGC), 6.75%, 12/01/38		1,020		1,255,559
Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37		2,600		2,376,764
				17,743,265
Education 15.3%				
New Jersey EDA, RB, School Facilities Construction, Series CC-2, 5.00%, 12/15/31		1,525		1,683,875
New Jersey EDA, Refunding RB, School Facilities, Series GG, 5.25%, 9/01/27		1,800		2,083,752
New Jersey Educational Facilities Authority, RB:				
Montclair State University, Series J, 5.25%, 7/01/38		580		631,260
Refunding Kean University, Series A, 5.50%, 9/01/36		2,060		2,295,973
New Jersey Educational Facilities Authority, Refunding RB:				
College of New Jersey, Series D (AGM), 5.00%, 7/01/35		3,230		3,492,696
Georgian Court University, Series D, 5.00%, 7/01/33		250		257,150
New Jersey Institute of Technology, Series H, 5.00%, 7/01/31		660		729,082
		1,450		1,771,755

University of Medicine & Dentistry, Series B, 7.50%, 12/01/32		
New Jersey Higher Education Assistance Authority, Refunding RB, Series 1A:		
5.00%, 12/01/25	535	586,890
5.00%, 12/01/26	350	381,276
5.25%, 12/01/32	500	544,805
New Jersey Higher Education Student Assistance Authority, RB, Series 1, AMT, 5.75%, 12/01/29	2,055	2,257,171
Rutgers-State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39	1,500	1,654,005
		18,369,690

Municipal Bonds	**Par (000)**	**Value**
New Jersey (continued)		
Health 21.4%		
New Jersey EDA, RB:		
First Mortgage, Lions Gate Project, Series A, 5.75%, 1/01/25	$ 500	$ 482,755
First Mortgage, Lions Gate Project, Series A, 5.88%, 1/01/37	855	785,497
Masonic Charity Foundation Project, 5.50%, 6/01/31	875	893,200
New Jersey EDA, Refunding RB:		
First Mortgage, Winchester, Series A, 5.75%, 11/01/24	4,050	4,182,961
Seabrook Village Inc. Facility, 5.25%, 11/15/26	1,790	1,676,084
New Jersey Health Care Facilities Financing Authority, RB:		
AHS Hospital Corp., 6.00%, 7/01/37	900	1,051,596
AHS Hospital Corp., 6.00%, 7/01/41	1,045	1,227,332
Hospital Asset Transformation Program, Series A, 5.25%, 10/01/38	2,350	2,511,774
Kennedy Health System, 5.63%, 7/01/31	2,030	2,033,776
Meridian Health, Series I (AGC), 5.00%, 7/01/38	750	790,748
Virtua Health (AGC), 5.50%, 7/01/38	1,250	1,368,425
New Jersey Health Care Facilities Financing Authority, Refunding RB:		
Atlantic City Medical System, 5.75%, 7/01/25	1,255	1,270,148
Barnabas Health, Series A, 5.63%, 7/01/32 (e)	580	620,878
Barnabas Health, Series A, 5.63%, 7/01/37 (e)	1,605	1,685,683
Meridian Health System Obligated Group Issue, 5.00%, 7/01/26	970	1,096,973
Robert Wood Johnson, 5.00%, 7/01/31	500	542,455
South Jersey Hospital, 5.00%, 7/01/46	1,650	1,677,951
St. Barnabas Health Care System, Series A, 5.00%, 7/01/29	1,750	1,787,363
		25,685,599
Housing 11.5%		
Middlesex County Improvement Authority, RB, AMT (Fannie Mae):		
Administration Building Residential Project, 5.35%, 7/01/34	1,400	1,400,812
New Brunswick Apartments Rental Housing, 5.30%, 8/01/35	4,345	4,362,641
New Jersey State Housing & Mortgage Finance Agency, RB:		
S/F Housing, Series CC, 5.00%, 10/01/34	1,775	1,856,402
S/F Housing, Series X, AMT, 4.85%, 4/01/16	1,750	1,796,025
Series A, 4.75%, 11/01/29	1,185	1,241,240
Series AA, 6.38%, 10/01/28	1,380	1,527,839

Series AA, 6.50%, 10/01/38	1,520	1,643,971
		13,828,930
State 22.4%		
Garden State Preservation Trust, RB, CAB, Series B (AGM), 5.22%, 11/01/26 (f)	6,000	3,670,320
New Jersey EDA, RB:		
Kapkowski Road Landfill Project, Series 1998B, AMT, 6.50%, 4/01/31	5,000	5,305,500
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24	1,000	1,213,250
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	1,365	1,667,416
School Facilities Construction, Series Z (AGC), 5.50%, 12/15/34	3,000	3,365,490
New Jersey EDA, Refunding RB:		
New Jersey American Water Co. Inc. Project, Series B, AMT, 5.60%, 11/01/34	1,275	1,424,659
School Facilities Construction, Series AA, 5.50%, 12/15/29	2,000	2,278,760

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
New Jersey (concluded)				
State (concluded)				
New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28	$	2,500	$	2,776,625
New Jersey Transportation Trust Fund Authority, RB, Transportation System:				
CAB, Series C (AGM), 4.85%, 12/15/32 (f)		4,000		1,479,000
Series A (AGC), 5.63%, 12/15/28		670		773,515
State of New Jersey, COP, Equipment Lease Purchase, Series A:				
5.25%, 6/15/27		2,000		2,254,120
5.25%, 6/15/28		600		672,234
				26,880,889
Transportation 22.0%				
Delaware River Port Authority, RB:				
Port District Project, Series B (AGM), 5.70%, 1/01/22		1,000		1,002,540
Series D, 5.00%, 1/01/40		800		856,608
New Jersey State Turnpike Authority, RB, Series E, 5.25%, 1/01/40		1,970		2,171,196
New Jersey Transportation Trust Fund Authority, RB, Transportation System:				
Series A, 6.00%, 6/15/35		3,845		4,658,602
Series A, 5.88%, 12/15/38		1,770		2,031,713
Series A, 6.00%, 12/15/38		945		1,092,524
Series A, 5.50%, 6/15/41		1,000		1,147,390
Series A (AGC), 5.50%, 12/15/38		1,000		1,114,080
Series B, 5.25%, 6/15/36		2,500		2,812,875
Port Authority of New York & New Jersey, RB, JFK International Air Terminal, Special Project, Series 6:				
6.00%, 12/01/42		1,430		1,542,641
AMT (NPFGC), 5.75%, 12/01/22		6,000		6,000,300
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.75%, 11/01/30		1,750		2,064,230
				26,494,699
Utilities 2.6%				
Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC), 4.42%, 9/01/33 (f)		2,000		688,980
Union County Utilities Authority, Refunding RB, New Jersey Solid Waste System, County Deficiency Agreement, Series A, 5.00%, 6/15/41		2,185		2,454,148
				3,143,128
Total Municipal Bonds in New Jersey				141,879,502
Puerto Rico 18.8%				
County/City/Special District/School District 6.6%				
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A:				
5.75%, 8/01/37		3,075		3,441,847
6.00%, 8/01/42		2,250		2,545,335
		1,740		1,994,075

Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub, Series C, 6.00%, 8/01/39				
				7,981,257
Housing 3.7%				
Puerto Rico Housing Finance Authority, RB, Mortgage-Backed Securities, Series B, AMT (Ginnie Mae), 5.30%, 12/01/28		2,210		2,211,658
Puerto Rico Housing Finance Authority, Refunding RB, Mortgage-Backed Securities, Series A (Ginnie Mae), 5.20%, 12/01/33		2,210		2,212,055
				4,423,713

Municipal Bonds		Par (000)		Value
Puerto Rico (concluded)				
State 4.7%				
Puerto Rico Public Buildings Authority, RB, CAB, Series D (AMBAC) (b):				
5.45%, 7/01/17 (e)	$	3,665	$	4,278,228
5.45%, 7/01/31		1,335		1,352,662
				5,630,890
Transportation 2.9%				
Puerto Rico Highway & Transportation Authority, Refunding RB:				
Series AA-1 (AGM), 4.95%, 7/01/26		295		319,898
Series CC (AGC), 5.50%, 7/01/31		935		1,116,035
Series CC (AGM), 5.50%, 7/01/30		1,680		2,015,949
				3,451,882
Utilities 0.9%				
Puerto Rico Electric Power Authority, RB, Series WW, 5.50%, 7/01/38		1,000		1,064,320
Total Municipal Bonds in Puerto Rico				22,552,062
Total Municipal Bonds 136.9%				164,431,564

Municipal Bonds Transferred to Tender Option Bond Trusts (g)				
New Jersey 14.8%				
Education 2.9%				
New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34		3,000		3,460,410
Transportation 6.7%				
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32		2,000		2,171,180
Port Authority of New York & New Jersey, Refunding RB, Consolidated, AMT:				
152nd Series, 5.25%, 11/01/35		2,039		2,216,552
169th Series, 5.00%, 10/15/41		3,495		3,736,469
				8,124,201
Utilities 5.2%				
Union County Utilities Authority, Refunding RB, New Jersey Resource Recovery Facility, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31		5,710		6,241,544
Total Municipal Bonds in New Jersey				17,826,155
Puerto Rico 1.1%				
State 1.1%				
Puerto Rico Sales Tax Financing Corp., RB, Senior Series C, 5.25%, 8/01/40		1,180		1,310,402
Total Municipal Bonds in Puerto Rico				1,310,402

Total Municipal Bonds Transferred to Tender Option Bond Trusts 15.9%	19,136,557
Total Long-Term Investments (Cost $170,760,379) 152.8%	183,568,121

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Short-Term Securities	Shares	Value
BIF New Jersey Municipal Money Fund, 0.00% (h)(i)	1,878,917	$ 1,878,917
Total Short-Term Securities (Cost $1,878,917) 1.6%		1,878,917
Total Investments (Cost $172,639,296) 154.4%		185,447,038
Other Assets Less Liabilities 2.8%		3,397,611
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (8.0)%		(9,636,065)
AMPS, at Redemption Value (49.2)%		(59,100,988)
Net Assets Applicable to Common Shares 100.0%		$ 120,107,596

(a) Variable rate security. Rate shown is as of report date.

(b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(c) Non-income producing security.

(d) Issuer filed for bankruptcy and/or is in default of interest payments.

(e) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(g) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(h) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2012	Income
BIF New Jersey Municipal Money Fund	5,114,806	(3,235,889)	1,878,917	

(i) Represents the current yield as of report date.

For Trust compliance purposes,the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Financial futures contracts sold as of January 31,2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
40	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 5,290,000	$ (70,076)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including,but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 183,568,121		$ 183,568,121
Short-Term Securities	$ 1,878,917			1,878,917
Total	$ 1,878,917	$ 183,568,121		$ 185,447,038

1 See above Schedule of Investments for values in each sector.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ (70,076)			$ (70,076)

2 Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York 126.9%		
Corporate 14.5%		
Chautauqua County Industrial Development Agency, RB, NRG Dunkirk Power Project, 5.88%, 4/01/42	$ 130	$ 133,697
Essex County Industrial Development Agency New York, RB, International Paper Co., Series A, AMT, 6.63%, 9/01/32	100	108,577
Jefferson County Industrial Development Agency New York, Refunding RB, Solid Waste, Series A, AMT, 5.20%, 12/01/20	150	151,371
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (a)(b)(c):		
7.63%, 8/01/25	800	720,648
7.75%, 8/01/31	300	270,264
New York Liberty Development Corp., RB, Goldman Sachs Headquarters:		
5.25%, 10/01/35	550	602,872
5.50%, 10/01/37	200	227,266
Port Authority of New York & New Jersey, RB, Continental Airlines Inc. and Eastern Air Lines Inc. Project, LaGuardia, AMT, 9.13%, 12/01/15	660	666,798
		2,881,493
County/City/Special District/School District 39.8%		
Amherst Development Corp., RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM):		
4.38%, 10/01/30	250	264,590
4.63%, 10/01/40	275	288,601
Hudson New York Yards Infrastructure Corp., RB, Series A:		
5.00%, 2/15/47	800	821,832
5.75%, 2/15/47	100	113,001
(NPFGC), 4.50%, 2/15/47	260	256,831
Monroe County Industrial Development Corp., RB, Series A, 5.00%, 7/01/31	265	303,743
New York City Industrial Development Agency, RB PILOT:		
CAB, Yankee Stadium (AGC), 5.89%, 3/01/35 (d)	400	133,136
CAB, Yankee Stadium (AGC), 6.23%, 3/01/45 (d)	445	83,451
Queens Baseball Stadium (AGC), 6.38%, 1/01/39	100	112,488
Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39	250	226,685
Yankee Stadium (FGIC), 5.00%, 3/01/46	100	101,756
New York City Transitional Finance Authority, RB, Fiscal 2009, Series -3, 5.25%, 1/15/39	150	165,884
New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC), 5.00%, 11/15/44	685	705,660
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project:		
5.00%, 11/15/31	250	273,250
5.75%, 11/15/51	295	335,689

New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project:		
5.63%, 7/15/47	1,100	1,164,614
6.38%, 7/15/49	100	108,250
New York State Dormitory Authority, RB, State University Dormitory Facilities, Series A, 5.00%, 7/01/39	100	109,516
Saint Lawrence County Industrial Development Agency, RB, Clarkson University Project, 6.00%, 9/01/34	150	176,161
Sales Tax Asset Receivable Corp., RB, Series A (AMBAC), 5.00%, 10/15/32	2,000	2,179,860
		7,924,998

Municipal Bonds	Par (000)	Value
New York (continued)		
Education 15.8%		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A (b)(c):		
7.00%, 5/01/25	$ 95	$ 21,855
7.00%, 5/01/35	60	13,803
City of Troy New York, Refunding RB, Rensselaer Polytechnic, Series A, 5.13%, 9/01/40	100	106,977
Nassau County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, Series A, 4.75%, 3/01/26	100	108,820
New York State Dormitory Authority, RB:		
Convent of the Sacred Heart (AGM), 5.75%, 11/01/40	150	174,531
Cornell University, Series A, 5.00%, 7/01/40	100	112,480
Fordham University, Series A, 5.50%, 7/01/36	50	57,014
Rochester Institute of Technology, Series A, 6.00%, 7/01/33	175	205,655
University of Rochester, Series A, 5.13%, 7/01/39	200	219,420
University of Rochester, Series A, 5.75%, 7/01/39 (e)	175	171,873
New York State Dormitory Authority, Refunding RB:		
Brooklyn Law School, 5.75%, 7/01/33	75	85,255
Skidmore College, Series A, 5.25%, 7/01/30	250	288,300
Teachers College, 5.50%, 3/01/39	200	222,772
Schenectady County Industrial Development Agency, Refunding RB, Union College Project, 5.00%, 7/01/31	200	214,628
Suffolk County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, 5.00%, 3/01/26	100	103,581
Tompkins County Development Corp., RB, Ithaca College Project (AGM), 5.50%, 7/01/33	50	57,518
Trust for Cultural Resources, RB, Series A:		
Carnegie Hall, 4.75%, 12/01/39	375	396,577
Carnegie Hall, 5.00%, 12/01/39	150	161,247
Juilliard School, 5.00%, 1/01/39	250	276,735
Yonkers Industrial Development Agency New York, RB, Sarah Lawrence College Project, Series A, 6.00%, 6/01/41	125	138,816
		3,137,857
Health 24.9%		
Dutchess County Local Development Corp., Refunding RB, Health Quest System Inc., Series A, 5.75%, 7/01/30	150	167,349
Genesee County Industrial Development Agency New York, Refunding RB, United Memorial Medical	100	90,909

Center Project, 5.00%, 12/01/27		
Monroe County Industrial Development Corp., RB, Unity Hospital of Rochester Project (FHA), 5.50%, 8/15/40	100	113,228
New York State Dormitory Authority, MRB, Hospital, Lutheran Medical (FHA), 5.00%, 8/01/31	250	253,580
New York State Dormitory Authority, RB:		
New York State Association for Retarded Children, Inc., Series A, 6.00%, 7/01/32	75	85,783
New York University Hospital Center, Series A, 5.75%, 7/01/31	100	111,265
New York University Hospital Center, Series A, 5.00%, 7/01/36	500	508,995
New York University Hospital Center, Series B, 5.63%, 7/01/37	150	157,731
North Shore-Long Island Jewish Obligated Group, Series A, 5.00%, 5/01/32	500	545,585
North Shore-Long Island Jewish Obligated Group, Series A, 5.50%, 5/01/37	175	193,921
North Shore-Long Island Jewish Obligated Group, Series A, 5.75%, 5/01/37	250	282,652

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)
(Percentages shown are based on Net Assets)

Municipal Bonds		Par (000)		Value
New York (concluded)				
Health (concluded)				
New York State Dormitory Authority, Refunding RB:				
Kateri Residence, 5.00%, 7/01/22	$	1,000	$	1,011,340
Mount Sinai Hospital, Series A, 5.00%, 7/01/26		140		153,374
North Shore-Long Island Jewish Health System, Series E, 5.50%, 5/01/33		150		168,341
St. Luke s Roosevelt Hospital (FHA), 4.90%, 8/15/31		100		105,919
Saratoga County Industrial Development Agency New York, RB, Saratoga Hospital Project, Series B, 5.25%, 12/01/32		100		104,273
Suffolk County Industrial Development Agency New York, Refunding RB, Jeffersons Ferry Project, 5.00%, 11/01/28		115		116,641
Westchester County Healthcare Corp. New York, RB, Senior Lien, Series A, Remarketing, 5.00%, 11/01/30		400		421,756
Westchester County Healthcare Corp. New York, Refunding RB, Senior Lien, Series B, 6.00%, 11/01/30		100		115,195
Westchester County Industrial Development Agency New York, MRB, Kendal on Hudson Project, Series A, 6.38%, 1/01/24		250		251,067
				4,958,904
Housing 9.5%				
New York City Housing Development Corp., RB:				
Series A (Ginnie Mae), 5.25%, 5/01/30		1,000		1,026,790
Series B1, AMT, 5.15%, 11/01/37		250		256,448
Series J-2-A, AMT, 4.75%, 11/01/27		500		510,280
New York Mortgage Agency, Refunding RB, Series 143, AMT, 4.90%, 10/01/37		95		96,117
				1,889,635
State 9.8%				
New York State Dormitory Authority, ERB:				
Series B, 5.75%, 3/15/36		150		176,902
Series C, 5.00%, 12/15/31		150		170,267
New York State Dormitory Authority, LRB, Municipal Health Facilities, Sub-Series 2-4, 4.75%, 1/15/30		200		213,332
New York State Dormitory Authority, Refunding RB, State University Educational Facilities, Series A (AMBAC), 5.25%, 5/15/15		1,005		1,114,153
New York State Urban Development Corp., RB, State Personal Income Tax (General Purpose), Series A, 3.50%, 3/15/28		150		156,675
Onondaga Civic Development Corp., RB, Upstate Properties Development, Inc., 5.25%, 12/01/41		120		128,957
				1,960,286
Transportation 3.8%				
Metropolitan Transportation Authority, RB:				
Series C, 6.50%, 11/15/28		250		311,495
Transportation, Series A, 5.00%, 11/15/27		250		291,530
		150		161,815

Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 6.00%, 12/01/42				
				764,840
Utilities 8.8%				
Long Island Power Authority, RB, 5.00%, 5/01/36		100		109,771
New York City Municipal Water Finance Authority, RB:				
Second General Resolution, Series HH, 5.00%, 6/15/32		1,280		1,478,707
Series B, 5.00%, 6/15/36		150		160,298
				1,748,776
Total Municipal Bonds in New York				25,266,789

Municipal Bonds		**Par (000)**		**Value**
Guam 1.7%				
State 0.5%				
Territory of Guam, GO, Series A, 7.00%, 11/15/39	$	100	$	105,914
Tobacco 0.4%				
Guam Economic Development & Commerce Authority, Refunding RB, Tobacco Settlement Asset Backed, 5.63%, 6/01/47		100		81,524
Utilities 0.8%				
Guam Government Waterworks Authority, Refunding RB, Water, 5.88%, 7/01/35		150		150,750
Total Municipal Bonds in Guam				338,188
Puerto Rico 7.2%				
County/City/Special District/School District 1.9%				
Puerto Rico Sales Tax Financing Corp., RB, CAB, Series A, 6.40%, 8/01/32 (d)		750		257,887
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.75%, 8/01/41 (d)		550		109,709
				367,596
State 5.0%				
Commonwealth of Puerto Rico, GO, Refunding, Sub-Series C-7 (NPFGC), 6.00%, 7/01/28		250		275,220
Puerto Rico Commonwealth Infrastructure Financing Authority, RB, CAB, Series A (AMBAC), 4.99%, 7/01/44 (d)		395		49,758
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37		600		671,580
				996,558
Transportation 0.3%				
Puerto Rico Highway & Transportation Authority, Refunding RB, Series AA-1 (AGM), 4.95%, 7/01/26		60		65,064
Total Municipal Bonds in Puerto Rico				1,429,218
Total Municipal Bonds 135.8%				27,034,195

Municipal Bonds Transferred to Tender Option Bond Trusts (f)				
New York 19.8%				
Transportation 8.1%				
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47		800		903,932
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43		375		426,011
Port Authority of New York & New Jersey, RB, Consolidated 169th Series, 5.00%, 10/15/26		250		289,538
				1,619,481
Utilities 11.7%				

New York City Municipal Water & Sewer Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40	105	122,665
New York City Municipal Water Finance Authority, RB, Second General Resolution, Fiscal 2012, Series B, AMT, 5.00%, 6/15/44	750	835,497
New York City Municipal Water Finance Authority, Refunding RB, Series A, 4.75%, 6/15/30	1,000	1,095,820
Suffolk County Water Authority, Refunding RB, 3.00%, 6/01/25	255	266,197
		2,320,179
Total Municipal Bonds in New York		3,939,660

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (f)		Par (000)		Value
Puerto Rico 0.7%				
State 0.7%				
Puerto Rico Sales Tax Financing Corp., RB, Series C, 5.25%, 8/01/40	$	130	$	144,366
Total Municipal Bonds Transferred to Tender Option Bond Trusts 20.5%				4,084,026
Total Long-Term Investments (Cost $29,086,039) 156.3%				31,118,221

Short-Term Securities	Shares		
BIF New York Municipal Money Fund, 0.00% (g)(h)	386,680		386,680
Total Short-Term Securities (Cost $386,680) 2.0%			386,680
Total Investments (Cost $29,472,719) 158.3%			31,504,901
Other Assets Less Liabilities 1.0%			204,143
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (10.4)%			(2,080,684)
AMPS, at Redemption Value (48.9)%			(9,725,070)
Net Assets Applicable to Common Shares 100.0%		$	19,903,290

(a) Variable rate security. Rate shown is as of report date.

(b) Issuer filed for bankruptcy and/or is in default of interest payments.

(c) Non-income producing security.

(d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(e) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(f) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(g) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2011	Net Activity	Shares Held at January 31, 2012	Income
BIF New York Municipal Money Fund	88,605	298,075	386,680	

(h) Represents the current yield as of report date.

For Trust compliance purposes, the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Financial futures contracts sold as of January 31, 2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
6	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 793,500	$ (10,511)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments				
Long-Term Investments[1]		$ 31,118,221		$ 31,118,221
Short-Term Investments	$ 386,680			386,680
Total	$ 386,680	$ 31,118,221		$ 31,504,901

[1] See above Schedule of Investments for values in each sector.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[2]				
Assets:				
Interest rate contracts	$ (10,511)			$ (10,511)

[2] Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments January 31, 2012 (Unaudited)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds	**Par (000)**	**Value**
New York 124.4%		
Corporate 14.8%		
Chautauqua County Industrial Development Agency, RB, NRG Dunkirk Power Project, 5.88%, 4/01/42	$ 1,000	$ 1,028,440
Essex County Industrial Development Agency New York, RB, International Paper Co. Project, Series A, AMT, 6.63%, 9/01/32	550	597,174
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (a)(b)(c):		
7.63%, 8/01/25	3,200	2,882,592
7.75%, 8/01/31	4,000	3,603,520
New York Liberty Development Corp., RB, Goldman Sachs Headquarters, 5.25%, 10/01/35	6,350	6,960,425
Port Authority of New York & New Jersey, RB, Continental Airlines Inc. and Eastern Air Lines Inc. Project, LaGuardia, AMT, 9.13%, 12/01/15	6,040	6,102,212
Suffolk County Industrial Development Agency New York, RB, KeySpan, Port Jefferson, AMT, 5.25%, 6/01/27	7,000	7,182,560
		28,356,923
County/City/Special District/School District 28.4%		
Amherst Development Corp., RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.63%, 10/01/40	1,100	1,154,406
Buffalo & Erie County Industrial Land Development Corp., RB, Buffalo State College Foundation Housing Corp., 5.38%, 10/01/41	140	153,013
City of New York New York, GO:		
Series A-1, 4.75%, 8/15/25	750	859,335
Series A-1, 5.00%, 8/01/35	1,000	1,125,510
Series C, 5.38%, 3/15/12 (d)	5,000	5,031,850
Series D, 5.38%, 6/01/32	2,485	2,522,399
Sub-Series G-1, 6.25%, 12/15/31	500	618,055
Sub-Series I-1, 5.38%, 4/01/36	1,750	2,000,390
Hudson New York Yards Infrastructure Corp., RB, Series A:		
5.00%, 2/15/47	5,985	6,148,331
(AGM), 5.00%, 2/15/47	1,000	1,039,200
(NPFGC), 4.50%, 2/15/47	1,970	1,945,986
Metropolitan Transportation Authority, RB, Transportation, Series D, 5.00%, 11/15/34	800	876,752
Monroe County Industrial Development Corp., RB, Series A, 5.00%, 7/01/31	1,900	2,177,780
New York City Industrial Development Agency, RB:		
CAB, Yankee Stadium, PILOT, 6.23%, 3/01/45 (e)	1,500	281,295
CAB, Yankee Stadium, PILOT (AGC), 6.09%, 3/01/42 (e)	1,960	435,394
Marymount School of New York Project (ACA), 5.13%, 9/01/21	750	766,387
Marymount School of New York Project (ACA), 5.25%, 9/01/31	500	510,515
	150	168,732

Queens Baseball Stadium, PILOT (AGC), 6.38%, 1/01/39		
Queens Baseball Stadium, PILOT (AMBAC), 5.00%, 1/01/36	4,000	3,661,040
Royal Charter, New York Presbyterian (AGM), 5.25%, 12/15/32	1,550	1,585,944
New York City Transitional Finance Authority, RB:		
Fiscal 2009, Series S-3, 5.25%, 1/15/39	650	718,829
Fiscal 2012, Future Tax Secured, Sub-Series D-1, 5.00%, 11/01/38	825	938,858
Series S-2 (NPFGC), 4.25%, 1/15/34	1,700	1,738,862
New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC):		
5.00%, 11/15/35	250	260,120
5.00%, 11/15/44	9,660	9,951,346
4.75%, 11/15/45	500	504,625

Municipal Bonds	Par (000)	Value
New York (continued)		
County/City/Special District/School District (concluded)		
New York Liberty Development Corp., Refunding RB:		
4 World Trade Center Project, 5.00%, 11/15/31	$ 860	$ 939,980
4 World Trade Center Project, 5.75%, 11/15/51	1,340	1,524,826
Second Priority, Bank of America Tower at One Bryant Park Project, 5.63%, 7/15/47	2,000	2,117,480
Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	1,200	1,299,000
New York State Dormitory Authority, RB, State University Dormitory Facilities, Series A, 5.00%, 7/01/39	750	821,370
New York State Dormitory Authority, Refunding RB, School Districts Financing Program, Series A (AGM), 5.00%, 10/01/35	395	429,452
Saint Lawrence County Industrial Development Agency, RB, Clarkson University Project, 5.38%, 9/01/41	275	308,102
		54,615,164
Education 25.4%		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A (b)(c):		
7.00%, 5/01/25	910	209,346
7.00%, 5/01/35	590	135,730
City of Troy New York, Refunding RB, Rensselaer Polytechnic, Series A, 5.13%, 9/01/40	875	936,049
Dutchess County Industrial Development Agency New York, Refunding RB, Bard College Civic Facility, Series A-2, 4.50%, 8/01/36	7,000	7,020,300
Madison County Industrial Development Agency New York, RB:		
Colgate University Project, Series B, 5.00%, 7/01/33	2,000	2,058,680
Commons II LLC, Student Housing, Series A (CIFG), 5.00%, 6/01/33	275	279,004
Nassau County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, Series A, 4.75%, 3/01/26	1,165	1,267,753
New York City Industrial Development Agency, RB, New York University Project (BHAC), 5.00%, 7/01/41	4,500	4,503,960
New York City Trust for Cultural Resources, Refunding RB, Museum of Modern Art, Series 1A, 5.00%, 4/01/31	1,000	1,120,640
New York State Dormitory Authority, RB:		
	155	179,681

Convent of the Sacred Heart (AGM), 5.25%, 11/01/24		
Convent of the Sacred Heart (AGM), 5.63%, 11/01/32	750	882,750
Convent of the Sacred Heart (AGM), 5.75%, 11/01/40	210	244,343
Cornell University, Series A, 5.00%, 7/01/40	1,000	1,124,800
Mount Sinai School of Medicine, 5.13%, 7/01/39	2,000	2,161,760
New School University (NPFGC), 5.00%, 7/01/41	5,000	5,002,450
New York University, Series 1 (AMBAC), 5.50%, 7/01/40	1,440	1,888,718
New York University, Series 2 (AMBAC), 5.00%, 7/01/41	4,000	4,011,440
New York University, Series A (AMBAC), 5.00%, 7/01/37	1,000	1,075,960
Rochester Institute of Technology, Series A, 6.00%, 7/01/33	1,000	1,175,170
University of Rochester, Series A, 5.13%, 7/01/39	850	932,535
University of Rochester, Series A, 5.75%, 7/01/39 (f)	650	638,384
University of Rochester, Series B, 5.00%, 7/01/39	500	527,810

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds		**Par (000)**		**Value**
New York (continued)				
Education (concluded)				
New York State Dormitory Authority, Refunding RB:				
Brooklyn Law School, 5.75%, 7/01/33	$	475	$	539,947
Skidmore College, Series A, 5.00%, 7/01/27		190		219,953
Skidmore College, Series A, 5.00%, 7/01/28		75		86,294
Skidmore College, Series A, 5.25%, 7/01/29		85		98,768
Teachers College, 5.50%, 3/01/39		450		501,237
Yeshiva University, 5.00%, 9/01/34		275		293,384
Suffolk County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, 5.00%, 3/01/26		1,000		1,035,810
Tompkins County Development Corp., RB, Ithaca College Project (AGM), 5.50%, 7/01/33		700		805,259
Trust for Cultural Resources, RB, Series A:				
Carnegie Hall, 4.75%, 12/01/39		2,250		2,379,465
Juilliard School, 5.00%, 1/01/39		2,100		2,324,574
Westchester County Industrial Development Agency New York, RB, Windward School Civic Facility (Radian), 5.25%, 10/01/31		2,500		2,501,000
Yonkers Industrial Development Agency New York, RB, Sarah Lawrence College Project, Series A, 6.00%, 6/01/41		625		694,081
				48,857,035
Health 11.6%				
Dutchess County Local Development Corp., Refunding RB, Health Quest System Inc., Series A, 5.75%, 7/01/40		300		323,838
Genesee County Industrial Development Agency New York, Refunding RB, United Memorial Medical Center Project, 5.00%, 12/01/27		500		454,545
Monroe County Industrial Development Corp., RB, Unity Hospital of Rochester Project (FHA), 5.50%, 8/15/40		1,050		1,188,894
New York State Dormitory Authority, RB:				
Hudson Valley Hospital (BHAC), 5.00%, 8/15/36		750		805,800
New York State Association for Retarded Children, Inc., Series B (AMBAC), 6.00%, 7/01/32		200		229,452
New York University Hospital Center, Series A, 5.00%, 7/01/36		3,390		3,450,986
New York University Hospital Center, Series A, 6.00%, 7/01/40		500		551,310
New York University Hospital Center, Series B, 5.63%, 7/01/37		530		557,316
North Shore-Long Island Jewish Health System, 5.50%, 5/01/13 (d)		2,000		2,131,820
North Shore-Long Island Jewish Health System, Series A, 5.00%, 5/01/32		1,750		1,909,548
North Shore-Long Island Jewish Health System, Series A, 5.50%, 5/01/37		1,775		1,966,913
Nysarc Inc., Series A, 6.00%, 7/01/32		575		657,668

