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2008 ANNUAL REPORT

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2008 at a Glance

Wilmington Trust is a relationship management company that helps clients increase and preserve their wealth.

Our company was founded by members of the du Pont family in 1903. Since then, we have been in the business of building long-term relationships with clients, investing in long-term growth for our company, and creating long-term value for shareholders.

We offer diversified financial services through three businesses:

Regional Banking Services to commercial clients throughout the mid-Atlantic region and to consumer clients in Delaware.

Corporate Client Services for institutional clients in 88 countries.

Wealth Advisory Services for high-net-worth clients throughout the United States and in 35 other countries.

These three businesses generate a mix of revenue that helps us withstand economic volatility and downturns in any single industry sector.

In the face of escalating economic turmoil, we remained focused on helping our clients succeed, and all three of our businesses performed well in 2008. The Wealth Advisory and Corporate Client Services businesses produced record-high revenue, and we set new balance sheet benchmarks in loans, core deposits, total assets, and stockholders' equity. These positives were offset by:

- Declining market interest rates, which reduced net interest income.
- A significant increase in the provision for loan losses.
- A \$130.7 million write-down in the value of some of our investment securities.
- A \$66.9 million write-down in the value of our investment in Roxbury Capital Management.

For the year ended December 31	2008	2007	Increase/ (decrease)
FINANCIAL RESULTS (in millions)			
Net interest income	\$ 357.7	\$ 368.9	(3)%
Provision for loan losses	(115.5)	(28.2)	310
Noninterest income	292.4	386.0	(24)
Noninterest expense	559.7	444.1	26
Net (loss)/income	(23.6)	182.0	—
Net income excluding impairment charges ¹	\$ 99.4	\$ 182.0	(45)
PER-SHARE DATA			
Net (loss)/income per common share (diluted)	\$ (0.36)	\$ 2.64	—%
Net income per common share (diluted) excluding impairment charge	1.46	2.64	(45)
Dividends paid per common share	1.37	1.32	4
Weighted average shares outstanding (in thousands, diluted)	67,454	68,851	
AVERAGE BALANCES (in millions)			
Investment securities portfolio	\$ 1,561.2	\$ 1,863.5	(16)%
Loans	9,200.0	8,212.0	12
Reserve for loan losses	(108.1)	(95.5)	13
Earning assets	10,883.2	10,126.3	8
Total assets	11,881.2	10,997.4	8
Core deposits	5,397.2	5,045.5	7
Stockholders' equity	1,103.1	1,091.0	1
ASSETS UNDER MANAGEMENT (in billions)			
Wilmington Trust Company	\$ 36.6	\$ 35.9	2%
Cramer Rosenthal McGlynn	7.8	11.4	(32)
Roxbury Capital Management	1.3	2.5	(48)
Combined assets under management	\$ 45.7	\$ 49.8	(8)
STATISTICS AND RATIOS			
Return on average assets	(0.20)%	1.65%	
Return on average common stockholders' equity	(2.17)%	16.68%	
Net interest margin (taxable equivalent)	3.28%	3.67%	
Staff members (full-time equivalent)	2,946	2,672	

¹ In 2008 we recorded two non-cash impairment charges: A \$66.9 million write-down on our investment in affiliate money manager Roxbury Capital Management and a \$130.7 million write-down on investment securities. We show amounts excluding these charges because we believe they give investors a more relevant basis for evaluating our performance. For a detailed comparison of 2008 results with and without these impairment charges, see page 62 of this report.

To Our Shareholders

During my 30-year tenure at Wilmington Trust, I have watched our economy cycle through a number of peaks and valleys. Market interest rates have skyrocketed and plummeted. Financial markets have fluctuated up and down. Consumer confidence has waned and risen. At times, economic conditions have pressured our profits, but our business model has prevailed and our company has continued to grow.

The year 2008, however, was unlike anything in my experience. Market interest rates fell to historic lows, financial market volatility erased years of gains, capital markets froze, and consumer confidence stalled – simultaneously. Several venerable financial institutions failed, and the U.S. government took extraordinary measures to stabilize and bolster the economy.

Amid this turmoil, we continued to focus on our clients and our business in 2008, just as we always have. This focus translated into a number of significant accomplishments. The Regional Banking business produced record-high growth in loan and core deposit balances. The Corporate Client Services (CCS) and Wealth Advisory Services (WAS) businesses each produced record-high revenue.

Our capital position remained strong. We completed one of the largest acquisitions in our history. We continued to invest for future growth and we continued to pay dividends.

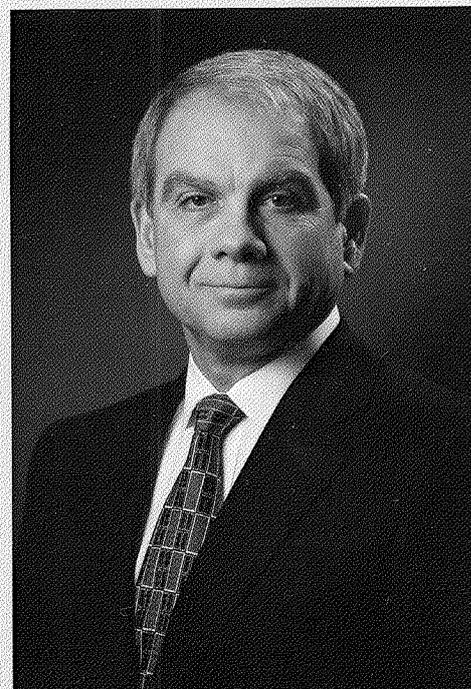
As impressive as these achievements are, they could not offset the effects of economic conditions and accounting rules. Consequently, we reported a loss for 2008 of \$23.6 million, or \$0.36 per common share.

The main causes of this loss were:

- Downward economic trends in the mid-Atlantic region, which sparked an uptick in loan repayment problems and led us to increase the provision for loan losses.
- Volatility in the financial markets and illiquidity in the capital markets, which reduced the value of some of our assets, triggered the need for impairment testing under fair value accounting rules, and ultimately caused us to record several non-cash impairment charges.

In the mid-Atlantic region, where we conduct our Regional Banking activities, the economy weakened throughout the first nine months of 2008 and then deteriorated rapidly in the fourth quarter. This environment created problems for some of our borrowers, and we raised our provision for loan losses to \$115.5 million. To put that amount in context, consider that the 2007 provision was only \$28.2 million.

One of the assets that declined in value was our investment in affiliate money manager Roxbury Capital Management (RCM). Conditions in the financial markets eroded the level of RCM's assets under management and reduced the firm's revenue. In addition, RCM's near-term operating projections were lower than expected. The combination of these factors led us to determine that the value of our investment in RCM had fallen by \$66.9 million. Accounting rules required us to record that amount as an impairment expense.



*Ted T. Cecala
Chairman and Chief Executive Officer
Wilmington Trust*

In 2008, each of our businesses grew and our capital position remained strong.

In Regional Banking, loan balances:

- Reached record highs.
- Exceeded \$9 billion for the first time on an average-balance basis.

In Corporate Client Services:

- Our diverse array of products helped counter weakness in the capital markets.
- Acquisitions doubled our retirement services capacity.
- Revenue reached a new high.

In Wealth Advisory Services:

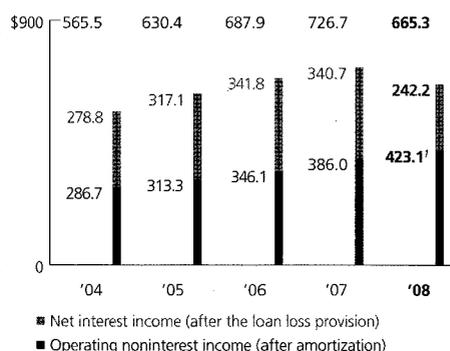
- Turmoil on Wall Street increased interest in our history of strength and stability.
- The family office practice continued to gain momentum.
- Revenue increased opposite double-digit declines in financial market valuations.

Our 2008 achievements were offset by:

- \$130.7 million of investment securities impairments.
- A \$66.9 million decline in the value of our investment in Roxbury Capital Management.
- A significant increase in the provision for loan losses.
- Market interest rate pressure on our net interest margin, which reduced net interest income.

DIVERSIFIED MIX OF REVENUE

(in millions)



¹ Excluding securities impairment charges.

We believe that our operating results – those that exclude impairment charges – are a better indicator of trends in our business than reported results.

Operating results:

- Present a more relevant measure of trends in each of our businesses.
- Offer a more relevant basis for comparison with prior periods.

On an operating basis:

- Net income for 2008 was \$99.4 million.
- Earnings were \$1.46 per common share (on a diluted basis).

A reconciliation of our reported and operating results is on pages 62 and 63 of this report.

Market conditions also caused steep declines in the value of some of the securities in our investment portfolio. There was a \$97.0 million decrease in the value of some of the pooled trust-preferred securities we hold, mainly due to the lack of activity in the capital markets.

There was a \$33.7 million decrease in the value of some of the perpetual preferred stocks we hold. The sharpest of these declines was in perpetual preferred stocks issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). After the U.S. government placed Fannie Mae and Freddie Mac into conservatorship in September 2008, we concluded that their perpetual preferred stocks had no value at all, and we wrote them off completely.

Altogether, our securities impairments for 2008 totaled \$130.7 million. Accounting rules required us to record these impairments as securities losses.

Combined, the RCM and securities impairment charges totaled \$197.6 million – an amount that was 9% higher than our net income for 2007. On an after-tax basis, these impairment charges reduced 2008 net income by \$123.0 million.

On an operating basis – excluding the impairment charges – our 2008 results were positive. Operating net income was \$99.4 million, or \$1.46 per common share (on a diluted basis).

Even though operating net income was positive, it was \$82.6 million less than for 2007 – mainly because of the increase in the loan loss provision. In addition, revenue from our other affiliate manager, Cramer Rosenthal McGlynn (CRM), was lower than for 2007 by \$4.3 million, due to the decline in financial market valuations.

DEVELOPING BUSINESS IN CHALLENGING CONDITIONS

I believe our 2008 results would have been outstanding, were it not for the extraordinary economic and market conditions that prevented our efforts from increasing the bottom line.

For example, we added \$1.14 billion of loans between the ends of 2007 and 2008 – an astounding amount for our company, and one that surpassed our expectations. Typically, record-high loan growth would have produced a healthy increase in net interest income. In actuality, our net interest income for 2008 was 3% lower than for 2007.

This was a consequence of a market interest rate environment that was among the most challenging we have ever encountered. In 2008, the Federal Open Market Committee (FOMC) cut interest rates seven times, which left the federal funds target rate 400 basis points lower at the end of 2008 than it was at the beginning. The extent of these rate declines, and the pace at which they occurred, compressed our net interest margin and reduced net interest income.

In December 2008, the FOMC took the unprecedented step of cutting the federal funds target rate to a range of zero percent to one-quarter of a percent. This was a stunning decision, especially to those of us who remember how the rate environment reduced profits in 2003, when market interest rates were only at 40-year lows, not at all-time lows.

Revenue from the WAS business offers another example of how market conditions muted results. The year 2008 marked the first full year of contributions from our Boston office; our family office practice gained momentum; and we continued to develop more business with existing as well as new clients. Despite these efforts, WAS revenue for 2008 was only 2% higher than for 2007 – because declines in asset valuations reduced our trust and investment advisory fees and masked the true extent of growth in the WAS business.

You can see this in the disparity between changes in WAS trust and investment advisory fees and changes in the Standard & Poor's 500, which is a good proxy for the mix of equities in our clients' portfolios. The S&P dropped 38% in 2008. The decrease in our trust and investment advisory fees was only 4%.