New York State Dormitory Authority, Refunding RB:				
Mount Sinai Hospital, Series A, 5.00%, 7/01/26		1,385		1,517,309
North Shore-Long Island Jewish Health System, Series E, 5.50%, 5/01/33		1,100		1,234,497
Suffolk County Industrial Development Agency New York, Refunding RB, Jeffersons Ferry Project, 5.00%, 11/01/28		1,175		1,191,767
Westchester County Healthcare Corp. New York, RB, Senior Lien, Series A, Remarketing, 5.00%, 11/01/30		2,500		2,635,975
Westchester County Healthcare Corp. New York, Refunding RB, Senior Lien, Series B, 6.00%, 11/01/30		375		431,981
Westchester County Industrial Development Agency New York, MRB, Kendal on Hudson Project, Series A, 6.38%, 1/01/24		1,000		1,004,270
				22,243,889

Municipal Bonds		**Par (000)**		**Value**
New York (continued)				
Housing 4.5%				
New York Mortgage Agency, Refunding RB, AMT:				
Homeowner Mortgage, Series 97, 5.50%, 4/01/31	$	1,885	$	1,886,263
Series 101, 5.40%, 4/01/32		4,275		4,277,565
New York State HFA, RB, Highland Avenue Senior Apartments, Series A, AMT (SONYMA), 5.00%, 2/15/39		1,500		1,519,950
Yonkers EDC, Refunding RB, Riverview II (Freddie Mac), 4.50%, 5/01/25		1,000		1,050,570
				8,734,348
State 2.6%				
Hudson New York Yards Infrastructure Corp., RB, Series A		200		226,002
New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36		600		707,610
New York State Dormitory Authority, LRB, Municipal Health Facilities, Sub-Series 2-4, 4.75%, 1/15/30		1,850		1,973,321
New York State Dormitory Authority, RB, Mental Health Services Facilities Improvement, Series B (AMBAC), 5.00%, 2/15/35		2,000		2,095,160
				5,002,093
Tobacco 5.1%				
New York Counties Tobacco Trust III, RB, Tobacco Settlement Pass-Thru, Turbo, 6.00%, 6/01/43		3,700		3,311,315
Rensselaer Tobacco Asset Securitization Corp., RB, Asset-Backed, Series A, 5.75%, 6/01/43		2,500		2,156,900
Rockland Tobacco Asset Securitization Corp., RB, Asset-Backed, 5.75%, 8/15/43		5,000		4,312,850
				9,781,065
Transportation 20.8%				
Hudson New York Yards Infrastructure Corp., RB (AGC), 5.00%, 2/15/47		1,000		1,039,200
Metropolitan Transportation Authority, RB, Series 2008C, 6.50%, 11/15/28		1,000		1,245,980
Metropolitan Transportation Authority, Refunding RB, Series A:				
5.13%, 1/01/29		820		832,612
5.00%, 11/15/30		12,000		12,339,960
5.13%, 11/15/31		5,000		5,136,550
New York City Industrial Development Agency, RB, Airis JFK I LLC Project, Series A, AMT, 5.50%, 7/01/28		9,000		8,167,680
Port Authority of New York & New Jersey, RB:				

Consolidated, 124th Series, AMT, 5.00%, 8/01/36	2,000	2,001,920
JFK International Air Terminal, 6.00%, 12/01/42	1,000	1,078,770
Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 6.25%, 12/01/13	1,000	1,041,130
Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 5.75%, 12/01/22	7,000	7,000,350
		39,884,152
Utilities 11.2%		
Long Island Power Authority, RB, General:		
Series A (AGM), 5.00%, 5/01/36	500	548,855
Series C (CIFG), 5.25%, 9/01/29	2,000	2,418,340
Long Island Power Authority, Refunding RB, Series A, 5.75%, 4/01/39	4,000	4,595,960
New York City Municipal Water Finance Authority, RB:		
Second General Resolution, Fiscal 2011, Series HH, 5.00%, 6/15/32	5,300	6,122,772
Series B, 5.00%, 6/15/36	750	801,488
New York City Municipal Water Finance Authority, Refunding RB:		
Second General Resolution, Fiscal 2011, Series BB, 5.00%, 6/15/31	1,000	1,147,870
Series D, 5.00%, 6/15/39	5,000	5,500,450

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds		**Par (000)**		**Value**
New York (concluded)				
Utilities (concluded)				
New York State Environmental Facilities Corp., RB, Revolving Funds, New York City Municipal Water, 5.00%, 6/15/36	$	350	$	395,808
				21,531,543
Total Municipal Bonds in New York				239,006,212
Guam 0.9%				
State 0.6%				
Territory of Guam, GO, Series A, 7.00%, 11/15/39		970		1,027,366
Utilities 0.3%				
Guam Government Waterworks Authority, Refunding RB, Water, 5.88%, 7/01/35		600		603,000
Total Municipal Bonds in Guam				1,630,366
Puerto Rico 9.4%				
Housing 1.4%				
Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27		2,500		2,735,675
State 5.3%				
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series D:				
5.25%, 7/01/12 (d)		3,400		3,470,754
5.25%, 7/01/36		1,600		1,604,720
Puerto Rico Sales Tax Financing Corp., RB:				
CAB, Series A, 6.40%, 8/01/32 (e)		1,685		579,387
First Sub-Series A, 5.75%, 8/01/37		2,000		2,238,600
First Sub-Series A (AGM), 5.00%, 8/01/40		1,000		1,070,010
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC) (e):				
5.76%, 8/01/41		3,500		698,145
5.96%, 8/01/43		2,500		444,600
				10,106,216
Transportation 1.8%				
Puerto Rico Highway & Transportation Authority, Refunding RB (AGM):				
Series AA-1, 4.95%, 7/01/26		145		157,238
Series CC, 5.50%, 7/01/30		2,750		3,299,918
				3,457,156
Utilities 0.9%				
Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A, 6.00%, 7/01/38		1,100		1,192,301
Puerto Rico Electric Power Authority, Refunding RB, Series VV (NPFGC), 5.25%, 7/01/29		500		583,350
				1,775,651
Total Municipal Bonds in Puerto Rico				18,074,698
Total Municipal Bonds 134.7%				258,711,276

Municipal Bonds Transferred to Tender Option Bond Trusts (g)				
New York 20.1%				
Housing 8.0%				
New York Mortgage Agency, RB, 31st Series A, AMT, 5.30%, 10/01/31		15,500		15,509,300

Municipal Bonds Transferred to Tender Option Bond Trusts (g)		Par (000)		Value
New York (concluded)				
Transportation 5.5%				
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	$	1,250	$	1,412,393
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43		6,495		7,378,515
Port Authority of New York & New Jersey, RB, Consolidated 169th Series, AMT, 5.00%, 10/15/26		1,500		1,737,225
				10,528,133
Utilities 6.6%				
New York City Municipal Water Finance Authority, RB:				
Fiscal 2009, Series A, 5.75%, 6/15/40		1,200		1,401,886
Second General Resolution, Fiscal 2012, Series BB, AMT, 5.00%, 6/15/44		3,511		3,910,126
Series FF-2, 5.50%, 6/15/40		810		932,377
New York City Municipal Water Finance Authority, Refunding RB, Series A, 4.75%, 6/15/30		4,000		4,383,280
Suffolk County Water Authority, Refunding RB, 3.00%, 6/01/25		1,996		2,082,602
				12,710,271
Total Municipal Bonds in New York				38,747,704
Puerto Rico 0.9%				
State 0.9%				
Puerto Rico Sales Tax Financing Corp., RB, Series C, 5.25%, 8/01/40		1,520		1,687,975
Total Municipal Bonds Transferred to Tender Option Bond Trusts 21.0%				40,435,679
Total Long-Term Investments (Cost $286,422,215) 155.7%				299,146,955

Short-Term Securities		Shares		
BIF New York Municipal Money Fund, 0.00% (h)(i)		5,447,291		5,447,291
Total Short-Term Securities (Cost $5,447,291) 2.8%				5,447,291
Total Investments (Cost $291,869,506) 158.5%				304,594,246
Other Assets Less Liabilities 1.7%				3,279,482
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (11.0)%				(21,231,519)
AMPS, at Redemption Value (49.2)%				(94,501,460)
Net Assets Applicable to Common Shares 100.0%			$	192,140,749

(a) Variable rate security. Rate shown is as of report date.

(b) Issuer filed for bankruptcy and/or is in default of interest payments.

(c) Non-income producing security.

(d) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(f) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(g) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Schedule of Investments (concluded) **BlackRock New York Municipal Income Trust (BNY)**

(h) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	**Shares Held at July 31, 2011**	**Net Activity**	**Shares Held at January 31, 2012**	**Income**
BIF New York Municipal Money Fund	10,549,049	(5,101,758)	5,447,291	

(i) Represents the current yield as of report date.

For Trust compliance purposes,the Trust s sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Financial futures contracts sold as of January 31,2012 were as follows:

Contracts	**Issue**	**Exchange**	**Expiration**	**Notional Value**	**Unrealized Depreciation**
56	10-Year US Treasury Note	Chicago Board of Trade	March 2012	$ 7,406,000	$ (98,106)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including,but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust s own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust s perceived risk of investing in those securities. For information about the Trust s policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Trust s investments and derivative financial instruments:

Valuation Inputs	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				

Investments:				
Long-Term Investments[1]		$ 299,146,955		$ 299,146,955
Short-Term Securities	$ 5,447,291			5,447,291
Total	$ 5,447,291	$ 299,146,955		$ 304,594,246

1 See above Schedule of Investments for values in each sector.

Valuation Inputs	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ (98,106)			$ (98,106)

2 Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Statements of Assets and Liabilities

January 31, 2012 (Unaudited)	BlackRock California Municipal Income Trust (BFZ)	BlackRock Florida Municipal 2020 Term Trust (BFO)	BlackRock Investment Quality Municipal Income Trust (RFA)	BlackRock Municipal Income Investment Trust (BBF)
Assets				
Investments at value unaffiliated[1]	$ 813,330,475	$ 129,315,653	$ 24,053,031	$ 161,175,565
Investments at value affiliated[2]	5,547,758	774,142	390,265	3,319,178
Cash	23,885			
Cash pledged as collateral for financial futures contracts	116,000		10,000	66,000
Interest receivable	11,845,215	1,404,835	300,078	1,986,424
Investments sold receivable	1,386,182	20,256	5,000	1,120,177
Deferred offering costs				202,345
Prepaid expenses	38,843	3,664	870	5,870
Other assets	53,302	5,090	4,194	11,108
Total assets	832,341,660	131,523,640	24,763,438	167,886,667
Accrued Liabilities				
Bank overdraft		13,860	7,541	21,776
Income dividends payable Common Shares	2,409,290	311,480	78,982	504,858
Investments purchased payable	2,843,042		156,590	1,075,812
Investment advisory fees payable	391,376	55,165	3,432	82,675
Officer s and Trustees fees payable	63,661	6,630	5,976	13,386
Interest expense and fees payable	78,404	453	2,082	12,116
Margin variation payable	13,125		1,093	7,438
Administration fees payable			5,733	
Other accrued expenses payable	119,355	46,295	12,994	30,688
Total accrued liabilities	5,918,253	433,883	274,423	1,748,749
Other Liabilities				
TOB trust certificates	153,386,087	480,000	4,928,720	30,177,038
VRDP Shares, at liquidation value of $100,000 per share[3,4]				34,200,000
Total other liabilities	153,386,087	480,000	4,928,720	64,377,038
Total liabilities	159,304,340	913,883	5,203,143	66,125,787
AMPS at Redemption Value				
$25,000 per share at liquidation preference, plus unpaid dividends[3,4]	171,327,859	42,900,310	4,575,076	
Net Assets Applicable to Common Shareholders	$ 501,709,461	$ 87,709,447	$ 14,985,219	$ 101,760,880
Net Assets Applicable to Common Shareholders Consist of				
Paid-in capital[5,6,7]	$ 448,594,118	$ 78,891,300	$ 15,027,557	$ 95,045,511
Undistributed net investment income	6,760,194	4,963,938	88,487	932,976
Accumulated net realized loss	(27,847,923)	(637,492)	(2,609,526)	(10,544,604)
Net unrealized appreciation/depreciation	74,203,072	4,491,701	2,478,701	16,326,997
Net Assets Applicable to Common Shareholders	$ 501,709,461	$ 87,709,447	$ 14,985,219	$ 101,760,880
Net asset value per Common Share	$ 15.76	$ 15.77	$ 13.28	$ 15.19
[1] Investments at cost unaffiliated	$ 739,022,289	$ 124,823,952	$ 21,565,570	$ 144,789,003
[2] Investments at cost affiliated	$ 5,547,758	$ 774,142	$ 390,265	$ 3,319,178
[3] Preferred Shares outstanding, par value $0.001 per share	6,853	1,716	183	342
[4] Preferred Shares authorized	unlimited	unlimited	100 million	unlimited

[5] Par value per Common Share	$ 0.001	$ 0.001	$ 0.01	$ 0.001
[6] Common Shares outstanding	31,826,816	5,562,128	1,128,369	6,698,186
[7] Common Shares authorized	unlimited	unlimited	200 million	unlimited

See Notes to Financial Statements.

Statements of Assets and Liabilities

January 31, 2012 (Unaudited)	BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)	BlackRock New Jersey Municipal Income Trust (BNJ)	BlackRock New York Investment Quality Municipal Trust Inc. (RNY)	BlackRock New York Municipal Income Trust (BNY)
Assets				
Investments at value unaffiliated[1]	$ 21,049,596	$ 183,568,121	$ 31,118,221	$ 299,146,955
Investments at value affiliated[2]	304,465	1,878,917	386,680	5,447,291
Cash pledged as collateral for financial futures contracts	10,000	77,000	12,000	108,000
Interest receivable unaffiliated	223,692	1,875,951	329,397	3,461,158
Investments sold receivable	274,980	2,214,842		1,000,000
Prepaid expenses	776	6,630	796	11,046
Other assets	6,339	13,163	4,039	22,432
Total assets	21,869,848	189,634,624	31,851,133	309,196,882
Liabilities				
Bank overdraft	6,634	16,645	7,138	25,433
Income dividends payable	66,612	603,417	96,007	1,060,491
Investment advisory fees payable	6,226	92,829	9,097	152,896
Officer s and Trustees fees payable	8,517	15,596	5,947	33,614
Interest expense payable	133	1,769	387	4,804
Margin variation payable	1,094	8,750	1,313	12,250
Administration fees payable	1,797		2,609	
Other affiliates payable	1,283	2,024	1,292	2,050
Other accrued expenses payable	30,372	50,714	18,686	36,420
Total accrued liabilities	122,668	791,744	142,476	1,327,958
Other Liabilities				
TOB trust certificates	734,917	9,634,296	2,080,297	21,226,715
Total liabilities	857,585	10,426,040	2,222,773	22,554,673
AMPS at Redemption Value				
$25,000 per share at liquidation preference, plus unpaid dividends[3,4]	6,900,175	59,100,988	9,725,070	94,501,460
Net Assets Applicable to Common Shareholders	$ 14,112,088	$ 120,107,596	$ 19,903,290	$ 192,140,749
Net Assets Applicable to Common Shareholders Consist of				
Paid-in capital[5,6,7]	$ 13,223,144	$ 108,407,582	$ 17,784,853	$ 182,498,550
Undistributed net investment income	188,480	2,371,037	340,488	3,768,482
Accumulated net realized loss	(771,631)	(3,408,689)	(243,722)	(6,752,916)
Net unrealized appreciation/depreciation	1,472,095	12,737,666	2,021,671	12,626,633
Net Assets Applicable to Common Shareholders	$ 14,112,088	$ 120,107,596	$ 19,903,290	$ 192,140,749
Net asset value per Common Share	$ 13.88	$ 15.74	$ 15.13	$ 14.95
[1] Investments at cost unaffiliated	$ 19,568,741	$ 170,760,379	$ 29,086,039	$ 286,422,215
[2] Investments at cost affiliated	$ 304,465	$ 1,878,917	$ 386,680	$ 5,447,291
[3] Preferred Shares outstanding, par value $0.001 per share	276	2,364	389	3,780
[4] Preferred Shares authorized	300	unlimited	392	unlimited
[5] Par value per Common Share	$ 0.01	$ 0.001	$ 0.01	$ 0.001
[6] Common Shares outstanding	1,017,070	7,628,895	1,315,526	12,854,930
[7] Common Shares authorized	200 million	unlimited	200 million	unlimited

See Notes to Financial Statements.

Statements of Operations

Six Months Ended January 31, 2012 (Unaudited)	BlackRock California Municipal Income Trust (BFZ)	BlackRock Florida Municipal 2020 Term Trust (BFO)	BlackRock Investment Quality Municipal Income Trust (RFA)	BlackRock Municipal Income Investment Trust (BBF)
Investment Income				
Interest	$ 18,422,859	$ 2,933,350	$ 579,767	$ 3,855,832
Income affiliated	2,503	205	185	878
Total income	18,425,362	2,933,555	579,952	3,856,710
Expenses				
Investment advisory	2,286,750	323,136	40,696	478,143
Administration			11,627	
Professional	112,246	27,395	18,597	42,020
Accounting services	25,083	14,559	8,618	18,443
Liquidity fees				107,594
Printing	31,587	10,372	3,238	8,856
Transfer agent	14,830	9,433	5,093	8,442
Custodian	16,799	5,225	3,145	6,406
Officer and Trustees	23,954	4,112	743	5,541
Registration	5,200	4,721		4,272
Remarketing fees on Preferred Shares	105,463	32,447	3,082	15,495
Miscellaneous	33,782	19,480	10,660	21,220
Total expenses excluding interest expense and fees	2,655,694	450,880	105,499	716,432
Interest expense and fees[1]	509,392	1,428	16,412	166,304
Total expenses	3,165,086	452,308	121,911	882,736
Less fees waived by advisor	(110,590)	(49)	(61)	(1,294)
Total expenses after fees waived	3,054,496	452,259	121,850	881,442
Net investment income	15,370,866	2,481,296	458,102	2,975,268
Realized and Unrealized Gain (Loss)				
Net realized gain (loss) from:				
Investments	4,561,997	160,365	95,398	597,522
Financial futures contracts	54,879		(12,893)	(203,022)
	4,616,876	160,365	82,505	394,500
Net change in unrealized appreciation/depreciation on:				
Investments	54,789,940	3,871,131	1,630,672	11,620,540
Financial futures contracts	(105,114)		6,640	76,650
	54,684,826	3,871,131	1,637,312	11,697,190
Total realized and unrealized gain	59,301,702	4,031,496	1,719,817	12,091,690
Dividends to AMPS Shareholders From				
Net investment income	(184,039)	(45,916)	(4,842)	(17,731)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	$ 74,488,529	$ 6,466,876	$ 2,173,077	$ 15,049,227

[1] Related to TOBs and/or VRDP Shares.

See Notes to Financial Statements.

Statements of Operations

Six Months Ended January 31, 2012 (Unaudited)	BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)	BlackRock New Jersey Municipal Income Trust (BNJ)	BlackRock New York Investment Quality Municipal Trust Inc. (RNY)	BlackRock New York Municipal Income Trust (BNY)
Investment Income				
Interest	$ 503,521	$ 4,467,731	$ 727,562	$ 7,395,166
Income affiliated	269	535	168	971
Total income	503,790	4,468,266	727,730	7,396,137
Expenses				
Investment advisory	35,705	530,042	51,541	876,332
Administration	10,201		14,726	
Professional	17,164	33,696	18,630	39,320
Accounting services	6,462	21,110	8,164	30,118
Printing	1,996	11,268	2,756	17,242
Transfer agent	5,943	9,172	5,811	15,732
Custodian	2,777	6,138	3,413	8,766
Officer and Trustees	534	5,771	1,157	9,079
Registration	216	4,528	276	4,420
Remarketing fees on Preferred Shares	5,140	34,153	7,161	60,974
Miscellaneous	11,531	18,892	11,860	19,998
Total expenses excluding interest expense and fees	97,669	674,770	125,495	1,081,981
Interest expense and fees[1]	955	17,083	4,023	43,357
Total expenses	98,624	691,853	129,518	1,125,338
Less fees waived by advisor	(414)	(3,808)	(402)	(3,199)
Total expenses after fees waived	98,210	688,045	129,116	1,122,139
Net investment income	405,580	3,780,221	598,614	6,273,998
Realized and Unrealized Gain (Loss)				
Net realized gain (loss) from:				
Investments	(130,143)	(1,166,080)	51,098	393,246
Financial futures contracts	(34,846)	(147,861)	(42,371)	(418,528)
	(164,989)	(1,313,941)	8,727	(25,282)
Net change in unrealized appreciation/depreciation on:				
Investments	1,743,127	13,933,797	1,792,084	13,921,831
Financial futures contracts	6,640	20,758	7,272	76,167
	1,749,767	13,954,555	1,799,356	13,997,998
Total realized and unrealized gain	1,584,778	12,640,614	1,808,083	13,972,716
Dividends to AMPS Shareholders From				
Net investment income	(7,494)	(62,568)	(10,434)	(101,003)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	$ 1,982,864	$ 16,358,267	$ 2,396,263	$ 20,145,711

[1] Related to TOBs.

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock California Municipal Income Trust (BFZ) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	BlackRock Florida Municipal 2020 Term Trust (BFO) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011
Operations				
Net investment income	$ 15,370,866	$ 31,139,016	$ 2,481,296	$ 5,119,761
Net realized gain (loss)	4,616,876	(8,357,610)	160,365	(290,392)
Net change in unrealized appreciation/depreciation	54,684,826	(5,958,674)	3,871,131	(751,097)
Dividends to AMPS Shareholders from net investment income	(184,039)	(627,551)	(45,916)	(157,673)
Net increase in net assets applicable to Common Shareholders resulting from operations	74,488,529	16,195,181	6,466,876	3,920,599
Dividends to Common Shareholders From				
Net investment income	(14,523,754)	(28,943,204)	(1,868,875)	(3,737,750)
Capital Share Transactions				
Reinvestment of common dividends		194,043		
Net Assets Applicable to Common Shareholders				
Total increase (decrease) in net assets applicable to Common Shareholders	59,964,775	(12,553,980)	4,598,001	182,849
Beginning of period	441,744,686	454,298,666	83,111,446	82,928,597
End of period	$ 501,709,461	$ 441,744,686	$ 87,709,447	$ 83,111,446
Undistributed net investment income	$ 6,760,194	$ 6,097,121	$ 4,963,938	$ 4,397,433

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock Investment Quality Municipal Income Trust (RFA) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	BlackRock Municipal Income Investment Trust (BBF) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011
Operations				
Net investment income	$ 458,102	$ 923,036	$ 2,975,268	$ 6,496,368
Net realized gain (loss)	82,505	(292,991)	394,500	(1,501,564)
Net change in unrealized appreciation/depreciation	1,637,312	(243,441)	11,697,190	(2,227,084)
Dividends to AMPS Shareholders from net investment income	(4,842)	(16,673)	(17,731)	(125,459)
Net increase in net assets applicable to Common Shareholders resulting from operations	2,173,077	369,931	15,049,227	2,642,261
Dividends to Common Shareholders From				
Net investment income	(473,865)	(947,484)	(3,028,945)	(6,056,216)
Capital Share Transactions				
Reinvestment of common dividends	2,232	6,427	15,082	66,589
Net Assets Applicable to Common Shareholders				
Total increase (decrease) in net assets applicable to Common Shareholders	1,701,444	(571,126)	12,035,364	(3,347,366)
Beginning of period	13,283,775	13,854,901	89,725,516	93,072,882

End of period	$ 14,985,219	$ 13,283,775	$ 101,760,880	$ 89,725,516
Undistributed net investment income	$ 88,487	$ 109,092	$ 932,976	$ 1,004,384

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	BlackRock New Jersey Municipal Income Trust (BNJ) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011
Operations				
Net investment income	$ 405,580	$ 803,724	$ 3,780,221	$ 7,450,209
Net realized gain (loss)	(164,989)	13,257	(1,313,941)	(51,013)
Net change in unrealized appreciation/depreciation	1,749,767	(247,930)	13,954,555	(2,320,006)
Dividends to AMPS Shareholders from net investment income	(7,494)	(25,275)	(62,568)	(215,849)
Net increase in net assets applicable to Common Shareholders resulting from operations	1,982,864	543,776	16,358,267	4,863,341
Dividends to Common Shareholders From				
Net investment income	(401,362)	(798,842)	(3,618,583)	(7,208,599)
Capital Share Transactions				
Reinvestment of common dividends	5,666	15,882	141,934	314,646
Net Assets Applicable to Common Shareholders				
Total increase (decrease) in net assets applicable to Common Shareholders	1,587,168	(239,184)	12,881,618	(2,030,612)
Beginning of period	12,524,920	12,764,104	107,225,978	109,256,590
End of period	$ 14,112,088	$ 12,524,920	$ 120,107,596	$ 107,225,978
Undistributed net investment income	$ 188,480	$ 191,756	$ 2,371,037	$ 2,271,967

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock New York Investment Quality Municipal Trust Inc. (RNY) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	BlackRock New York Municipal Income Trust (BNY) Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011
Operations				
Net investment income	$ 598,614	$ 1,231,459	$ 6,273,998	$ 12,917,415
Net realized gain (loss)	8,727	(201,022)	(25,282)	(2,476,985)
Net change in unrealized appreciation/depreciation	1,799,356	(372,137)	13,997,998	(2,499,722)
Dividends to AMPS Shareholders from net investment income	(10,434)	(35,976)	(101,003)	(347,184)
Net increase in net assets applicable to Common Shareholders resulting from operations	2,396,263	622,324	20,145,711	7,593,524
Dividends to Common Shareholders From				
Net investment income	(577,782)	(1,151,343)	(6,357,965)	(12,677,483)
Capital Share Transactions				
Reinvestment of common dividends	7,754	28,773	360,090	704,984
Net Assets Applicable to Common Shareholders				

Total increase (decrease) in net assets applicable to Common Shareholders	1,826,235	(500,246)	14,147,836	(4,378,975)
Beginning of period	18,077,055	18,577,301	177,992,913	182,371,888
End of period	$ 19,903,290	$ 18,077,055	$ 192,140,749	$ 177,992,913
Undistributed net investment income	$ 340,488	$ 330,090	$ 3,768,482	$ 3,953,452

See Notes to Financial Statements.

Statements of Cash Flows

Six Months Ended January 31, 2012 (Unaudited)	BlackRock California Municipal Income Trust (BFZ)	BlackRock Investment Quality Municipal Income Trust (RFA)	BlackRock Municipal Income Investment Trust (BBF)
Cash Provided by (Used for) Operating Activities			
Net increase in net assets resulting from operations, excluding dividends to AMPS Shareholders	$ 74,672,568	$ 2,177,919	$ 15,066,958
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:			
Decrease in interest receivable	650,404	4,949	115,950
(Increase) decrease in other assets	(507)	45	(32)
(Increase) decrease in prepaid expenses	(46)	1,050	9,046
Decrease in income receivable affiliated	205	25	62
Increase in cash pledged as collateral for financial futures contracts	(116,000)	(3,400)	(9,000)
Increase in investment advisory fees payable	39,288	519	4,145
Decrease in interest expense and fees payable	(43,025)	(1,231)	(8,934)
Increase in administration fees payable		148	
Decrease in other accrued expenses payable	(54,519)	(27,981)	(64,354)
Increase (decrease) in margin variation payable	13,125	(4,845)	(43,625)
Increase (decrease) in Officer s and Trustees fees payable	5,453	229	(134)
Net realized and unrealized gain on investments	(59,351,937)	(1,726,117)	(12,218,267)
Amortization of premium and accretion of discount on investments	858,988	7,829	99,678
Amortization of deferred offering costs			24,243
Proceeds from sales of long-term investments	146,565,457	3,548,345	35,699,943
Purchases of long-term investments	(155,353,540)	(3,891,234)	(33,749,267)
Net proceeds from sales (purchases) of short-term securities	(2,827,515)	(87,354)	(1,200,070)
Cash provided by (used for) operating activities	5,058,399	(1,104)	3,726,342
Cash Provided by (Used for) Financing Activities			
Cash receipts from issuance of VRDP Shares			34,200,000
Cash payments on redemption of AMPS			(34,250,000)
Cash receipts from TOB trust certificates	12,319,999	480,000	3,305,000
Cash payments for TOB trust certificates	(2,646,849)	(10,000)	(3,745,000)
Cash dividends paid to Common Shareholders	(14,523,754)	(471,624)	(3,013,799)
Cash dividends paid to AMPS Shareholders	(183,910)	(4,813)	(17,731)
Cash payments for offering costs			(226,588)
Increase in bank overdraft		7,541	21,776
Cash provided by (used for) financing activities	(5,034,514)	1,104	(3,726,342)
Cash			
Net change in cash	23,885		
Cash at beginning of period			
Cash at end of period	$ 23,885		
Cash Flow Information			
Cash paid during the period for interest and fees	$ 552,417	$ 17,643	$ 150,995
Noncash Financing Activities			
Capital shares issued in reinvestment of dividends paid to Common Shareholders		$ 2,232	$ 15,082

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

Financial Highlights **BlackRock California Municipal Income Trust (BFZ)**

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	2010	2009	Period November 1, 2007 to July 31, 2008	Year Ended October 31, 2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 13.88	$ 14.28	$ 12.71	$ 13.98	$ 14.97	$ 15.74	$ 15.18
Net investment income	0.48[1]	0.98[1]	1.00[1]	1.03[1]	0.82[1]	1.08	1.11
Net realized and unrealized gain (loss)	1.87	(0.45)	1.50	(1.35)	(0.90)	(0.64)	0.62
Dividends to AMPS Shareholders from net investment income	(0.01)	(0.02)	(0.02)	(0.12)	(0.22)	(0.30)	(0.26)
Net increase (decrease) from investment operations	2.34	0.51	2.48	(0.44)	(0.30)	0.14	1.47
Dividends to Common Shareholders from net investment income	(0.46)	(0.91)	(0.91)	(0.83)	(0.69)	(0.91)	(0.91)
Net asset value, end of period	$ 15.76	$ 13.88	$ 14.28	$ 12.71	$ 13.98	$ 14.97	$ 15.74
Market price, end of period	$ 15.45	$ 13.16	$ 14.21	$ 12.40	$ 13.99	$ 15.82	$ 17.12
Total Investment Return Applicable to Common Shareholders[2]							
Based on net asset value	17.19%[3]	4.05%	20.15%	(2.36)%	(2.09)%[3]	0.77%	9.93%
Based on market price	21.17%[3]	(0.86)%	22.55%	(4.81)%	(7.29)%[3]	(2.09)%	21.65%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[4]	1.35%[5]	1.46%	1.36%	1.54%	1.25%[5]	1.21%	1.25%
Total expenses after fees waived and before fees paid indirectly[4]	1.31%[5]	1.39%	1.27%	1.35%	0.98%[5]	0.91%	0.87%
Total expenses after fees waived and paid indirectly[4]	1.31%[5]	1.39%	1.27%	1.35%	0.98%[5]	0.91%	0.87%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees and reorganization expense[4,6]	1.09%[5]	1.12%	1.04%	1.08%	0.91%[5]	0.91%	0.87%
Net investment income[4]	6.57%[5]	7.19%	6.94%	8.27%	7.39%[5]	7.09%	7.26%
Dividends to AMPS Shareholders	0.08%[5]	0.15%	0.15%	1.00%	1.95%[5]	1.98%	1.71%
Net investment income to Common Shareholders	6.49%[5]	7.04%	6.79%	7.27%	5.44%[5]	5.11%	5.55%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 501,709	$ 441,745	$ 454,299	$ 192,551	$ 211,671	$ 225,939	$ 236,573
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 171,325	$ 171,325	$ 171,325	$ 71,000	$ 100,900	$ 131,950	$ 131,950
Portfolio turnover	19%	36%	47%	58%	26%	26%	17%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 98,210	$ 89,460	$ 91,293	$ 92,801	$ 77,457	$ 67,816	$ 69,836

1 Based on average Common Shares outstanding.

2

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

[3] Aggregate total investment return.

[4] Do not reflect the effect of dividends to AMPS Shareholders.

[5] Annualized.

[6] Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock Florida Municipal 2020 Term Trust (BFO)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	2010	2009	Period November 1, 2008 to July 31, 2008	Year Ended December 31, 2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 14.94	$ 14.91	$ 13.35	$ 14.16	$ 14.72	$ 15.16	$ 14.90
Net investment income	0.45[1]	0.92[1]	0.95[1]	0.96[1]	0.58[1]	0.99	0.98
Net realized and unrealized gain (loss)	0.73	(0.19)	1.31	(1.00)	(0.62)	(0.45)	0.23
Dividends and distributions to AMPS Shareholders from:							
Net investment income	(0.01)	(0.03)	(0.03)	(0.15)	(0.16)	(0.31)	(0.29)
Net realized gain						(0.02)	
Net increase (decrease) from investment operations	1.17	0.70	2.23	(0.19)	(0.20)	0.21	0.92
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.34)	(0.67)	(0.67)	(0.62)	(0.36)	(0.61)	(0.66)
Net realized gain						(0.04)	
Total dividends and distributions to Common Shareholders	(0.34)	(0.67)	(0.67)	(0.62)	(0.36)	(0.65)	(0.66)
Net asset value, end of period	$ 15.77	$ 14.94	$ 14.91	$ 13.35	$ 14.16	$ 14.72	$ 15.16
Market price, end of period	$ 15.41	$ 13.91	$ 14.30	$ 12.31	$ 12.50	$ 12.93	$ 13.85
Total Investment Return Applicable to Common Shareholders[2]							
Based on net asset value	7.94%[3]	5.07%	17.35%	(0.48)%	(1.12)%[3]	1.86%	6.73%
Based on market price	13.28%[3]	2.00%	22.05%	3.95%	(0.63)%[3]	(2.06)%	8.83%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[4]	1.06%[5]	1.13%	1.14%	1.29%	1.22%[5]	1.16%	1.20%
Total expenses after fees waived and before fees paid indirectly[4]	1.06%[5]	1.13%	1.13%	1.26%	1.22%[5]	1.16%	1.20%
Total expenses after fees waived and paid indirectly[4]	1.06%[5]	1.13%	1.13%	1.26%	1.22%[5]	1.16%	1.18%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6]	1.05%[5]	1.09%	1.09%	1.13%	1.17%[5]	1.16%	1.18%
Net investment income[4]	5.80%[5]	6.29%	6.72%	7.39%	6.74%[5]	6.63%	6.54%
Dividends to AMPS Shareholders	0.11%[5]	0.19%	0.22%	1.13%	1.92%[5]	2.07%	1.96%
Net investment income to Common Shareholders	5.69%[5]	6.10%	6.50%	6.26%	4.82%[5]	4.56%	4.58%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 87,709	$ 83,111	$ 82,929	$ 74,256	$ 78,747	$ 81,896	$ 84,300
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 42,900	$ 42,900	$ 42,900	$ 42,900	$ 42,900	$ 48,900	$ 48,900
Portfolio turnover	9%	6%	6%	9%	6%	17%	
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 76,113	$ 73,433	$ 73,329	$ 68,275	$ 70,900	$ 66,872	$ 68,114

[1] Based on average Common Shares outstanding.

[2] Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

[3] Aggregate total investment return.

[4] Do not reflect the effect of dividends to AMPS Shareholders.

[5] Annualized.

[6] Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock Investment Quality Municipal Income Trust (RFA)

	Six Months Ended January 31, 2012 (Unaudited)	**Year Ended July 31,**			**Period November 1, 2007 to July 31,**	**Year Ended October 31,**	
		2011	**2010**	**2009**	**2008**	**2007**	**2006**
Per Share Operating Performance							
Net asset value, beginning of period	$ 11.77	$ 12.29	$ 11.15	$ 12.31	$ 13.43	$ 14.24	$ 14.39
Net investment income	0.41[1]	0.82[1]	0.80[1]	0.84[1]	0.62[1]	0.83	0.82
Net realized and unrealized gain (loss)	1.52	(0.49)	1.19	(1.32)	(1.14)	(0.69)	0.40
Dividends and distributions to AMPS Shareholders from:							
Net investment income	(0.00)[2]	(0.01)	(0.02)	(0.12)	(0.20)	(0.26)	(0.21)
Net realized gain						(0.04)	(0.05)
Net increase (decrease) from investment operations	1.93	0.32	1.97	(0.60)	(0.72)	(0.16)	0.96
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.42)	(0.84)	(0.83)	(0.56)	(0.40)	(0.60)	(0.85)
Net realized gain						(0.05)	(0.26)
Total dividends and distributions to Common Shareholders	(0.42)	(0.84)	(0.83)	(0.56)	(0.40)	(0.65)	(1.11)
Net asset value, end of period	$ 13.28	$ 11.77	$ 12.29	$ 11.15	$ 12.31	$ 13.43	$ 14.24
Market price, end of period	$ 14.00	$ 11.65	$ 12.60	$ 10.08	$ 10.93	$ 11.86	$ 16.00
Total Investment Return Applicable to Common Shareholders[3]							
Based on net asset value	16.68%[4]	2.90%	18.09%	(3.68)%	(5.03)%[4]	(1.02)%	6.46%
Based on market price	24.27%[4]	(0.66)%	33.92%	(1.93)%	(4.51)%[4]	(22.21)%	15.91%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[5]	1.74%[6]	1.84%	1.69%	1.72%	1.60%[6,7]	1.44%	1.43%
Total expenses after fees waived and before fees paid indirectly[5]	1.74%[6]	1.84%	1.69%	1.68%	1.58%[6,7]	1.43%	1.43%
Total expenses after fees waived and paid indirectly[5]	1.74%[6]	1.84%	1.69%	1.68%	1.58%[6,7]	1.39%	1.37%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[5,8]	1.50%[6]	1.56%	1.47%	1.56%	1.53%[6,7]	1.39%	1.37%
Net investment income[5]	6.53%[6]	7.03%	6.66%	7.79%	6.42%[6,7]	6.03%	5.80%
Dividends to AMPS Shareholders	0.07%[6]	0.13%	0.13%	1.10%	2.03%[6]	1.88%	1.49%
Net investment income to Common Shareholders	6.46%[6]	6.90%	6.53%	6.69%	4.39%[6,7]	4.15%	4.31%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 14,985	$ 13,284	$ 13,855	$ 12,565	$ 13,871	$ 15,134	$ 16,054
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 4,575	$ 4,575	$ 4,575	$ 4,575	$ 7,125	$ 8,500	$ 8,500
Portfolio turnover	14%	27%	44%	88%	29%	40%	57%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 106,886	$ 97,589	$ 100,711	$ 93,664	$ 73,687	$ 69,526	$ 72,229

1 Based on average Common Shares outstanding.

2 Amount is less than $(0.01) per share.

3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

4 Aggregate total investment return.

5 Do not reflect the effect of dividends to AMPS Shareholders.

6 Annualized.

7 Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratios of total expenses, total expenses after fees waived and before fees paid indirectly, total expenses after fees waived and paid indirectly, total expenses after fees waived and paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.71%, 1.68%, 1.68%, 1.63%, 6.31% and 4.28%, respectively.

8 Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock Municipal Income Investment Trust (BBF)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31,			Period November 1, 2007 to July 31, 2008	Year Ended October 31,	
		2011	2010	2009		2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 13.40	$ 13.91	$ 12.71	$ 14.08	$ 15.05	$ 15.68	$ 15.48
Net investment income	0.44[1]	0.97[1]	0.92[1]	1.01[1]	0.80[1]	1.07	1.11
Net realized and unrealized gain (loss)	1.80	(0.56)	1.20	(1.36)	(0.89)	(0.49)	0.26
Dividends to AMPS Shareholders from net investment income	(0.00)[2]	(0.02)	(0.02)	(0.14)	(0.22)	(0.31)	(0.27)
Net increase (decrease) from investment operations	2.24	0.39	2.10	(0.49)	(0.31)	0.27	1.10
Dividends to Common Shareholders from net investment income	(0.45)	(0.90)	(0.90)	(0.88)	(0.66)	(0.90)	(0.90)
Net asset value, end of period	$ 15.19	$ 13.40	$ 13.91	$ 12.71	$ 14.08	$ 15.05	$ 15.68
Market price, end of period	$ 14.99	$ 12.74	$ 13.90	$ 12.49	$ 13.68	$ 15.10	$ 16.30
Total Investment Return Applicable to Common Shareholders[3]							
Based on net asset value	17.04%[4]	3.15%	17.04%	(2.57)%	(2.04)%[4]	1.78%	7.34%
Based on market price	21.49%[4]	(1.86)%	19.01%	(1.46)%	(5.14)%[4]	(1.76)%	13.26%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[5]	1.86%[6]	1.60%	1.46%	1.47%	1.31%[6]	1.28%	1.30%
Total expenses after fees waived and before fees paid indirectly[5]	1.86%[6]	1.60%	1.37%	1.27%	1.06%[6]	0.97%	0.93%
Total expenses after fees waived and paid indirectly[5]	1.86%[6]	1.60%	1.37%	1.27%	1.06%[6]	0.96%	0.92%
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs[5,7]	1.51%[6]	1.33%	1.17%	1.16%	1.02%[6]	0.96%	0.92%
Net investment income[5]	6.27%[6]	7.35%	6.84%	8.13%	7.26%[6]	7.02%	7.12%
Dividends to AMPS Shareholders	0.04%[6]	0.14%	0.16%	1.11%	1.96%[6]	2.04%	1.75%
Net investment income to Common Shareholders	6.23%[6]	7.21%	6.68%	7.02%	5.30%[6]	4.98%	5.37%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 101,761	$ 89,726	$ 93,073	$ 85,050	$ 94,176	$ 100,564	$ 104,451
AMPS outstanding at $25,000 liquidation preference, end of period (000)		$ 34,250	$ 34,250	$ 34,250	$ 49,550	$ 57,550	$ 57,550
VRDP Shares outstanding at $100,000 liquidation value, end of period (000)	$ 34,200						
Portfolio turnover	19%	24%	46%	66%	13%	25%	20%
Asset coverage per AMPS at $25,000 liquidation preference, end of period		$ 90,493	$ 92,938	$ 87,082	$ 72,521	$ 68,688	$ 70,391
Asset coverage per VRDP Shares at $100,000 liquidation value, end of period	$ 397,546						

1 Based on average Common Shares outstanding.

[2] Amount is less than $(0.01) per share.

[3] Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

[4] Aggregate total investment return.

[5] Do not reflect the effect of dividends to AMPS Shareholders.

[6] Annualized.

[7] Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

See Notes to Financial Statements.

Financial Highlights

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	2010	2009	Period November 1, 2007 to July 31, 2008	Year Ended October 31, 2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 12.32	$ 12.57	$ 11.33	$ 12.20	$ 13.57	$ 14.47	$ 14.48
Net investment income	0.40[1]	0.79[1]	0.82[1]	0.86[1]	0.66[1]	0.91	0.85
Net realized and unrealized gain (loss)	1.56	(0.23)	1.22	(0.96)	(1.26)	(0.70)	0.34
Dividends and distributions to AMPS Shareholders from:							
Net investment income	(0.01)	(0.02)	(0.03)	(0.13)	(0.16)	(0.23)	(0.20)
Net realized gain						(0.02)	(0.03)
Net increase (decrease) from investment operations	1.95	0.54	2.01	(0.23)	(0.76)	(0.04)	0.96
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.39)	(0.79)	(0.77)	(0.64)	(0.61)	(0.82)	(0.84)
Net realized gain						(0.04)	(0.13)
Total dividends and distributions to Common Shareholders	(0.39)	(0.79)	(0.77)	(0.64)	(0.61)	(0.86)	(0.97)
Net asset value, end of period	$ 13.88	$ 12.32	$ 12.57	$ 11.33	$ 12.20	$ 13.57	$ 14.47
Market price, end of period	$ 13.97	$ 12.02	$ 12.96	$ 11.68	$ 11.96	$ 14.96	$ 15.95
Total Investment Return Applicable to Common Shareholders[2]							
Based on net asset value	16.19%[3]	4.63%	18.01%	(1.09)%	(6.10)%[3]	(1.03)%	6.14%
Based on market price	19.86%[3]	(0.99)%	18.02%	4.01%	(16.50)%[3]	(1.02)%	15.25%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[4]	1.50%[5]	1.55%	1.59%	1.70%	1.88%[5,6]	1.48%	1.51%
Total expenses after fees waived and before fees paid indirectly[4]	1.49%[5]	1.53%	1.57%	1.67%	1.86%[5,6]	1.47%	1.51%
Total expenses after fees waived and paid indirectly[4]	1.49%[5]	1.53%	1.57%	1.67%	1.86%[5,6]	1.40%	1.41%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,7]	1.48%[5]	1.52%	1.56%	1.64%	1.84%[5,6]	1.40%	1.41%
Net investment income[4]	6.16%[5]	6.55%	6.75%	7.91%	6.97%[5,6]	6.49%	5.91%
Dividends to AMPS Shareholders	0.11%[5]	0.20%	0.23%	1.20%	1.89%[5]	1.67%	1.41%
Net investment income to Common Shareholders	6.05%[5]	6.35%	6.52%	6.71%	5.08%[5,6]	4.82%	4.50%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 14,112	$ 12,525	$ 12,764	$ 11,474	$ 12,351	$ 13,694	$ 14,576
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 6,900	$ 6,900	$ 6,900	$ 6,900	$ 7,075	$ 7,500	$ 7,500
Portfolio turnover	14%	26%	23%	32%	18%	31%	27%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 76,131	$ 70,381	$ 71,248	$ 66,576	$ 68,647	$ 70,649	$ 73,603

1 Based on average Common Shares outstanding.

2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

3 Aggregate total investment return.

4 Do not reflect the effect of dividends to AMPS Shareholders.

5 Annualized.

6 Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratios of total expenses, total expenses after fees waived and before fees paid indirectly, total expenses after fees waived and paid indirectly, total expense after fees waived and paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 2.00%, 1.98%, 1.98%, 1.96%, 6.85% and 4.96%, respectively.

7 Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock New Jersey Municipal Income Trust (BNJ)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31,			Period November 1, 2007 to July 31, 2008	Year Ended October 31,	
		2011	2010	2009		2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 14.07	$ 14.38	$ 12.78	$ 14.15	$ 15.49	$ 16.35	$ 15.87
Net investment income	0.50[1]	0.98[1]	1.02[1]	1.05[1]	0.89[1]	1.14	1.17
Net realized and unrealized gain (loss)	1.65	(0.32)	1.54	(1.38)	(1.24)	(0.74)	0.52
Dividends to AMPS Shareholders from net investment income	(0.01)	(0.03)	(0.03)	(0.11)	(0.24)	(0.30)	(0.26)
Net increase (decrease) from investment operations	2.14	0.63	2.53	(0.44)	(0.59)	0.10	1.43
Dividends to Common Shareholders from net investment income	(0.47)	(0.94)	(0.93)	(0.93)	(0.75)	(0.96)	(0.95)
Net asset value, end of period	$ 15.74	$ 14.07	$ 14.38	$ 12.78	$ 14.15	$ 15.49	$ 16.35
Market price, end of period	$ 16.75	$ 14.10	$ 14.82	$ 14.00	$ 15.09	$ 16.90	$ 18.40
Total Investment Return Applicable to Common Shareholders[2]							
Based on net asset value	15.51%[3]	4.74%	20.22%	(2.62)%	(4.12)%[3]	0.17%	9.18%
Based on market price	22.66%[3]	1.85%	13.11%	0.04%	(6.28)%[3]	(2.89)%	22.56%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[4]	1.23%[5]	1.25%	1.23%	1.38%	1.28%[5]	1.24%	1.27%
Total expenses after fees waived and before fees paid indirectly[4]	1.22%[5]	1.24%	1.13%	1.17%	1.03%[5]	0.94%	0.91%
Total expenses after fees waived and paid indirectly[4]	1.22%[5]	1.24%	1.13%	1.17%	1.03%[5]	0.93%	0.89%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6]	1.19%[5]	1.22%	1.12%	1.14%	1.02%[5]	0.93%	0.89%
Net investment income[4]	6.73%[5]	7.09%	7.42%	8.49%	7.92%[5]	7.18%	7.31%
Dividends to AMPS Shareholders	0.11%[5]	0.21%	0.23%	1.22%	1.94%[5]	1.86%	1.63%
Net investment income to Common Shareholders	6.62%[5]	6.88%	7.19%	7.27%	5.98%[5]	5.32%	5.68%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 120,108	$ 107,226	$ 109,257	$ 96,696	$ 106,596	$ 116,152	$ 121,987
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 59,100	$ 59,100	$ 59,100	$ 59,100	$ 60,475	$ 63,800	$ 63,800
Portfolio turnover	12%	20%	11%	29%	12%	23%	2%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 75,807	$ 70,358	$ 71,218	$ 65,905	$ 69,083	$ 70,528	$ 72,812

1 Based on average Common Shares outstanding.

2 Total investment returns based on market value, which can be significantly greater or lesser than net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the

reinvestment of dividends and distributions.

[3] Aggregate total investment return.

[4] Do not reflect the effect of dividends to AMPS Shareholders.

[5] Annualized.

[6] Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31, 2011	2010	2009	Period November 1, 2007 to July 31, 2008	Year Ended October 31, 2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 13.75	$ 14.15	$ 12.81	$ 13.30	$ 14.40	$ 15.18	$ 15.03
Net investment income	0.46[1]	0.94[1]	0.95[1]	0.95[1]	0.67[1]	0.95	0.97
Net realized and unrealized gain (loss)	1.37	(0.43)	1.28	(0.61)	(0.89)	(0.61)	0.37
Dividends and distributions to AMPS Shareholders from:							
Net investment income	(0.01)	(0.03)	(0.03)	(0.10)	(0.15)	(0.25)	(0.21)
Net realized gain			(0.00)[2]	(0.00)[2]	(0.04)	(0.01)	(0.02)
Net increase (decrease) from investment operations	1.82	0.48	2.20	0.24	(0.41)	0.08	1.11
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.44)	(0.88)	(0.84)	(0.72)	(0.60)	(0.85)	(0.88)
Net realized gain			(0.02)	(0.01)	(0.09)	(0.01)	(0.08)
Total dividends and distributions to Common Shareholders	(0.44)	(0.88)	(0.86)	(0.73)	(0.69)	(0.86)	(0.96)
Net asset value, end of period	$ 15.13	$ 13.75	$ 14.15	$ 12.81	$ 13.30	$ 14.40	$ 15.18
Market price, end of period	$ 15.27	$ 13.49	$ 14.70	$ 12.61	$ 12.83	$ 15.39	$ 16.65
Total Investment Return Applicable to Common Shareholders[3]							
Based on net asset value	13.47%[4]	3.63%	17.60%	2.71%	(2.98)%[4]	0.10%	7.32%
Based on market price	16.73%[4]	(2.14)%	24.11%	4.81%	(12.43)%[4]	(2.46)%	19.95%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[5]	1.38%	1.39%	1.31%	1.42%	1.48%[6,7]	1.29%	1.33%
Total expenses after fees waived and before fees paid indirectly[5]	1.38%	1.39%	1.30%	1.41%	1.47%[6,7]	1.29%	1.33%
Total expenses after fees waived and paid indirectly[5]	1.38%	1.39%	1.30%	1.41%	1.47%[6,7]	1.24%	1.25%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[5,8]	1.33%	1.36%	1.30%	1.41%	1.47%[6,7]	1.24%	1.25%
Net investment income[5]	6.39%	6.90%	6.92%	7.72%	6.53%[6,7]	6.42%	6.48%
Dividends to AMPS Shareholders	0.11%	0.20%	0.21%	1.14%	1.47%[6]	1.72%	1.42%
Net investment income to Common Shareholders	6.28%	6.70%	6.71%	6.58%	5.06%[6,7]	4.70%	5.06%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 19,903	$ 18,077	$ 18,577	$ 16,796	$ 17,448	$ 18,848	$ 19,839
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 9,725	$ 9,725	$ 9,725	$ 9,725	$ 9,800	$ 9,800	$ 9,800
Portfolio turnover	19%	19%	35%	24%	8%	37%	24%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 76,165	$ 71,471	$ 72,758	$ 68,180	$ 69,521	$ 73,090	$ 75,614

1 Based on average Common Shares outstanding.

2 Amount is less than $(0.01) per share.

3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

4 Aggregate total investment return.

5 Do not reflect the effect of dividends to AMPS Shareholders.

6 Annualized.

7 Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratios of total expenses, total expenses after fees waived and before fees paid indirectly, total expenses after fees waived and paid indirectly, total expenses after fees waived and paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.56%, 1.55%, 1.55%, 1.55%, 6.46% and 4.99%, respectively.

8 Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Financial Highlights

BlackRock New York Municipal Income Trust (BNY)

	Six Months Ended January 31, 2012 (Unaudited)	Year Ended July 31,			Period November 1, 2007 to July 31, 2008	Year Ended October 31,	
		2011	2010	2009		2007	2006
Per Share Operating Performance							
Net asset value, beginning of period	$ 13.87	$ 14.27	$ 12.71	$ 13.88	$ 15.11	$ 15.88	$ 15.44
Net investment income	0.49[1]	1.01[1]	1.04[1]	1.06[1]	0.86[1]	1.11	1.13
Net realized and unrealized gain (loss)	1.10	(0.39)	1.54	(1.22)	(1.17)	(0.70)	0.47
Dividends to AMPS Shareholders from net investment income	(0.01)	(0.03)	(0.03)	(0.10)	(0.21)	(0.28)	(0.26)
Net increase (decrease) from investment operations	1.58	0.59	2.55	(0.26)	(0.52)	0.13	1.34
Dividends to Common Shareholders from net investment income	(0.50)	(0.99)	(0.99)	(0.91)	(0.71)	(0.90)	(0.90)
Net asset value, end of period	$ 14.95	$ 13.87	$ 14.27	$ 12.71	$ 13.88	$ 15.11	$ 15.88
Market price, end of period	$ 16.12	$ 14.20	$ 15.11	$ 13.95	$ 15.26	$ 15.55	$ 17.35
Total Investment Return Applicable to Common Shareholders[2]							
Based on net asset value	11.54%[3]	4.39%	20.35%	(1.28)%	(3.71)%[3]	0.64%	8.91%
Based on market price	17.48%[3]	0.94%	16.11%	(1.44)%	2.87%[3]	(5.20)%	20.95%
Ratios to Average Net Assets Applicable to Common Shareholders							
Total expenses[4]	1.22%[5]	1.27%	1.25%	1.43%	1.25%[5]	1.22%	1.25%
Total expenses after fees waived and before fees paid indirectly[4]	1.22%[5]	1.27%	1.16%	1.25%	1.00%[5]	0.92%	0.88%
Total expenses after fees waived and paid indirectly[4]	1.22%[5]	1.27%	1.16%	1.25%	1.00%[5]	0.92%	0.87%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6]	1.17%[5]	1.22%	1.11%	1.13%	0.97%[5]	0.92%	0.87%
Net investment income[4]	6.83%[5]	7.35%	7.50%	8.67%	7.79%[5]	7.23%	7.30%
Dividends to AMPS Shareholders	0.11%[5]	0.20%	0.22%	1.17%	1.91%[5]	1.84%	1.69%
Net investment income to Common Shareholders	6.72%[5]	7.15%	7.28%	7.50%	5.88%[5]	5.39%	5.61%
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 192,141	$ 177,993	$ 182,372	$ 161,727	$ 175,927	$ 190,962	$ 199,717
AMPS outstanding at $25,000 liquidation preference, end of period (000)	$ 94,500	$ 94,500	$ 94,500	$ 94,500	$ 95,850	$ 109,750	$ 109,750
Portfolio turnover	9%	17%	16%	18%	5%	23%	27%
Asset coverage per AMPS at $25,000 liquidation preference, end of period	$ 75,831	$ 72,089	$ 73,248	$ 67,787	$ 70,892	$ 68,509	$ 70,502

1 Based on average Common Shares outstanding.

2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the

reinvestment of dividends and distributions.

[3] Aggregate total investment return.

[4] Do not reflect the effect of dividends to AMPS Shareholders.

[5] Annualized.

[6] Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies:

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ) and BlackRock New York Investment Quality Municipal Trust Inc. (RNY) are organized as Maryland corporations. BlackRock Investment Quality Municipal Income Trust (RFA) is organized as a Massachusetts business trust. RNJ, RNY and RFA are herein referred to as the Investment Quality Trusts. BlackRock California Municipal Income Trust (BFZ), BlackRock Municipal Income Investment Trust (BBF), BlackRock New Jersey Municipal Income Trust (BNJ), BlackRock New York Municipal Income Trust (BNY) (collectively, the Income Trusts) and BlackRock Florida Municipal 2020 Term Trust (BFO) are organized as Delaware statutory trusts. The Investment Quality Trusts, Income Trusts and BFO are referred to herein collectively as the Trusts. The Trusts are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Trusts financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Board of Directors and the Board of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the directors/trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the NAV of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

Valuation: US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by each Trust s Board. Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value. Investments in open-end registered investment companies are valued at NAV each business day.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or if a price is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Zero-Coupon Bonds: The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Forward Commitments and When-Issued Delayed Delivery Securities: The Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

Municipal Bonds Transferred to TOBs: The Trusts leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates (TOB Residuals), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be terminated without the consent of a Trust upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the six months ended January 31, 2012, no TOBs that the Trusts participated in were terminated without the consent of the Trusts.

Notes to Financial Statements (continued)

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Trust, in exchange for TOB trust certificates. The Trusts typically invests the cash in additional municipal bonds. Each Trust s transfer of the municipal bonds to a TOB is accounted for as a secured borrowing; therefore the municipal bonds deposited into a TOB are presented in the Trusts Schedules of Investments and the TOB trust certificates are shown in other liabilities in the Statements of Assets and Liabilities.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense fees and amortization of offering costs in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At January 31, 2012, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for TOB trust certificates and the range of interest rates on the liability for trust certificates were as follows:

	Underlying Municipal Bonds Transferred to TOBs	Liability for TOB Trust Certificates	Range of Interest Rates
BFZ	$ 321,251,650	$ 153,386,087	0.05% 0.23%
BFO	$ 769,586	$ 480,000	0.16%
RFA	$ 9,833,421	$ 4,928,720	0.07% 0.18%
BBF	$ 60,069,566	$ 30,117,038	0.07% 0.18%
RNJ	$ 1,421,230	$ 734,917	0.09% 0.14%
BNJ	$ 19,136,557	$ 9,634,296	0.09% 0.14%
RNY	$ 4,084,026	$ 2,080,297	0.05% 0.18%
BNY	$ 40,435,679	$ 21,226,715	0.05% 0.18%

For the six months ended January 31, 2012, the Trusts average TOB trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

	Average TOB Trust Certificates Outstanding	Daily Weighted Average Interest Rate
BFZ	$ 147,475,736	0.69%
BFO	$ 482,283	0.59%
RFA	$ 4,606,301	0.71%
BBF	$ 29,962,010	0.71%
RNJ	$ 292,227	0.65%
BNJ	$ 4,937,584	0.69%
RNY	$ 931,745	0.86%
BNY	$ 13,346,471	0.64%

Should short-term interest rates rise, the Trusts investments in TOBs may adversely affect the Trusts net investment income and dividends to Common Shareholders. Also, fluctuations in the market values of municipal bonds deposited into the TOB may adversely affect the Trusts NAVs per share.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/ deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains, if any, are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

Income Taxes: It is each Trust s policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statutes of limitations on Investment Quality Trusts , Income Trusts and BFO s US federal tax returns remains open for each of the following periods:

	Year Ended	Period
BFZ	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2008 to July 31, 2008
BFO	July 31, 2011 July 31, 2010 July 31, 2009	January 1, 2008 to July 31, 2008
RFA	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008
BBF	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008
RNJ	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008
BNJ	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008
RNY	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008
BNY	July 31, 2011 July 31, 2010 July 31, 2009	November 1, 2007 to July 31, 2008

Notes to Financial Statements (continued)

The statutes of limitations on each Trust s state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standards: In May 2011, the Financial Accounting Standards Board (the FASB) issued amended guidance to improve disclosure about fair value measurements which will require the following disclosures for fair value measurements categorized as Level 3: quantitative information about the unobservable inputs and assumptions used in the fair value measurement, a description of the valuation policies and procedures and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, the amounts and reasons for all transfers in and out of Level 1 and Level 2 will be required to be disclosed. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts financial statement disclosures.

In December 2011, the FASB issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statement with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts financial statement disclosures.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Trust s Board, independent Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Each Trust may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations. Investments to cover each Trust s deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

Offering Costs: BBF incurred costs in connection with its issuance of VRDP Shares, which were recorded as a deferred charge and will be amortized over the 30-year life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider which are amortized over the life of the liquidity agreement. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

Other: Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Trusts have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and to economically hedge, or protect, their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

Financial Futures Contracts: The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Trusts and counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

Notes to Financial Statements (continued)

Derivative Financial Instruments Categorized by Risk Exposure:

Fair Values of Derivative Financial Instruments as of January 31, 2012

		Liability Derivatives						
		BFZ	**RFA**	**BBF**	**RNJ**	**BNJ**	**RNY**	**BNY**
	Statements of Assets and Liabilities Location				**Value**			
Interest rate contracts	Net unrealized appreciation/depreciation[1]	$ 105,114	$ 8,760	$ 59,565	$ 8,760	$ 70,076	$ 10,511	$ 98,106

[1] Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only current day s margin variation is reported within the Statements of Assets and Liabilities.

The Effect of Derivative Financial Instruments in the Statements of Operations
Six Months Ended January 31, 2012
Net Realized Gain (Loss) From

BFZ RFA BBF RNJ BNJ

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(Dollars in thousands)	Nine months ended September 30, 2016	September 30, 2015	$ Change in Contribution	% Change in Contribution
Net interest income:				
Community Banking	$ 434,108	$ 382,187	$ 51,921	14 %
Specialty Finance	71,075	67,041	4,034	6
Wealth Management	13,701	12,837	864	7
Total Operating Segments	518,884	462,065	56,819	12
Intersegment Eliminations	12,531	12,258	273	2
Consolidated net interest income	$ 531,415	$ 474,323	$ 57,092	12 %
Non-interest income:				
Community Banking	$ 169,210	$ 146,739	$ 22,471	15 %
Specialty Finance	37,111	25,270	11,841	47
Wealth Management	58,660	56,103	2,557	5
Total Operating Segments	264,981	228,112	36,869	16
Intersegment Eliminations	(24,826)	(21,605)	(3,221)	(15)
Consolidated non-interest income	$ 240,155	$ 206,507	$ 33,648	16 %
Net revenue:				
Community Banking	$ 603,318	$ 528,926	$ 74,392	14 %
Specialty Finance	108,186	92,311	15,875	17
Wealth Management	72,361	68,940	3,421	5
Total Operating Segments	783,865	690,177	93,688	14
Intersegment Eliminations	(12,295)	(9,347)	(2,948)	(32)
Consolidated net revenue	$ 771,570	$ 680,830	$ 90,740	13 %
Segment profit:				
Community Banking	$ 106,860	$ 76,821	$ 30,039	39 %
Specialty Finance	36,283	34,875	1,408	4
Wealth Management	9,124	9,542	(418)	(4)
Consolidated net income	$ 152,267	$ 121,238	$ 31,029	26 %

35

Table of Contents

(13) Derivative Financial Instruments

The Company primarily enters into derivative financial instruments as part of its strategy to manage its exposu rates. Derivative instruments represent contracts between parties that result in one party delivering cash to the c notional amount and an underlying term (such as a rate, security price or price index) specified in the contract. delivered from one party to the other is determined based on the interaction of the notional amount of the contr term. Derivatives are also implicit in certain contracts and commitments.

The derivative financial instruments currently used by the Company to manage its exposure to interest rate risk swaps and caps to manage the interest rate risk of certain fixed and variable rate assets and variable rate liabilit commitments provided to customers to fund certain mortgage loans to be sold into the secondary market; (3) fo the future delivery of such mortgage loans to protect the Company from adverse changes in interest rates and c the value of mortgage loans held-for-sale; and (4) covered call options to economically hedge specific investm fee income effectively enhancing the overall yield on such securities to compensate for net interest margin com also enters into derivatives (typically interest rate swaps) with certain qualified borrowers to facilitate the borro strategies and concurrently enters into mirror-image derivatives with a third party counterparty, effectively mal derivatives for such borrowers. Additionally, the Company enters into foreign currency contracts to manage fo associated with certain foreign currency denominated assets.

The Company has purchased interest rate cap derivatives to hedge or manage its own risk exposures. Certain in have been designated as cash flow hedge derivatives of the variable cash outflows associated with interest expe junior subordinated debentures and certain deposits. Other cap derivatives are not designated for hedge accoun hedges of the Company's overall portfolio, therefore any mark to market changes in the value of these caps are

Below is a summary of the interest rate cap derivatives held by the Company as of September 30, 2016:
(Dollars in thousands)

Effective Date	Maturity Date	Notional Amount	Accounting Treatment	Fair Value as of September 30, 2016
March 21, 2013	March 21, 2017	$100,000	Non-Hedge Designated	$ 1
May 16, 2013	November 16, 2016	75,000	Non-Hedge Designated	—
September 15, 2013	September 15, 2017	50,000	Cash Flow Hedging	9
September 30, 2013	September 30, 2017	40,000	Cash Flow Hedging	8
		$265,000		$ 18

The Company recognizes derivative financial instruments in the consolidated financial statements at fair value or intent for holding the instrument. The Company records derivative assets and derivative liabilities on the Co Condition within accrued interest receivable and other assets and accrued interest payable and other liabilities, the fair value of derivative financial instruments are either recognized in income or in shareholders' equity as a comprehensive income depending on whether the derivative financial instrument qualifies for hedge accountin qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives accounted fo recorded in income in the same period and in the same income statement line as changes in the fair values of th to the hedged risk(s). Changes in fair values of derivative financial instruments accounted for as cash flow hed effective hedges, are recorded as a component of other comprehensive income, net of deferred taxes, and recla the hedged transaction affects earnings. Changes in fair values of derivative financial instruments not designate pursuant to ASC 815, including changes in fair value related to the ineffective portion of cash flow hedges, are income during the period of the change. Derivative financial instruments are valued by a third party and are co comparison with valuations provided by the respective counterparties. Fair values of certain mortgage banking

lock commitments and forward commitments to sell mortgage loans) are estimated based on changes in mortga
date of the loan commitment. The fair value of foreign currency derivatives is computed based on changes in fo
in the contract compared to those prevailing at the measurement date.