The challenging environment did not deter us from continuing to invest in our company for future growth. In 2008, our major expansion initiatives were in the CCS business. We doubled the capacity of our retirement services activities by acquiring the former AST Capital Trust Company in April and the former UBS Fiduciary Trust Company in October. The addition of these two retirement services companies gave us access to new markets and products, improved technology, and enhanced our position among the leading service providers in the unbundled retirement plan industry.

We also invested in the capital markets component of CCS. We added a team of 12 seasoned capital markets experts who specialize in some of the activities where we see tremendous potential for growth, such as services that support high-yield debt issuance, distressed debt, loan administration, corporate restructurings, and other types of transactions.

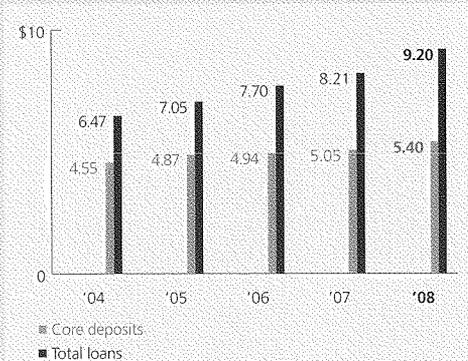
I think one of the most impressive aspects of our 2008 performance was the growth in revenue from the capital markets services we provide in the CCS business. In 2008, activity in the capital markets industry all but ground to a halt – but revenue from our capital markets services rose 12%.

Like our loan growth in 2008, this increase surpassed our expectations. It reflected the diverse array of services we provide, the degree of counter-cyclicality inherent in this business, and how consolidation in the financial services industry has altered the competitive landscape.

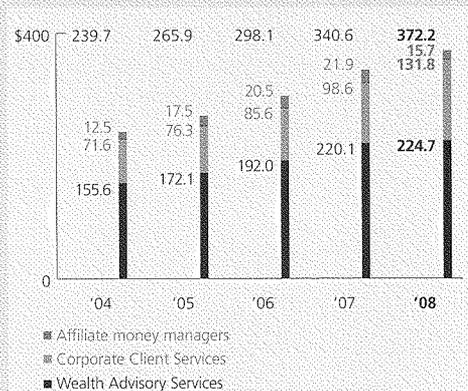
Just a few years ago, trust and administrative services that support capital equipment financing and asset-backed securitizations accounted for a significant portion of our capital markets revenue. In 2008, the revenue contribution from those types of transactions was minimal. Instead, the revenue drivers were services that support tender option bonds, repackaged municipal and corporate debt, loan administration, escrow administration, defaults, and bankruptcies.

We win default- and bankruptcy-related appointments because we are free of institutional lending and securities underwriting conflicts. Each merger or consolidation of competitors reduces the number of conflict-free providers available to perform these services, and creates additional opportunities for us.

TOTAL LOANS AND CORE DEPOSITS
(in billions, on average)



ADVISORY REVENUE
(in millions)



We remained well capitalized in 2008.

We have been considered well capitalized under U.S. regulatory guidelines since 1984, when the guidelines were established.

In 2008, we expended capital to:

- Support record-high loan growth.
- Complete the AST Capital Trust Company acquisition, which was an all-cash transaction.
- Pay dividends on our common stock.

The "Troubled Asset Relief Program (TARP)" was an unfortunate choice of names, for it implies that all banks participating in the program are experiencing a degree of distress.

This is not the case.

Some parts of the TARP, like the Capital Purchase Program (CPP), are aimed at increasing capital at healthy banks like Wilmington Trust.

TARP and CPP are often used interchangeably, but these two programs have different objectives.

Wilmington Trust raised \$330.0 million in 2008 under the CPP.

This addition to capital:

- Enhances our financial stability.
- Helps us stimulate recovery in the mid-Atlantic regional economy by making loans to qualified borrowers.

As evidence of our standing as a premier provider of capital markets services, we announced in mid-February 2009 that we have reached a definitive agreement with Bank of America to assume the corporate debt trustee line of business formerly provided by LaSalle Bank, which merged with Bank of America in 2007. This agreement gives us access to additional clients and enhances our industry standing. We will accommodate the former LaSalle Bank business with existing staff. We expect the addition of this business to be immaterial to our 2009 earnings.

MANAGING CAPITAL IN CHALLENGING CONDITIONS

Bank capitalization became a focus of political debate, news media scrutiny, and consumer concern in 2008. After the Emergency Economic Stabilization Act of 2008 became law, the U.S. Department of the Treasury established the Troubled Assets Relief Program (TARP) to strengthen bank capital and stimulate economic recovery.

TARP was an unfortunate choice of names, for it implies that all banks participating in the program are experiencing a degree of distress. This is not the case. Some parts of the TARP are designed for struggling banks, but others are aimed at increasing capital at healthy banks like Wilmington Trust.

One of the programs for healthy banks is the Capital Purchase Program (CPP). Under the CPP, banks issue preferred stock that the Treasury purchases. The banks then pay dividends on the preferred stock to the Treasury. The dividends will be a source of revenue for the Treasury as long as it holds the preferred stock.

TARP and CPP are often used interchangeably, but these two programs have different objectives. We chose to participate in the CPP, which is entirely voluntary, because it enhanced our financial stability and because we wanted to support the government's attempts to revive the economy.

On December 12, 2008, we sold 330,000 shares of Wilmington Trust Series A preferred stock and issued associated warrants to the Treasury. In exchange, the Treasury paid us \$330.0 million. This addition to capital enhances our financial stability and helps us stimulate economic recovery in the mid-Atlantic region by making loans to qualified commercial and consumer borrowers.

We will pay a 5% dividend on the preferred stock annually until 2013, at which time the dividend will increase to 9%. Our Series A preferred stock currently is held by the U.S. Treasury and not available on the open market. This could change in the future. More details about our participation in the CPP appear throughout this report.

Although our capital position remained strong, our Board of Directors decided in January 2009 to reduce the quarterly cash dividend on our common stock from \$0.345 per share to \$0.1725 per share. We recognize how important our dividend is to shareholders, and our Board did not make this decision lightly. We felt this was a prudent step to take, however, in light of continued economic uncertainty, our desire to continue making loans, and our intent to remain well capitalized.

In addition, at \$0.345 per common share, our quarterly dividend payments amounted to approximately \$96.0 million per year. It would have been difficult for us to justify this expenditure when our operating net income for 2008 was only \$99.4 million.

CAPTURING OPPORTUNITIES IN CHALLENGING CONDITIONS

These are unprecedented times, and they are creating unprecedented opportunities for our company and clients. More business is coming our way because disruption and dislocation in our industry have heightened the attractiveness of our client relationship focus. In addition, mergers and acquisitions continue to alter the competitive landscape.

In terms of business development, 2008 was one of the strongest years in our company's history. Each of our businesses captured additional market share, as evidenced by loan growth and revenue from CCS and WAS. With that momentum as our starting point, we are excited about what lies ahead of us in 2009 and beyond.

In the Regional Banking business, we see commercial and consumer banking opportunities throughout our mid-Atlantic geographic footprint. In addition, disruption in our newer markets of Pennsylvania, Maryland, and New Jersey, where we now have firm footholds, continues to drive more new relationships to us.

In the CCS business, we will benefit from the retirement services acquisitions we completed in 2008. We also expect to win additional default- and bankruptcy-related business, since investment bank mergers have reduced the number of independent providers available to serve as successor trustees.

Our WAS business may be the biggest beneficiary of the current environment, as competitors struggle and large institutions deal with the distractions created by merger integration, congressional hearings, and negative news coverage. These conditions highlight the value intrinsic in our approach to serving high-net-worth clients.

While we expect to encounter challenges in 2009, it is important to remember that:

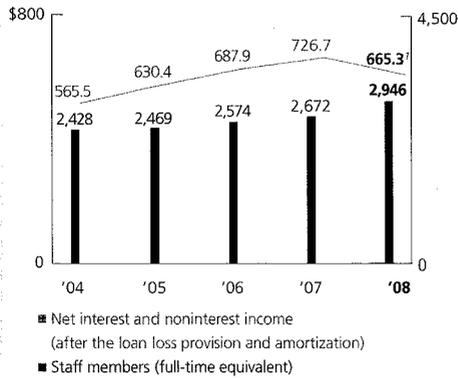
- The U.S. economy is resilient. Over the course of our company's 105-year history, the American economy has recovered successfully from 20 recessions, two World Wars, and one Great Depression.
- Our reputation as a stable, relationship-focused company has helped us attract and retain clients throughout the vagaries of economic cycles.
- Our company has prospered and remained independent for 105 years because we manage for the long term.
- Over the last 10 years, we have invested carefully to position our company for long-term growth. These initiatives have given us a scope of capabilities that are highly desired by the clients we have and by those we seek.
- Our business model differentiates us. We do not depend on any single sector for sustainable revenue; we do not venture beyond our core competencies or the markets we know best; and we have not participated in the types of financial transactions in which so many of today's problems are rooted.

2008 CONTRIBUTION BY BUSINESS LINE

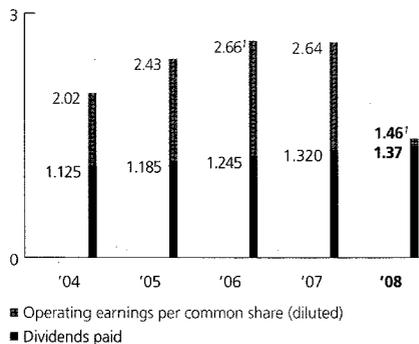
(in millions, except share amounts)	Operating net income	Operating earnings per common share
Regional Banking	\$73.2	\$1.07
Corporate Client Services	10.5	0.16
Wealth Advisory Services	12.3	0.18
Affiliate Money Managers	3.4	0.05
Total operating results	\$99.4	\$1.46

OPERATING INCOME VS. STAFF GROWTH

(dollars in millions)

¹ Excluding securities impairment charge.**OPERATING EPS AND DIVIDENDS**

(in millions)

¹ Excluding non-cash impairment charges. Including impairment charges, 2006 earnings were \$2.06 per share and 2008 earnings were \$(0.36) per common share.

There are several groups of people who make our success possible, and I would like to acknowledge them here.

The first group is our staff. Our staff members comprise our chief competitive distinction, and I believe we have the best in the business.

The second group is our Board of Directors. This talented and diverse group of people holds us to the highest standards of ethical conduct. They perform their duties with diligence, scrutiny, and integrity, and their advice and counsel are invaluable.

The third group is our shareholders. This has been a difficult period for company shareholders, and we appreciate their continued confidence in our business model and management.

Finally, I would like to thank our clients. Financial issues are among the most private of matters, and we highly value the level of trust our clients place in us.

Our business activity in 2009 may be less robust than in recent years, but we will continue to take a long-term view and focus on helping our clients succeed. That approach has helped our company survive economic ups and downs for more than a century, and it will see us through this cycle as well.

Ted T. Cecala
Chairman and Chief Executive Officer

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Management's Discussion and Analysis of Financial Condition and Results of Operations

About Wilmington Trust

Our mission is to help our clients succeed.

We are driven by the desire to achieve:

- Sustainable earnings growth.
- Consistent profitability with low volatility.

Our strategy is to deliver consistent results by:

- Investing in businesses that have the most potential for long-term growth or high operating profit margins.
- Being the market leader in each of our businesses.
- Increasing profitability without compromising our overall risk profile.

We have succeeded across 105 years of economic cycles because we:

- Have multiple sources of revenue.
- Manage risk conservatively.
- Regularly invest our capital for future growth.
- Take a long-term view.

Wilmington Trust Corporation, a financial holding company headquartered in Delaware, is a relationship management company that helps individual and institutional clients increase and preserve their wealth. We deliver our services through three businesses:

- Regional Banking.
- Corporate Client Services (CCS).
- Wealth Advisory Services (WAS).