Table of Contents

The table below presents the fair value of the Company’s derivative financial instruments as of September 30,
and September 30, 2015:

(Dollars in thousands)	Derivative Assets			Derivativ
	September 30, 2016	December 31, 2015	September 30, 2015	Septembe 2016
Derivatives designated as hedging instruments under ASC 815:				
Interest rate derivatives designated as Cash Flow Hedges	$549	$ 242	$ 216	$7
Interest rate derivatives designated as Fair Value Hedges	177	27	5	907
Total derivatives designated as hedging instruments under ASC 815	$726	$ 269	$ 221	$914
Derivatives not designated as hedging instruments under ASC 815:				
Interest rate derivatives	$79,477	$ 42,510	$ 56,717	$79,199
Interest rate lock commitments	8,352	7,401	11,836	4,060
Forward commitments to sell mortgage loans	—	745	—	3,505
Foreign exchange contracts	273	373	260	270
Total derivatives not designated as hedging instruments under ASC 815	$88,102	$ 51,029	$ 68,813	$87,034
Total Derivatives	$88,828	$ 51,298	$ 69,034	$87,948

Cash Flow Hedges of Interest Rate Risk

The Company’s objectives in using interest rate derivatives are to add stability to net interest income and to ma
interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and i
its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the recei
from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements
the underlying notional amount. Interest rate caps designated as cash flow hedges involve the receipt of payme
period in which the interest rate specified in the contract exceeds the agreed upon strike price.

As of September 30, 2016, the Company had two interest rate swap derivatives designated as cash flow hedges
The interest rate swap derivatives had notional amounts of $250.0 million and $275.0 million, and mature in Ju
respectively. Additionally, as of September 30, 2016, the Company had one interest rate swap and two interest
hedges of the variable cash outflows associated with interest expense on the Company’s junior subordinated de
derivative associated with the Company's junior subordinated debentures had a notional amount of $25.0 milli
2016. The cap derivatives associated with the Company's junior subordinated debentures had notional amounts
$40.0 million, respectively, both maturing in September 2017. The effective portion of changes in the fair valu
is recorded in accumulated other comprehensive income and is subsequently reclassified to interest expense as
made on the Company’s variable rate junior subordinated debentures. The changes in fair value (net of tax) are
Consolidated Statements of Comprehensive Income. The ineffective portion of the change in fair value of these
directly in earnings; however, no hedge ineffectiveness was recognized during the nine months ended Septemb
September 30, 2015. The Company uses the hypothetical derivative method to assess and measure hedge effec

Table of Contents

The table below provides details on each of these cash flow hedges as of September 30, 2016:

	September 30, 2016	
(Dollars in thousands)	Notional	Fair Value
Maturity Date	Amount	Asset (Liability)
Interest Rate Swaps:		
October 2016	$25,000	$ (7)
July 2019	250,000	106
August 2019	275,000	426
Total Interest Rate Swaps	$550,000	$ 525
Interest Rate Caps:		
September 2017	$50,000	$ 9
September 2017	40,000	8
Total Interest Rate Caps	$90,000	$ 17
Total Cash Flow Hedges	$640,000	$ 542

A rollforward of the amounts in accumulated other comprehensive loss related to interest rate derivatives desig
follows:

(Dollars in thousands)	Three months ended September 30, 2016	September 3 2015
Unrealized loss at beginning of period	$(3,574)	$ (4,408
Amount reclassified from accumulated other comprehensive loss to interest expense on deposits and junior subordinated debentures	1,065	571
Amount of gain (loss) recognized in other comprehensive income	1,708	(503
Unrealized loss at end of period	$(801)	$ (4,340

As of September 30, 2016, the Company estimates that during the next twelve months, $1.7 million will be rec
other comprehensive loss as an increase to interest expense.

Fair Value Hedges of Interest Rate Risk

Interest rate swaps designated as fair value hedges involve the payment of fixed amounts to a counterparty in e
receiving variable payments over the life of the agreements without the exchange of the underlying notional an
2016, the Company has seven interest rate swaps with an aggregate notional amount of $71.3 million that were
hedges associated with fixed rate commercial and industrial and commercial franchise loans as well as life insu
receivables.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the
the hedged item attributable to the hedged risk are recognized in earnings. The Company includes the gain or lo
the same line item as the offsetting loss or gain on the related derivatives. The Company recognized a net gain
related to hedge ineffectiveness for the three months ended September 30, 2016 and a $21,000 net loss for the t
September 30, 2015. On a year-to-date basis, the Company recognized a net gain of $13,000 and a net loss of $
months ending September 30, 2016 and 2015, respectively.

On June 1, 2013, the Company de-designated a $96.5 million notional amount cap which was previously desig
of interest rate risk associated with an embedded cap in one of the Company's floating rate loans. The hedged l
resulted in the interest rate cap no longer qualifying as an effective fair value hedge. As such, the interest rate c
accounted for under hedge accounting and all changes in the interest rate cap derivative value subsequent to Ju
earnings.

Table of Contents

The following table presents the gain/(loss) and hedge ineffectiveness recognized on derivative instruments and that are designated as a fair value hedge accounting relationship as of September 30, 2016 and 2015:

(Dollars in thousands) Derivatives in Fair Value Hedging Relationships	Location of Gain/(Loss) Recognized in Income on Derivative	Amount of Gain/(Loss) Recognized in Income on Derivative Three Months Ended September 30, 2016	September 30, 2015	Amount of (Loss)/Gain Rec in Income on Hedged Item Three Months Ended September 30, 2016	Septemb 2015
Interest rate swaps	Trading losses, net	$ 269	$ (323)	$ (234)	$ 302

(Dollars in thousands) Derivatives in Fair Value Hedging Relationships	Location of Gain/(Loss) Recognized in Income on Derivative	Amount of Gain/(Loss) Recognized in Income on Derivative Nine Months Ended September 30, 2016	September 30, 2015	Amount of (Loss)/Gain Rec in Income on Hedged Item Nine Months Ended September 30, 2016	September 2015
Interest rate swaps	Trading losses, net	$ (614)	$ (338)	$ 627	$ 315

Non-Designated Hedges

The Company does not use derivatives for speculative purposes. Derivatives not designated as accounting hedg Company's economic exposure to interest rate movements and other identified risks but do not meet the strict h requirements of ASC 815. Changes in the fair value of derivatives not designated in hedging relationships are r earnings.

Interest Rate Derivatives—The Company has interest rate derivatives, including swaps and option products, re Company provides to certain qualified borrowers. The Company's banking subsidiaries execute certain derivat interest rate swaps) directly with qualified commercial borrowers to facilitate their respective risk management these arrangements allow the Company's commercial borrowers to effectively convert a variable rate loan to a minimize the Company's exposure on these transactions, the Company simultaneously executes offsetting deri most cases, the offsetting derivatives have mirror-image terms, which result in the positions' changes in fair va through earnings each period. However, to the extent that the derivatives are not a mirror-image and because o counterparty credit risk, changes in fair value will not completely offset resulting in some earnings impact each fair value of these derivatives are included in non-interest income. At September 30, 2016, the Company had in transactions with an aggregate notional amount of approximately $4.1 billion (all interest rate swaps and caps v parties) related to this program. These interest rate derivatives had maturity dates ranging from October 2016 to

Mortgage Banking Derivatives—These derivatives include interest rate lock commitments provided to custome loans to be sold into the secondary market and forward commitments for the future delivery of such loans. It is enter into forward commitments for the future delivery of a portion of our residential mortgage loan productior commitments are entered into in order to economically hedge the effect of future changes in interest rates on its loans as well as on its portfolio of mortgage loans held-for-sale. The Company's mortgage banking derivatives as being in accounting hedge relationships. At September 30, 2016, the Company had forward commitments to an aggregate notional amount of approximately $1.3 billion and interest rate lock commitments with an aggreg approximately $683.6 million. The fair values of these derivatives were estimated based on changes in mortgag the commitments. Changes in the fair value of these mortgage banking derivatives are included in mortgage ba

Foreign Currency Derivatives—These derivatives include foreign currency contracts used to manage the foreig
with foreign currency denominated assets and to facilitate the respective risk management strategies of certain
currency transactions. Foreign currency contracts, which include spot and forward contracts, represent agreeme
currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlem
fluctuations in foreign currencies, the U.S. dollar-equivalent value of the foreign currency denominated assets o
increase or decrease. Gains or losses on the derivative instruments related to these foreign currency denominate
transactions are expected to substantially offset this variability. For certain foreign currency contracts with cust
simultaneously executes offsetting derivatives with third parties. These offsetting

derivatives have mirror-image terms, which result in the positions' changes in fair value substantially offsetting period. As of September 30, 2016 the Company held foreign currency derivatives with an aggregate notional a $63.6 million.

Other Derivatives—Periodically, the Company will sell options to a bank or dealer for the right to purchase ce banks' investment portfolios (covered call options). These option transactions are designed primarily to mitiga and to increase the total return associated with the investment securities portfolio. These options do not qualify pursuant to ASC 815, and, accordingly, changes in fair value of these contracts are recognized as other non-int no covered call options outstanding as of September 30, 2016, December 31, 2015 or September 30, 2015.

As discussed above, the Company has entered into interest rate cap derivatives to protect the Company in a risi against increased margin compression due to the repricing of variable rate liabilities and lack of repricing of fi securities. As of September 30, 2016, the Company held two interest rate cap derivative contracts, which are n hedge relationships, with an aggregate notional value of $175.0 million.

Amounts included in the Consolidated Statements of Income related to derivative instruments not designated i relationships were as follows:

(Dollars in thousands)		Three Months Ended		Nine Months Ended	
Derivative	Location in income statement	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Interest rate swaps and caps	Trading (losses) gains, net	$(395)	$ (275)	$(751)	$ (592)
Mortgage banking derivatives	Mortgage banking revenue	(2,215)	(4,062)	(3,058)	(1,669)
Covered call options	Fees from covered call options	3,633	2,810	9,994	11,735
Foreign exchange contracts	Trading (losses) gains, net	(26)	113	(262)	133

Credit Risk

Derivative instruments have inherent risks, primarily market risk and credit risk. Market risk is associated with and credit risk relates to the risk that the counterparty will fail to perform according to the terms of the agreem potentially subject to market and credit risks are the streams of interest payments under the contracts and the m derivative instrument and not the notional principal amounts used to express the volume of the transactions. M managed and monitored as part of the Company's overall asset-liability management process, except that the c derivatives entered into with certain qualified borrowers is managed through the Company's standard loan und these derivatives are secured through collateral provided by the loan agreements. Actual exposures are monito credit limits established to contain risk within parameters. When deemed necessary, appropriate types and amo obtained to minimize credit exposure.

The Company has agreements with certain of its interest rate derivative counterparties that contain cross-defau provide that if the Company defaults on any of its indebtedness, including default where repayment of the ind accelerated by the lender, then the Company could also be declared in default on its derivative obligations. Th agreements with certain of its derivative counterparties that contain a provision allowing the counterparty to te positions if the Company fails to maintain its status as a well or adequately capitalized institution, which woul settle its obligations under the agreements. As of September 30, 2016, the fair value of interest rate derivatives that were subject to such agreements, which includes accrued interest related to these agreements, was $80.6 m 2016 the Company had breached any of these provisions and the derivative positions were terminated as a resu have been required to settle its obligations under the agreements at the termination value and would have been additional amounts due in excess of amounts previously posted as collateral with the respective counterparty.

The Company is also exposed to the credit risk of its commercial borrowers who are counterparties to interest r
banks. This counterparty risk related to the commercial borrowers is managed and monitored through the bank
process applicable to loans since these derivatives are secured through collateral provided by the loan agreemen
associated with the mirror-image swaps executed with third parties is monitored and managed in connection wi
asset liability management process.

Table of Contents

The Company records interest rate derivatives subject to master netting agreements at their gross value and doe
assets and liabilities on the Consolidated Statements of Condition. The tables below summarize the Company's
and offsetting positions as of the dates shown.

(Dollars in thousands)	Derivative Assets Fair Value			Derivative Fair Value	
	September 30, 2016	December 31, 2015	September 30, 2015	September 2016	D 2
Gross Amounts Recognized	$80,203	$ 42,779	$ 56,938	$80,113	$
Less: Amounts offset in the Statements of Financial Condition	—	—	—	—	–
Net amount presented in the Statements of Financial Condition	$80,203	$ 42,779	$ 56,938	$80,113	$
Gross amounts not offset in the Statements of Financial Condition					
Offsetting Derivative Positions	(958)	(753)	(614)	(958)	(
Collateral Posted [(1)]	—	—	—	(79,155)	(
Net Credit Exposure	$79,245	$ 42,026	$ 56,324	$—	$

(1) As of September 30, 2016 and December 31, 2015, the Company posted collateral of $86.0 million and $45
which resulted in excess collateral with its counterparties. For purposes of this disclosure, the amount of pos
the amount offsetting the derivative liability.

(14) Fair Values of Assets and Liabilities

The Company measures, monitors and discloses certain of its assets and liabilities on a fair value basis. These f
financial liabilities are measured at fair value in three levels, based on the markets in which the assets and liabi
observability of the assumptions used to determine fair value. These levels are:

- Level 1—unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2—inputs other than quoted prices included in Level 1 that are observable for the asset or liability, eithe
include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar ass
that are not active, inputs other than quoted prices that are observable for the asset or liability or inputs that are
or corroborated by observable market data by correlation or other means.

- Level 3—significant unobservable inputs that reflect the Company's own assumptions that market participants
assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using
discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination
significant management judgment or estimation.

A financial instrument's categorization within the above valuation hierarchy is based upon the lowest level of i
the fair value measurement. The Company's assessment of the significance of a particular input to the fair valu
entirety requires judgment, and considers factors specific to the assets or liabilities. Following is a description o
methodologies used for the Company's assets and liabilities measured at fair value on a recurring basis.

Available-for-sale and trading account securities—Fair values for available-for-sale and trading securities are t
obtained from independent pricing vendors. Securities measured with these valuation techniques are generally
fair value hierarchy. Typically, standard inputs such as benchmark yields, reported trades for similar securities,
securities, bids, offers and reference data including market research publications are used to fair value a securit

not available, broker/dealer quotes may be obtained by the vendor to determine the fair value of the security. W
pricing methodologies to determine if observable market information is being used, versus unobservable inputs
using significant inputs that are unobservable in the market due to limited activity or a less liquid market are cl
fair value hierarchy.

The Company's Investment Operations Department is responsible for the valuation of Level 3 available-for-sal
methodology and variables used as inputs in pricing Level 3 securities are derived from a combination of obser

41

Table of Contents

unobservable inputs. The unobservable inputs are determined through internal assumptions that may vary from external factors, such as market movement and credit rating adjustments.

At September 30, 2016, the Company classified $67.2 million of municipal securities as Level 3. These munici issues for various municipal government entities primarily located in the Chicago metropolitan area and southe privately placed, non-rated bonds without CUSIP numbers. The Company's methodology for pricing the non-r distinct inputs: equivalent rating, yield and other pricing terms. To determine the rating for a given non-rated m Investment Operations Department references a publicly issued bond by the same issuer if available. A reducti rating obtained from the comparable bond, as the Company believes if liquidated, a non-rated bond would be v bond with a verifiable rating. The reduction applied by the Company is one complete rating grade (i.e. a "AA" would be reduced to "A" for the Company's valuation). In the third quarter of 2016, all of the ratings derived i Investment Operations were BBB or better, for both bonds with and without comparable bond proxies. The fai municipal bonds is sensitive to the rating input, as a higher rating typically results in an increased valuation. Th used in the bond valuation are observable. Based on the rating determined in the above process, Investment Op corresponding current market yield curve available to market participants. Other terms including coupon, matu number of coupon payments per year, and accrual method are obtained from the individual bond term sheets. C held by the Company at September 30, 2016 have a call date that has passed, and are now continuously callabl bonds, the fair value is capped at par value as the Company assumes a market participant would not pay more t callable bond.

At September 30, 2016, the Company held no equity securities classified as Level 3 compared to $25.2 million $24.5 million at September 30, 2015. In the prior periods, the securities in Level 3 were primarily comprised o securities. The Company's valuation methodology at that time included modeling the contractual cash flows of securities and applying a discount to these cash flows by a market spread derived from the market price of the In the third quarter of 2016, the Company exchanged these auction rate securities for the underlying preferred $2.4 million gain on the nonmonetary sale. The Company classified the preferred securities received as Level 2 at the time of the transaction due to observable inputs other than quoted prices existing for the preferred securit

Mortgage loans held-for-sale—The fair value of mortgage loans held-for-sale is determined by reference to inv products with similar characteristics.

Mortgage servicing rights ("MSRs")—Fair value for MSRs is determined utilizing a valuation model which ca servicing rights based on the present value of estimated future cash flows. The Company uses a discount rate c associated with each servicing rights, given current market conditions. At September 30, 2016, the Company c MSRs as Level 3. The weighted average discount rate used as an input to value the MSRs at September 30, 20 discount rates applied ranging from 3%-7%. The higher the rate utilized to discount estimated future cash flow measurement. Additionally, fair value estimates include assumptions about prepayment speeds which ranged f average prepayment speed of 14.73% used as an input to value the MSRs at September 30, 2016. Prepayment s to the fair value of MSRs as an increase in prepayment speeds results in a decreased valuation.

Derivative instruments—The Company's derivative instruments include interest rate swaps and caps, commitm sale into the secondary market (interest rate locks), forward commitments to end investors for the sale of mortg currency contracts. Interest rate swaps and caps are valued by a third party, using models that primarily use ma such as yield curves, and are corroborated by comparison with valuations provided by the respective counterpa associated with derivative financial instruments that are subject to master netting agreements is measured on a portfolio. The fair value for mortgage-related derivatives is based on changes in mortgage rates from the date o fair value of foreign currency derivatives is computed based on change in foreign currency rates stated in the c prevailing at the measurement date.

Nonqualified deferred compensation assets—The underlying assets relating to the nonqualified deferred compe
a trust and primarily consist of non-exchange traded institutional funds which are priced based by an independe

Table of Contents

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis fo

	September 30, 2016			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Available-for-sale securities				
U.S. Treasury	$30,036	$ —	$30,036	$—
U.S. Government agencies	93,683	—	93,683	—
Municipal	109,281	—	42,073	67,208
Corporate notes	65,203	—	65,203	—
Mortgage-backed	1,301,111	—	1,301,111	—
Equity securities	50,782	—	50,782	—
Trading account securities	1,092	—	1,092	—
Mortgage loans held-for-sale	559,634	—	559,634	—
MSRs	13,901	—	—	13,901
Nonqualified deferred compensation assets	9,218	—	9,218	—
Derivative assets	88,828	—	88,828	—
Total	$2,322,769	$ —	$2,241,660	$81,109
Derivative liabilities	$87,948	$ —	$87,948	$—

	December 31, 2015			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Available-for-sale securities				
U.S. Treasury	$306,729	$ —	$306,729	$—
U.S. Government agencies	70,236	—	70,236	—
Municipal	108,595	—	39,982	68,613
Corporate notes	81,545	—	81,545	—
Mortgage-backed	1,092,597	—	1,092,597	—
Equity securities	56,686	—	31,487	25,199
Trading account securities	448	—	448	—
Mortgage loans held-for-sale	388,038	—	388,038	—
MSRs	9,092	—	—	9,092
Nonqualified deferred compensation assets	8,517	—	8,517	—
Derivative assets	51,298	—	51,298	—
Total	$2,173,781	$ —	$2,070,877	$102,904
Derivative liabilities	$45,019	$ —	$45,019	$—

	September 30, 2015			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Available-for-sale securities				
U.S. Treasury	$285,922	$ —	$285,922	$—
U.S. Government agencies	645,023	—	645,023	—
Municipal	297,342	—	228,941	68,401
Corporate notes	116,945	—	116,945	—
Mortgage-backed	815,045	—	815,045	—
Equity securities	54,004	—	29,488	24,516
Trading account securities	3,312	—	3,312	—
Mortgage loans held-for-sale	347,005	—	347,005	—
MSRs	7,875	—	—	7,875
Nonqualified deferred compensation assets	8,342	—	8,342	—
Derivative assets	69,034	—	69,034	—

Total	$2,649,849	$ —	$2,549,057	$100,792
Derivative liabilities	$65,198	$ —	$65,198	$—

Table of Contents

The aggregate remaining contractual principal balance outstanding as of September 30, 2016, December 31, 20
2015 for mortgage loans held-for-sale measured at fair value under ASC 825 was $537.0 million, $372.0 millio
respectively, while the aggregate fair value of mortgage loans held-for-sale was $559.6 million, $388.0 million
the same respective periods, as shown in the above tables. There were no nonaccrual loans or loans past due gr
accruing in the mortgage loans held-for-sale portfolio measured at fair value as of September 30, 2016, Decem
September 30, 2015.

The changes in Level 3 assets measured at fair value on a recurring basis during the three and nine months end
2015 are summarized as follows:

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at July 1, 2016	$ 69,812	$ 25,187	$ 13,382
Total net gains (losses) included in:			
Net income [(1)]	—	—	519
Other comprehensive loss	(241)	—	—
Purchases	2,184	—	—
Issuances	—	—	—
Sales	—	(25,187)	—
Settlements	(4,547)	—	—
Net transfers into/(out of) Level 3	—	—	—
Balance at September 30, 2016	$ 67,208	$ —	$ 13,901

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at January 1, 2016	$ 68,613	$ 25,199	$ 9,092
Total net gains (losses) included in:			
Net income [(1)]	—	—	4,809
Other comprehensive loss	(141)	(12)	—
Purchases	6,458	—	—
Issuances	—	—	—
Sales	—	(25,187)	—
Settlements	(7,722)	—	—
Net transfers into/(out of) Level 3	—	—	—
Balance at September 30, 2016	$ 67,208	$ —	$ 13,901

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at July 1, 2015	$ 58,572	$ 24,996	$ 8,034
Total net (losses) gains included in:			
Net income [(1)]	—	—	(159)
Other comprehensive income (loss)	223	(480)	—
Purchases	10,405	—	—
Issuances	—	—	—
Sales	—	—	—
Settlements	(799)	—	—
Net transfers into/(out of) Level 3	—	—	—

Balance at September 30, 2015	$ 68,401	$ 24,516	$ 7,875

(1) Changes in the balance of MSRs are recorded as a component of mortgage banking revenue in non-interest

44

Table of Contents

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at January 1, 2015	$ 58,953	$ 23,711	$ 8,435
Total net (losses) gains included in:			
Net income [(1)]	—	—	(560)
Other comprehensive (loss) income	(287)	805	—
Purchases	21,254	—	—
Issuances	—	—	—
Sales	—	—	—
Settlements	(11,519)	—	—
Net transfers into/(out of) Level 3	—	—	—
Balance at September 30, 2015	$ 68,401	$ 24,516	$ 7,875

(1) Changes in the balance of MSRs are recorded as a component of mortgage banking revenue in non-interest

Also, the Company may be required, from time to time, to measure certain other financial assets at fair value o accordance with GAAP. These adjustments to fair value usually result from impairment charges on individual at fair value on a nonrecurring basis that were still held in the balance sheet at the end of the period, the followi carrying value of the related individual assets or portfolios at September 30, 2016.

	September 30, 2016			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Impaired loans—collateral based	$ 64,614	$ —	$ —	$ 64,614
Other real estate owned, including covered other real estate owned [(1)]	45,449	—	—	45,449
Total	$ 110,063	$ —	$ —	$ 110,063

(1) Fair value losses recognized, net on other real estate owned include valuation adjustments and charge period.

Impaired loans—A loan is considered to be impaired when, based on current information and events, it is prob unable to collect all amounts due pursuant to the contractual terms of the loan agreement. A loan modified in a according to applicable accounting guidance. Impairment is measured by estimating the fair value of the loan b of expected cash flows, the market price of the loan, or the fair value of the underlying collateral. Impaired loa value measurement where an allowance is established based on the fair value of collateral. Appraised values, w adjustments to market-based valuation inputs, are generally used on real estate collateral-dependent impaired l

The Company's Managed Assets Division is primarily responsible for the valuation of Level 3 inputs of impai information on the Managed Assets Division review of impaired loans refer to Note 7 – Allowance for Loan L on Lending-Related Commitments and Impaired Loans. At September 30, 2016, the Company had $90.5 milli classified as Level 3. Of the $90.5 million of impaired loans, $64.6 million were measured at fair value based o of the loan as shown in the table above. The remaining $25.9 million were valued based on discounted cash flo ASC 310.

Other real estate owned (including covered other real estate owned)—Other real estate owned is comprised of r
or full satisfaction of loans and is included in other assets. Other real estate owned is recorded at its estimated f
selling costs at the date of transfer, with any excess of the related loan balance over the fair value less expected
the allowance for loan losses. Subsequent changes in value are reported as adjustments to the carrying amount
non-interest expense. Gains and losses upon sale, if any, are also charged to other non-interest expense. Fair va
third party appraisals and internal estimates that are adjusted by a discount representing the estimated cost of sa
considered a Level 3 valuation.

The Company's Managed Assets Division is primarily responsible for the valuation of Level 3 inputs for non-c
owned and covered other real estate owned. At September 30, 2016, the Company had $45.4 million of other re
as Level 3. The unobservable input applied to other real estate owned relates to the 10% reduction to the apprai

45

Table of Contents

value representing the estimated cost of sale of the foreclosed property. A higher discount for the estimated cos
decreased carrying value.

The valuation techniques and significant unobservable inputs used to measure both recurring and non-recurring
measurements at September 30, 2016 were as follows:

(Dollars in thousands)	Fair Value	Valuation Methodology	Significant Unobservable Input	Range of Inputs	Wei Ave of In
Measured at fair value on a recurring basis:					
Municipal Securities	$ 67,208	Bond pricing	Equivalent rating	BBB-AA+	N/A
MSRs	13,901	Discounted cash flows	Discount rate	3%-7%	5.52
			Constant prepayment rate (CPR)	2%-85%	14.7
Measured at fair value on a non-recurring basis:					
Impaired loans—collateral based	$164,614	Appraisal value	Appraisal adjustment - cost of sale	10%	10.0
Other real estate owned, including covered other real estate owned	45,449	Appraisal value	Appraisal adjustment - cost of sale	10%	10.0

Table of Contents

The Company is required under applicable accounting guidance to report the fair value of all financial instrume
statements of condition, including those financial instruments carried at cost. The table below presents the carr
estimated fair values of the Company's financial instruments as of the dates shown:

	At September 30, 2016		At December 31, 2015		At Septemb
	Carrying	Fair	Carrying	Fair	Carrying
(Dollars in thousands)	Value	Value	Value	Value	Value
Financial Assets:					
Cash and cash equivalents	$246,947	$246,947	$275,795	$275,795	$250,655
Interest bearing deposits with banks	816,104	816,104	607,782	607,782	701,106
Available-for-sale securities	1,650,096	1,650,096	1,716,388	1,716,388	2,214,281
Held-to-maturity securities	932,767	942,666	884,826	878,111	—
Trading account securities	1,092	1,092	448	448	3,312
FHLB and FRB stock, at cost	129,630	129,630	101,581	101,581	90,308
Brokerage customer receivables	25,511	25,511	27,631	27,631	28,293
Mortgage loans held-for-sale, at fair value	559,634	559,634	388,038	388,038	347,005
Total loans	19,197,201	20,251,518	17,266,790	18,106,829	16,484,820
MSRs	13,901	13,901	9,092	9,092	7,875
Nonqualified deferred compensation assets	9,218	9,218	8,517	8,517	8,342
Derivative assets	88,828	88,828	51,298	51,298	69,034
Accrued interest receivable and other	205,725	205,725	193,092	193,092	192,572
Total financial assets	$23,876,654	$24,940,870	$21,531,278	$22,364,602	$20,397,60
Financial Liabilities					
Non-maturity deposits	$16,946,178	$16,946,178	$14,634,957	$14,634,957	$14,092,69
Deposits with stated maturities	4,201,477	4,200,278	4,004,677	3,998,180	4,135,772
FHLB advances	419,632	427,103	853,431	863,437	451,330
Other borrowings	241,366	241,366	265,785	265,785	259,978
Subordinated notes	138,943	138,715	138,861	140,302	138,834
Junior subordinated debentures	253,566	254,108	268,566	268,046	268,566
Derivative liabilities	87,948	87,948	45,019	45,019	65,198
FDIC indemnification liability	17,945	17,945	6,100	6,100	3,033
Accrued interest payable	8,007	8,007	7,394	7,394	11,364
Total financial liabilities	$22,315,062	$22,321,648	$20,224,790	$20,229,220	$19,426,77

Not all the financial instruments listed in the table above are subject to the disclosure provisions of ASC Topic
liabilities result in their carrying value approximating fair value. These include cash and cash equivalents, inter
banks, brokerage customer receivables, FHLB and FRB stock, FDIC indemnification asset and liability, accrue
accrued interest payable and non-maturity deposits.

The following methods and assumptions were used by the Company in estimating fair values of financial instru
previously disclosed.

Held-to-maturity securities. Held-to-maturity securities include U.S. Government-sponsored agency securities
issued by various municipal government entities primarily located in the Chicago metropolitan area and southe
for held-to-maturity securities are typically based on prices obtained from independent pricing vendors. In acco
Company has categorized held-to-maturity securities as a Level 2 fair value measurement.

Loans. Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are analyze
commercial, residential real estate, etc. Each category is further segmented by interest rate type (fixed and vari
variable-rate loans that reprice frequently, estimated fair values are based on carrying values. The fair value of

on secondary market sources for securities backed by similar loans, adjusted for differences in loan characterist
other fixed rate loans is estimated by discounting scheduled cash flows through the estimated maturity using es
rates that reflect credit and interest rate risks inherent in the loan. The primary impact of credit risk on the prese
portfolio, however, was assessed through the use of the allowance for loan losses, which is believed to represen

Table of Contents

the current fair value of probable incurred losses for purposes of the fair value calculation. In accordance with A
has categorized loans as a Level 3 fair value measurement.

Deposits with stated maturities. The fair value of certificates of deposit is based on the discounted value of con
discount rate is estimated using the rates currently in effect for deposits of similar remaining maturities. In acco
Company has categorized deposits with stated maturities as a Level 3 fair value measurement.

FHLB advances. The fair value of FHLB advances is obtained from the FHLB which uses a discounted cash fl
current market rates of similar maturity debt securities to discount cash flows. In accordance with ASC 820, th
FHLB advances as a Level 3 fair value measurement.

Subordinated notes. The fair value of the subordinated notes is based on a market price obtained from an indep
accordance with ASC 820, the Company has categorized subordinated notes as a Level 2 fair value measureme

Junior subordinated debentures. The fair value of the junior subordinated debentures is based on the discounted
flows. In accordance with ASC 820, the Company has categorized junior subordinated debentures as a Level 3

(15) Stock-Based Compensation Plans

In May 2015, the Company's shareholders approved the 2015 Stock Incentive Plan ("the 2015 Plan") which pr
to 5,485,000 shares of common stock. The 2015 Plan replaced the 2007 Stock Incentive Plan ("the 2007 Plan")
Stock Incentive Plan ("the 1997 Plan"). The 2015 Plan, the 2007 Plan and the 1997 Plan are collectively referr
Plan has substantially similar terms to the 2007 Plan and the 1997 Plan. Outstanding awards under the Plans fo
are not issued by reason of cancellation, forfeiture, lapse of such award or settlement of such award in cash, are
2015 Plan. All grants made after the approval of the 2015 Plan will be made pursuant to the 2015 Plan. The Pla
employees of Wintrust. The Compensation Committee of the Board of Directors administers all stock-based co
authorizes all awards granted pursuant to the Plans.

The Plans permit the grant of incentive stock options, non-qualified stock options, stock appreciation rights, sto
or unit awards, performance awards and other incentive awards valued in whole or in part by reference to the C
all on a stand alone, combination or tandem basis. The Company historically awarded stock-based compensatio
time-vested non-qualified stock options and time-vested restricted share unit awards ("restricted shares"). The
the purchase of shares of the Company's common stock at the fair market value of the stock on the date the opt
options under the 2015 Plan and the 2007 Plan generally vest ratably over periods of three to five years and hav
seven years from the date of grant. Stock options granted under the 1997 Plan provided for a maximum term o
shares entitle the holders to receive, at no cost, shares of the Company's common stock. Restricted shares gene
one to five years from the date of grant.