Each of these businesses benefits from the expertise of the other two. Separately, they provide different kinds of services, have different geographic scopes, and target specific kinds of clients. Collectively, our three businesses generate a diversified mix of revenue that helps us produce consistent results across changing economic cycles.

In the pages that follow, we summarize our 2008 performance and discuss each of our businesses in more detail. Our comments in this report reflect our best estimates of the trends we know about, anticipate, and believe are relevant to future operations. Future actual results, however, may differ from our estimates.

SUMMARY OF FINANCIAL PERFORMANCE

In the face of extraordinary market conditions in 2008, we continued to focus on our business plan, opportunities for growth, and the needs of our clients. As a result:

- We had record-high loan growth. Loan balances rose 12%, on average, and exceeded \$9 billion for the first time.
- Revenue from WAS and CCS surpassed their previous highs.
- We set new balance sheet benchmarks not just in loans but also in core deposits, total assets, and stockholders' equity.

We continued to invest strategically in each of our businesses, adding staff in markets where we see the most potential for growth. CCS completed two acquisitions that enhanced our position as one of the largest U.S. providers of trust and related services for unbundled retirement plans.

As economic tensions mounted in 2008, our company remained well capitalized under U.S. regulatory guidelines. The strength of our capital position supported the significant increase in loan balances, allowed us to complete the CCS acquisitions, and enabled us to pay dividends.

We avoided many of the problems that other financial institutions encountered in 2008. We do not engage in subprime residential mortgage lending, and we do not invest in so-called "toxic" assets like credit default swaps.

We did not escape the escalating economic pressures, however. A convergence of conditions prevented our many achievements in 2008 from translating into bottom-line results. Two of these conditions reduced net interest income: the market interest rate environment and an increase in the level of troubled loans.

The Federal Open Market Committee (FOMC) lowered short-term interest rates seven times in 2008, and rates were 400 basis points lower at the end of the year than at the beginning. This caused our net interest margin to contract and, even though our loan balances reached a new high, net interest income (before the provision for loan losses) actually decreased from 2007 by 3%.

The economic environment in the mid-Atlantic region, where our Regional Banking business is focused, weakened during the first nine months of 2008 and then deteriorated sharply in the fourth quarter. Our net charge-off ratio for the year was 57 basis points, up from 26 basis points for 2007. Nonperforming loans at the end of 2008 were more than double the amount at year-end 2007.

These and other factors led us to increase our loan loss provision significantly in the 2008 fourth quarter. For the full year, the provision amounted to \$115.5 million, versus \$28.2 million for 2007. On top of the effects of the market interest rate environment, the higher provision further reduced net income. After the provision for loan losses, net interest income was 29% lower for 2008 than for 2007.

Extreme volatility in the financial markets in 2008 reduced asset valuations and triggered impairment testing under fair value accounting rules. These factors reduced noninterest income and caused us to record non-cash impairment charges on the value of some of our investments.

Assets under management decreased at our affiliate money managers, Cramer Rosenthal McGlynn and Roxbury Capital Management (RCM), due to declines in asset valuations. Combined revenue from these two firms was \$6.2 million lower than for 2007.

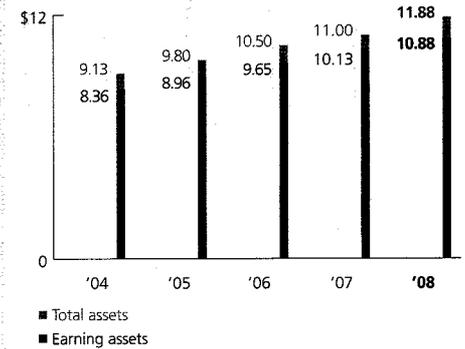
The decrease in managed asset levels at RCM, combined with near-term operating projections at RCM that were lower than expected, led us to determine that the estimated fair value of our investment in RCM had fallen by \$66.9 million. We recorded that amount as a goodwill impairment charge in the 2008 second quarter. We also recorded a goodwill impairment charge for RCM in 2006 that amounted to \$72.3 million.

The estimated fair values of some of the securities in our investment portfolio declined sharply, due largely to illiquidity in the capital markets. These conditions led us to record securities impairment charges in 2008 that totaled \$130.7 million.

Of this amount, \$97.0 million was for some of the pooled trust-preferred securities we hold. The remainder was for perpetual preferred stocks, including those issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). After the U.S. government seized control of Fannie Mae and Freddie Mac, we decided to write off our investments in their perpetual preferred stocks completely.

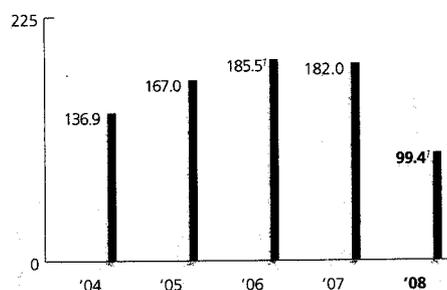
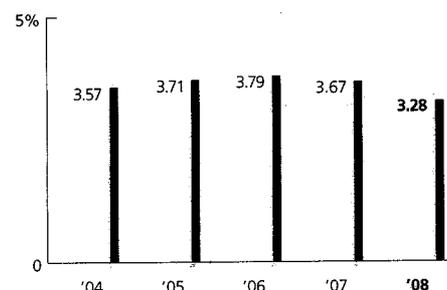
The combination of lower net interest income, the RCM impairment charge, and the securities impairment charges caused us to report a loss for 2008 of \$23.6 million, or \$0.36 per share.

ASSETS
(in billions, on average)



OPERATING NET INCOME

(in millions)

¹ Excluding non-cash impairment charges.**NET INTEREST MARGIN**

On an operating basis, excluding the securities and RCM impairment charges, our 2008 results were positive. Operating net income was \$99.4 million, or \$1.46 per share (on a diluted basis). These amounts were lower than for 2007 mainly due to the 29% decline in net interest income.

We believe that operating results – those that exclude the securities and RCM impairment charges – present a more relevant measure of ongoing business trends and offer a better basis of comparison with prior periods. We discuss operating as well as reported results throughout this report. A comparison of our 2008 results with and without the impairment charges is on page 62 of this report. For information about the 2006 as well as the 2008 charges, see the five-year comparison of consolidated statements of income and the summary of consolidated quarterly results of operations in this report.

NET INCOME AND EARNINGS PER SHARE

For the year ended

December 31

(in millions, except share amounts)

	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Including the non-cash impairment charges:					
Reported net income (in millions)	\$(23.6)	\$182.0	\$143.8	–	27%
Reported earnings per share (diluted)	\$(0.36)	\$ 2.64	\$ 2.06	–	28%
Excluding the non-cash impairment charges:					
Operating net income (in millions)	\$ 99.4	\$182.0	\$185.5	(45)%	(2)%
Operating earnings per share (diluted)	\$ 1.46	\$ 2.64	\$ 2.66	(45)%	(1)%

Economic pressures were a factor in our 2007 results, too, although their effects were not as severe as what we experienced in 2008. The FOMC cut short-term interest rates by 100 basis points in 2007, which compressed our net interest margin. Lack of activity in the capital markets and volatility in the financial markets dampened revenue growth in CCS and WAS, respectively.

Our operating results since 2006 demonstrate how our practice of investing for future growth has balanced our sources of revenue and helped us counter the effects of economic challenges. Since 2006, we have:

- Opened a new, larger Pennsylvania headquarters in Villanova.
- Opened new offices in the Lehigh Valley area of eastern Pennsylvania and in Princeton, New Jersey, which we staffed with teams of commercial lenders and wealth advisors.
- Added commercial lending and WAS staff in our Baltimore office.
- Acquired a consulting firm that gave WAS a presence in Boston.
- Launched WAS family office services on the East Coast. We opened an office in Stamford, Connecticut, added family office staff in New York, Princeton, and Delaware, and acquired several new areas of specialization.
- Opened CCS offices in Germany and the Netherlands.
- Acquired corporate services providers in the Cayman Islands and Luxembourg.
- Doubled the capacity of our retirement services capabilities.
- Introduced WTDirect, the Internet-only channel through which we offer a high-yield savings account.

The retirement services acquisitions we completed in 2008 added approximately 180 staff members and approximately \$25.9 million of expenses. Absent these acquisitions, 2008 operating expenses would have been approximately \$466.9 million, or 5% higher than for 2007. These acquisitions were neutral to earnings in 2008.

EXPENSES

For the year ended December 31 (in millions)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Full-time-equivalent staff members	2,946	2,672	2,574	10%	4%
Staffing-related expenses	\$296.1	\$270.6	\$242.5	9%	12%
Total reported expenses	\$559.7	\$444.1	\$471.6	26%	(6)%
Total operating expenses	\$492.8	\$444.1	\$399.3	11%	11%

Other factors in the 2008 expense growth were increases in:

- Subadvisor expenses associated with the retirement services business. This increase was offset by the increase in retirement services revenue.
- Servicing and consulting fees, due to payment to third parties for data we used to estimate the fair values of our investment securities and other assets.
- Legal costs, due to increased loan collection activities.

In 2007, expenses included approximately \$3.2 million for our share of Visa Inc.'s litigation with other companies. This equated to approximately \$0.03 per share. For more information about this, see Note 13, "Commitments and contingencies," in this report.

Our income tax expense reflected:

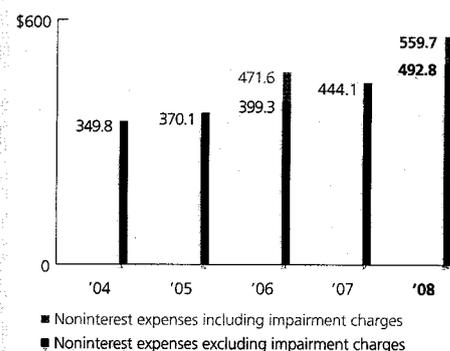
- The RCM impairment charges in 2006 and 2008. These write-downs generated a tax benefit for the subsidiary that holds our investment in RCM of approximately \$31.5 million for 2006 and approximately \$26.5 million for 2008.
- The addition in 2008 of approximately \$4.0 million related to executive compensation as a result of our participation in the U.S. government's Capital Purchase Program, which we discuss in more detail below.
- A credit in 2007 of approximately \$2.7 million that resulted from an agreement with state taxing authorities that reduced our reserve for state income taxes. Absent this credit, our effective tax rate for 2007 would have been 36.35%.

INCOME TAXES AND TAX RATE

For the year	2008 (without impairment write-down)	2008 (with impairment write-down)	2006 (without impairment write-down)	2006 (with impairment write-down)
Pre-tax income (in millions)	\$172.5	\$(25.1)	\$282.6	\$288.6
Income tax expense/ (benefit) (in millions)	\$ 72.6	\$ (2.0)	\$ 99.7	\$ 103.3
Effective tax rate	42.09%	(7.97)%	35.28%	35.79%

For more information about our income taxes, read Note 20, "Income taxes," in this report.

EXPENSES (in millions)



As a measure of financial performance, efficiency is the inverse of profitability.

In general, lower efficiency ratios indicate higher profitability.

REVENUE MIX IN DOLLARS

For the year (in millions)	2008	2007	2006
Net interest income ¹	\$242.2	\$340.7	\$341.8
Noninterest income ²	423.1	386.0	346.1
Total revenue	\$665.3	\$726.7	\$687.9

¹ After the loan loss provision.

² After amortization and excluding securities impairment charge.

REVENUE MIX IN PERCENTAGES

For the year	2008	2007	2006
Net interest income ¹	36%	47%	50%
Noninterest income ²	64%	53%	50%

¹ After the loan loss provision.

² After amortization and excluding securities impairment charge.