Beginning in 2011, the Company has awarded annual grants under the Long-Term Incentive Program ("LTIP")
under the Plans. The LTIP is designed in part to align the interests of management with the interests of shareho
create a long-term focus based on sustainable results and provide participants with a target long-term incentive
anticipated that LTIP awards will continue to be granted annually. LTIP grants to date have consisted of time-v
options and performance-based stock and cash awards. Performance-based stock and cash awards granted unde
upon the achievement of pre-established long-term performance goals set in advance by the Compensation Co
period starting at the beginning of each calendar year. These performance awards are granted at a target level,
Company's achievement of the pre-established long-term goals, the actual payouts can range from 0% to a max
granted in 2015 and 2016) or 200% (for awards granted prior to 2015) of the target award. The awards vest in t
the performance period upon certification of the payout by the Compensation Committee of the Board of Direc

Holders of restricted share awards and performance-based stock awards received under the Plans are not entitle
dividends (or cash payments equal to the cash dividends) on the underlying common shares until the awards ar
in limited circumstances, these awards are canceled upon termination of employment without any payment of c
Company. Shares that are vested but not issuable pursuant to deferred compensation arrangements accrue addit
value of dividends otherwise paid.

48

Table of Contents

Stock-based compensation is measured as the fair value of an award on the date of grant, and the measured cos
period which the recipient is required to provide service in exchange for the award. The fair values of restricted
performance-based stock awards are determined based on the average of the high and low trading prices on the
value of stock options is estimated using a Black-Scholes option-pricing model that utilizes the assumptions ou
table. Option-pricing models require the input of highly subjective assumptions and are sensitive to changes in
and the price volatility of the underlying stock, which can materially affect the fair value estimate. Expected lif
the inception of the LTIP awards has been based on the safe harbor rule of the SEC Staff Accounting Bulletin I
Payment" as the Company believes historical exercise data may not provide a reasonable basis to estimate the e
options. Expected stock price volatility is based on historical volatility of the Company's common stock, which
expected life of the options, and the risk-free interest rate is based on comparable U.S. Treasury rates. Manage
the assumptions used to calculate the fair value of an option on a periodic basis to better reflect expected trends
The following table presents the weighted average assumptions used to determine the fair value of options gran
periods ending September 30, 2016 and 2015.

	Nine Months Ended	
	September 30, 2016	September 30, 2015
Expected dividend yield	0.9 %	0.9 %
Expected volatility	25.2 %	26.5 %
Risk-free rate	1.3 %	1.3 %
Expected option life (in years)	4.5	4.5

Stock based compensation is recognized based upon the number of awards that are ultimately expected to vest,
expected forfeitures. In addition, for performance-based awards, an estimate is made of the number of shares e
of actual performance against the performance criteria in the award to determine the amount of compensation e
estimate is reevaluated periodically and total compensation expense is adjusted for any change in estimate in th
Stock-based compensation expense recognized in the Consolidated Statements of Income was $2.0 million in t
and $2.5 million in the third quarter of 2015, and $6.8 million and $7.8 million for the year-to-date periods, res

49

Table of Contents

A summary of the Company's stock option activity for the nine months ended September 30, 2016 and Septem
below:

Stock Options	Common Shares	Weighted Average Strike Price	Remaining Contractual Term (1)	Intrinsic Value (2) ($000)
Outstanding at January 1, 2016	1,551,734	$ 41.32		
Granted	562,166	41.04		
Exercised	(184,366)	37.43		
Forfeited or canceled	(86,039)	48.93		
Outstanding at September 30, 2016	1,843,495	$ 41.27	4.8	$ 26,363
Exercisable at September 30, 2016	813,666	$ 39.27	3.5	$ 13,265

Stock Options	Common Shares	Weighted Average Strike Price	Remaining Contractual Term (1)	Intrinsic Value (2) ($000)
Outstanding at January 1, 2015	1,618,426	$ 43.00		
Conversion of options of acquired company	16,364	21.18		
Granted	502,517	44.36		
Exercised	(258,836)	43.14		
Forfeited or canceled	(277,150)	53.64		
Outstanding at September 30, 2015	1,601,321	$ 41.34	4.7	$ 19,738
Exercisable at September 30, 2015	715,101	$ 37.52	3.2	$ 11,376

(1) Represents the remaining weighted average contractual life in years.

(2) Aggregate intrinsic value represents the total pre-tax intrinsic value (i.e., the difference between the Compa
trading day of the quarter and the option exercise price, multiplied by the number of shares) that would hav
option holders if they had exercised their options on the last day of the quarter. Options with exercise prices
the last trading day of the quarter are excluded from the calculation of intrinsic value. The intrinsic value wi
market value of the Company's stock.

The weighted average grant date fair value per share of options granted during the nine months ended Septemb
September 30, 2015 was $8.61 and $9.72, respectively. The aggregate intrinsic value of options exercised duri
September 30, 2016 and 2015, was $2.7 million and $2.3 million, respectively.

A summary of the Plans' restricted share activity for the nine months ended September 30, 2016 and Septembe
below:

Restricted Shares	Nine months ended September 30, 2016		Nine months ended September 30, 2015	
	Common Shares	Weighted Average Grant-Date Fair Value	Common Shares	Weighted Average Grant-Date Fair Value
Outstanding at January 1	137,593	$ 49.63	146,112	$ 47.45
Granted	15,764	44.72	15,657	45.81
Vested and issued	(10,041)	43.78	(20,409)	39.07
Forfeited or canceled	(598)	44.26	(2,400)	36.81
Outstanding at September 30	142,718	$ 49.52	138,960	$ 48.68
Vested, but not issuable at September 30	88,889	$ 51.44	85,000	$ 51.88

Table of Contents

A summary of the Plans' performance-based stock award activity, based on the target level of the awards, for th
September 30, 2016 and September 30, 2015 is presented below:

Performance-based Stock	Nine months ended September 30, 2016 Common Shares	Weighted Average Grant-Date Fair Value	Nine months ended September 30, 2015 Common Shares	Weighted Average Grant-Date Fair Value
Outstanding at January 1	276,533	$ 43.01	295,679	$ 38.18
Granted	118,072	41.02	106,017	44.35
Vested and issued	(78,410)	37.90	(78,590)	31.10
Forfeited	(13,229)	41.12	(33,854)	32.74
Outstanding at September 30	302,966	$ 43.64	289,252	$ 43.00
Vested, but deferred at September 30	6,660	$ 37.93	—	$ —

The Company issues new shares to satisfy its obligation to issue shares granted pursuant to the Plans.

(16) Shareholders’ Equity and Earnings Per Share

Common Stock Offering

In June 2016, the Company issued through a public offering a total of 3,000,000 shares of its common stock. N
Company totaled approximately $152.8 million.

Series D Preferred Stock

In June 2015, the Company issued and sold 5,000,000 shares of fixed-to-floating non-cumulative perpetual pre
liquidation preference $25 per share (the “Series D Preferred Stock”) for $125.0 million in a public offering. W
dividends on the Series D Preferred Stock are payable quarterly in arrears at a fixed rate of 6.50% per annum fr
date to, but excluding, July 15, 2025, and from (and including) that date at a floating rate equal to three-month
4.06% per annum.

Series C Preferred Stock

In March 2012, the Company issued and sold 126,500 shares of non-cumulative perpetual convertible preferred
liquidation preference $1,000 per share (the “Series C Preferred Stock”) for $126.5 million in a public offering
dividends on the Series C Preferred Stock are payable quarterly in arrears at a rate of 5.00% per annum. The Se
convertible into common stock at the option of the holder at a current conversion rate of 24.5569 shares of com
Series C Preferred Stock subject to customary anti-dilution adjustments. In the first nine months of 2016, pursu
shares of the Series C Preferred Stock were converted at the option of the respective holders into 729 shares of
stock. In 2015, pursuant to such terms, 180 shares of the Series C Preferred Stock were converted at the option
into 4,374 shares of the Company's common stock. On and after April 15, 2017, the Company will have the rig
circumstances to cause the Series C Preferred Stock to be converted into common stock if the closing price of t
stock exceeds a certain amount.

Common Stock Warrant

Pursuant to the U.S. Department of the Treasury’s (the “U.S. Treasury”) Capital Purchase Program, on Decemb
issued to the U.S. Treasury a warrant to exercise 1,643,295 warrant shares of Wintrust common stock at a per s

$22.82, subject to customary anti-dilution adjustments, and with a term of 10 years. In February 2011, the U.S.
interest in the warrant issued to it in a secondary underwritten public offering. During the first nine months of 2
were exercised, which resulted in 944 shares of common stock issued. At September 30, 2016, all remaining ho
warrant were able to exercise 365,829 warrant shares.

Other

In July 2015, the Company issued 388,573 shares of its common stock in the acquisition of CFIS. In January 20
422,122 shares of its common stock in the acquisition of Delavan.

51

Table of Contents

At the January 2016 Board of Directors meeting, a quarterly cash dividend of $0.12 per share ($0.48 on an ann declared. It was paid on February 25, 2016 to shareholders of record as of February 11, 2016. At the April 201 meeting, a quarterly cash dividend of $0.12 per share ($0.48 on an annualized basis) was declared. It was paid shareholders of record as of May 12, 2016. At the July 2016 Board of Directors meeting, a quarterly cash divid ($0.48 on an annualized basis) was declared. It was paid on August 25, 2016 to shareholders of record as of Au

Accumulated Other Comprehensive Income (Loss)

The following tables summarize the components of other comprehensive income (loss), including the related i related amount reclassified to net income for the periods presented (in thousands).

	Accumulated Unrealized Gains (Losses) on Securities	Accumulated Unrealized Losses on Derivative Instruments	A F C T A
Balance at July 1, 2016	$ 3,971	$ (2,220)	$
Other comprehensive income (loss) during the period, net of tax, before reclassifications	1,532	1,037	(1
Amount reclassified from accumulated other comprehensive income (loss) into net income, net of tax	(2,005)	646	—
Amount reclassified from accumulated other comprehensive income (loss) related to amortization of unrealized losses on investment securities transferred to held-to-maturity from available-for-sale, net of tax	2,295	—	—
Net other comprehensive income (loss) during the period, net of tax	$ 1,822	$ 1,683	$
Balance at September 30, 2016	$ 5,793	$ (537)	$
Balance at January 1, 2016	$ (17,674)	$ (2,193)	$
Other comprehensive income during the period, net of tax, before reclassifications	20,444	66	5,
Amount reclassified from accumulated other comprehensive income (loss) into net income, net of tax	(3,684)	1,590	—
Amount reclassified from accumulated other comprehensive income (loss) related to amortization of unrealized losses on investment securities transferred to held-to-maturity from available-for-sale, net of tax	$ 6,707	$ —	$
Net other comprehensive income during the period, net of tax	$ 23,467	$ 1,656	$
Balance at September 30, 2016	$ 5,793	$ (537)	$
Balance at July 1, 2015	$ (26,333)	$ (2,727)	$
Other comprehensive income (loss) during the period, net of tax, before reclassifications	18,995	(287)	(6
Amount reclassified from accumulated other comprehensive (loss) income into net income, net of tax	60	347	—
Amount reclassified from accumulated other comprehensive (loss) income related to amortization of unrealized losses on investment securities transferred to held-to-maturity from available-for-sale, net of tax	—	—	—
Net other comprehensive income (loss) during the period, net of tax	$ 19,055	$ 60	$
Balance at September 30, 2015	$ (7,278)	$ (2,667)	$

52

Table of Contents

	Accumulated Unrealized Gains (Losses) on Securities		Accumulated Unrealized Losses on Derivative Instruments		A F C T A
Balance at January 1, 2015	$ (9,533	)	$ (2,517	)	$
Other comprehensive income (loss) during the period, net of tax, before reclassifications	2,499		(1,027	)	(1
Amount reclassified from accumulated other comprehensive loss into net income, net of tax	(244	)	877		—
Amount reclassified from accumulated other comprehensive loss related to amortization of unrealized losses on investment securities transferred to held-to-maturity from available-for-sale, net of tax	—		—		—
Net other comprehensive income (loss) during the period, net of tax	$ 2,255		$ (150	)	$
Balance at September 30, 2015	$ (7,278	)	$ (2,667	)	$

Details Regarding the Component of Accumulated Other Comprehensive Income	Amount Reclassified from Accumulated Other Comprehensive Income for the Three Months Ended September 30,		Nine Months Ended September 30,		Impacted Line Statements of I
	2016	2015	2016	2015	
Accumulated unrealized losses on securities					
Gains (losses) included in net income	$3,305	$(98)	$6,070	$402	Gains (losses) net
	3,305	(98)	6,070	402	Income before
Tax effect	$(1,300)	$38	$(2,386)	$(158)	Income tax exp
Net of tax	$2,005	$(60)	$3,684	$244	Net income
Accumulated unrealized losses on derivative instruments					
Amount reclassified to interest expense on deposits	$528	$92	$1,121	$92	Interest on dep
Amount reclassified to interest expense on junior subordinated debentures	537	479	$1,499	$1,350	Interest on jun debentures
	(1,065)	(571)	(2,620)	(1,442)	Income before
Tax effect	$419	$224	$1,030	$565	Income tax exp
Net of tax	$(646)	$(347)	$(1,590)	$(877)	Net income

Table of Contents

Earnings per Share

The following table shows the computation of basic and diluted earnings per share for the periods indicated:

(In thousands, except per share data)		Three Months Ended September 30, 2016	September 30, 2015
Net income		$53,115	$ 38,355
Less: Preferred stock dividends and discount accretion		3,628	4,079
Net income applicable to common shares—Basic	(A)	49,487	34,276
Add: Dividends on convertible preferred stock, if dilutive		1,578	1,579
Net income applicable to common shares—Diluted	(B)	51,065	35,855
Weighted average common shares outstanding	(C)	51,679	48,158
Effect of dilutive potential common shares			
Common stock equivalents		938	978
Convertible preferred stock, if dilutive		3,109	3,071
Total dilutive potential common shares		4,047	4,049
Weighted average common shares and effect of dilutive potential common shares	(D)	55,726	52,207
Net income per common share:			
Basic	(A/C)	$0.96	$ 0.71
Diluted	(B/D)	$0.92	$ 0.69

Potentially dilutive common shares can result from stock options, restricted stock unit awards, stock warrants, preferred stock and shares to be issued under the Employee Stock Purchase Plan and the Directors Deferred Fe treated as if they had been either exercised or issued, computed by application of the treasury stock method. W common shares are typically included in the computation of diluted earnings per share, potentially dilutive com from this computation in periods in which the effect would reduce the loss per share or increase the income per earnings per share, net income applicable to common shares can be affected by the conversion of the Company stock. Where the effect of this conversion would reduce the loss per share or increase the income per share, net common shares is not adjusted by the associated preferred dividends.

54

Table of Contents

ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition as of September 30, 2016 compared with Decemb
September 30, 2015, and the results of operations for the three and nine month periods ended September 30, 20
read in conjunction with the unaudited consolidated financial statements and notes contained in this report and
herein and under Item 1A of the Company's 2015 Annual Report on Form 10-K. This discussion contains forw
involve risks and uncertainties and, as such, future results could differ significantly from management's curren
section of this discussion for further information on forward-looking statements.

Introduction

Wintrust is a financial holding company that provides traditional community banking services, primarily in the
and southern Wisconsin, and operates other financing businesses on a national basis and in Canada through sev
Additionally, Wintrust offers a full array of wealth management services primarily to customers in the Chicago
southern Wisconsin.

Overview

Third Quarter Highlights

The Company recorded net income of $53.1 million for the third quarter of 2016 compared to $38.4 million in
The results for the third quarter of 2016 demonstrate continued momentum on our operating strengths including
growth driving higher net interest income, higher mortgage banking and wealth management revenue, increase
options and improving credit quality metrics.

The Company increased its loan portfolio, excluding covered loans and mortgage loans held-for-sale, from $16
2015 and $17.1 billion at December 31, 2015 to $19.1 billion at September 30, 2016. The increase in the curren
prior quarters was primarily a result of the Company's commercial banking initiative, growth in the commercia
and life insurance premium finance receivables portfolios and the acquisition of Generations and performing lo
acquired from an affiliate of GE Capital Franchise Finance. The Company is focused on making new loans, inc
and commercial real estate sector, where opportunities that meet our underwriting standards exist. For more inf
changes in the Company's loan portfolio, see "Financial Condition – Interest Earning Assets" and Note 6 "Loa
Statements in Item 1 of this report.

Management considers the maintenance of adequate liquidity to be important to the management of risk. Durin
the Company continued its practice of maintaining appropriate funding capacity to provide the Company with a
ongoing operations. In this regard, the Company benefited from its strong deposit base, a liquid short-term inve
access to funding from a variety of external funding sources. At September 30, 2016, the Company had approx
overnight liquid funds and interest-bearing deposits with banks.

The Company recorded net interest income of $184.6 million in the third quarter of 2016 compared to $165.5 r
of 2015. The higher level of net interest income recorded in the third quarter of 2016 compared to the third qua
primarily from a $2.6 billion increase in average loans, excluding covered loans. The increase in average loans
was partially offset by a eight basis point decline in the yield on earning assets, on a fully tax-equivalent basis a
increase in the rate on interest bearing liabilities (see "Net Interest Income" for further detail).

Non-interest income totaled $86.6 million in the third quarter of 2016, an increase of $21.7 million, or 33%, co
of 2015. The increase in the third quarter of 2016 compared to the third quarter of 2015 was primarily attributa
banking and wealth management revenue, higher gains on sales of investment securities, increased operating le
service charges on deposits and fees from covered call options and higher BOLI income (see “Non-Interest Inc

Non-interest expense totaled $176.6 million in the third quarter of 2016, increasing $16.6 million, or 10%, com
of 2015. The increase compared to the third quarter of 2015 was primarily attributable to higher salary and emp
by the addition of employees from the various acquisitions, and higher staffing levels as the Company grows, i
expense, including operating lease equipment depreciation, higher OREO expenses and professional fees(see “
further detail).

55

Table of Contents

Announced Acquisitions

On July 6, 2016, the Company announced the signing of a definitive agreement to acquire First Community Fi ("FCFC"). FCFC is the parent company of First Community Bank, an Illinois state-chartered bank, which oper in Elgin, Illinois. As of September 30, 2016, First Community Bank had approximately $172 million in assets, in loans and approximately $147 million in deposits.

RESULTS OF OPERATIONS

Earnings Summary

The Company's key operating measures for the three and nine months ended September 30, 2016, as compared year, are shown below:

	Three months ended					
(Dollars in thousands, except per share data)	September 30, 2016		September 30, 2015		Percentage (%) or Basis Point (bp) Change	
Net income	$53,115		$ 38,355		38	%
Net income per common share—Diluted	0.92		0.69		33	
Net revenue [(1)]	271,240		230,493		18	
Net interest income	184,636		165,540		12	
Net interest margin	3.21	%	3.31	%	(10) bp	
Net interest margin - fully taxable equivalent (non-GAAP) [(2)]	3.24	%	3.33	%	(9) bp	
Net overhead ratio [(3)]	1.44	%	1.74	%	(30) bp	
Return on average assets	0.85		0.70		15	
Return on average common equity	8.20		6.60		160	
Return on average tangible common equity [(2)]	10.55		8.88		167	

	Nine months ended				
(Dollars in thousands, except per share data)	September 30, 2016		September 30, 2015		Percentag Basis Poi Change
Net income	$152,267		$121,238		26
Net income per common share—Diluted	2.72		2.29		19
Net revenue [(1)]	771,570		680,830		13
Net interest income	531,415		474,323		12
Net interest margin	3.25	%	3.36	%	(11) bp
Net interest margin - fully taxable equivalent (non-GAAP) [(2)]	3.27	%	3.39	%	(12) bp
Net overhead ratio [(3)]	1.46		1.66		(20) bp
Return on average assets	0.85		0.79		6
Return on average common equity	8.39		7.53		86
Return on average tangible common equity [(2)]	10.98		9.90		108
At end of period					
Total assets	$25,321,759		$22,035,216		15
Total loans, excluding loans held-for-sale, excluding covered loans	19,101,261		16,316,211		17
Total loans, including loans held-for-sale, excluding covered loans	19,660,895		16,663,216		18
Total deposits	21,147,655		18,228,469		16
Total shareholders' equity	2,674,474		2,335,736		15
Book value per common share [(2)]	$46.86		$43.12		9

Tangible common book value per share (2)	37.06		32.83		13
Market price per common share	55.57		53.43		4
Excluding covered loans:					
Allowance for credit losses to total loans (4)	0.62	%	0.64	%	(2) bp
Non-performing loans to total loans	0.44	%	0.53	%	(9

(1) Net revenue is net interest income plus non-interest income.
(2) See following section titled, "Supplementary Financial Measures/Ratios" for additional information on this
(3) The net overhead ratio is calculated by netting total non-interest expense and total non-interest income, annu dividing by that period's total average assets. A lower ratio indicates a higher degree of efficiency.
(4) The allowance for credit losses includes both the allowance for loan losses and the allowance for lending-re

Certain returns, yields, performance ratios, and quarterly growth rates are "annualized" in this presentation and represent an annual time period. This is done for analytical purposes to better discern for decision-making purp

56

Table of Contents

underlying performance trends when compared to full-year or year-over-year amounts. For example, balance sl
often expressed in terms of an annual rate. As such, 5% growth during a quarter would represent an annualized

SUPPLEMENTAL FINANCIAL MEASURES/RATIOS

The accounting and reporting policies of Wintrust conform to generally accepted accounting principles ("GAA
prevailing practices in the banking industry. However, certain non-GAAP performance measures and ratios are
evaluate and measure the Company's performance. These include taxable-equivalent net interest income (inclu
components), net interest margin (including its individual components), the efficiency ratio, tangible common
common book value per share and return on average tangible common equity. Management believes that these
provide users of the Company's financial information a more meaningful view of the performance of the intere
interest-bearing liabilities and of the Company's operating efficiency. Other financial holding companies may
measures and ratios differently.

Management reviews yields on certain asset categories and the net interest margin of the Company and its bank
taxable-equivalent ("FTE") basis. In this non-GAAP presentation, net interest income is adjusted to reflect tax-
an equivalent before-tax basis. This measure ensures comparability of net interest income arising from both tax
sources. Net interest income on a FTE basis is also used in the calculation of the Company's efficiency ratio. T
calculated by dividing non-interest expense by total taxable-equivalent net revenue (less securities gains or loss
costs to produce one dollar of revenue. Securities gains or losses are excluded from this calculation to better ma
operations to operational expenses. Management considers the tangible common equity ratio and tangible book
as useful measurements of the Company's equity. The Company references the return on average tangible com
measurement of profitability.

Table of Contents

A reconciliation of certain non-GAAP performance measures and ratios used by the Company to evaluate and r
performance to the most directly comparable GAAP financial measures is shown below:

	Three Months Ended	
	September 30,	September 30
(Dollars and shares in thousands)	2016	2015
Calculation of Net Interest Margin and Efficiency Ratio		
(A) Interest Income (GAAP)	$208,149	$185,379
Taxable-equivalent adjustment:		
- Loans	584	346
- Liquidity Management Assets	963	841
- Other Earning Assets	9	10
(B) Interest Income - FTE	$209,705	$186,576
(C) Interest Expense (GAAP)	23,513	19,839
(D) Net Interest Income - FTE (B minus C)	$186,192	$166,737
(E) Net Interest Income (GAAP) (A minus C)	$184,636	$165,540
Net interest margin (GAAP-derived)	3.21 %	3.31 %
Net interest margin - FTE	3.24 %	3.33 %
(F) Non-interest income	$86,604	$64,953
(G) Gains (losses) on investment securities, net	3,305	(98)
(H) Non-interest expense	176,615	159,974
Efficiency ratio (H/(E+F-G))	65.92 %	69.38 %
Efficiency ratio - FTE (H/(D+F-G))	65.54 %	69.02 %
Calculation of Tangible Common Equity ratio (at period end)		
Total shareholders' equity	$2,674,474	$2,335,736
(I) Less: Convertible preferred stock	(126,257)	(126,312)
Less: Non-convertible preferred stock	(125,000)	(125,000)
Less: Intangible assets	(506,674)	(497,699)
(J) Total tangible common shareholders' equity	$1,916,543	$1,586,725
Total assets	$25,321,759	$22,035,216
Less: Intangible assets	(506,674)	(497,699)
(K) Total tangible assets	$24,815,085	$21,537,517
Tangible common equity ratio (J/K)	7.7 %	7.4 %
Tangible common equity ratio, assuming full conversion of convertible preferred stock ((J-I)/K)	8.2 %	8.0 %
Calculation of book value per share		
Total shareholders' equity	$2,674,474	$2,335,736
Less: Preferred stock	(251,257)	(251,312)
(L) Total common equity	$2,423,217	$2,084,424
(M) Actual common shares outstanding	51,715	48,337
Book value per common share (L/M)	$46.86	$43.12
Tangible common book value per share (J/M)	$37.06	$32.83

Calculation of return on average common equity				
(N) Net income applicable to common shares	49,487	34,276	141,383	113,99
Add: After-tax intangible asset amortization	677	833	2,270	2,046
(O) Tangible net income applicable to common shares	50,164	35,109	143,653	116,04
Total average shareholders' equity	2,651,684	2,310,511	2,502,940	2,194,3
Less: Average preferred stock	(251,257)	(251,312)	(251,259)	(171,23
(P) Total average common shareholders' equity	2,400,427	2,059,199	2,251,681	2,023,1

Less: Average intangible assets	(508,812)	(490,583)	(503,966)	(455,78
(Q) Total average tangible common shareholders' equity	1,891,615	1,568,616	1,747,715	1,567,3
Return on average common equity, annualized (N/P)	8.20 %	6.60 %	8.39 %	7.53
Return on average tangible common equity, annualized (O/Q)	10.55 %	8.88 %	10.98 %	9.90

58

Table of Contents

Critical Accounting Policies

The Company's Consolidated Financial Statements are prepared in accordance with GAAP in the United State
the banking industry. Application of these principles requires management to make estimates, assumptions, and
amounts reported in the financial statements and accompanying notes. Certain policies and accounting principl
greater reliance on the use of estimates, assumptions and judgments, and as such have a greater possibility that
and assumptions could produce financial results that are materially different than originally reported. Estimates
judgments are necessary when assets and liabilities are required to be recorded at fair value, when a decline in t
carried on the financial statements at fair value warrants an impairment write-down or valuation reserve to be e
asset or liability needs to be recorded contingent upon a future event, are based on information available as of t
statements; accordingly, as information changes, the financial statements could reflect different estimates and a
views critical accounting policies to be those which are highly dependent on subjective or complex judgments,
assumptions, and where changes in those estimates and assumptions could have a significant impact on the fina
Management currently views critical accounting policies to include the determination of the allowance for loan
covered loan losses and the allowance for losses on lending-related commitments, loans acquired with evidence
deterioration since origination, estimations of fair value, the valuations required for impairment testing of good
accounting for derivative instruments and income taxes as the accounting areas that require the most subjective
and as such could be most subject to revision as new information becomes available. For a more detailed discu
accounting policies, see "Summary of Critical Accounting Policies" beginning on page 55 of the Company's 2

Net Income

Net income for the quarter ended September 30, 2016 totaled $53.1 million, an increase of $14.8 million, or 38
quarter of 2015. On a per share basis, net income for the third quarter of 2016 totaled $0.92 per diluted commo
in the third quarter of 2015.

The most significant factors impacting net income for the third quarter of 2016 as compared to the same period
an increase in net interest income as a result of growth in earning assets, gains on sales of investment securities
income, and an increase in mortgage banking revenue. These improvements were offset by an increase in non-i
attributable to higher salary and employee benefit costs caused by the addition of employees from the various a
staffing levels as the Company grows and increased equipment expense, including operating lease equipment d

Net Interest Income

The primary source of the Company's revenue is net interest income. Net interest income is the difference betw
fees on earnings assets, such as loans and securities, and interest expense on the liabilities to fund those assets,
deposits and other borrowings. The amount of net interest income is affected by both changes in the level of in
and composition of earning assets and interest bearing liabilities.

Table of Contents

Quarter Ended September 30, 2016 compared to the Quarters Ended June 30, 2016 and September 30, 2015

The following table presents a summary of the Company's net interest income and related net interest margin,
fully taxable equivalent basis, for the third quarter of 2016 as compared to the second quarter of 2016 (sequenti
quarter of 2015 (linked quarters):

(Dollars in thousands)	Average Balance for three months ended, September 30, 2016	June 30, 2016	September 30, 2015	Interest for three months ended, September 30, 2016	June 30, 2016	September 30, 2015	Yi for Se 20
Liquidity management assets[1][2][7]	$3,671,577	$3,413,113	$3,140,782	$18,710	$19,236	$ 18,165	2.0
Other earning assets[2][3][7]	29,875	29,759	30,990	222	238	234	2.9
Loans, net of unearned income[2][4][7]	19,071,621	18,204,552	16,509,001	189,637	177,571	165,572	3.9
Covered loans	101,570	109,533	174,768	1,136	1,482	2,605	4.4
Total earning assets[7]	$22,874,643	$21,756,957	$19,855,541	$209,705	$198,527	$ 186,576	3.6
Allowance for loan and covered loan losses	(121,156)	(116,984)	(106,091)				
Cash and due from banks	240,239	272,935	251,289				
Other assets	1,885,526	1,841,847	1,678,323				
Total assets	$24,879,252	$23,754,755	$21,679,062				
Interest-bearing deposits	$15,117,102	$14,065,995	$13,489,651	$15,621	$13,594	$ 12,436	0.4
FHLB advances	459,198	946,081	394,666	2,577	2,984	2,458	2.2
Other borrowings	249,307	248,233	272,549	1,137	1,086	1,045	1.8
Subordinated notes	138,925	138,898	138,825	1,778	1,777	1,776	5.1
Junior subordinated notes	253,566	253,566	264,974	2,400	2,353	2,124	3.7
Total interest-bearing liabilities	$16,218,098	$15,652,773	$14,560,665	$23,513	$21,794	$ 19,839	0.5
Non-interest bearing deposits	5,566,983	5,223,384	4,473,632				
Other liabilities	442,487	412,866	334,254				
Equity	2,651,684	2,465,732	2,310,511				
Total liabilities and shareholders' equity	$24,879,252	$23,754,755	$21,679,062				
Interest rate spread[5][7]							3.0
Less: Fully tax-equivalent adjustment				(1,556)	(1,463)	(1,197)	(0.
Net free funds/contribution[6]	$6,656,545	$6,104,184	$5,294,876				0.1
Net interest income/ margin[7] (GAAP)				$184,636	$175,270	$ 165,540	3.2
Fully tax-equivalent adjustment				1,556	$1,463	$ 1,197	0.0
Net interest income/ margin - FTE [7]				$186,192	$176,733	$ 166,737	3.2

(1)

Liquidity management assets include available-for-sale and held-to-maturity securities, interest earning depo
funds sold and securities purchased under resale agreements.

(2) Interest income on tax-advantaged loans, trading securities and securities reflects a tax-equivalent adjustmen
federal corporate tax rate of 35%. The total adjustments for the three months ended September 30, 2016, Jun
September 30, 2015 were $1.6 million, $1.5 million and $1.2 million respectively.

(3) Other earning assets include brokerage customer receivables and trading account securities.

(4) Loans, net of unearned income, include loans held-for-sale and non-accrual loans.

(5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-

(6) Net free funds are the difference between total average earning assets and total average interest-bearing liab
contribution to net interest margin from net free funds is calculated using the rate paid for total interest-bear

(7) See "Supplemental Financial Measures/Ratios" for additional information on this performance ratio.

For the third quarter of 2016, net interest income totaled $184.6 million, an increase of $9.4 million as compare
2016 and an increase of $19.1 million as compared to the third quarter of 2015. Net interest margin was 3.21%
tax-equivalent basis) during the third quarter of 2016 compared to 3.24% (3.27% on a fully tax-equivalent basi
quarter of 2016 and 3.31% (3.33% on a fully tax-equivalent basis) during the third quarter of 2015. The reducti
compared to the second quarter of 2016 is primarily the result of a decline in yields on mortgage-backed securi
premium amortization. In the third quarter of 2016, $1.8 million of premium amortization was accelerated due
underlying security, compared to $751,000 in the second quarter of 2016.