Our 2008 efficiency ratios were affected negatively by the impairment charges and the higher provision for loan losses. The ratios for 2008 and 2007 also reflected expense increases that resulted from acquisitions and expansion initiatives.

BUSINESS SEGMENT EFFICIENCY RATIOS

For the year	2008	2007	2006
Regional Banking	42.93%	42.81%	40.32%
Wealth Advisory Services	85.01%	80.05%	78.43%
Corporate Client Services	84.55%	72.88%	72.78%
Wilmington Trust consolidated (reported results)	85.73%	58.53%	66.10%
Wilmington Trust consolidated (operating results)	62.89%	58.53%	55.96%

2008 CONTRIBUTION BY BUSINESS LINE

(in millions, except share amounts)	Regional Banking	Corporate Client Services	Wealth Advisory Services	Affiliate Money Managers
Total revenue (after the loan loss provision and amortization)	\$291.2	\$144.1	\$222.9	\$ 7.1
Expenses	\$170.0	\$122.0	\$200.8	\$ -
Operating net income	\$ 73.2	\$ 10.5	\$ 12.3	\$ 3.4
Operating earnings per common share*	\$ 1.07	\$ 0.16	\$ 0.18	\$0.05

*Dividends on preferred stock were charged to the Regional Banking business line.

2007 CONTRIBUTION BY BUSINESS LINE

(in millions, except share amounts)	Regional Banking	Corporate Client Services	Wealth Advisory Services	Affiliate Money Managers
Total revenue (after the loan loss provision and amortization)	\$369.0	\$117.8	\$231.1	\$ 8.8
Expenses	\$169.9	\$ 86.0	\$188.2	\$ -
Operating net income	\$128.8	\$ 20.6	\$ 27.4	\$ 5.2
Operating earnings per common share	\$ 1.87	\$ 0.30	\$ 0.40	\$0.07

Participation in U.S. Government Economic Stimulus Programs

We are participating in a number of the U.S. government's economic stimulus programs.

Capital Purchase Program (CPP). In a normal operating environment, there are a number of capital markets sources that banks may access when they want to raise additional capital. Some of these sources became unavailable in 2008 as capital markets activity ground to a halt. To help healthy banks raise capital until a more normal level of capital markets activity resumes, the U.S. Department of the Treasury created the CPP.

Under this program, banks sell preferred stock to the Treasury. They also pay dividends on the preferred stock as long as it is outstanding. This creates additional revenue for the Treasury and serves as an incentive for banks to reacquire the preferred stock they issue under this program.

In December 2008, we sold 330,000 shares of Wilmington Trust Series A preferred stock and issued associated warrants to the Treasury. In exchange, the Treasury paid us \$330 million. This addition to capital enhances our financial stability and helps us stimulate economic recovery in the mid-Atlantic region by making loans to qualified business and consumer borrowers. As an example of our ability and commitment to extend credit, we made approximately \$400 million of new loans in the 2008 fourth quarter.

For more information about our participation in the CPP, read the capital resources section and Note 16, "Capital," in this report.

New deposit insurance limits. Federal Deposit Insurance Corporation (FDIC) deposit insurance coverage was increased on October 3, 2008, from \$100,000 to \$250,000 per depositor for all deposits (individual retirement account deposits continue to be insured separately up to \$250,000). This increase is temporary and, unless extended by Congress, will expire on December 31, 2009.

FDIC Transaction Account Guarantee Program. Under this program, which is part of the FDIC's Temporary Liquidity Guarantee Program (TLGP), all noninterest-bearing deposit transaction accounts, as well as certain types of transaction accounts with interest rates of 0.5% or less, will be fully guaranteed by the FDIC for the entire amount in the account through December 31, 2009. This is in addition to, and separate from, the coverage available under the FDIC's general deposit insurance coverage.

FDIC Debt Guarantee Program. This program, also part of the FDIC's TLGP, guarantees timely principal and interest payments on senior unsecured debt issued between October 14, 2008, and June 30, 2009. Wilmington Trust is participating in this program but, as of December 31, 2008, had no debt issues that qualified for these guarantees.

Temporary Guarantee Program for Money Market Funds. Wilmington Trust's three money market mutual funds – the Wilmington Prime Money Market Fund, the Wilmington U.S. Government Money Market Fund, and the Wilmington Tax-Exempt Money Market Fund – are participating in the Treasury's Temporary Money Market Guarantee Program. This program, which currently is scheduled to expire on April 30, 2009, provides insurance protection to shareholders of record in these funds as of September 19, 2008. The guarantee could be triggered if any of the participating funds' share prices were to fall below \$1.00. None of Wilmington Trust's participating funds have ever fallen below that level. Combined, these three funds had approximately \$7.1 billion in assets under management at December 31, 2008.

COMPETITIVE ADVANTAGES

Relationship focus. We seek clients who want long-term relationships with their bankers and who value having direct access to lending decision-makers.

Locally based, well-known brand. We are among a dwindling number of banks headquartered within the mid-Atlantic region, and one of only three Delaware-headquartered banks that offers services statewide.

Team-based business model. Our teams of commercial lenders and wealth advisors help clients with credit needs in the short term and with financial planning services over the long term.

Concentrated markets. We target two specific market segments:

- Middle-market business clients in the mid-Atlantic region.
- Consumer banking clients in Delaware.

MID-ATLANTIC REGION



Regional Banking

OVERVIEW

Our Regional Banking activities are concentrated in the mid-Atlantic region of the United States. We define this area as the state of Delaware and the parts of Maryland, New Jersey, and Pennsylvania that are within approximately 150 miles of our Wilmington headquarters.

We target commercial banking services to middle-market business owners throughout the mid-Atlantic region. We define this market as businesses that are family-owned or closely held, with annual sales of up to \$250 million. We serve this market with teams of wealth advisors and commercial bankers. Many of our commercial banking clients are also clients of our Wealth Advisory Services business.

Most of our commercial banking business comes from areas adjacent to the I-95 corridor between Princeton, New Jersey, and Baltimore, Maryland. Most of our commercial loans have floating rates, are secured by the borrower's assets, and are supported by personal guarantees.

We focus our consumer lending, residential mortgage lending, and core deposit-gathering activities in the state of Delaware, where we have 48 branch offices. We make the public aware of our consumer banking products mainly through newspaper advertising and direct mail.

We are the leading commercial and consumer bank in Delaware.

According to the Federal Deposit Insurance Corporation's *2008 Market Share Report* and other regulatory reports, we had higher loan balances, higher core deposit balances, and more branch offices than any other full-service financial institution in Delaware.

2008 HIGHLIGHTS

Strong demand generated record-high loan growth in 2008. Loan balances, on average, were 12% higher than for 2007 and topped \$9 billion for the first time. On a period-end basis, loan balances rose 13% to \$9.62 billion. Most of this growth was in the commercial portfolio.

LOAN GROWTH

For the year ended
December 31
(in millions,
on average)

	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Commercial loans	\$6,369.3	\$5,599.8	\$5,195.0	14%	8%
Consumer and other retail loans	2,830.7	2,612.2	2,504.8	8%	4%
Total loans	\$9,200.0	\$8,212.0	\$7,699.8	12%	7%

Our business model and relationship focus attracted additional clients.

As negative news about financial institutions permeated the market in 2008, our financial strength and stability and our lack of so-called "toxic" assets enhanced our competitive distinctions.

Markets outside Delaware contributed a larger percentage of loans in 2008, and reflected the success of our recent expansion initiatives.

In 2007 and 2008, we added staff in Baltimore, the Lehigh Valley, and New Jersey, all markets where we see strong growth potential.

GEOGRAPHIC SOURCES OF LOANS

As of December 31 (dollars in millions)	2008	2007	2006
Loan balances at period-end	\$9,619.1	\$8,475.8	\$8,094.9
Percent from Delaware market	54%	57%	60%
Percent from Pennsylvania market	23	23	21
Percent from Maryland market	10	10	6
Percent from New Jersey market	7	5	4
Percent from other markets	6	5	9

The loan portfolio remained well diversified across commercial and consumer lines. The largest concentration of loans was in traditional commercial loans (commercial, financial, and agricultural loans), which comprised 31% of the portfolio at the ends of 2008 and 2007. The second largest concentration was in commercial construction loans, which accounted for 20% of the portfolio at the end of 2008, and 21% of the portfolio at the end of 2007.

LOAN BALANCES

At December 31 (in millions)	2008	2007	2006	2005	2004
Commercial, financial, and agricultural	\$2,966.3	\$2,594.9	\$2,533.5	\$2,461.3	\$2,505.2
Commercial real estate – construction	1,923.8	1,780.4	1,663.9	1,233.9	735.4
Commercial mortgage	1,870.2	1,463.4	1,296.1	1,223.9	1,246.8
Residential mortgage	571.2	562.0	536.9	455.5	431.3
Consumer	1,732.9	1,571.6	1,517.0	1,438.3	1,239.6
Secured with investments ¹	554.7	503.5	547.5	584.8	604.7
Total loans	\$9,619.1	\$8,475.8	\$8,094.9	\$7,397.7	\$6,763.0

¹ Loans secured with investments are mainly loans to Wealth Advisory Services clients. They do not indicate trends in the Regional Banking business.

We installed new imaging and sales support software in our Delaware network of branch offices in 2008. This has helped us improve client service, increase efficiency, and reduce fraud. It also facilitates our Bank Secrecy Act and anti-money laundering reporting requirements.

Regional Banking's results for 2008 were affected negatively by declines in market interest rates. At the start of 2008, the federal funds target rate was 4.25%. By the end of 2008, it had fallen to a range of zero to 0.25%. This compressed our net interest margin and reduced net interest income. For more information about this, read the interest rate risk discussion in this report.

Results also reflected an increase in the level of troubled loans. This led us to increase the provision for loan losses, which also reduced net interest income. For more information about this, read the credit risk discussion in this report.

Most of Regional Banking's income is net interest income (the difference between loan yields and rates we pay for deposits and other funds).

Regional Banking also generates noninterest income in the form of loan and deposit service charges.

We consider average loan and deposit balances, rather than period-end balances, to be a better indicator of trends in the Regional Banking business, because average balances represent client activity over the longer term.

This is especially true of core deposit balances, which can be skewed by large short-term deposits made by Corporate Client Services clients at the ends of reporting periods.

We prefer to originate loans ourselves, rather than purchase loans from brokers or other banks.

In general, we do not pursue syndicated lending opportunities.

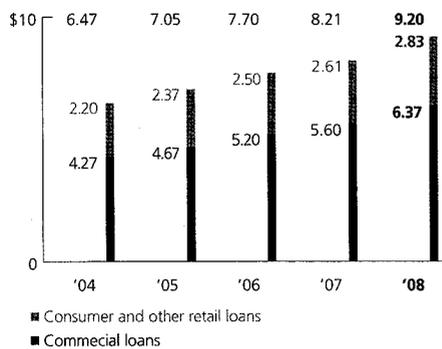
DELAWARE MARKET SHARE

At June 30, 2008 (dollars in billions)	Wilmington Trust	Nearest competitor
Loans	\$8.45	\$3.24
Core deposits	\$4.81	\$3.28

Source: Federal Deposit Insurance Corporation
2008 Market Share Report and call reports.

TOTAL LOANS

(in billions, on average)



In 2008, Regional Banking generated approximately:

- 44% of total operating revenue.
- 34% of operating expenses.
- 74% of operating net income.
- \$1.07 of operating earnings per common share.

Operating revenue from the Regional Banking business declined, but the efficiency ratio held relatively steady. An important factor in the efficiency ratio is our lack of a large-scale branch office network outside of Delaware.

REGIONAL BANKING PROFITABILITY

For the year ended December 31
(dollar amounts in millions)

	2008	2007	2006
Segment operating net income ¹	\$73.2	\$128.8	\$134.0
Efficiency ratio	42.93%	42.81%	40.32%
Profit margin	57.07%	57.19%	59.68%

¹ Excluding securities and goodwill impairment charges.

For more information about Regional Banking's profitability, read Note 23, "Segment reporting," in this report.

THE MID-ATLANTIC REGIONAL ECONOMY

The regional economy weakened in 2008, especially in the fourth quarter. Many full-year economic statistics do not reflect the extent of this deterioration because it accelerated so late in the year.

Unemployment rates in the region increased, but remained below the U.S. average. Delaware's unemployment rate has been lower than the U.S. average since 2001.

UNEMPLOYMENT RATES

As of December	2008	2007	2006
United States	7.2%	5.0%	4.4%
Delaware	6.2	3.8	3.3
New Jersey	7.1	4.5	4.3
Pennsylvania	6.7	4.7	4.7
Philadelphia/Camden/Wilmington metropolitan area	7.0	4.5	4.3
Baltimore/Towson metropolitan area ¹	5.4	3.5	3.7

¹ As of November

Sources: Federal Reserve Banks of Philadelphia and Richmond

The regional housing market softened in 2008, but not to the extent seen in other parts of the United States. The mid-Atlantic region did not experience the rapid appreciation in housing prices that occurred elsewhere in the United States, or the same degree of volatility in prices.

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES

(in thousands)	2008	2007	Change 2008 vs. 2007
United States	\$197.1	\$217.9	(10)%
Philadelphia/Camden/Wilmington metropolitan area	\$231.4	\$234.9	(1)%
Dover, Delaware metropolitan area	\$206.2	\$207.5	(1)%
Baltimore/Towson metropolitan area	\$274.1	\$286.1	(4)%
Las Vegas	\$220.5	\$297.7	(26)%
Orange County, California	\$533.2	\$709.5	(25)%
Phoenix	\$191.3	\$257.4	(26)%
Ft. Myers, Florida	\$152.6	\$252.1	(39)%

Source: National Association of REALTORS®

SINGLE-FAMILY HOME SALES

(in thousands)	2008	2007	Change 2008 vs. 2007
Delaware	11.5	15.7	(27)%
Maryland	63.8	86.4	(26)%
New Jersey	112.6	137.4	(18)%
Pennsylvania	174.7	214.0	(18)%

Source: National Association of REALTORS®

PERCENT CHANGE IN HOUSE PRICE INDEX

(quarter-to- quarter change)	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4
United States	0.1%	(0.2)%	(1.4)%	(2.7)%	(4.4)%
Within our Regional Banking footprint:					
Delaware	0.4%	(0.7)%	(1.0)%	(1.0)%	(3.1)%
Pennsylvania	0.4%	0.7%	(0.4)%	(1.5)%	(2.3)%
Comparison with markets where we do not lend:					
California	(3.1)%	(4.4)%	(6.9)%	(8.3)%	(7.0)%
Florida	(1.7)%	(3.3)%	(5.3)%	(6.1)%	(7.7)%
Nevada	(3.0)%	(5.0)%	(5.6)%	(9.5)%	(10.9)%

Source: Federal Housing Finance Agency

PERCENT OF HOUSEHOLDS ENTERING FORECLOSURE

For the year ended December 31	2008	2007
United States	1.8%	1.0%
Within our Regional Banking footprint:		
Delaware	0.7	0.3
Maryland	1.4	0.8
New Jersey	1.8	0.9
Pennsylvania	0.7	0.3
Comparison with markets where we do not lend:		
California	4.0	1.9
Florida	4.5	2.0
Michigan	2.4	1.9
Nevada	7.3	3.4

Source: RealtyTrac's U.S. Foreclosure Market Reports for 2008 and 2007

Delaware's population continued to increase. According to the U.S. Census Bureau, Delaware was the 13th fastest-growing state for the 12 months ended July 1, 2008. Delaware's tax climate is a key attraction: There is no sales tax, and real estate taxes are considerably lower than those of surrounding states. In addition, AARP and *Kiplinger's* consistently rank Delaware among the most desirable locales in the United States for retirement living.

The mid-Atlantic regional economy is well diversified across a variety of industry sectors, including:

- Life sciences
- Financial services
- Pharmaceuticals
- Health care
- Education
- Construction
- Manufacturing
- Retail
- Agriculture
- Tourism

Most of our commercial loans are for less than \$10 million.

The amounts of our commercial loans reflect our focus on middle-market business owners and the loan amounts they typically need.

COMMERCIAL LOANS BY LOAN SIZE

As of December 31	2008	2007	2006
Less than \$250,000	3%	3%	3%
\$250,000 to \$1 million	10	11	12
\$1 million to \$5 million	36	37	36
\$5 million to \$10 million	23	25	22
\$10 million to \$20 million	18	18	20
More than \$20 million	10	6	7

Our construction borrowers are established, middle-market business owners who have experienced a variety of economic cycles.

Our clients are based – and their projects are located – within the mid-Atlantic region.

We do not lend to large residential or commercial builders who conduct business throughout the United States.

Most of our construction loans are for single-family housing developments in Delaware.

For more information about our construction loan clients and underwriting standards, read the credit risk discussion in this report.

POPULATION GROWTH RANKINGS

For the 12 months ended July 1	2008	2007
Delaware	13	14
Maryland	44	40
New Jersey	40	43
Pennsylvania	46	41

Source: U.S. Census Bureau

For more information about our exposure to economic-related risk, read the credit risk and economic risk discussions in this report.

COMMERCIAL LENDING

Commercial loan balances rose 14%, on average, and exceeded \$6 billion for the first time. This growth came from throughout our mid-Atlantic geographic footprint.

COMMERCIAL LOAN BALANCES

For the year ended December 31 (in millions, on average)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Commercial, financial, and agricultural loans	\$2,814.6	\$2,485.7	\$2,437.4	13%	2%
Commercial real estate – construction loans	1,860.6	1,731.9	1,516.8	7%	14%
Commercial mortgage loans	1,694.1	1,382.2	1,240.8	23%	11%
Total commercial loans	\$6,369.3	\$5,599.8	\$5,195.0	14%	8%

Market disruption drove more commercial clients to us in 2008. This was especially true in the Baltimore market, where many middle-market business owners have become disenfranchised by other bank consolidations and accompanying changes in culture and underwriting standards. This same dynamic has been present in southeastern Pennsylvania, and it has contributed significantly to our success in that market.

GEOGRAPHIC SOURCES OF COMMERCIAL LOANS

As of December 31 (dollars in millions)	2008	2007	2006
Commercial loan balances at period-end	\$6,760.3	\$5,838.7	\$5,493.5
Percent from Delaware market	55%	58%	58%
Percent from Pennsylvania market	26	27	27
Percent from Maryland market	9	9	8
Percent from New Jersey market	7	5	5
Percent from other markets	3	1	2

Commercial, financial, and agricultural loans accounted for most of the 2008 growth in commercial loan balances, on average. These loans were to clients throughout the mid-Atlantic region in a variety of businesses, including light manufacturing, service, and retail businesses. Borrowers used these loans for working capital, equipment purchases, inventory, and other needs.

The pace of growth in commercial construction lending slowed in 2008 as the regional housing market contracted. At year-end 2008, construction loans accounted for 20% of our total loan portfolio, down slightly from 21% at year-end 2007.

The 2008 increase in commercial mortgage loans resulted from changes in the mortgage financing market. Until commercial mortgage financing availability tightened in the latter half of 2007, our commercial mortgage terms were generally less favorable than what borrowers could obtain from secondary mortgage market sources. We did not alter our terms, but changes in the market made our terms more comparable with those offered by the secondary markets. That, plus less liquidity in the credit markets, prompted many clients who were unable to obtain credit elsewhere to remain with us for their permanent financing.

Most of the commercial mortgage loans we added in 2008 were for owner-occupied properties. These properties included professional offices, retail properties, manufacturing facilities, and industrial properties. These properties are mainly in Delaware, southeastern Pennsylvania, and Maryland.

Almost all of our commercial loans have floating rates. At year-end 2008, 61% were scheduled to mature within five years.

MATURITIES AND RATE SENSITIVITY OF COMMERCIAL LOANS

At December 31, 2008 (in millions)	Less than 1 year	1 through 5 years	More than 5 years	Total gross loans
Commercial, financial, and agricultural	\$1,343.0	\$ 869.4	\$ 753.9	\$2,966.3
Commercial real estate – construction	120.5	1,437.4	365.9	1,923.8
Commercial mortgage	4.0	380.7	1,485.5	1,870.2
Total	\$1,467.5	\$2,687.5	\$2,605.3	\$6,760.3
Loans with fixed rates	\$ 16.1	\$ 191.6	\$ 560.1	\$ 767.8
Loans with floating rates	1,451.4	2,495.9	2,045.2	5,992.5
Total	\$1,467.5	\$2,687.5	\$2,605.3	\$6,760.3

CONSTRUCTION LOANS BY GEOGRAPHIC LOCATION

At December 31	2008	2007
Delaware	60%	61%
Pennsylvania	23	25
Maryland	7	7
New Jersey	7	4
Other	3	3

CONSTRUCTION LOANS BY PROJECT TYPE

At December 31	2008	2007
Residential real		
estate construction	51%	52%
Land development	21	21
Retail and office	15	14
Owner-occupied	2	5
Multi-family	2	2
Other	9	6

We do not engage in subprime residential mortgage lending.

At the ends of 2008 and 2007, our residential mortgage portfolio held:

- No subprime loans.
- No payment option adjustable rate mortgages.
- No negatively amortizing adjustable rate mortgages.
- No other types of nontraditional mortgages.
- One interest-only residential mortgage loan.

Almost all of our residential mortgage loans are for properties in Delaware.

We are among Delaware's leading residential mortgage originators.

Most of our residential mortgages are conventional first mortgage loans at fixed rates, typically with 15- or 30-year terms.

We use a third-party provider to service these loans.

Our residential mortgage portfolio also includes low-income housing loans we purchase as part of our compliance with the Community Reinvestment Act.

Indirect loans involve three parties:

- Merchants who extend credit to customers.
- Borrowers who seek credit.
- Financial institutions that provide credit.

Our indirect loans are:

- For new and late-model used cars.
- Made through automobile dealers in the mid-Atlantic region as an extension of the commercial banking relationships we have with them.

RESIDENTIAL MORTGAGE LENDING

Our residential mortgage balances do not correlate directly with our origination volumes. This is because:

- We sell most of the fixed residential mortgages we originate into the secondary market, instead of retaining them on our balance sheet. This is one of our interest rate risk management strategies, which we describe in more detail in the interest rate risk section of this report.
- Origination volumes include refinancings.
- We do not include the Community Reinvestment Act (CRA) loans we purchase in our origination volumes.

Residential mortgage activity in 2008 reflected weakness in the housing market. Residential mortgage balances increased mainly because we retained more CRA-eligible loans in the portfolio.

RESIDENTIAL MORTGAGE LOAN ACTIVITY

For the year ended December 31 (dollars in millions)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Number of residential mortgages originated	739	869	972	(15)%	(11)%
Residential mortgage origination volumes	\$166.8	\$206.3	\$225.3	(19)%	(8)%
Residential mortgage balances, on average	\$562.0	\$556.3	\$495.2	1%	12%
Percentage of residential mortgages originated at fixed rates	83%	74%	80%		

CONSUMER LENDING

Consumer loan balances rose 13%, on average, and exceeded \$1.7 billion for the first time. Most of this growth was in indirect loan balances, and resulted from our expansion in Maryland, New Jersey, and Pennsylvania.