Table of Contents

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

The following table presents a summary of the Company's net interest income and related net interest margin, fully taxable equivalent basis, for the nine months ended September 30, 2016 compared to the nine months end

(Dollars in thousands)	Average Balance for nine months ended, September 30, 2016	Average Balance for nine months ended, September 30, 2015	Interest for nine months ended, September 30, 2016	Interest for nine months ended, September 30, 2015	Yield/R for nine Septemb 2016
Liquidity management assets(1)(2)(7)	$3,462,375	$2,907,284	$57,740	$ 50,328	2.23 %
Other earning assets(2)(3)(7)	29,457	30,286	696	718	3.16
Loans, net of unearned income(2)(4)(7)	18,264,545	15,730,009	538,833	473,857	3.94
Covered loans	117,427	197,069	4,629	9,474	5.27
Total earning assets(7)	$21,873,804	$18,864,648	$601,898	$ 534,377	3.68 %
Allowance for loan and covered loan losses	(116,739)	(101,440)			
Cash and due from banks	257,443	245,745			
Other assets	1,834,904	1,577,971			
Total assets	$23,849,412	$20,586,924			
Interest-bearing deposits	$14,303,125	$13,158,498	$41,996	$ 36,246	0.39 %
FHLB advances	742,423	360,470	8,447	6,426	1.52
Other borrowings	251,633	220,478	3,281	2,620	1.74
Subordinated notes	138,898	138,799	5,332	5,328	5.12
Junior subordinated notes	254,935	254,710	6,973	6,034	3.59
Total interest-bearing liabilities	$15,691,014	$14,132,955	$66,029	$ 56,654	0.56 %
Non-interest bearing deposits	5,244,552	3,931,194			
Other liabilities	410,906	328,391			
Equity	2,502,940	2,194,384			
Total liabilities and shareholders' equity	$23,849,412	$20,586,924			
Interest rate spread(5)(7)					3.12 %
Less: Fully tax-equivalent adjustment			(4,454)	(3,400)	(0.02)
Net free funds/contribution(6)	$6,182,790	$4,731,693			0.15
Net interest income/ margin(7) (GAAP)			$531,415	$ 474,323	3.25 %
Fully tax-equivalent adjustment			4,454	3,400	0.02
Net interest income/ margin - FTE (7)			$535,869	$ 477,723	3.27 %

(1) Liquidity management assets include available-for-sale and held-to-maturity securities, interest earning dep funds sold and securities purchased under resale agreements.

(2) Interest income on tax-advantaged loans, trading securities and securities reflects a tax-equivalent adjustme federal corporate tax rate of 35%. The total adjustments for the nine months ended September 30, 2016 and $4.5 million and $3.4 million respectively.

(3) Other earning assets include brokerage customer receivables and trading account securities.

(4) Loans, net of unearned income, include loans held-for-sale and non-accrual loans.

(5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-

(6) Net free funds are the difference between total average earning assets and total average interest-bearing liab contribution to net interest margin from net free funds is calculated using the rate paid for total interest-bear

(7) See "Supplemental Financial Measures/Ratios" for additional information on this performance ratio.

For the first nine months of 2016, net interest income totaled $531.4 million, an increase of $57.1 million as co
months of 2015. Net interest margin was 3.25% (3.27% on a fully tax-equivalent basis) for the first nine month
3.36% (3.39% on a fully tax-equivalent basis) for the same period of 2015. The reduction in net interest margir
months of 2015 is primarily the result of a decline in loan yields, including less accretion recognized on purcha
on the rate of interest bearing liabilities.

Table of Contents

Analysis of Changes in Net Interest Income (GAAP)

The following table presents an analysis of the changes in the Company's net interest income comparing the th
September 30, 2016 to June 30, 2016 and September 30, 2015, and the nine month periods ended September 3
2015. The reconciliations set forth the changes in the GAAP-derived net interest income as a result of changes
rates and differing number of days in each period:

(Dollars in thousands)	Third Quarter of 2016 Compared to Second Quarter of 2016	Third Quarter of 2016 Compar to Third Quarter of 2015
Net interest income (GAAP) for comparative period	$175,270	$165,54
Change due to mix and growth of earning assets and interest-bearing liabilities (volume)	11,778	25,002
Change due to interest rate fluctuations (rate)	(4,317)	(5,906
Change due to number of days in each period	1,905	—
Net interest income (GAAP) for the period ended September 30, 2016	$184,636	$184,63
Fully tax-equivalent adjustment	1,556	1,556
Net interest income - FTE	$186,192	$186,19

Non-interest Income

The following table presents non-interest income by category for the periods presented:

(Dollars in thousands)	Three Months Ended September 30, 2016	September 30, 2015	$ Change	% Change
Brokerage	$6,752	$ 6,579	$173	3 %
Trust and asset management	12,582	11,664	918	8
Total wealth management	19,334	18,243	1,091	6
Mortgage banking	34,712	27,887	6,825	24
Service charges on deposit accounts	8,024	7,403	621	8
Gains (losses) on investment securities, net	3,305	(98)	3,403	NM
Fees from covered call options	3,633	2,810	823	29
Trading losses, net	(432)	(135)	(297)	NM
Operating lease income, net	4,459	613	3,846	NM
Other:				
Interest rate swap fees	2,881	2,606	275	11
BOLI	884	212	672	NM
Administrative services	1,151	1,072	79	7
Gain on extinguishment of debt	—	—	—	NM
Miscellaneous	8,653	4,340	4,313	99
Total Other	13,569	8,230	5,339	65
Total Non-Interest Income	$86,604	$ 64,953	$21,651	33 %

NM - Not Meaningful

Table of Contents

(Dollars in thousands)	Nine Months Ended September 30, 2016	September 30, 2015	$ Change	% Change
Brokerage	$19,111	$ 20,181	$(1,070)	(5)%
Trust and asset management	37,395	34,638	2,757	8
Total wealth management	56,506	54,819	1,687	3
Mortgage banking	93,254	91,694	1,560	2
Service charges on deposit accounts	23,156	20,174	2,982	15
Gains on investment securities, net	6,070	402	5,668	NM
Fees from covered call options	9,994	11,735	(1,741)	(15)
Trading losses, net	(916)	(452)	(464)	NM
Operating lease income, net	11,270	755	10,515	NM
Other:				
Interest rate swap fees	9,154	7,144	2,010	28
BOLI	2,613	3,158	(545)	(17)
Administrative services	3,294	3,151	143	5
Gain on extinguishment of debt	4,305	—	4,305	NM
Miscellaneous	21,455	13,927	7,528	54
Total Other	40,821	27,380	13,441	49
Total Non-Interest Income	$240,155	$ 206,507	$33,648	16 %

NM - Not Meaningful

Notable contributions to the change in non-interest income are as follows:

The increase in wealth management revenue during the current periods as compared to the same periods of 201
to growth in assets under management due to new customers. Wealth management revenue is comprised of the
management revenue of The Chicago Trust Company and Great Lakes Advisors and the brokerage commissio
and insurance product commissions at Wayne Hummer Investments Investments, LLC ("WHI").

The increase in mortgage banking revenue in the current periods compared to the prior year periods is primaril
volumes during the current year. Mortgage loans originated or purchased for sale totaled $1.3 billion in the cur
$973.7 million in the third quarter of 2015. On a year-to-date basis, mortgage loans originated or purchased fo
the first nine months of 2016 compared to $3.1 billion for the same period of 2015. This increase in revenue in
was partly offset by a $2.5 million negative fair value adjustment on MSRs as a result of actual prepayments in
higher projected prepayment speeds. Mortgage banking revenue includes revenue from activities related to orig
servicing residential real estate loans for the secondary market. Mortgage revenue is also impacted by changes
as the Company does not hedge this change in fair value. The Company typically originates mortgage loans he
MSRs either retained or released. The Company records MSRs at fair value on a recurring basis.

Table of Contents

The table below presents additional selected information regarding mortgage banking revenue for the respectiv

(Dollars in thousands)	Three months ended September 30, 2016		Three months ended September 30, 2015		Nine Months Ended September 30, 2016		Nine Months Ended Septemb 2015
Retail originations	$1,138,571		$ 900,302		$2,978,643		$2,906,:
Correspondent originations	121,007		73,362		229,825		188,393
(A) Total originations	$1,259,578		$ 973,664		$3,208,468		$3,094,'
Purchases as a percentage of originations	57	%	72	%	60	%	60
Refinances as a percentage of originations	43		28		40		40
Total	100	%	100	%	100	%	100
(B) Production revenue (1)	$32,889		$ 27,211		$85,040		$90,640
Production margin (B/A)	2.61	%	2.79	%	2.65	%	2.93
(C) Loans serviced for others	$1,508,469		$ 853,286				
(D) MSRs, at fair value	13,901		7,875				
Percentage of MSRs to loans serviced for others (D/C)	0.92	%	0.92	%			

(1) Production revenue represents revenue earned from the origination and subsequent sale of mortgages sold and fees from originations, processing and other related activities, and excludes servicing fees, c servicing rights and changes to the mortgage recourse obligation.

The increase in service charges on deposit accounts in the current quarter is mostly a result of higher account a accounts which have increased as a result of the Company's commercial banking initiative as well as additional deposit accounts from acquired institutions.

The increase in net gains on investment securities in the current quarter primarily relate to the sales and calls of securities that were held in the Company's investment securities portfolio.

The Company has typically written call options with terms of less than three months against certain U.S. Treas held in its portfolio for liquidity and other purposes. Management has effectively entered into these transaction economically hedging security positions and enhancing its overall return on its investment portfolio by using fe options to compensate for net interest margin compression. These option transactions are designed to mitigate and do not qualify as hedges pursuant to accounting guidance. Fees from covered call options decreased in the the same period of 2015 primarily as a result of selling call options against a smaller value of underlying securi premiums received by the Company. There were no outstanding call option contracts at September 30, 2016 an

The increase in operating lease income in the current quarter compared to the prior year quarters is primarily re from the Company's leasing divisions.

The increase in other non-interest income during the first nine months of 2016 as compared to the same period the gain on extinguishment of junior subordinated debentures, higher swap fee revenues resulting from interest related to both customer-based trades and the related matched trades with inter-bank dealer counterparties, gair purchase and sale of certain assets and income from investments in partnerships and other investments, partiall on BOLI.

Table of Contents

Non-interest Expense

The following table presents non-interest expense by category for the periods presented:

(Dollars in thousands)	Three months ended September 30, 2016	Three months ended September 30, 2015	$ Change	% Change
Salaries and employee benefits:				
Salaries	$54,309	$ 53,028	$1,281	2 %
Commissions and incentive compensation	33,740	30,035	3,705	12
Benefits	15,669	14,686	983	7
Total salaries and employee benefits	103,718	97,749	5,969	6
Equipment	9,449	8,456	993	12
Operating lease equipment depreciation	3,605	431	3,174	NM
Occupancy, net	12,767	12,066	701	6
Data processing	7,432	8,127	(695)	(9)
Advertising and marketing	7,365	6,237	1,128	18
Professional fees	5,508	4,100	1,408	34
Amortization of other intangible assets	1,085	1,350	(265)	(20)
FDIC insurance	3,686	3,035	651	21
OREO expense, net	1,436	(367)	1,803	NM
Other:				
Commissions—3rd party brokers	1,362	1,364	(2)	—
Postage	1,889	1,927	(38)	(2)
Miscellaneous	17,313	15,499	1,814	12
Total other	20,564	18,790	1,774	9
Total Non-Interest Expense	$176,615	$ 159,974	$16,641	10 %

(Dollars in thousands)	Nine months ended September 30, 2016	Nine months ended September 30, 2015	$ Change	% Change
Salaries and employee benefits:				
Salaries	$157,515	$ 146,493	$11,022	8 %
Commissions and incentive compensation	92,646	88,916	3,730	4
Benefits	50,262	46,891	3,371	7
Total salaries and employee benefits	300,423	282,300	18,123	6
Equipment	27,523	24,090	3,433	14
Operating lease equipment depreciation	9,040	547	8,493	NM
Occupancy, net	36,658	35,818	840	2
Data processing	21,089	19,656	1,433	7
Advertising and marketing	18,085	16,550	1,535	9
Professional fees	14,986	13,838	1,148	8
Amortization of other intangible assets	3,631	3,297	334	10
FDIC insurance	11,339	9,069	2,270	25
OREO expense, net	3,344	1,885	1,459	77
Other:				
Commissions—3rd party brokers	3,996	4,153	(157)	(4)
Postage	5,229	5,138	91	2
Miscellaneous	45,971	45,248	723	2

Total other	55,196	54,539	657	1	
Total Non-Interest Expense	$501,314	$ 461,589	$39,725	9	%

NM - Not Meaningful

Notable contributions to the change in non-interest expense are as follows:

Salaries and employee benefits expense increased in the current periods compared to the same periods of 2015
addition of employees from acquisitions, increased staffing as the Company grows, higher commissions and in

65

Table of Contents

compensation on variable pay based arrangements and an increase in employee benefits (primarily health plan

Operating lease equipment depreciation increased in the current quarter and year-to-date periods compared to t a result of growth in business from the Company's leasing divisions.

Income Taxes

The Company recorded income tax expense of $31.9 million for the three months ended September 30, 2016, c for same period of 2015. Income tax expense was $91.3 million and $74.1 million for the nine months ended S 2015, respectively. The effective tax rates were 37.6% and 38.3% for the third quarters of 2016 and 2015, resp 37.9% for the 2016 and 2015 year-to-date periods, respectively.

Operating Segment Results

As described in Note 12 to the Consolidated Financial Statements in Item 1, the Company's operations consist community banking, specialty finance and wealth management. The Company's profitability is primarily deper income, provision for credit losses, non-interest income and operating expenses of its community banking segn internal segment profitability, management allocates certain intersegment and parent company balances. Mana of revenues to the specialty finance segment related to loans and leases originated by the specialty finance segn to the community banking segment. Similarly, for purposes of analyzing the contribution from the wealth mana management allocates a portion of the net interest income earned by the community banking segment on depos the wealth management segment to the wealth management segment. Finally, expenses incurred at the Wintrus allocated to each segment based on each segment's risk-weighted assets.

The community banking segment's net interest income for the quarter ended September 30, 2016 totaled $150. $132.5 million for the same period in 2015, an increase of $17.6 million, or 13%. On a year-to-date basis, net i segment increased by $51.9 million from $382.2 million for the first nine months of 2015 to $434.1 million for 2016. The increase in both the three and nine month periods is primarily attributable to growth in earning asset in acquisitions. The community banking segment's non-interest income totaled $62.7 million in the third quart $17.2 million, or 38%, when compared to the third quarter of 2015 total of $45.6 million. On a year-to-date bas totaled $169.2 million for the first nine months of 2016, an increase of $22.5 million, or 15%, compared to $14 months ended September 30, 2015. The increase in non-interest income in the quarter and year-to-date periods to higher service charges on deposit accounts and increased realized gains on investment securities as well as a extinguishment of debt and higher mortgage banking revenue on a year-to-date basis. The community banking the quarter ended September 30, 2016 totaled $37.5 million, an increase of $14.8 million as compared to net in of 2015 of $22.7 million. On a year-to-date basis, the community banking segment's net income was $106.9 mi months of 2016 as compared to $76.8 million for the first nine months of 2015.

The specialty finance segment's net interest income totaled $25.5 million for the quarter ended September 30, 2 million for the same period in 2015, an increase of $886,000, or 4%. On a year-to-date basis, net interest incom million in the first nine months of 2016 as compared to the first nine months of 2015. The increase during both attributable to growth in earning assets. The specialty finance segment's non-interest income totaled $12.2 mill three month periods ending September 30, 2016 and 2015, respectively. On a year-to-date basis, non-interest in million in the first nine months of 2016 as compared to the first nine months of 2015. The increase in non-inter year periods is primarily the result of higher originations and increased balances related to the life insurance pr well as increased leasing activity since the prior year periods. Our commercial premium finance operations, lif operations, lease financing operations and accounts receivable finance operations accounted for 47%, 33%, 13 the total revenues of our specialty finance business for the nine month period ending September 30, 2016. The finance segment for the quarter ended September 30, 2016 totaled $12.8 million as compared to $12.5 million f

September 30, 2015. On a year-to-date basis, the net income of the specialty finance segment for the nine mont
2016 totaled $36.3 million as compared to $34.9 million for the nine months ended September 30, 2015.

The wealth management segment reported net interest income of $4.8 million for the third quarter of 2016 com
the same quarter of 2015. On a year-to-date basis, net interest income totaled $13.7 million for the first nine mo
to $12.8 million for the first nine months of 2015. Net interest income for this segment is primarily comprised

66

Table of Contents

of an allocation of the net interest income earned by the community banking segment on non-interest bearing a management customer account balances on deposit at the banks. Wealth management customer account balanc averaged $987.8 million and $892.4 million in the first nine months of 2016 and 2015, respectively. This segm income of $20.0 million for the third quarter of 2016 compared to $18.4 million for the third quarter of 2015. O wealth management segment's non-interest income totaled $58.7 million during the first nine months of 2016 a million in the first nine months of 2015. Distribution of wealth management services through each bank contin Company as the number of financial advisors in its banks continues to increase. The Company is committed to management segment in order to better service its customers and create a more diversified revenue stream. The segment’s net income totaled $2.8 million for the third quarter of 2016 compared to $3.1 million for the third q year-to-date basis, the wealth management segment's net income totaled $9.1 million and $9.5 million for the n September 30, 2016 and 2015, respectively. The reduction in net income in the current periods compared to the to a $1.5 million adverse arbitration award relating to a previously disclosed claim arising out of the hiring of a financial advisor by WHI.

Financial Condition

Total assets were $25.3 billion at September 30, 2016, representing an increase of $3.3 billion, or 15%, when c 2015 and an increase of approximately $901.1 million, or 15% on an annualized basis, when compared to June which includes deposits, all notes and advances, including secured borrowings and the junior subordinated deb at September 30, 2016, $21.3 billion at June 30, 2016, and $19.3 billion at September 30, 2015. See Notes 5, 6, Consolidated Financial Statements presented under Item 1 of this report for additional period-end detail on the assets and funding liabilities.

Interest-Earning Assets

The following table sets forth, by category, the composition of average earning asset balances and the relative p earning assets for the periods presented:

	Three Months Ended				
	September 30, 2016		June 30, 2016		S
(Dollars in thousands)	Balance	Percent	Balance	Percent	B
Loans:					
Commercial	$5,468,228	24 %	$5,030,253	22 %	$
Commercial real estate	5,852,874	26 %	5,811,650	27	5
Home equity	751,788	3 %	771,992	4	7
Residential real estate (1)	1,165,027	5	1,024,441	5	9
Premium finance receivables	5,697,113	25	5,433,006	25	5
Other loans	136,591	1	133,210	1	1
Total loans, net of unearned income excluding covered loans (2)	$19,071,621	84 %	$18,204,552	84 %	$
Covered loans	101,570	—	109,533	1	1
Total average loans (2)	$19,173,191	84 %	$18,314,085	85 %	$
Liquidity management assets (3)	$3,671,577	16 %	$3,413,113	15 %	3
Other earning assets (4)	29,875	—	29,759	—	3
Total average earning assets	$22,874,643	100 %	$21,756,957	100 %	$
Total average assets	$24,879,252		$23,754,755		$
Total average earning assets to total average assets		92 %		92 %	

(1) Includes mortgage loans held-for-sale
(2) Includes loans held-for-sale and non-accrual loans
(3) Liquidity management assets include investment securities, other securities, interest earning deposits with b and securities purchased under resale agreements

(4) Other earning assets include brokerage customer receivables and trading account securities

Loans. Average total loans, net of unearned income, totaled $19.2 billion in the third quarter of 2016, increasin
from the third quarter of 2015 and $859.1 million, or 19% on an annualized basis, from the second quarter of 2
commercial and commercial real estate loan categories comprised 59% and 57% of the average loan portfolio i
and 2015, respectively. Growth realized in these categories for the third quarter of 2016 as compared to the

Table of Contents

sequential and prior year periods is primarily attributable to the various bank acquisitions and increased busine

Home equity loan portfolio averaged $751.8 million in the third quarter of 2016, and decreased $28.1 million, c balance of $779.9 million in same period of 2015. The Company has been actively managing its home equity p diligent pricing, appraisal and other underwriting activities continue to exist. The Company has not sacrificed a standards when originating new home equity loans.

Residential real estate loans averaged $1.2 billion in the third quarter of 2016, and increased $212.5 million, or balance of $952.5 million in same period of 2015. Additionally, compared to the quarter ended June 30, 2016, t increased $140.6 million, or 55% on an annualized basis. The residential real estate loan category includes mor By selling residential mortgage loans into the secondary market, the Company eliminates the interest-rate risk a as they are predominantly long-term fixed rate loans, and provides a source of non-interest revenue.

Average premium finance receivables totaled $5.7 billion in the third quarter of 2016, and accounted for 30% c total loans. The increase during 2016 compared to both the second quarter of 2016 and the third quarter of 2015 continued originations within the portfolio due to the effective marketing and customer servicing. Approximate finance receivables were originated in the third quarter of 2016 compared to $1.6 billion during the same period finance receivables consist of a commercial portfolio and a life portfolio comprising approximately 44% and 56 average total balance of premium finance receivables for the third quarter of 2016, and 49% and 51%, respectiv of 2015.

Other loans represent a wide variety of personal and consumer loans to individuals as well as high-yielding sho receivable financing to clients in the temporary staffing industry located throughout the United States. Consum shorter terms and higher interest rates than mortgage loans but generally involve more credit risk due to the typ collateral. Additionally, short-term accounts receivable financing may also involve greater credit risks than gen loan portfolios of more traditional community banks depending on the marketability of the collateral.

Covered loans represent loans acquired through the nine FDIC-assisted transactions, all of which occurred prio subject to loss sharing agreements with the FDIC. The FDIC has agreed to reimburse the Company for 80% of purchased loans, foreclosed real estate, and certain other assets. The Company expects the covered loan portfol as these acquired loans are paid off and as loss sharing agreements expire. See Note 3 of the Consolidated Fina under Item 1 of this report for a discussion of these acquisitions, including the aggregation of these loans by ris determining the initial and subsequent fair value.

Liquidity management assets. Funds that are not utilized for loan originations are used to purchase investment money market investments, to sell as federal funds and to maintain in interest bearing deposits with banks. The can fluctuate based on management's ongoing effort to manage liquidity and for asset liability management pu

Other earning assets. Other earning assets include brokerage customer receivables and trading account securitie business, WHI activities involve the execution, settlement, and financing of various securities transactions. WH activities are transacted on either a cash or margin basis. In margin transactions, WHI, under an agreement with firm, extends credit to its customers, subject to various regulatory and internal margin requirements, collaterali in customer's accounts. In connection with these activities, WHI executes and the out-sourced firm clears custo the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to in regulations. Such transactions may expose WHI to off-balance-sheet risk, particularly in volatile trading marke requirements are not sufficient to fully cover losses that customers may incur. In the event a customer fails to s under the agreement with the outsourced securities firm, may be required to purchase or sell financial instrume prices to fulfill the customer's obligations. WHI seeks to control the risks associated with its customers' activit to maintain margin collateral in compliance with various regulatory and internal guidelines. WHI monitors req and, pursuant to such guidelines, requires customers to deposit additional collateral or to reduce positions wher

68

Table of Contents

The following table sets forth, by category, the composition of average earning asset balances and the relative p
earning assets for the periods presented:

	Nine Months Ended					
	September 30, 2016			September 30, 2015		
(Dollars in thousands)	Balance	Percent		Balance	Percent	
Loans:						
Commercial	$5,063,499	23	%	$4,191,137	22	%
Commercial real estate	5,764,773	26		4,852,973	26	
Home equity	767,703	3		736,320	4	
Residential real estate (1)	1,034,916	5		896,417	5	
Premium finance receivables	5,497,715	25		4,897,534	26	
Other loans	135,939	1		155,628	1	
Total loans, net of unearned income excluding covered loans (2)	$18,264,545	83	%	$15,730,009	84	%
Covered loans	117,427	1		197,069	1	
Total average loans (2)	$18,381,972	84	%	$15,927,078	85	%
Liquidity management assets (3)	$3,462,375	16	%	$2,907,284	15	%
Other earning assets (4)	29,457	—		30,286	—	
Total average earning assets	$21,873,804	100	%	$18,864,648	100	%
Total average assets	$23,849,412			$20,586,924		
Total average earning assets to total average assets		92	%		92	%

(1) Includes mortgage loans held-for-sale
(2) Includes loans held-for-sale and non-accrual loans
(3) Liquidity management assets include investment securities, other securities, interest earning deposits with b
and securities purchased under resale agreements
(4) Other earning assets include brokerage customer receivables and trading account securities

Total average loans for the first nine months ended 2016 increased $2.5 billion or 15% over the previous year p
quarterly discussion above, approximately $872.4 million of this increase relates to the commercial portfolio, $
increase relates to the commercial real estate portfolio and $600.2 million of this increase relates to the premiu
portfolio. The increase is partially offset by a decrease of $79.6 million in covered loans.

LOAN PORTFOLIO AND ASSET QUALITY
Loan Portfolio

The following table shows the Company’s loan portfolio by category as of the dates shown:

	September 30, 2016			December 31, 2015			Septe
		% of			% of		
(Dollars in thousands)	Amount	Total		Amount	Total		Amou
Commercial	$5,951,544	31	%	$4,713,909	27	%	$4,40
Commercial real estate	5,908,684	31		5,529,289	32		5,307
Home equity	742,868	4		784,675	5		797,4
Residential real estate	663,598	3		607,451	3		571,7
Premium finance receivables—commercial	2,430,233	13		2,374,921	14		2,407
Premium finance receivables—life insurance	3,283,359	17		2,961,496	17		2,700
Consumer and other	120,975	1		146,376	1		131,9
Total loans, net of unearned income, excluding covered loans	$19,101,261	100	%	$17,118,117	99	%	$16,3
Covered loans	95,940	—		148,673	1		168,6

Total loans	$19,197,201	100%	$17,266,790	100%	$16,4

69

Table of Contents

Commercial and commercial real estate loans. Our commercial and commercial real estate loan portfolios are c
commercial real estate loans and lines of credit for working capital purposes. The table below sets forth inform
and amounts of our loans within these portfolios (excluding covered loans) as of September 30, 2016 and 2015

	As of September 30, 2016			As of September 30, 2	
(Dollars in thousands)	Balance	% of Total Balance	Allowance For Loan Losses Allocation	Balance	% of Total Balance
Commercial:					
Commercial, industrial and other	$3,605,516	30.4 %	$ 29,087	$3,010,475	31.1 %
Franchise	874,745	7.4	3,357	222,001	2.3
Mortgage warehouse lines of credit	309,632	2.6	2,241	136,614	1.4
Asset-based lending	845,719	7.2	6,728	802,370	8.3
Leases	299,953	2.5	893	205,786	2.1
PCI - commercial loans [(1)]	15,979	0.1	732	22,939	0.2
Total commercial	$5,951,544	50.2 %	$ 43,038	$4,400,185	45.4 %
Commercial Real Estate:					
Construction	$451,477	3.8 %	$ 4,778	$347,234	3.5 %
Land	107,701	0.9	3,577	79,076	0.8
Office	884,082	7.5	6,003	790,311	8.1
Industrial	767,504	6.5	6,353	636,124	6.6
Retail	895,341	7.5	6,063	785,842	8.1
Multi-family	794,955	6.7	7,966	687,659	7.1
Mixed use and other	1,851,507	15.6	13,586	1,820,328	18.7
PCI - commercial real estate [(1)]	156,117	1.3	22	160,992	1.7
Total commercial real estate	$5,908,684	49.8 %	$ 48,348	$5,307,566	54.6 %
Total commercial and commercial real estate	$11,860,228	100.0 %	$ 91,386	$9,707,751	100.0 %
Commercial real estate - collateral location by state:					
Illinois	$4,652,758	78.8 %		$4,053,531	76.4 %
Wisconsin	646,116	10.9		577,231	10.9
Total primary markets	$5,298,874	89.7 %		$4,630,762	87.3 %
Indiana	111,206	1.9		106,591	2.0
Florida	77,836	1.3		56,020	1.1
Arizona	45,620	0.8		9,677	0.2
California	38,195	0.6		36,957	0.7
Other	336,953	5.7		467,559	8.7
Total	$5,908,684	100.0 %		$5,307,566	100.0 %

(1) PCI loans represent loans acquired with evidence of credit quality deterioration since origination, in accorda
Loan agings are based upon contractually required payments.

We make commercial loans for many purposes, including working capital lines, which are generally renewable
by business assets, personal guarantees and additional collateral. Commercial business lending is generally con
slightly higher degree of risk than traditional consumer bank lending. Primarily as a result of growth in the com
allowance for loan losses in our commercial loan portfolio is $43.0 million as of September 30, 2016 compared
September 30, 2015.

70

Table of Contents

Our commercial real estate loans are generally secured by a first mortgage lien and assignment of rents on the p
bank branches are located in the Chicago metropolitan area and southern Wisconsin, 89.7% of our commercial
located in this region as of September 30, 2016. While commercial real estate market conditions have improve
specific markets continue to be under stress. We have been able to effectively manage our total non-performing
loans. As of September 30, 2016, our allowance for loan losses related to this portfolio is $48.3 million compa
September 30, 2015.

The Company also participates in mortgage warehouse lending by providing interim funding to unaffiliated mo
residential mortgages originated by such bankers for sale into the secondary market. The Company's loans to t
secured by the business assets of the mortgage companies as well as the specific mortgage loans funded by the
been pre-approved for purchase by third party end lenders. The Company may also provide interim financing f
loans on a bulk basis in circumstances where the mortgage bankers desire to competitively bid on a number of
package in the secondary market. Amounts advanced with respect to any particular mortgage loan are usually r
21 days. In the current period, mortgage warehouse lines increased to $309.6 million as of September 30, 2016
September 30, 2015.

Home equity loans. Our home equity loans and lines of credit are originated by each of our banks in their local
strong understanding of the underlying real estate value. Our banks monitor and manage these loans, and we co
review of all home equity loans and lines of credit at least twice per year. This review collects current credit pe
equity borrower and identifies situations where the credit strength of the borrower is declining, or where there a
influence repayment, such as tax liens or judgments. Our banks use this information to manage loans that may
determine whether to obtain additional credit information or updated property valuations.

The rates we offer on new home equity lending are based on several factors, including appraisals and valuation
reflect inherent risk, and we place additional scrutiny on larger home equity requests. In a limited number of ca
credit together with first mortgage financing, and requests for such financing are evaluated on a combined basi
advance more than 85% of the appraised value of the underlying asset, which ratio we refer to as the loan-to-va
and a majority of the credit we previously extended, when issued, had an LTV ratio of less than 80%.
Our home equity loan portfolio has performed well in light of the ongoing volatility in the overall residential re

Residential real estate mortgages. Our residential real estate portfolio predominantly includes one- to four-fami
mortgages that have repricing terms generally from one to three years, construction loans to individuals and bri
qualifying customers. As of September 30, 2016, our residential loan portfolio totaled $663.6 million, or 3% of
loans.

Our adjustable rate mortgages relate to properties located principally in the Chicago metropolitan area and sout
vacation homes owned by local residents. These adjustable rate mortgages are often non-agency conforming. A
loans decrease the interest rate risk we face on our mortgage portfolio. However, this risk is not eliminated due
generally provide for periodic and lifetime limits on the interest rate adjustments among other features. Additio
mortgages may pose a higher risk of delinquency and default because they require borrowers to make larger pa
rise. As of September 30, 2016, $12.2 million of our residential real estate mortgages, or 1.8% of our residentia
were classified as nonaccrual, $1.5 million were 90 or more days past due and still accruing (0.2%), $3.3 millio
due (0.5%) and $646.6 million were current (97.5%). We believe that since our loan portfolio consists primaril
loans, and since the majority of our borrowers are longer-term customers with lower LTV ratios, we face a rela
default and delinquency.

While we generally do not originate loans for our own portfolio with long-term fixed rates due to interest rate r
accommodate customer requests for fixed rate loans by originating such loans and then selling them into the se
we receive fee income. We may also selectively retain certain of these loans within the banks' own portfolios v

conforming, or where the terms of the loans make them favorable to retain. A portion of the loans we sold into sold with the servicing of those loans retained. The amount of loans serviced for others as of September 30, 20 billion and $853.3 million, respectively. All other mortgage loans sold into the secondary market were sold wit servicing rights.

It is not our current practice to underwrite, and we have no plans to underwrite, subprime, Alt A, no or little do option ARM loans. As of September 30, 2016, approximately $4.8 million of our mortgage loans consist of int

Premium finance receivables – commercial. FIFC and FIFC Canada originated approximately $1.4 billion in co premium finance receivables during both the third quarter of 2016 and 2015. During both the nine months ende

Table of Contents

2016 and 2015, FIFC and FIFC Canada originated approximately $4.3 billion in commercial insurance premiu
and FIFC Canada make loans to businesses to finance the insurance premiums they pay on their commercial in
are originated by working through independent medium and large insurance agents and brokers located througl
Canada. The insurance premiums financed are primarily for commercial customers' purchases of liability, prop
commercial insurance.

This lending involves relatively rapid turnover of the loan portfolio and high volume of loan originations. Beca
of this lending through third party agents and brokers and because the borrowers are located nationwide and in
more susceptible to third party fraud than relationship lending. The Company performs ongoing credit and othe
and brokers, and performs various internal audit steps to mitigate against the risk of any fraud. The majority of
by the banks in order to more fully utilize their lending capacity as these loans generally provide the banks wit
alternative investments.

Premium finance receivables—life insurance. FIFC originated approximately $274.1 million in life insurance p
in the third quarter of 2016 as compared to $206.9 million of originations in the third quarter of 2015. For the r
September 30, 2016 and 2015, FIFC originated approximately $754.7 million and $596.2 million, respectively,
finance receivables. The Company continues to experience increased competition and pricing pressure within t
loans are originated directly with the borrowers with assistance from life insurance carriers, independent insura
advisors and legal counsel. The life insurance policy is the primary form of collateral. In addition, these loans c
letter of credit, marketable securities or certificates of deposit. In some cases, FIFC may make a loan that has a
position.

Consumer and other. Included in the consumer and other loan category is a wide variety of personal and consu
well as high yielding short-term accounts receivable financing to clients in the temporary staffing industry loca
States. The Banks originate consumer loans in order to provide a wider range of financial services to their custo

Consumer loans generally have shorter terms and higher interest rates than mortgage loans but generally involv
mortgage loans due to the type and nature of the collateral. Additionally, short-term accounts receivable financ
greater credit risks than generally associated with the loan portfolios of more traditional community banks depe
of the collateral.

Covered loans. Covered loans represent loans acquired through the nine FDIC-assisted transactions, all of whic
These loans are subject to loss sharing agreements with the FDIC. The FDIC has agreed to reimburse the Comp
incurred on the purchased loans, foreclosed real estate, and certain other assets. The Company expects the cove
continue to decrease as these acquired loans are paid off and as loss sharing agreements expire. See Note 3 of t
Statements presented under Item 1 of this report for a discussion of these acquisitions, including the aggregatio
characteristics when determining the initial and subsequent fair value.

Table of Contents

Maturities and Sensitivities of Loans to Changes in Interest Rates

The following table classifies the commercial loan portfolios at September 30, 2016 by date at which the loans
type of rate exposure:

As of September 30, 2016 (Dollars in thousands)	One year or less	From one to five years	Over five years	Total
Commercial				
Fixed rate	$100,634	$829,041	$475,707	$1,405,382
Variable rate	4,531,211	9,639	5,312	4,546,162
Total commercial	$4,631,845	$838,680	$481,019	$5,951,544
Commercial real estate				
Fixed rate	358,503	1,709,635	198,429	2,266,567
Variable rate	3,597,698	41,212	3,207	3,642,117
Total commercial real estate	$3,956,201	$1,750,847	$201,636	$5,908,684
Premium finance receivables, net of unearned income				
Fixed rate	2,459,739	89,644	385	2,549,768
Variable rate	3,163,824	—	—	3,163,824
Total premium finance receivables (1)	$5,623,563	$89,644	$385	$5,713,592

Past Due Loans and Non-Performing Assets

Our ability to manage credit risk depends in large part on our ability to properly identify and manage problem l
Company operates a credit risk rating system under which our credit management personnel assign a credit risk
time of origination and review loans on a regular basis to determine each loan's credit risk rating on a scale of
scores indicating higher risk. The credit risk rating structure used is shown below:

1 Rating —Minimal Risk (Loss Potential – none or extremely low) (Superior asset quality, excellent liquidity,

2 Rating —Modest Risk (Loss Potential demonstrably low) (Very good asset quality and liquidity, strong lever

3 Rating —Average Risk (Loss Potential low but no longer refutable) (Mostly satisfactory asset quality and liq
capacity)

4 Rating —Above Average Risk (Loss Potential variable, but some potential for deterioration) (Acceptable ass
liquidity, modest leverage capacity)

5 Rating —Management Attention Risk (Loss Potential moderate if corrective action not taken) (Generally acc
somewhat strained liquidity, minimal leverage capacity)

6 Rating —Special Mention (Loss Potential moderate if corrective action not taken) (Assets in this category are
potentially weak, but not to the point of substandard classification)

7 Rating —Substandard Accrual (Loss Potential distinct possibility that the bank may sustain some loss, but no
(Must have well defined weaknesses that jeopardize the liquidation of the debt)

8 Rating —Substandard Non-accrual (Loss Potential well documented probability of loss, including potential i
well defined weaknesses that jeopardize the liquidation of the debt)

9 Rating — Doubtful (Loss Potential extremely high) (These assets have all the weaknesses in those classified ' characteristic that the weaknesses make collection or liquidation in full, on the basis of current exis values, highly improbable)

10 Rating — Loss (fully charged-off) (Loans in this category are considered fully uncollectible.)

Each loan officer is responsible for monitoring his or her loan portfolio, recommending a credit risk rating for portfolio and ensuring the credit risk ratings are appropriate. These credit risk ratings are then ratified by the ba and/or concurrence credit officer. Credit risk ratings are determined by evaluating a number of factors includin strength, cash flow coverage, collateral protection and guarantees. A third party loan review firm independentl

Table of Contents

a significant portion of the loan portfolio at each of the Company's subsidiary banks to evaluate the appropriate management-assigned credit risk ratings. These ratings are subject to further review at each of our bank subsidi regulatory authority, including the FRB of Chicago, the OCC, the State of Illinois and the State of Wisconsin a our internal audit staff.
The Company's problem loan reporting system automatically includes all loans with credit risk ratings of 6 thr designed to provide an on-going detailed tracking mechanism for each problem loan. Once management detern deteriorated to a point where it has a credit risk rating of 6 or worse, the Company's Managed Asset Division p and collateral review. As part of this review, all underlying collateral is identified and the valuation methodolo As a result of this initial review by the Company's Managed Asset Division, the credit risk rating is reviewed a outstanding loan balance may be deemed uncollectible or an impairment reserve may be established. The Com utilizes an independent re-appraisal of the collateral (unless such a third-party evaluation is not possible due to collateral, such as a closely-held business or thinly traded securities). In the case of commercial real estate coll party appraisal is ordered by the Company's Real Estate Services Group to determine if there has been any cha collateral value. These independent appraisals are reviewed by the Real Estate Services Group and sometimes valuation experts and may be adjusted depending upon market conditions. An appraisal is ordered at least once more often if market conditions dictate. In the event that the underlying value of the collateral cannot be easily valuation methodology is prepared by the Managed Asset Division. A summary of this analysis is provided to committee of the bank which originated the credit for approval of a charge-off, if necessary.

Through the credit risk rating process, loans are reviewed to determine if they are performing in accordance wi terms. If the borrower has failed to comply with the original contractual terms, further action may be required a downgrade in the credit risk rating, movement to non-accrual status, a charge-off or the establishment of a sp In the event a collateral shortfall is identified during the credit review process, the Company will work with the reduction and/or a pledge of additional collateral and/or additional guarantees. In the event that these options a may be subject to a downgrade of the credit risk rating. If we determine that a loan amount or portion thereof, i credit risk rating is immediately downgraded to an 8 or 9 and the uncollectible amount is charged-off. Any loa charge-off continues to be assigned a credit risk rating of an 8 or 9 for the duration of time that a balance remai Managed Asset Division undertakes a thorough and ongoing analysis to determine if additional impairment an appropriate and to begin a workout plan for the credit to minimize actual losses.

The Company's approach to workout plans and restructuring loans is built on the credit-risk rating process. A an existing credit risk rating of 6 or worse or a modification of any other credit, which will result in a restructu worse must be reviewed for TDR classification. In that event, our Managed Assets Division conducts an overal review. A modification of a loan is considered to be a TDR if both (1) the borrower is experiencing financial d economic or legal reasons, the bank grants a concession to a borrower that it would not otherwise consider. Th where the credit risk rating is 5 or better both before and after such modification is not considered to be a TDR credit risk rating system, it considers that borrowers whose credit risk rating is 5 or better are not experiencing therefore, are not considered TDRs.

TDRs, which are by definition considered impaired loans, are reviewed at the time of modification and on a qu if a specific reserve is needed. The carrying amount of the loan is compared to the expected payments to be rec loan's original rate, or for collateral dependent loans, to the fair value of the collateral less the estimated cost to recorded as a specific reserve.

For non-TDR loans, if based on current information and events, it is probable that the Company will be unable to it according to the contractual terms of the loan agreement, a loan is considered impaired, and a specific imp performed and if necessary, a specific reserve is established. In determining the appropriate reserve for collater Company considers the results of appraisals for the associated collateral.

Table of Contents

Non-performing Assets, excluding covered assets

The following table sets forth Wintrust's non-performing assets and TDRs performing under the contractual te
excluding covered assets and PCI loans, as of the dates shown:

(Dollars in thousands)	September 30, 2016		June 30, 2016		De 20
Loans past due greater than 90 days and still accruing [1]:					
Commercial	$ —		$235		$
Commercial real estate	—		—		—
Home equity	—		—		—
Residential real estate	—		—		—
Premium finance receivables—commercial	7,754		10,558		10
Premium finance receivables—life insurance	—		—		—
Consumer and other	60		163		15
Total loans past due greater than 90 days and still accruing	7,814		10,956		10
Non-accrual loans [2]:					
Commercial	16,418		16,801		12
Commercial real estate	22,625		24,415		26
Home equity	9,309		8,562		6,
Residential real estate	12,205		12,413		12
Premium finance receivables—commercial	14,214		14,497		14
Premium finance receivables—life insurance	—		—		—
Consumer and other	543		475		26
Total non-accrual loans	75,314		77,163		73
Total non-performing loans:					
Commercial	16,418		17,036		13
Commercial real estate	22,625		24,415		26
Home equity	9,309		8,562		6,
Residential real estate	12,205		12,413		12
Premium finance receivables—commercial	21,968		25,055		24
Premium finance receivables—life insurance	—		—		—
Consumer and other	603		638		41
Total non-performing loans	$ 83,128		$88,119		$
Other real estate owned	19,933		22,154		26
Other real estate owned—from acquisitions	15,117		15,909		17
Other repossessed assets	428		420		17
Total non-performing assets	$ 118,606		$126,602		$
TDRs performing under the contractual terms of the loan agreement	29,440		33,310		42
Total non-performing loans by category as a percent of its own respective category's period-end balance:					
Commercial	0.28	%	0.33	%	0.
Commercial real estate	0.38		0.42		0.
Home equity	1.25		1.13		0.
Residential real estate	1.84		1.90		1.
Premium finance receivables—commercial	0.90		1.01		1.
Premium finance receivables—life insurance	—		—		—
Consumer and other	0.50		0.50		0.
Total non-performing loans	0.44	%	0.48	%	0.
Total non-performing assets, as a percentage of total assets	0.47	%	0.52	%	0.

Allowance for loan losses as a percentage of total non-performing loans	141.58	%	129.78	%	12

(1) As of the dates shown, no TDRs were past due greater than 90 days and still accruing interest.

(2) Non-accrual loans included TDRs totaling $14.8 million, $16.3 million, $9.1 million and $10.1 million as o June 30, 2016, December 31, 2015 and September 30, 2015 respectively.

Management is pursuing the resolution of all credits in this category. At this time, management believes reserv absorb inherent losses that are expected upon the ultimate resolution of these credits.

75

Table of Contents

Loan Portfolio Aging

The tables below show the aging of the Company's loan portfolio at September 30, 2016 and June 30, 2016:

As of September 30, 2016 (Dollars in thousands)	Nonaccrual	90+ days and still accruing	60-89 days past due	30-59 days past due	Cur
Loan Balances:					
Commercial					
Commercial, industrial and other	$ 15,809	$ —	$ 7,324	$ 8,987	$ 3,5
Franchise	—	—	458	1,626	872
Mortgage warehouse lines of credit	—	—	—	—	309
Asset-based lending	234	—	3,772	3,741	837
Leases	375	—	239	—	299
PCI - commercial [1]	—	1,783	—	1,036	13,1
Total commercial	16,418	1,783	11,793	15,390	5,90
Commercial real estate					
Construction	400	—	—	3,775	447
Land	1,208	—	787	300	105
Office	3,609	—	6,457	8,062	865
Industrial	9,967	—	940	2,961	753
Retail	909	—	1,340	8,723	884
Multi-family	90	—	3,051	2,169	789
Mixed use and other	6,442	—	2,157	5,184	1,83
PCI - commercial real estate [1]	—	21,433	1,509	4,066	129
Total commercial real estate	22,625	21,433	16,241	35,240	5,81
Home equity	9,309	—	1,728	3,842	727
Residential real estate, including PCI	12,205	1,496	2,232	1,088	646
Premium finance receivables					
Commercial insurance loans	14,214	7,754	6,968	10,291	2,39
Life insurance loans	—	—	9,960	3,717	3,00
PCI - life insurance loans [1]	—	—	—	—	262
Consumer and other, including PCI	543	124	204	871	119
Total loans, net of unearned income, excluding covered loans	$ 75,314	$ 32,590	$ 49,126	$ 70,439	$ 18
Covered loans	2,331	4,806	1,545	2,456	84,8
Total loans, net of unearned income	$ 77,645	$ 37,396	$ 50,671	$ 72,895	$ 18

Aging as a % of Loan Balance: As of September 30, 2016	Nonaccrual	90+ days and still accruing	60-89 days past due	30-59 days past due	Cur
Commercial					
Commercial, industrial and other	0.4 %	— %	0.2 %	0.2 %	99.2
Franchise	—	—	0.1	0.2	99.7
Mortgage warehouse lines of credit	—	—	—	—	100
Asset-based lending	—	—	0.4	0.4	99.2
Leases	0.1	—	0.1	—	99.8
PCI - commercial [1]	—	11.2	—	6.5	82.3
Total commercial	0.3	—	0.2	0.3	99.2
Commercial real estate					
Construction	0.1	—	—	0.8	99.1
Land	1.1	—	0.7	0.3	97.9

Office	0.4		—		0.7		0.9		98.0
Industrial	1.3		—		0.1		0.4		98.2
Retail	0.1		—		0.1		1.0		98.8
Multi-family	—		—		0.4		0.3		99.3
Mixed use and other	0.3		—		0.1		0.3		99.3
PCI - commercial real estate [1]	—		13.7		1.0		2.6		82.7
Total commercial real estate	0.4		0.4		0.3		0.6		98.3
Home equity	1.3		—		0.2		0.5		98.0
Residential real estate, including PCI	1.8		0.2		0.3		0.2		97.5
Premium finance receivables									
Commercial insurance loans	0.6		0.3		0.3		0.4		98.4
Life insurance loans	—		—		0.3		0.1		99.6
PCI - life insurance loans [1]	—		—		—		—		100
Consumer and other, including PCI	0.4		0.1		0.2		0.7		98.6
Total loans, net of unearned income, excluding covered loans	0.4	%	0.2	%	0.3	%	0.4	%	98.7
Covered loans	2.4		5.0		1.6		2.6		88.4
Total loans, net of unearned income	0.4	%	0.2	%	0.3	%	0.4	%	98.7

(1) PCI loans represent loans acquired with evidence of credit quality deterioration since origination, in accorda
Loan agings are based upon contractually required payments.

76

Table of Contents

As of June 30, 2016 (Dollars in thousands)	Nonaccrual	90+ days and still accruing	60-89 days past due	30-59 days past due	Cur
Loan Balances:					
Commercial					
Commercial, industrial and other	$ 16,414	$—	$ 1,412	$ 22,317	$3,4
Franchise	—	—	560	87	289
Mortgage warehouse lines of credit	—	—	—	—	270
Asset-based lending	—	235	1,899	6,421	834
Leases	387	—	48	—	267
PCI - commercial (1)	—	1,956	630	1,426	12,7
Total commercial	16,801	2,191	4,549	30,251	5,09
Commercial real estate					
Construction	673	—	46	7,922	396
Land	1,725	—	—	340	103
Office	6,274	—	5,452	4,936	892
Industrial	10,295	—	1,108	719	754
Retail	916	—	535	6,450	889
Multi-family	90	—	2,077	1,275	775
Mixed use and other	4,442	—	4,285	8,007	1,79
PCI - commercial real estate (1)	—	27,228	1,663	2,608	140
Total commercial real estate	24,415	27,228	15,166	32,257	5,74
Home equity	8,562	—	380	4,709	747
Residential real estate, including PCI	12,413	1,479	1,367	299	638
Premium finance receivables					
Commercial insurance loans	14,497	10,558	6,966	9,456	2,43
Life insurance loans	—	—	46,651	11,953	2,81
PCI - life insurance loans (1)	—	—	—	—	291
Consumer and other, including PCI	475	226	610	1,451	124
Total loans, net of unearned income, excluding covered loans	$ 77,163	$ 41,682	$ 75,689	$ 90,376	$17
Covered loans	2,651	6,810	697	1,610	93,4
Total loans, net of unearned income	$ 79,814	$ 48,492	$ 76,386	$ 91,986	$17

Aging as a % of Loan Balance: As of June 30, 2016	Nonaccrual	90+ days and still accruing	60-89 days past due	30-59 days past due	Cur
Commercial					
Commercial, industrial and other	0.5 %	— %	— %	0.6 %	98.9
Franchise	—	—	0.2	—	99.8
Mortgage warehouse lines of credit	—	—	—	—	100
Asset-based lending	—	—	0.2	0.8	99.0
Leases	0.1	—	—	—	99.9
PCI - commercial (1)	—	11.7	3.8	8.5	76.0
Total commercial	0.3	—	0.1	0.6	99.0
Commercial real estate					
Construction	0.2	—	—	2.0	97.8
Land	1.6	—	—	0.3	98.1
Office	0.7	—	0.6	0.5	98.2
Industrial	1.3	—	0.1	0.1	98.5
Retail	0.1	—	0.1	0.7	99.1

Multi-family	—		—		0.3		0.2		99.5
Mixed use and other	0.2		—		0.2		0.4		99.2
PCI - commercial real estate [(1)]	—		15.8		1.0		1.5		81.7
Total commercial real estate	0.4		0.5		0.3		0.6		98.2
Home equity	1.1		—		—		0.6		98.3
Residential real estate, including PCI	1.9		0.2		0.2		—		97.7
Premium finance receivables									
Commercial insurance loans	0.6		0.4		0.3		0.4		98.3
Life insurance loans	—		—		1.6		0.4		98.0
PCI - life insurance loans [(1)]	—		—		—		—		100
Consumer and other, including PCI	0.4		0.2		0.5		1.1		97.8
Total loans, net of unearned income, excluding covered loans	0.4	%	0.2	%	0.4	%	0.5	%	98.5
Covered loans	2.5		6.5		0.7		1.5		88.8
Total loans, net of unearned income	0.4	%	0.3	%	0.4	%	0.5	%	98.4

(1) PCI loans represent loans acquired with evidence of credit quality deterioration since origination, in accorda
Loan agings are based upon contractually required payments.

77

Table of Contents

As of September 30, 2016, $49.1 million of all loans, excluding covered loans, or 0.3%, were 60 to 89 days pas 0.4%, were 30 to 59 days (or one payment) past due. As of June 30, 2016, $75.7 million of all loans, excluding were 60 to 89 days past due and $90.4 million, or 0.5%, were 30 to 59 days (or one payment) past due. Many o commercial real estate loans shown as 60 to 89 days and 30 to 59 days past due are included on the Company's reporting system. Loans on this system are closely monitored by management on a monthly basis.

The Company's home equity and residential loan portfolios continue to exhibit low delinquency ratios. Home e September 30, 2016 that were current with regard to the contractual terms of the loan agreement represent 98.0 portfolio. Residential real estate loans at September 30, 2016 that were current with regards to the contractual t agreements comprise 97.5% of total residential real estate loans outstanding.

Nonperforming Loans Rollforward

The table below presents a summary of non-performing loans, excluding covered loans and PCI loans, for the p

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Balance at beginning of period	$88,119	$76,554	$84,057	$78,677
Additions, net	9,522	24,333	32,039	42,141
Return to performing status	(231)	(1,028)	(3,110)	(2,591)
Payments received	(5,235)	(5,468)	(13,353)	(16,417)
Transfer to OREO and other repossessed assets	(2,270)	(1,773)	(6,168)	(8,678)
Charge-offs	(3,353)	(4,081)	(6,829)	(8,637)
Net change for niche loans (1)	(3,424)	(2,561)	(3,508)	1,481
Balance at end of period	$83,128	$85,976	$83,128	$85,976

(1) This includes activity for premium finance receivables and indirect consumer loans.

PCI loans are excluded from non-performing loans as they continue to earn interest income from the related ac of performance with contractual terms of the loan. See Note 7 of the Consolidated Financial Statements in Item non-performing loans and the loan aging during the respective periods.

Allowance for Loan Losses

The allowance for loan losses represents management's estimate of the probable and reasonably estimable loan portfolio is expected to incur. The allowance for loan losses is determined quarterly using a methodology that i characteristics of each loan, as described below under "How We Determine the Allowance for Credit Losses" i subject to review at each of our bank subsidiaries by the applicable regulatory authority, including the FRB of C State of Illinois and the State of Wisconsin.

Management determined that the allowance for loan losses was appropriate at September 30, 2016, and that the diversified and well secured, without undue concentration in any specific risk area. While this process involves management judgment, the allowance for credit losses is based on a comprehensive, well documented, and con of the Company's loan portfolio. This analysis takes into consideration all available information existing as of t including environmental factors such as economic, industry, geographical and political factors. The relative lev losses is reviewed and compared to industry peers. This review encompasses levels of total nonperforming loan concentrations, current geographic risks and overall levels of net charge-offs. Historical trending of both the Co industry peers is also reviewed to analyze comparative significance.

78

Table of Contents

Allowance for Credit Losses, excluding covered loans

The following table summarizes the activity in our allowance for credit losses during the periods indicated.

(Dollars in thousands)	Three Months Ended September 30, 2016	September 30, 2015
Allowance for loan losses at beginning of period	$114,356	$100,204
Provision for credit losses	9,741	8,665
Other adjustments	(112)	(153)
Reclassification (to) from allowance for unfunded lending-related commitments	(579)	(42)
Charge-offs:		
Commercial	3,469	964
Commercial real estate	382	1,948
Home equity	574	1,116
Residential real estate	134	1,138
Premium finance receivables—commercial	1,959	1,595
Premium finance receivables—life insurance	—	—
Consumer and other	389	116
Total charge-offs	6,907	6,877
Recoveries:		
Commercial	176	462
Commercial real estate	364	213
Home equity	65	42
Residential real estate	61	136
Premium finance receivables—commercial	456	278
Premium finance receivables—life insurance	—	16
Consumer and other	72	52
Total recoveries	1,194	1,199
Net charge-offs	(5,713)	(5,678)
Allowance for loan losses at period end	$117,693	$102,996
Allowance for unfunded lending-related commitments at period end	1,648	926
Allowance for credit losses at period end	$119,341	$103,922
Annualized net charge-offs by category as a percentage of its own respective category's average:		
Commercial	0.24 %	0.05 %
Commercial real estate	0.00	0.13
Home equity	0.27	0.55
Residential real estate	0.03	0.42
Premium finance receivables—commercial	0.24	0.21
Premium finance receivables—life insurance	0.00	0.00
Consumer and other	0.92	0.17
Total loans, net of unearned income, excluding covered loans	0.12 %	0.14 %
Net charge-offs as a percentage of the provision for credit losses	58.65 %	65.53 %
Loans at period-end, excluding covered loans	$19,101,261	$16,316,211
Allowance for loan losses as a percentage of loans at period end	0.62 %	0.63 %
Allowance for credit losses as a percentage of loans at period end	0.62 %	0.64 %

The allowance for credit losses, excluding the allowance for covered loan losses, is comprised of an allowance determined with respect to loans that we have originated, and an allowance for lending-related commitments. C lending-related commitments is determined with respect to funds that we have committed to lend but for which disbursed and is computed using a methodology similar to that used to determine the allowance for loan losses. unfunded lending-related commitments totaled $1.6 million and $926,000 as of September 30, 2016 and Septe respectively.

79

Table of Contents

Additions to the allowance for loan losses are charged to earnings through the provision for credit losses. Charg
amount of loans that have been determined to be uncollectible during a given period, and are deducted from the
and recoveries represent the amount of collections received from loans that had previously been charged off, an
allowance for loan losses. See Note 7 of the Consolidated Financial Statements presented under Item 1 of this r
discussion of activity within the allowance for loan losses during the period and the relationship with respective
loan category and the total loan portfolio, excluding covered loans.

How We Determine the Allowance for Credit Losses

The allowance for loan losses includes an element for estimated probable but undetected losses and for impreci
models used to calculate the allowance. If the loan is impaired, the Company analyzes the loan for purposes of
impairment reserves as part of the Problem Loan Reporting system review. A general reserve is separately dete
considered impaired. See Note 7 of the Consolidated Financial Statements presented under Item 1 of this repor
the specific impairment reserve and general reserve as it relates to the allowance for credit losses for each loan
portfolio, excluding covered loans.

Specific Impairment Reserves:

Loans with a credit risk rating of a 6 through 9 are reviewed on a monthly basis to determine if (a) an amount i
charge-off) or (b) it is probable that the Company will be unable to collect amounts due in accordance with the
of the loan (impaired loan). If a loan is impaired, the carrying amount of the loan is compared to the expected p
discounted at the loan's original rate, or for collateral dependent loans, to the fair value of the collateral less the
shortfall is recorded as a specific impairment reserve.

At September 30, 2016, the Company had $90.5 million of impaired loans with $39.0 million of this balance re
specific impairment reserves. At June 30, 2016, the Company had $96.0 million of impaired loans with $43.0 m
requiring $6.6 million of specific impairment reserves. The most significant fluctuations in the recorded investr
with specific impairment from June 30, 2016 to September 30, 2016 occurred within the commercial, industria
recorded investment and specific impairment reserves in this portfolio decreased $4.8 million and $1.4 million,
primarily the result of three loans being charged off in the amount of $2.0 million during the third quarter of 20
Consolidated Financial Statements presented under Item 1 of this report for further discussion of impaired loan
impairment reserve.

General Reserves:

For loans with a credit risk rating of 1 through 7 that are not considered impaired loans, reserves are establishe
collateral, if any, and the assigned credit risk rating. Determination of the allowance is inherently subjective as
estimates, including the amounts and timing of expected future cash flows on impaired loans, estimated losses
loans based on the average historical loss experience over a six-year period, and consideration of current enviro
economic trends, all of which may be susceptible to significant change.

We determine this component of the allowance for loan losses by classifying each loan into (i) categories based
that secures the loan (if any), and (ii) one of ten categories based on the credit risk rating of the loan, as describ
Loans and Non-Performing Assets" in this Item 2. Each combination of collateral and credit risk rating is then
factor that incorporates the following factors:

- historical loss experience;
-

changes in lending policies and procedures, including changes in underwriting standards and collection, charge
practices not considered elsewhere in estimating credit losses;

- changes in national, regional, and local economic and business conditions and developments that affect the col

- changes in the nature and volume of the portfolio and in the terms of the loans;

- changes in the experience, ability, and depth of lending management and other relevant staff;

80

Table of Contents

- changes in the volume and severity of past due loans, the volume of non-accrual loans, and the volume and sev classified or graded loans;
- changes in the quality of the bank's loan review system;
- changes in the underlying collateral for collateral dependent loans;
- the existence and effect of any concentrations of credit, and changes in the level of such concentrations; and
- the effect of other external factors such as competition and legal and regulatory requirements on the level of es bank's existing portfolio.

In the second quarter of 2012, the Company modified its historical loss experience analysis from incorporating assumptions to incorporating three–year average loss rate assumptions. The reason for the migration at that tim from earlier years in the five-year period were no longer relevant as that period was characterized by historicall then built up to a peak in credit losses as a result of the stressed economic environment and depressed real estat both the U.S. economy, generally, and the Company's local markets.

In the third quarter of 2015 and 2016, the Company modified its historical loss experience analysis by incorpor six-year average loss rate assumptions, respectively, for its historical loss experience to capture an extended cr year average loss rate assumption analysis is computed for each of the Company's collateral codes. The histori combined with the specific loss factor for each combination of collateral and credit risk rating which is then ap loan balance to determine an appropriate general reserve. The historical loss rates are updated on a quarterly ba performance of the portfolio and any changes to the specific loss factors are driven by management judgment a described above. The Company also analyzes the three-, four- and five-year average historical loss rates on a q comparison.

Home Equity and Residential Real Estate Loans:

The determination of the appropriate allowance for loan losses for residential real estate and home equity loans process used for commercial and commercial real estate loans. The same credit risk rating system, Problem Lo collateral coding methodology and loss factor assignment are used. The only significant difference is in how th assigned to these loans.

The home equity loan portfolio is reviewed on a loan by loan basis by analyzing current FICO scores of the bo recent line usage, an approaching maturity and the aging status of the loan. Certain of these factors, or combina cause a portion of the credit risk ratings of home equity loans across all banks to be downgraded. Similar to co real estate loans, once a home equity loan's credit risk rating is downgraded to a 6 through 9, the Company's M reviews and advises the subsidiary banks as to collateral valuations and as to the ultimate resolution of the cred non-accrual status to minimize losses.

Residential real estate loans that are downgraded to a credit risk rating of 6 through 9 also enter the problem lo have the underlying collateral evaluated by the Managed Assets Division.

Premium Finance Receivables:

The determination of the appropriate allowance for loan losses for premium finance receivables is based on the of loans in the portfolio. Loss factors are assigned to each risk rating in order to calculate an allowance for cre for loan losses for these categories is entirely a general reserve.

Methodology in Assessing Impairment and Charge-off Amounts

In determining the amount of impairment or charge-offs associated with collateral dependent loans, the Compa
generally by starting with a valuation obtained from an appraisal of the underlying collateral and then deductin
arrive at a net appraised value. We obtain the appraisals of the underlying collateral typically on an annual basi
pre-approved list of independent, third party appraisal firms. Types of appraisal valuations include "as-is," "as-
fair market, liquidation and "retail sellout" values.

81

Table of Contents

In many cases, the Company simultaneously values the underlying collateral by marketing the property to mark
in purchasing properties of the same type. If the Company receives offers or indications of interest, we will ana
market conditions to assess whether in light of such information the appraised value overstates the likely price
would be a better assessment of the market value of the property and would enable us to liquidate the collateral
Company takes into account the strength of any guarantees and the ability of the borrower to provide value rela
determining the ultimate charge-off or reserve associated with any impaired loans. Accordingly, the Company
value below the net appraised value if it believes that an expeditious liquidation is desirable in the circumstance
offers or other indications of interest to support a value that is less than the net appraised value. Alternatively, t
loan at a value that is in excess of the appraised value if the Company has a guarantee from a borrower that the
realizable value. In evaluating the strength of any guarantee, the Company evaluates
the financial wherewithal of the guarantor, the guarantor's reputation, and the guarantor's willingness and desi
Company. The Company then conducts a review of the strength of a guarantee on a frequency established as th
conditions of the borrower warrant.

In circumstances where the Company has received an appraisal but has no third party offers or indications of in
enlist the input of realtors in the local market as to the highest valuation that the realtor believes would result in
property given a reasonable marketing period of approximately 90 days. To the extent that the realtors' indicati
under such scenario is less than the net appraised valuation, the Company may take a charge-off on the loan to
the net appraised valuation.

The Company may also charge-off a loan below the net appraised valuation if the Company holds a junior mor
collateral whereby the risk to acquiring control of the property through the purchase of the senior mortgage pos
potentially increase the risk of loss upon liquidation due to the amount of time to ultimately market the propert
conditions. In such cases, the Company may abandon its junior mortgage and charge-off the loan balance in ful

In other cases, the Company may allow the borrower to conduct a "short sale," which is a sale where the Comp
sell the property at a value less than the amount of the loan. Many times, it is possible for the current owner to
if the property is marketed by a financial institution which the market place perceives to have a greater desire t
lower price. To the extent that we allow a short sale at a price below the value indicated by an appraisal, we ma
the value that an appraisal would have indicated.

Other market conditions may require a reserve to bring the carrying value of the loan below the net appraised v
surrounding the borrower and/or property securing our loan or other market conditions impacting the value of t

Having determined the net value based on the factors such as those noted above and compared that value to the
the Company arrives at a charge-off amount or a specific reserve included in the allowance for loan losses. In s
dependent loans, appraisals are used as the fair value starting point in the estimate of net value. Estimated costs
the appraised value to arrive at the net appraised value. Although an external appraisal is the primary source of
charge-offs on collateral dependent loans, alternative sources of valuation may become available between appr
may utilize values obtained through these alternating sources, which include purchase and sale agreements, leg
interest, negotiated short sales, realtor price opinions, sale of the note or support from guarantors, as the basis f
alternative sources of value are used only if deemed to be more representative of value based on updated inform
resolution. In addition, if an appraisal is not deemed current, a discount to appraised value may be utilized. Any
appraised value to net value are detailed and justified in an impairment analysis, which is reviewed and approv
Managed Assets Division.