CONSUMER LOAN BALANCES

For the year ended December 31 (in millions, on average)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Indirect	\$ 893.9	\$ 708.8	\$ 657.3	26%	8%
Home equity	523.5	486.6	482.3	8%	1%
Credit card	66.9	64.6	60.9	4%	6%
Other	244.4	266.6	257.7	(8)%	3%
Total consumer loans	\$1,728.7	\$1,526.6	\$1,458.2	13%	5%

Approximately 92% of our indirect loans at year-end 2008 were for automobiles. The rest were for boats, recreational vehicles, and mobile homes.

INDIRECT LOANS ADDED, BY MARKET

During the year	2008	2007
Percent from Delaware market	46%	62%
Percent from Pennsylvania market	21%	13%
Percent from Maryland market	17%	14%
Percent from New Jersey market	15%	11%
Percent from other markets	1%	—%

Most consumer loans continued to come from clients in Delaware. Outside of Delaware, our banking business is primarily commercial.

GEOGRAPHIC SOURCES OF CONSUMER LOANS

As of December 31 (dollars in millions)	2008	2007	2006
Consumer loan balances at period-end	\$1,732.9	\$1,571.6	\$1,517.0
Percent from Delaware market	53%	58%	78%
Percent from Pennsylvania market	18	14	7
Percent from Maryland market	16	15	*
Percent from New Jersey market	9	6	*
Percent from other markets	4	7	15

* Market breakdowns not available for 2006.

CORE DEPOSIT GATHERING

Core deposit balances increased 7% in 2008, on average, to \$5.40 billion. At year-end, core deposit balances were \$6.12 billion, a record high.

We attribute much of this growth to client demand for “safe havens” amid severe financial market fluctuations. The U.S. government’s increase in deposit insurance coverage also attracted deposits. For more information about this and other government programs in which we are participating, read the summary of financial performance in this report.

CORE DEPOSIT BALANCES

For the year ended December 31 (in millions, on average)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Noninterest-bearing					
demand deposits	\$ 841.7	\$ 722.4	\$ 759.1	17%	(5)%
Savings deposits	779.3	500.1	311.4	56%	61%
Interest-bearing					
demand deposits	2,470.4	2,400.2	2,365.1	3%	1%
CDs < \$100,000	1,006.3	1,010.1	979.4	–%	3%
Local CDs ≥ \$100,000	299.5	412.7	521.7	(27)%	(21)%
Total core deposits	\$5,397.2	\$5,045.5	\$4,936.7	7%	2%

Most of the growth in core deposits in 2007 and 2008 was in savings deposits generated by WTDirect. At year-end 2007, WTDirect balances were approximately \$391 million. At year-end 2008, they were approximately \$537 million.

Much of the 2008 growth in noninterest-bearing demand deposits was from Corporate Client Services (CCS) clients. CCS-related deposits are typically for paying agent, escrow, and other types of cash management services this business provides.

We record two types of deposits:

- Core deposits.
- Non-core deposits.

Core deposits are deposits from our clients.

They include:

- Noninterest-bearing demand deposits.
- Interest-bearing demand deposits.
- Savings deposits.
- Certificates of deposit (CDs).

Non-core deposits are:

- Deposits from money center banks that we purchase wholesale from brokers.
- Not associated with clients.
- Reported as national CDs in amounts of \$100,000 or more.

For more information about our use of national CDs, read the capital resources section of this report.

Changes in core deposits indicate trends in the Regional Banking business.

Changes in non-core deposits do not reflect Regional Banking client activity.

WTDirect is our Internet-only delivery channel.

WTDirect offers high-interest savings accounts to depositors who maintain average daily balances of at least \$10,000.

Visit www.wtdirect.com for more information.

Most core deposits continued to come from clients in Delaware. WTDirect deposits accounted for the increase in deposits from markets outside Delaware.

GEOGRAPHIC SOURCES OF CORE DEPOSITS

As of December 31 (dollars in millions)	2008	2007	2006
Core deposit balances at period-end	\$6,117.1	\$5,465.5	5,275.0
Percent from Delaware market	85%	87%	94%
Percent from Pennsylvania market	3	5	5
Percent from Maryland market	9	8	1
Percent from New Jersey market	-	-	-
Percent from other markets	3	-	-

Most local CDs in amounts of \$100,000 or more were from consumer banking clients in Delaware. Some of these deposits were from commercial banking clients and municipalities in the mid-Atlantic region that use these CDs to generate returns on their excess cash.

LOCAL CDS ≥ \$100,000 BY CLIENT CATEGORY

As of December 31	2008	2007
Consumer banking clients in Delaware	56%	61%
Commercial banking clients in Delaware	9	9
Commercial banking clients in Pennsylvania	9	9
Wealth Advisory Services clients	10	12
Local CDs from other markets	16	9

For more information on deposits, read the capital resources section and Note 11, "Deposits," in this report.

Corporate Client Services

OVERVIEW

The Corporate Client Services (CCS) business provides a variety of trustee, agency, investment management, and administrative services for institutional clients. We work with investment bankers and corporate tax, finance, and legal experts who:

- Use capital markets financing structures.
- Seek to establish and maintain legal residency (nexus) for special purpose entities in preferred jurisdictions.
- Use independent trustees to hold retirement plan assets.
- Need investment and cash management services.

Capital markets services help clients who use a wide variety of institutional financing structures and transactions. We offer a broad array of trustee and administrative services that support these transactions.

Entity management services help special purpose entities and captive insurance companies comply with nexus requirements in preferred jurisdictions. This includes providing corporate governance and performing other activities that demonstrate an entity's substance.

We specialize in providing retirement services for unbundled retirement plans. Typically, qualified U.S. retirement plans involve an investment manager, a record keeper, and a trustee. When plan sponsors use a single provider to perform all three functions, their plans are considered "bundled." When plan sponsors select separate, best-in-class providers for each function, their plans are "unbundled." We work with leading record keepers and third-party administrators to market our retirement services.

Our institutional investment and cash management services help clients increase the returns on fixed income investments and residual cash. Community banks and clients who use construction fund, escrow agent, and other services may place large sums of cash with us for periods that range from as little as 24 hours to as long as several years.

We do not own, take positions in, or participate in the pricing or valuation of CCS client assets. Since our commercial banking business is focused on middle-market business owners in the mid-Atlantic region, we do not lend to CCS clients. Legal documents that govern each financing structure, entity, and trust specify the services each client wants us to provide.

COMPETITIVE ADVANTAGES

Conflict-free. We are an independent service provider with:

- No lending conflicts of interest.
- No securities underwriting conflicts of interest.

Credibility. We have more than 40 years of experience in this business.

Reputation. We have extensive experience and international brand recognition in this business.

Market presence. We have deep knowledge of jurisdictional advantages in the United States, Europe, and the Caribbean.

Superior service. We offer a convenient, single-source solution for clients who want to do business in multiple jurisdictions.

We have Corporate Client Services clients in 88 countries.

U.S. office locations

- Arizona
- Delaware
- Minnesota
- Nevada
- New Jersey
- New York
- South Carolina
- Vermont

European office locations

- Channel Islands
- Dublin
- Frankfurt
- London
- Luxembourg
- The Netherlands

Caribbean office locations

- Grand Cayman

We do not:

- Have credit risk exposure to large capital markets transactions.
- Own the assets or entities for which we serve as trustee or administrator.
- Record these assets on our balance sheet.
- Consolidate these entities in our financial statements.
- Issue, underwrite, set pricing, or establish valuations for the financing structures we support.
- Offer high-volume, back office processing services.

CAPITAL MARKETS SERVICES

- Indenture, successor, collateral, and liquidating trustee and administrative services for:
 - Corporate debt issuances and debt restructurings
 - Reorganizations, mergers, and bankruptcies
- Owner trustee, indenture trustee, and administrative services for:
 - Securitizations and other structured finance transactions
 - Capital equipment and project financing transactions
- Loan administration services
- Investment and cash management services

HOW WE REPORT CCS REVENUE

We report CCS revenue in four categories: capital markets revenue, entity management revenue, retirement services revenue, and revenue from institutional investment and cash management services.

Capital markets and entity management revenue is not based on asset valuations. Fees for these services are based on the complexity of the services we provide. We perform most of these services under multiyear contracts.

A portion of retirement services revenue is based on the market valuations of retirement plans and collective funds for which we are trustee. The remainder is based on the level of service we provide.

Approximately 33% of institutional investment and cash management revenue is based on the market valuations of investment-grade fixed income instruments. The rest is based mostly on money market fund balances.

2008 HIGHLIGHTS

CCS revenue rose 34% in 2008. The main reasons for this growth were:

- The completion of two acquisitions that made us one of the leading U.S. providers of services for unbundled retirement plans.
- Our ability to adapt swiftly to changing conditions in the capital markets.
- Our position as an independent, conflict-free service provider.

The two retirement services acquisitions doubled our retirement services capacity. They were:

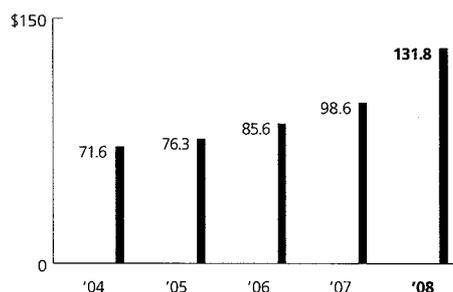
- AST Capital Trust Company (AST), which we acquired on April 30, 2008. AST is a Phoenix-based provider of directed trustee, trust administrative, and back-office services delivered through financial advisors and third-party administrators to retirement plans, high-net-worth individuals and families, and institutional investors.
- UBS Fiduciary Trust Company (UBSFTC), which we acquired on October 10, 2008. UBSFTC, a former subsidiary of global financial services company UBS AG, is a New Jersey-based provider of trust, custody, and investment management services for retirement and employee benefit plans. UBSFTC had been outsourcing its operations to AST since 2007.

Both of these companies subsequently adopted the Wilmington Trust name.

These two acquisitions accounted for most of the \$24.5 million increase in retirement services revenue for 2008. Both acquisitions were non-dilutive to our 2008 financial results. For more information about these acquisitions, read Note 4, "Affiliates and acquisitions," in this report.

CORPORATE CLIENT SERVICES REVENUE

(in millions)



CORPORATE CLIENT SERVICES REVENUE

For the year ended December 31 (in millions)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Capital markets services	\$ 48.1	\$42.9	\$37.0	12%	16%
Entity management services	32.4	30.0	26.8	8%	12%
Retirement services	37.4	12.9	11.5	190%	12%
Investment/cash management services	13.9	12.8	10.3	9%	24%
Total Corporate Client Services revenue	\$131.8	\$98.6	\$85.6	34%	15%

Capital markets revenue rose 12% in 2008, even though industry activity was significantly lower. This reflected our agility amid changing market conditions and our ability to meet client needs.

Trustee and other services that support defaults and bankruptcies were significant contributors to the 2008 growth in capital markets revenue. We were awarded trustee and other appointments associated with some of the largest U.S. bankruptcy filings in 2008, including the Lehman Brothers and Washington Mutual bankruptcies.

Services that support tender option bonds (TOBs) continued to be a source of capital markets revenue growth. The proprietary Web-based TOB platform we launched in 2006 has helped us attract additional business. Also working in our favor is the fact that most TOBs are issued in Delaware or New York trusts, two jurisdictions in which we have extensive experience.

Capital markets revenue in 2008 also benefited from downgrades in the credit ratings of:

- Providers of credit default swaps. This increased the need for custody services as providers were required to post additional collateral.
- Agent banks. This increased demand for independent providers of loan administration services.

We added a team of 12 seasoned capital markets experts in Minneapolis. This team specializes in supporting high-yield debt issuance, loan administration, distressed debt, corporate restructuring, and other types of transactions in which we see growth potential.