Table of Contents

TDRs

At September 30, 2016, the Company had $44.3 million in loans modified in TDRs. The $44.3 million in TDR which economic concessions were granted to certain borrowers to better align the terms of their loans with thei The balance decreased from $49.6 million representing 97 credits at June 30, 2016 and decreased from $59.3 n credits at September 30, 2015.

Concessions were granted on a case-by-case basis working with these borrowers to find modified terms that wo retaining their businesses or their homes and attempt to keep these loans in an accruing status for the Company include reduction of the interest rate on the loan to a rate considered lower than market and other modification forgiveness of a portion of the loan balance, extension of the maturity date, and/or modifications from principa interest-only payments for a certain period. See Note 7 of the Consolidated Financial Statements in Item 1 of th discussion regarding the effectiveness of these modifications in keeping the modified loans current based upon

Subsequent to its restructuring, any TDR that becomes nonaccrual or more than 90 days past-due and still accru included in the Company's nonperforming loans. Each TDR was reviewed for impairment at September 30, 20 million of impairment was present and appropriately reserved for through the Company's normal reserving me allowance for loan losses. Additionally, at September 30, 2016, the Company was not committed to lend additi under the contractual terms of TDRs.

The table below presents a summary of restructured loans for the respective periods, presented by loan category

(Dollars in thousands)	September 30, 2016	June 30, 2016	September 30, 2015
Accruing TDRs:			
Commercial	$2,285	$3,931	$5,717
Commercial real estate	22,261	24,450	39,867
Residential real estate and other	4,894	4,929	3,589
Total accruing TDRs	$29,440	$33,310	$49,173
Non-accrual TDRs: (1)			
Commercial	$2,134	$1,477	$147
Commercial real estate	10,610	12,240	5,778
Residential real estate and other	2,092	2,608	4,222
Total non-accrual TDRs	$14,836	$16,325	$10,147
Total TDRs:			
Commercial	$4,419	$5,408	$5,864
Commercial real estate	32,871	36,690	45,645
Residential real estate and other	6,986	7,537	7,811
Total TDRs	$44,276	$49,635	$59,320
Weighted-average contractual interest rate of TDRs	4.33 %	4.31 %	4.04 %

(1) Included in total non-performing loans.

Table of Contents

TDR Rollforward

The tables below present a summary of TDRs as of September 30, 2016 and September 30, 2015, and shows th
during those periods:

Three Months Ended September 30, 2016 (Dollars in thousands)	Commercial	Commercial Real Estate	Residential Real Estate and Other	Total
Balance at beginning of period	$ 5,408	$ 36,690	$ 7,537	$49,635
Additions during the period	28	—	43	71
Reductions:				
Charge-offs	(761)	(204)	—	(965)
Transferred to OREO and other repossessed assets	—	(681)	(535)	(1,216)
Removal of TDR loan status [1]	—	(1,323)	—	(1,323)
Payments received	(256)	(1,611)	(59)	(1,926)
Balance at period end	$ 4,419	$ 32,871	$ 6,986	$44,276

Three Months Ended September 30, 2015 (Dollars in thousands)	Commercial	Commercial Real Estate	Residential Real Estate and Other	Total
Balance at beginning of period	$ 6,204	$ 48,450	$ 8,122	$62,776
Additions during the period	—	—	222	222
Reductions:				
Charge-offs	—	(267)	(52)	(319)
Transferred to OREO and other repossessed assets	—	—	(175)	(175)
Removal of TDR loan status [1]	(234)	(1,581)	-	(1,815)
Payments received	(106)	(957)	(306)	(1,369)
Balance at period end	$ 5,864	$ 45,645	$ 7,811	$59,320

Nine Months Ended September 30, 2016 (Dollars in thousands)	Commercial	Commercial Real Estate	Residential Real Estate and Other	Total
Balance at beginning of period	$ 5,747	$ 38,707	$ 7,399	$51,853
Additions during the period	345	8,521	583	9,449
Reductions:				
Charge-offs	(781)	(1,038)	(212)	(2,031)
Transferred to OREO and other repossessed assets	—	(1,365)	(535)	(1,900)
Removal of TDR loan status [1]	—	(6,479)	—	(6,479)
Payments received	(892)	(5,475)	(249)	(6,616)
Balance at period end	$ 4,419	$ 32,871	$ 6,986	$44,276

Nine Months Ended September 30, 2015 (Dollars in thousands)	Commercial	Commercial Real Estate	Residential Real Estate and Other	Total
Balance at beginning of period	$ 7,576	$ 67,623	$ 7,076	$82,275
Additions during the period	—	169	1,664	1,833
Reductions:				
Charge-offs	(397)	(268)	(92)	(757)
Transferred to OREO and other repossessed assets	(562)	(2,290)	(279)	(3,131)
Removal of TDR loan status (1)	(471)	(10,151)	—	(10,622)
Payments received	(282)	(9,438)	(558)	(10,278)
Balance at period end	$ 5,864	$ 45,645	$ 7,811	$59,320

(1)

Loan was previously classified as a TDR and subsequently performed in compliance with the loan's modifie
months (including over a calendar year-end) at a modified interest rate which represented a market rate at th
our TDR policy, the TDR classification is removed.

Table of Contents

Other Real Estate Owned

In certain circumstances, the Company is required to take action against the real estate collateral of specific loa
foreclosure only as a last resort for dealing with borrowers experiencing financial hardships. The Company em
and restructuring procedures to attempt to find other solutions for our borrowers. The tables below present a su
owned, excluding covered other real estate owned, and shows the activity for the respective periods and the bal
type:

(Dollars in thousands)	Three Months Ended September 30, 2016	September 30, 2015	Nine Months September 30, 2016	Sep 201
Balance at beginning of period	$38,063	$ 42,080	$43,945	$ 4
Disposal/resolved	(5,967)	(7,611)	(19,324)	(20
Transfers in at fair value, less costs to sell	3,958	6,159	8,558	16,
Transfers in from covered OREO subsequent to loss share expiration	—	7,316	3,300	7,3
Additions from acquisition	—	4,617	1,064	5,3
Fair value adjustments	(1,004)	(681)	(2,493)	(2,
Balance at end of period	$35,050	$ 51,880	$35,050	$ 5

(Dollars in thousands)	Period End September 30, 2016	June 30, 2016	September 30, 2015
Residential real estate	$9,602	$9,153	$ 12,577
Residential real estate development	2,114	2,133	3,147
Commercial real estate	23,334	26,777	36,156
Total	$35,050	$38,063	$ 51,880

Deposits

Total deposits at September 30, 2016 were $21.1 billion, an increase of $2.9 billion, or 16%, compared to total
2015. See Note 9 to the Consolidated Financial Statements in Item 1 of this report for a summary of period end

The following table sets forth, by category, the maturity of time certificates of deposit as of September 30, 201

Time Certificates of Deposit Maturity/Re-pricing Analysis As of September 30, 2016 (Dollars in thousands)	CDARs & Brokered Certificates of Deposit (1)	MaxSafe Certificates of Deposit (1)	Variable Rate Certificates of Deposit (2)	Other Fixed Rate Certificates of Deposit (1)	Total Time Certificates of Deposits	We Ra Ti of
1-3 months	$ —	$ 53,575	$ 138,228	$ 697,340	$ 889,143	0.6
4-6 months	—	33,497	—	655,169	688,666	0.7
7-9 months	43,570	24,529	—	503,267	571,366	0.7
10-12 months	531	21,464	—	530,905	552,900	0.8
13-18 months	2,744	16,479	—	1,016,558	1,035,781	1.1
19-24 months	3,021	8,259	—	162,251	173,531	0.9
24+ months	1,249	13,232	—	275,609	290,090	1.2
Total	$ 51,115	$ 171,035	$ 138,228	$ 3,841,099	$ 4,201,477	0.8

(1) This category of certificates of deposit is shown by contractual maturity date.

(2) This category includes variable rate certificates of deposit and savings certificates with the majority repricin
basis.

(3) Weighted-average rate excludes the impact of purchase accounting fair value adjustments.

85

Table of Contents

The following table sets forth, by category, the composition of average deposit balances and the relative percen
deposits for the periods presented:

	Three Months Ended					
	September 30, 2016		June 30, 2016		September 30, 2015	
(Dollars in thousands)	Balance	Percent	Balance	Percent	Balance	Percent
Non-interest bearing	$5,566,983	27 %	$5,223,384	28 %	$4,473,632	25 %
NOW and interest bearing demand deposits	2,502,388	12	2,383,125	12	2,219,654	12
Wealth management deposits	2,092,115	10	1,585,607	8	1,532,766	9
Money market	4,471,399	22	4,308,657	22	3,955,568	22
Savings	1,914,408	9	1,803,421	9	1,676,084	9
Time certificates of deposit	4,136,792	20	3,985,185	21	4,105,579	23
Total average deposits	$20,684,085	100 %	$19,289,379	100 %	$17,963,283	100 %

Total average deposits for the third quarter of 2016 were $20.7 billion, an increase of $2.7 billion, or 15%, fron
The increase in average deposits is primarily attributable to additional deposits associated with the Company's
as increased commercial lending relationships. The Company continues to see a beneficial shift in its deposit m
bearing deposits increased $1.1 billion, or 24%, in the third quarter of 2016 compared to the third quarter of 20

Wealth management deposits are funds from the brokerage customers of WHI, the trust and asset management
and brokerage customers from unaffiliated companies which have been placed into deposit accounts of the ban
deposits" in the table above). Wealth Management deposits consist primarily of money market accounts. Consi
interest rate risk parameters, these funds have generally been invested in loan production of the banks as well a
suitable for banks.

Brokered Deposits

While the Company obtains a portion of its total deposits through brokered deposits, the Company does so prin
management tool to assist in the management of interest rate risk. The Company does not consider brokered de
component of its current liquidity resources. Historically, brokered deposits have represented a small compone
deposits outstanding, as set forth in the table below:

	September 30,		December 31,	
(Dollars in thousands)	2016	2015	2015	2014
Total deposits	$21,147,655	$18,228,469	$18,639,634	$16,281,8
Brokered deposits	1,142,679	763,110	862,026	718,986
Brokered deposits as a percentage of total deposits	5.4 %	4.2 %	4.6 %	4.4

Brokered deposits include certificates of deposit obtained through deposit brokers, deposits received through th
Account Registry Program ("CDARS"), and wealth management deposits of brokerage customers from unaffil
been placed into deposit accounts of the banks.

Other Funding Sources

Although deposits are the Company's primary source of funding its interest-earning assets, the Company's abil
terms of deposits is somewhat limited by customer preferences and market competition. As a result, in addition
issuance of equity securities and the retention of earnings, the Company uses several other funding sources to s
sources include short-term borrowings, notes payable, FHLB advances, subordinated debt, secured borrowings
debentures. The Company evaluates the terms and unique characteristics of each source, as well as its asset-lial
position, in determining the use of such funding sources.

Table of Contents

The following table sets forth, by category, the composition of the average balances of other funding sources fo presented:

	Three Months Ended		
	September 30,	June 30,	September 30,
(Dollars in thousands)	2016	2016	2015
FHLB advances	$459,198	$946,081	$394,666
Other borrowings:			
Notes payable	59,896	63,642	74,959
Short-term borrowings	36,615	41,597	63,111
Secured borrowings	134,331	124,317	116,136
Other	18,465	18,677	18,343
Total other borrowings	$249,307	$248,233	$272,549
Subordinated notes	138,925	138,898	138,825
Junior subordinated debentures	253,566	253,566	264,974
Total other funding sources	$1,100,996	$1,586,778	$1,071,014

FHLB advances provide the banks with access to fixed rate funds which are useful in mitigating interest rate ri acceptable interest rate spread on fixed rate loans or securities. Additionally, the banks have the ability to borro funding from the FHLB for other general purposes. FHLB advances to the banks totaled $419.6 million at Sept to $588.1 million at June 30, 2016 and $444.0 million at September 30, 2015.

Notes payable balances represent the balances on a $150 million loan agreement with unaffiliated banks consis revolving credit facility and a $75.0 million term facility. Both loan facilities are available for corporate purpos capital to fund continued growth at existing bank subsidiaries, possible future acquisitions and for other genera September 30, 2016, the Company had a balance under the term facility of $56.2 million compared to $59.9 mi $71.3 million at September 30, 2015. The Company was contractually required to borrow the entire amount of June 15, 2015 and all such borrowings must be repaid by June 15, 2020. At September 30, 2016, June 30, 2016 the Company had no outstanding balance on the $75.0 million revolving credit facility.

Short-term borrowings include securities sold under repurchase agreements and federal funds purchased. These million at September 30, 2016 compared to $38.8 million at June 30, 2016 and $57.6 million at September 30, repurchase agreements represent sweep accounts for certain customers in connection with master repurchase ag This funding category typically fluctuates based on customer preferences and daily liquidity needs of the banks banks' operating subsidiaries.

The average balance of secured borrowings primarily represents a third party Canadian transaction ("Canadian Under the Canadian Secured Borrowing, in December 2014, the Company, through its subsidiary, FIFC Canad co-ownership interest in all receivables owed to FIFC Canada to an unrelated third party in exchange for a cash approximately C$150 million pursuant to a receivables purchase agreement ("Receivables Purchase Agreemen Purchase Agreement was amended in December 2015, effectively extending the maturity date from December 2017. Additionally, at that time, the unrelated third party paid an additional C$10 million, which increased the million. The proceeds received from these transactions are reflected on the Company's Consolidated Statement borrowing owed to the unrelated third party and translated to the Company's reporting currency as of the respe balance of the Canadian Secured Borrowing under the Receivables Purchase Agreement totaled $121.9 million compared to $123.7 million at June 30, 2016 and $112.6 million at September 30, 2015. At September 30, 201 Canadian Secured Borrowing was 1.6121%.

Other borrowings include a fixed-rate promissory note entered into in August 2012 related to an office building Company and non-recourse notes issued by the Company to other banks related to certain capital leases. At Sep

fixed-rate promissory note had a balance of $17.8 million compared to $18.0 million at June 30, 2016 and $18.
2015.

At September 30, 2016, the Company had outstanding subordinated notes totaling $138.9 million compared to
million outstanding at June 30, 2016 and September 30, 2015, respectively. The notes have a stated interest rat
June 2024. These notes are stated at par adjusted for unamortized costs paid related to the issuance of this debt.

87

Table of Contents

The Company had $253.6 million of junior subordinated debentures outstanding as of September 30, 2016 com
outstanding at June 30, 2016 and $268.6 million outstanding at September 30, 2015. The amounts reflected on
the junior subordinated debentures issued to eleven trusts by the Company and equal the amount of the preferre
issued by the trusts. The balance increased $19.1 million in 2015 as a result of the addition of the Suburban Illi
Community Financial Shares Statutory Trust II acquired as a part of the acquisitions of Suburban and CFIS, res
January 2016, the Company acquired $15.0 million of the $40.0 million of trust preferred securities issued by V
from a third-party investor. The purchase effectively extinguished $15.0 million of junior subordinated debent
Capital Trust VIII and resulted in a $4.3 million gain from the early extinguishment of debt. Prior to January 1,
subordinated debentures, subject to certain limitations, qualified as Tier 1 regulatory capital of the Company an
those certain limitations could, subject to other restrictions, be included in Tier 2 capital. Starting in 2015, a po
subordinated debentures qualified as Tier 1 regulatory capital of the Company and the amount in excess of thos
subject to certain restrictions, was included in Tier 2 capital. At September 30, 2015, $65.1 million and $195.4
subordinated debentures, net of common securities, were included in the Company's Tier 1 and Tier 2 regulator
Starting in 2016, none of the junior subordinated debentures qualified as Tier 1 regulatory capital of the Compa
million of the junior subordinated debentures, net of common securities, being included in the Company's Tier

See Notes 10 and 11 of the Consolidated Financial Statements presented under Item 1 of this report for details
other information for these various funding sources.

Shareholders' Equity

The following tables reflect various consolidated measures of capital as of the dates presented and the capital g
the FRB for a bank holding company:

	September 30, 2016		June 30, 2016		September 30, 2015	
Leverage ratio	9.0	%	9.2	%	9.2	%
Tier 1 capital to risk-weighted assets	9.8		10.1		10.3	
Common equity Tier 1 capital to risk-weighted assets	8.7		8.9		8.6	
Total capital to risk-weighted assets	12.1		12.4		12.6	
Total average equity-to-total average assets(1)	10.7		10.4		10.7	

(1) Based on quarterly average balances.

	Minimum Capital Requirements		Well Capitalized	
Leverage ratio	4.0	%	5.0	%
Tier 1 capital to risk-weighted assets	6.0		8.0	
Common equity Tier 1 capital to risk-weighted assets	4.5		6.5	
Total capital to risk-weighted assets	8.0		10.0	

The Company's principal sources of funds at the holding company level are dividends from its subsidiaries, bo
agreement with unaffiliated banks and proceeds from the issuances of subordinated debt and additional equity.
16 of the Consolidated Financial Statements in Item 1 for further information on these various funding sources
committed to maintaining the Company's capital levels above the "Well Capitalized" levels established by the
companies.

The Company's Board of Directors approves dividends from time to time, however, the ability to declare a div
Company's financial condition, the terms of the Company's 5.00% non-cumulative perpetual convertible prefer
terms of the Company's fixed-to-floating rate non-cumulative perpetual preferred stock, Series D, the terms of
Preferred Securities offerings and under certain financial covenants in the Company's revolving and term facil

July of 2016, the Company declared a quarterly cash dividend of $0.12 per common share. In January, April, Ju
the Company declared a quarterly cash dividend of $0.11 per common share.

See Note 16 of the Consolidated Financial Statements presented under Item 1 of this report for details on the C
Series D and Series C preferred stock in June 2015 and March 2012, respectively, as well as details on the Com

88

Table of Contents

of common stock in June 2016. The Company hereby incorporates by reference Note 16 of the Consolidated Fi
presented under Item 1 of this report in its entirety.

LIQUIDITY

Wintrust manages the liquidity position of its banking operations to ensure that sufficient funds are available to
loans and deposit withdrawals. The liquidity to meet these demands is provided by maturing assets, liquid asse
cash and the ability to attract funds from external sources. Liquid assets refer to money market assets such as F
interest bearing deposits with banks, as well as available-for-sale debt securities which are not pledged to secur

The Company believes that it has sufficient funds and access to funds to meet its working capital and other nee
Management's Discussion and Analysis of Financial Condition and Results of Operation - Interest-Earning Ass
Funding Sources and -Shareholders' Equity sections of this report for additional information regarding the Con

INFLATION

A banking organization's assets and liabilities are primarily monetary. Changes in the rate of inflation do not h
the financial condition of a bank as do changes in interest rates. Moreover, interest rates do not necessarily cha
as inflation. Accordingly, changes in inflation are not expected to have a material impact on the Company. An
asset and liability structure provides the best indication of how the organization is positioned to respond to char
"Quantitative and Qualitative Disclosures About Market Risks" section of this report for additional information

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of federal securities laws. Forward-loo
identified through the use of words such as "intend," "plan," "project," "expect," "anticipate," "believe," "estin
"may," "should," "would" and "could." Forward-looking statements and information are not historical facts, ar
assumptions, and represent only management's expectations, estimates and projections regarding future events
are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict,
are not limited to, those listed below and the Risk Factors discussed under Item 1A of the Company's 2015 An
and in any of the Company's subsequent SEC filings. The Company intends such forward-looking statements t
harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1
statement for purposes of invoking these safe harbor provisions. Such forward-looking statements may be deen
other things, statements relating to the Company's future financial performance, the performance of its loan po
amount of future credit reserves and charge-offs, delinquency trends, growth plans, regulatory developments, s
may offer from time to time, and management's long-term performance goals, as well as statements relating to
financial condition and results of operations from expected developments or events, the Company's business ar
including future acquisitions of banks, specialty finance or wealth management businesses, internal growth and
de novo banks or branch offices. Actual results could differ materially from those addressed in the forward-loo
of numerous factors, including the following:

- difficult economic conditions have adversely affected our company and the financial services industry in gener
in economic conditions may materially adversely affect our business, financial condition, results of operations
- since our business is concentrated in the Chicago metropolitan and southern Wisconsin market areas, further de
this region could adversely affect our business;
- if our allowance for loan losses is not sufficient to absorb losses that may occur in our loan portfolio, our finan
could suffer;
- a significant portion of our loan portfolio is comprised of commercial loans, the repayment of which is largely
financial success and economic viability of the borrower;

- a substantial portion of our loan portfolio is secured by real estate, in particular commercial real estate. Deterio markets could lead to additional losses, which could have a material adverse effect on our financial condition a
- any inaccurate assumptions in our analytical and forecasting models could cause us to miscalculate our project which could adversely affect our financial condition;

89

- unanticipated changes in prevailing interest rates and the effects of changing regulation could adversely affect which is our largest source of income;
- our liquidity position may be negatively impacted if economic conditions continue to suffer;
- the financial services industry is very competitive, and if we are not able to compete effectively, we may lose r business could suffer;
- if we are unable to compete effectively, we will lose market share and income from deposits, loans and other p This could adversely affect our profitability and have a material adverse effect on our business, financial condi operations;
- if we are unable to continue to identify favorable acquisitions or successfully integrate our acquisitions, our gro our results of operations could suffer;
- our participation in FDIC-assisted acquisitions may present additional risks to our financial condition and resul
- an actual or perceived reduction in our financial strength may cause others to reduce or cease doing business w in a decrease in our net interest income and fee revenues;
- if our growth requires us to raise additional capital, that capital may not be available when it is needed or the co very high;
- disruption in the financial markets could result in lower fair values for our investment securities portfolio;
- our controls and procedures may fail or be circumvented;
- new lines of business and new products and services are essential to our ability to compete but may subject us
- failures of our information technology systems may adversely affect our operations;
- failures by or of our vendors may adversely affect our operations;
- we issue debit cards, and debit card transactions pose a particular cybersecurity risk that is outside of our contr
- we depend on the accuracy and completeness of information we receive about our customers and counterpartie
- if we are unable to attract and retain experienced and qualified personnel, our ability to provide high quality se we may lose key customer relationships, and our results of operations may suffer;
- we are subject to environmental liability risk associated with lending activities;
- we are subject to claims and legal actions which could negatively affect our results of operations or financial co
- losses incurred in connection with actual or projected repurchases and indemnification payments related to mo into the secondary market may exceed our financial statement reserves and we may be required to increase suc Increases to our reserves and losses incurred in connection with actual loan repurchases and indemnification pa material adverse effect on our business, financial condition, results of operations or cash flows;
- consumers may decide not to use banks to complete their financial transactions, which could adversely affect o operations;
- we may be adversely impacted by the soundness of other financial institutions;
- de novo operations often involve significant expenses and delayed returns and may negatively impact Wintrust
- we are subject to examinations and challenges by tax authorities, and changes in federal and state tax laws and of existing laws can impact our financial results;
- changes in accounting policies or accounting standards could materially adversely affect how we report our fin condition;
- we are a bank holding company, and our sources of funds, including to pay dividends, are limited;
- anti-takeover provisions could negatively impact our shareholders;
- if we fail to meet our regulatory capital ratios, we may be forced to raise capital or sell assets;
- if our credit rating is lowered, our financing costs could increase;
- changes in the United States' monetary policy may restrict our ability to conduct our business in a profitable m
- legislative and regulatory actions taken now or in the future regarding the financial services industry may signi or limit our ability to conduct our business in a profitable manner;
- financial reform legislation and increased regulatory rigor around mortgage-related issues may reduce our abili to consumers and may limit our ability to profitably operate our mortgage business;
- federal, state and local consumer lending laws may restrict our ability to originate certain mortgage loans or inc with respect to such loans and could increase our cost of doing business;

- regulatory initiatives regarding bank capital requirements may require heightened capital;
- our FDIC insurance premiums may increase, which could negatively impact our results of operations;
- non-compliance with the USA PATRIOT Act, Bank Secrecy Act or other laws and regulations could result in
- our premium finance business may involve a higher risk of delinquency or collection than our other lending op
us to losses;

90

Table of Contents

- widespread financial difficulties or credit downgrades among commercial and life insurance providers could le collateral securing our premium finance loans and impair the financial condition and liquidity of FIFC and FIF
- regulatory changes could significantly reduce loan volume and impair the financial condition of FIFC; and
- our wealth management business in general, and WHI's brokerage operation, in particular, exposes us to certai securities industry.

Therefore, there can be no assurances that future actual results will correspond to these forward-looking statem cautioned not to place undue reliance on any forward-looking statement made by the Company. Any such state date the statement was made or as of such date that may be referenced within the statement. The Company und update any forward-looking statement to reflect the impact of circumstances or events that arise after the date t statement was made. Persons are advised, however, to consult further disclosures management makes on relate filed with the Securities and Exchange Commission and in its press releases.

Table of Contents

ITEM 3
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As an ongoing part of its financial strategy, the Company attempts to manage the impact of fluctuations in mar interest income. This effort entails providing a reasonable balance between interest rate risk, credit risk, liquidi yield. Asset-liability management policies are established and monitored by management in conjunction with t the banks, subject to general oversight by the Risk Management Committee of the Company's Board of Direct guidelines for acceptable limits on the sensitivity of the market value of assets and liabilities to changes in inte

Interest rate risk arises when the maturity or re-pricing periods and interest rate indices of the interest earning a liabilities, and derivative financial instruments are different. It is the risk that changes in the level of market int disproportionate changes in the value of, and the net earnings generated from, the Company's interest earning a liabilities and derivative financial instruments. The Company continuously monitors not only the organization' margin, but also the historical trends of these margins. In addition, management attempts to identify potential a interest income in future years as a result of interest rate fluctuations by performing simulation analysis of vari environments. If a potential adverse change in net interest margin and/or net income is identified, management actions with its asset-liability structure to mitigate these potentially adverse situations.

Since the Company's primary source of interest bearing liabilities is from customer deposits, the Company's al and terms of such deposits is somewhat limited by customer preferences and local competition in the market ar operate. The rates, terms and interest rate indices of the Company's interest earning assets result primarily fron investing in loans and securities that permit the Company to limit its exposure to interest rate risk, together wit same time achieving an acceptable interest rate spread.

The Company's exposure to interest rate risk is reviewed on a regular basis by management and the Risk Man boards of directors of the banks and the Company. The objective of the review is to measure the effect on net i balance sheet and derivative financial instruments to minimize the inherent risk while at the same time maximi

The following interest rate scenarios display the percentage change in net interest income over a one-year time increases of 100 and 200 basis points and decreases of 100 basis points. The Static Shock Scenario results inco and repricing characteristics for balance sheet instruments following an instantaneous, parallel change in mark (i.e. no growth or constant) balance sheet. Conversely, the Ramp Scenario results incorporate management's p and pricing of each of the product lines following a gradual, parallel change in market rates over twelve month from these simulated results due to timing, magnitude, and frequency of interest rate changes as well as change management strategies. The interest rate sensitivity for both the Static Shock and Ramp Scenarios at Septembe and September 30, 2015 is as follows:

Static Shock Scenarios	+200 Basis Points	+100 Basis Points	-100 Basis Points
September 30, 2016	19.6%	10.1%	(10.4)%
June 30, 2016	16.9%	8.9 %	(8.9)%
September 30, 2015	15.6%	8.0 %	(11.1)%

Ramp Scenarios	+200 Basis Points	+100 Basis Points	-100 Basis Points
September 30, 2016	7.8 %	3.9 %	(4.1)%
June 30, 2016	7.0 %	3.5 %	(3.7)%
September 30, 2015	6.7 %	3.6 %	(4.0)%

One method utilized by financial institutions, including the Company, to manage interest rate risk is to enter in
instruments. Derivative financial instruments include interest rate swaps, interest rate caps and floors, futures, f
and other financial instruments with similar characteristics. Additionally, the Company enters into commitmen
loans (interest rate locks) to be sold into the secondary market and forward commitments for the future delivery

92

Table of Contents

of mortgage loans to third party investors. See Note 13 of the Consolidated Financial Statements in Item 1 of th
information on the Company's derivative financial instruments.

During the first nine months of 2016 and 2015, the Company entered into certain covered call option transactio
securities held by the Company. The Company uses these option transactions (rather than entering into other de
contracts, such as interest rate floors) to economically hedge positions and compensate for net interest margin c
the total return associated with the related securities through fees generated from these options. Although the re
options is recorded as non-interest income rather than interest income, the increased return attributable to the re
options contributes to the Company's overall profitability. The Company's exposure to interest rate risk may be
transactions. To mitigate this risk, the Company may acquire fixed rate term debt or use financial derivative ins
covered call options outstanding as of September 30, 2016.

Table of Contents

ITEM 4
CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company's Chief Executive Officer and Chief Financial
evaluation under their supervision, with the participation of other members of management as they deemed app
effectiveness of the design and operation of the Company's disclosure controls and procedures as contemplatec
13a-15. Based upon, and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Offi
Company's disclosure controls and procedures are effective, in all material respects, in timely alerting them to
relating to the Company (and its consolidated subsidiaries) required to be included in the periodic reports the C
and submit to the SEC under the Exchange Act.

There were no changes in the Company's internal control over financial reporting (as defined in Exchange Act
period that have materially affected, or are reasonably likely to materially affect, our internal controls over fina

94

Table of Contents

PART II —

Item 1: Legal Proceedings

The Company and its subsidiaries, from time to time, are subject to pending and threatened legal action and pro
ordinary course of business.

In accordance with applicable accounting principles, the Company establishes an accrued liability for litigation
actions and proceedings when those actions present loss contingencies which are both probable and estimable.
is reasonably possible in future periods, the Company determines whether it can estimate a loss or range of pos
whether a possible loss is estimable, the Company reviews and evaluates its material litigation on an ongoing b
any outside counsel handling the matter, in light of potentially relevant factual and legal developments. This re
information learned through the discovery process, rulings on substantive or dispositive motions, and settlemen

On January 15, 2015, Lehman Brothers Holdings, Inc. ("Lehman Holdings") sent a demand letter asserting that
indemnify it for losses arising from loans sold by Wintrust Mortgage to Lehman Brothers Bank, FSB under a L
between Wintrust Mortgage, as successor to SGB Corporation, and Lehman Brothers Bank. The demand was t
the alternative dispute resolution process mandated by the U.S. Bankruptcy Court for the Southern District of N
Holdings triggered the mandatory alternative dispute resolution process on October 16, 2015. On February 3, 2
the federal Court of Appeals for the Tenth Circuit that was adverse to Lehman Holdings on the statute of limita
similar loan purchase claims, Lehman Holdings filed a complaint against Wintrust Mortgage and 150 other ent
purchased loans in the U.S. Bankruptcy Court for the Southern District of New York. The mandatory mediation
2016, but did not result in a consensual resolution of the dispute. Wintrust Mortgage will be required to respon
Court's entry of a scheduling order, which has not yet occurred.

The Company has reserved an amount for the Lehman Holdings action that is immaterial to its results of opera
condition. Such litigation and threatened litigation actions necessarily involve substantial uncertainty and it is n
predict the ultimate resolution or to determine whether, or to what extent, any loss with respect to these legal p
amounts reserved by the Company.

On August 28, 2015, Wintrust Mortgage received a demand from RFC Liquidating Trust asserting that Wintrus
for losses arising from loans sold by Wintrust Mortgage or its predecessors to Residential Funding Company L
No litigation has been initiated and the range of liability is not reasonably estimable at this time and it is not fo
information will become available to provide a basis for recording a reserve, should a reserve ultimately be req

On August 13, 2015, BMO Harris Financial Advisors (“BHFA”) filed an arbitration demand with the FINRA s
permanent injunction and a complaint with the Circuit Court for Cook County, Illinois seeking a temporary res
of its former financial advisors and a current financial advisor with WHI. A narrow and limited temporary inju
matter was referred to FINRA for arbitration. In November 2015, BHFA added WHI as a co-defendant in the a
that WHI tortiously interfered with BHFA’s contract with its former financial advisor. A hearing on the merits
15, 2016. On October 11, 2016, the FINRA panel issued a damages award against WHI for $1,537,500.

Based on information currently available and upon consultation with counsel, management believes that the ev
pending or threatened legal actions and proceedings will not have a material adverse effect on the operations o
Company. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material
or financial condition for a particular period.

Item 1A: Risk Factors

There were no material changes from the risk factors set forth under Part I, Item 1A "Risk Factors" in the Com
fiscal year ended December 31, 2015.

95

Table of Contents

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

No purchases of the Company's common shares were made by or on behalf of the Company or any "affiliated
10b-18(a)(3) under the Securities Exchange Act of 1934, as amended, during the three months ended Septembe
currently no authorization to repurchase shares of outstanding common stock.

Item 6: Exhibits:

(a) Exhibits

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1 to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Includes the following financial information included in the Company's Quarterly Report on Form 10-Q for th
September 30, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated State
*(ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) t
Statements of Changes in Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes
Statements

96

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report
by the undersigned, thereunto duly authorized.

		WINTRUST FINANCIAL CORPORATION (Registrant)
Date:	November 8, 2016	/s/ DAVID L. STOEHR
		David L. Stoehr Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

97