Problems in the subprime residential mortgage market had a minimal effect on CCS revenue. Some of the asset-backed transactions we support have a combination of prime and subprime residential mortgages as the underlying collateral. Revenue from these transactions was \$4.9 million in 2008, \$5.5 million in 2007, and \$5.6 million in 2006.

Entity management services

- Corporate governance
- Independent directors
- Regulatory reporting
- Tax and accounting services
- Captive insurance company management
- Office management
- Other administrative services

Retirement services

- Trust services
- Custody services
- Accounting services
- Benefit payment services
- Collective investment fund administration
- Investment management services

In 2008, Corporate Client Services contributed approximately:

- 22% of total operating revenue.
- 25% of operating expenses.
- 11% of operating net income.
- \$0.16 of operating earnings per common share.

Revenue from entity management services increased 8% in 2008. Activity in Europe accounted for almost all of this increase.

We added The Netherlands to our jurisdictional capabilities in Europe.

In 2008, we formed an alliance in The Netherlands with ANT-Trust, an independent, Amsterdam-based provider of corporate trust and administrative services. In addition, 2008 marked the first full year of revenue from the Luxembourg acquisition we completed in June 2007.

Services that support new securitization structures in Europe contributed to the growth in entity management revenue. In these structures, loans are securitized into asset-backed bonds that may be used as collateral for borrowing at the European Central Bank.

CCS managed asset levels tripled in 2008. This increase was due mainly to the addition of collective fund assets as a result of the two retirement services acquisitions.

CCS ASSETS UNDER MANAGEMENT

At December 31 (in millions)	2008	2007	Change
CCS assets under management	\$9,800.0	\$3,029.3	224%

At the end of 2008, we decided to close our collateralized debt obligation (CDO) and conduit services business. This business provided administrative services for CDO issuers, note holders, and asset managers. We did not issue, underwrite, establish pricing or valuations, or take positions in CDOs, nor did we extend credit to parties involved in CDO transactions.

Projections for this business were very positive when we launched these services in 2006. By the middle of 2007, however, demand for these services had slowed. In 2008, market conditions brought the market for CDOs to a near-standstill. The closure of this business added approximately \$0.4 million to staffing-related expenses and approximately \$1.8 million to other operating expenses for the 2008 fourth quarter. We do not expect these expenses to recur. We expect the closure of this business to reduce 2009 expenses by approximately \$8.9 million.

CCS revenue was higher for 2008, but its profitability decreased. This was due mainly to the increase in expenses from the retirement services acquisitions.

CORPORATE CLIENT SERVICES PROFITABILITY

For the year ended December 31 (dollars in millions)	2008	2007	2006
Segment operating net income ¹	\$10.5	\$20.6	\$19.2
Efficiency ratio	84.55%	72.88%	72.78%
Profit margin	15.45%	27.12%	27.22%

¹ Excluding securities and goodwill impairment charges.

For more information about CCS profitability, read Note 23, "Segment reporting," in this report.

Wealth Advisory Services

OVERVIEW

The Wealth Advisory Services (WAS) business helps high-net-worth clients grow, protect, and transfer their wealth. We target these services to clients with liquid assets of \$10 million or more.

We offer a comprehensive array of wealth management services. Our services include Complete Asset ManagementSM, fiduciary services, and family office services.

We specialize in strategic planning. We offer financial, estate, retirement, succession, and other types of planning services that meet our clients' needs.

Our Complete Asset ManagementSM approach offers clients a broad spectrum of asset classes and styles. We focus on portfolio construction, not stock-picking.

We provide objectivity by using a mix of investment managers. For fixed income and core equity investment management, we have in-house experts. For other asset classes and styles, we use independent investment managers.

All asset management clients, regardless of account size, have access to our best thinking. We use a variety of investment vehicles to implement asset allocation strategies, including everything from limited partnership structures and separately managed accounts to mutual funds.

We help family office clients identify, review, consolidate, and execute financial and lifestyle management needs. We specialize in the unique needs of family office clients:

- Family office legal structures.
- Strategies for clients with inherited wealth.
- Compensation strategies for corporate executives.
- Services for entertainment and sports industry professionals.

Family office clients may or may not also use our asset management services. We price family office services separately from asset management services. Our family office services are priced on a fee-for-service basis and depend on the level of complexity. Our clients appreciate knowing what each service costs, instead of having the expense bundled into fees that are based on asset amounts.

We are recognized as a premier provider of trust and other fiduciary services. Our primary sources of business are referrals from existing clients and from trust and estate attorneys, tax advisors, and other influencers throughout the United States.

COMPETITIVE ADVANTAGES

105 years of experience. We were founded in 1903 by members of the du Pont family.

Holistic approach. We provide asset management, family office, trust, and other fiduciary services.

Objective investment advice.

- We focus on asset allocation and portfolio construction, not stock-picking.
- We use a combination of in-house and outside investment managers.

"Delaware advantage" experts. We have in-depth knowledge of Delaware's favorable legal and tax trust laws.

Reputation. We are recognized as a premier provider of trust and other fiduciary services by trust and estate attorneys and tax advisors throughout the United States.

Long-term client relationships. Some of our client relationships span multiple generations.

We have Wealth Advisory clients in all 50 states and 35 other countries.

WEALTH ADVISORY OFFICE LOCATIONS

- California
- Connecticut
- Delaware
- Florida
- Georgia
- Maryland
- Massachusetts
- New Jersey
- New York
- Pennsylvania

43% of the high-net-worth market in the United States is concentrated in seven cities:

- Boston
- Chicago
- Los Angeles
- New York
- Philadelphia
- San Francisco
- West Palm Beach

We have offices in all but Chicago and San Francisco.

ASSET MANAGEMENT SERVICES

For our asset management clients, managing investment risk is as important as increasing investment return.

Complete Asset ManagementSM helps clients meet both objectives by:

- Emphasizing diversification.
- Applying forward-looking asset allocation.
- Performing tactical rebalancing.
- Employing a blend of active and passive funds.

FAMILY OFFICE SERVICES

- Planning and governance
- Cash flow management and budgeting
- Tax planning and compliance
- Risk assessment
- Insurance oversight
- Bill payment and payroll management
- Family security

FIDUCIARY SERVICES

- Trust management
- Trust administration
- Tax services
- Estate settlement
- Philanthropic services

HOW WE REPORT WAS REVENUE

We report WAS revenue in three categories: Trust and investment advisory revenue, planning and other services revenue, and mutual fund revenue.

Trust and investment advisory revenue consists of fees for asset management, asset allocation, and trust management services. These fees are based on the market valuations of assets we manage, direct, or hold in custody for clients. These fees are affected by movements in financial markets such as the Dow Jones Industrial Average, the Standard & Poor's 500 (S&P 500), NASDAQ, and others. Changes in trust and investment advisory revenue may or may not correlate directly with financial market movements, depending on the mix of assets in client accounts.

We use the S&P 500 as a benchmark for comparison because its composition mirrors, to a large extent, the mix of equities in our clients' portfolios. For more information about the mix of instruments in client portfolios, read the assets under management discussion in this report.

Planning and other services revenue consists of fees from family office, financial planning, estate settlement, tax, and other services. These fees are based on the level and complexity of the service provided, regardless of the value of any associated assets. In some cases, these fees are based on the client's annual income. These fees can vary widely in amount and portions may be nonrecurring.

When family office clients use our asset management services, those fees are based on market valuations and recorded as trust and investment advisory revenue.

Mutual fund revenue consists of fees that are tied primarily to money market mutual fund and cash balances. These fees do not necessarily correlate with financial market movements.

Most of the revenue from WAS is noninterest income. WAS also generates net interest income from private banking and custom lending services. We attribute a portion of the provision for loan losses to WAS.

We believe that revenue, rather than managed asset levels, is a better indicator of trends in the WAS business. For more information about this, read the assets under management discussion in this report.

2008 HIGHLIGHTS

Market conditions were highly challenging for WAS in 2008. Business development was solid, but volatility in the financial markets lowered asset valuations, which reduced our fees and muted the rate of growth in 2008.

WAS revenue for 2008 was 2% higher than for 2007. Revenue from family office and mutual fund services accounted for the increase.

The growth in WAS revenue amid such a difficult environment illustrated how our expansion investments are reaping returns. This was especially true for the investments we made in the last two years to expand the family office practice and establish a presence in Boston.

WEALTH ADVISORY SERVICES REVENUE

For the year ended December 31 (in millions)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Trust and investment advisory fees	\$152.0	\$158.6	\$136.5	(4)%	16%
Planning and other services fees	45.5	40.1	35.3	13%	14%
Mutual fund fees	27.2	21.4	20.2	27%	6%
Total Wealth Advisory Services revenue	\$224.7	\$220.1	\$192.0	2%	15%

Revenue from trust and investment advisory services decreased in 2008, but not nearly as severely as the S&P 500. The disparity between these rates of decline illustrates the strength of our business development activities.

TRUST AND INVESTMENT ADVISORY REVENUE VS. THE S&P 500

As of December 31	2008 vs. 2007	2007 vs. 2006
Change in trust and investment advisory revenue	(4)%	16%
Change in S&P 500	(38)%	4%

Revenue from our family office practice increased in 2008. We have one of the largest and most specialized family office practices in the industry, with 80 legal, tax, accounting, and other professionals in offices on the East and West Coasts.

Mutual fund fees were the largest contributor to WAS revenue growth for 2008. Many clients opted for the relative safety of mutual fund investments opposite the volatility in equity markets.

Three of our mutual funds participated in the U.S. government's temporary guarantee program for money market funds. The three Wilmington funds in this program are the Wilmington Prime Money Market Fund, the Wilmington U.S. Government Money Market Fund, and the Wilmington Tax-Exempt Money Market Fund. For more information about this program, read the section in this report on our participation in U.S. government economic stimulus programs.

The year 2008 was our first full year of revenue from our Boston office.

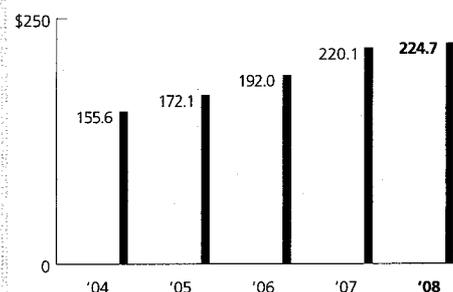
In June 2007, we acquired a Boston-based investment consulting firm that specializes in tax-sensitive investment strategies for high-net-worth individuals and families. This firm subsequently adopted the Wilmington Trust name and formed the basis of our office in Boston.

Sales from the Boston market were significantly higher in 2008 than 2007. Sales (new fees, annualized) also were strong in the Florida and Georgia markets.

DELAWARE TRUST AND TAX ADVANTAGES

- Direction trusts permit the use of third-party investment advisors. Trust laws in most other states require the fiduciary to be the asset manager.
- Irrevocable trusts are exempt from Delaware income tax on accumulated earnings and capital gains if there are no Delaware beneficiaries.
- Asset protection trusts provide an alternative to offshore accounts for achieving protection from creditors.
- Spendthrift trusts provide significant protection from creditors' claims.
- Perpetual dynasty trusts may be exempt from certain U.S. transfer taxes.
- Total return trusts align the interests of income and remainder beneficiaries.
- Delaware's Chancery Court keeps trust matters confidential.

WEALTH ADVISORY SERVICES REVENUE (in millions)



In 2008, Wealth Advisory Services contributed approximately:

- 34% of total operating revenue.
- 41% of operating expenses.
- 12% of operating net income.
- \$0.18 of operating earnings per common share.

GEOGRAPHIC COMPOSITION OF WAS SALES

For the year	2008	2007
Mid-Atlantic markets:		
Delaware	9%	9%
Maryland	3%	2%
New Jersey	1%	1%
Pennsylvania	12%	12%
National markets:		
California	5%	5%
Florida	9%	7%
Georgia	4%	3%
Massachusetts	3%	-%
New York	9%	8%
Family office/family wealth	45%	53%
Total WAS sales (in millions)	\$24.9	\$25.8

The dollar amount of WAS sales decreased slightly compared to 2007. In 2007, we received fees for large family office projects that did not recur in 2008.

Although WAS revenue was higher for 2008 than 2007, its profitability decreased. This was mainly because:

- Expenses were higher in 2008 because they included 12 months of Boston-related expenses, while 2007 expenses included only six months.
- The portion of the loan loss reserve allocated to WAS was higher.

WAS PROFITABILITY

For the year ended December 31 (dollars in millions)	2008	2007	2006
Segment operating net income ¹	\$12.3	\$27.4	\$28.2
Efficiency ratio	85.01%	80.05%	78.43%
Profit margin	14.99%	19.95%	21.57%

¹ Excluding securities and goodwill impairment charges.

For more information about WAS profitability, read Note 23, "Segment reporting," in this report.

Assets Under Management and Administration

Changes in AUM or AUA levels do not necessarily reflect business added or lost, nor do they always correlate with movements in financial markets. This is because most of our client assets are held in trusts. Trust assets can be decreased by fund distributions for tax payments, philanthropic obligations, discretionary spending, trust terminations, and other purposes. Asset levels also are affected by the duration of trust agreements, which can range from a few months to 99 years or more.

We believe that changes in revenue, rather than changes in AUM or AUA, are better indicators of trends in the WAS and CCS businesses because:

- Asset management is only one of the wealth management services we offer.
- Not all WAS revenue is based on asset valuations.
- More than half of CCS revenue is generated on a fee-for-service basis and is not tied to the value of any associated assets.
- WAS and CCS revenue may include fees for direction trust services, but direction trust assets are not included in our AUM or AUA amounts. For more information about direction trusts, read the Wealth Advisory Services section of this report.
- Monetary assets we manage or administer for CCS clients can fluctuate by hundreds of millions of dollars from one reporting period to the next, depending on the cash management needs of these clients.

The CCS business accounted for most of the 2008 increases in AUM and AUA. Investment and cash management services, plus retirement plan assets added by the AST acquisition, accounted for most of these increases.

CLIENT ASSETS AT WILMINGTON TRUST¹

At December 31 (in millions)	2008	2007	2006
Assets under management	\$ 36,571.4	\$ 35,934.7	\$ 31,222.9
Assets under administration	94,422.2	88,348.1	76,282.6
Total client assets at Wilmington Trust ¹	\$130,993.6	\$124,282.8	\$107,505.5

¹ Excludes CRM and RCM. Includes estimates of asset values that are not readily available, such as those held in limited partnerships.

Assets managed by the CCS business more than tripled on strong demand for institutional investment and cash management services. Volatility in the financial markets was the main cause of the decline in WAS AUM.

ASSETS UNDER MANAGEMENT BY BUSINESS LINE¹

At December 31 (in millions)	2008		2007	
	Amount	Percent	Amount	Percent
WAS	\$26,771.4	73%	\$32,905.4	92%
CCS	9,800.0	27%	3,029.3	8%
Total Wilmington Trust AUM ¹	\$36,571.4		\$35,934.7	

¹ Excludes CRM and RCM. Includes estimates of asset values that are not readily available, such as those held in limited partnerships.

Shifts in the mix of managed assets on a percentage basis reflected the growth in CCS investment/cash management services. Declines in equity market valuations contributed to the decrease in the percentage of client assets invested in equities.

We report two types of client assets:

- Assets under management (AUM).
- Assets under administration (AUA).

Assets under management are assets for which we make investment decisions on behalf of clients.

Most of these assets are from WAS clients.

Assets under administration are assets we hold in custody or for which we serve as fiduciary on behalf of clients.

Most of these assets are from CCS retirement services clients.

INVESTMENT MIX OF AUM AT WILMINGTON TRUST¹

At December 31	2008	2007	2006
Equities	38%	47%	47%
Fixed income	33%	23%	27%
Cash and cash equivalents	18%	15%	16%
Other assets	11%	15%	10%

¹ Excludes CRM and RCM.

More information about the portion of our revenue that is based on financial market valuations is in the financial market risk discussion in this report.

CRM and RCM are not part of our WAS business.

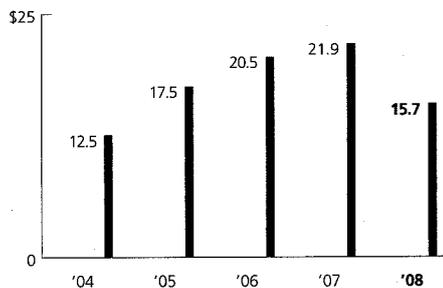
The revenue we record from CRM and RCM is:

- Net of their expenses.
- Based on our ownership position in each firm.

We do not consolidate CRM's or RCM's results in our financial statements because the principals of these firms retain management controls, including veto powers, over a variety of matters.

In contrast to AUM at Wilmington Trust, changes in managed asset levels at CRM and RCM reflect business flows as well as financial market movements.

REVENUE FROM AFFILIATE MONEY MANAGERS (in millions)



Affiliate Money Managers

In addition to our own investment management activities, we have ownership positions in two money management firms:

- Cramer Rosenthal McGlynn (CRM), a value-style manager based in New York.
- Roxbury Capital Management (RCM), a growth-style manager based in Santa Monica, California.

We affiliated with CRM and RCM in 1998 to gain expertise in stylized investment management and to help us establish offices in New York and southern California. We subsequently adopted an investment consulting process that uses a variety of independent, third-party money managers. Although we no longer rely as heavily on CRM and RCM for investment management services, we value their contributions to our revenue.

ASSETS UNDER MANAGEMENT

At December 31 (in millions)	2008	2007	2006
Wilmington Trust ¹	\$36,571.4	\$35,934.7	\$31,222.9
Cramer Rosenthal McGlynn	7,817.4	11,417.3	10,623.8
Roxbury Capital Management	1,336.6	2,466.0	3,138.1
Combined assets under management	\$45,725.4	\$49,818.0	\$44,984.8

¹ Includes estimates of asset values that are not readily available, such as those held in limited partnerships.

For more information about our investments in CRM and RCM, read Note 4, "Affiliates and acquisitions," Note 10, "Goodwill and other intangible assets," and Note 23, "Segment reporting," in this report.

At CRM, business inflows remained solid in 2008, but equity market volatility affected the firm's AUM levels and revenue negatively. Market valuations declined, which lowered AUM and revenue. In addition, market conditions reduced the performance fees CRM earned on its real estate hedge fund investments.

CRAMER ROSENTHAL MCGLYNN

As of and for the year ended December 31
(dollars in millions)

	2008	2007	2006
Assets under management	\$7,817.4	\$11,417.3	\$10,623.8
Revenue (net of expenses)	\$ 16.4	\$ 20.7	\$ 19.3
Wilmington Trust's ownership position	80.99%	82.41%	81.73%

Our ownership position in CRM changed slightly. It increased in 2007, when some CRM managers put (relinquished) their interests to us, as permitted by our agreement with CRM. Our ownership position decreased in 2008, when some CRM managers exercised their CRM stock options. More information about these changes is in Note 4, "Affiliates and acquisitions," in this report.

At RCM, market pressures reduced managed asset levels and caused the firm to record a loss for 2008. Like most growth-style managers, RCM has worked to recover from the collapse of the technology stock bubble, as well as from continued volatility in the equity markets.

Market pressures also led us to write down the carrying value of our investment in RCM. The combination of AUM declines, lower-than-expected operating performance, and near-term projections triggered impairment testing under U.S. generally accepted accounting principles. This test determined that the value of our investment in RCM had fallen from \$89.1 million to \$22.2 million. We recorded the \$66.9 million difference as a non-cash impairment charge (expense) for 2008. We also recorded an impairment charge in 2006 for RCM of \$72.3 million. For more information about these impairments, read Note 4, "Affiliates and acquisitions," Note 10, "Goodwill and other intangible assets," and Note 20, "Income taxes," in this report.

New products RCM has developed and launched recently are attracting assets. While early performance indicators are positive, these products have not gained enough momentum yet to offset asset declines in the firm's mid-cap fund.

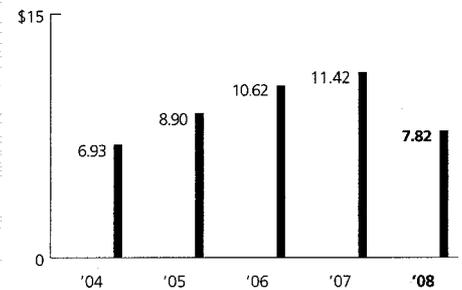
ROXBURY CAPITAL MANAGEMENT

As of and for the year ended December 31
(dollars in millions)

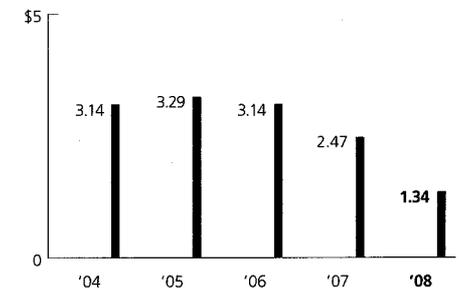
	2008	2007	2006
Assets under management	\$1,336.6	\$2,466.0	\$3,138.1
Revenue (net of expenses)	\$ (0.7)	\$ 1.2	\$ 1.2
Wilmington Trust's ownership position			
Ownership of preferred profits	30%	30%	30%
Ownership of common interests	41.23%	41.23%	41.23%
Ownership of Class B interests	67%	25%	—

Our ownership of Class B interests in RCM increased in 2007 and 2008, as permitted by the put provisions in our agreement with RCM. More information about the put provisions is in Note 4, "Affiliates and acquisitions," in this report.

CRM ASSETS UNDER MANAGEMENT
(in billions)



RCM ASSETS UNDER MANAGEMENT
(in billions)



The Federal Reserve Board requires banks to meet or exceed minimum amounts of capital. These requirements are expressed as ratios.

There are different categories of capital ratios to reflect the degrees of risk associated with different types of on- and off-balance-sheet items.

For more information about how these categories are determined and how their ratios are calculated, read the *UBPR User's Guide*, which is published by the Federal Financial Institution Examination Council and available at www.ffiec.gov/ubprguide.htm.

Capital ratios provide a context for measuring a bank's ability to:

- Support growth.
- Absorb losses.
- Invest in future opportunities.

Our capital ratios have exceeded the amounts required for well-capitalized institutions every year since regulators established the guidelines in 1984.

Our goal is to maintain capital ratios that exceed the U.S. government minimums for well-capitalized institutions.

Capital Resources

We remained well capitalized in 2008. Our strong capital position enabled us to fund record-high loan growth, pay dividends, increase stockholders' equity, and complete the AST acquisition, one of the largest all-cash acquisitions in our company's history.

REGULATORY CAPITAL RATIOS

At December 31	2008	2007	2006	Minimum to be adequately capitalized	Minimum to be well capitalized
Total risk-based capital	13.97%	11.21%	12.10%	8%	10%
Tier 1 risk-based capital	9.24%	7.73%	8.25%	4%	6%
Tier 1 leverage capital	8.77%	7.18%	7.39%	4%	5%

REGULATORY CAPITAL IN DOLLARS

At December 31 (in millions)	2008	2007	2006
Total risk-based capital	\$1,600.3	\$1,130.0	\$1,158.7
Tier 1 risk-based capital	\$1,058.3	\$ 779.2	\$ 789.7
Tier 1 leverage capital	\$1,058.3	\$ 779.2	\$ 789.7

We completed three capital-raising activities in 2008. We participated in the U.S. Department of the Treasury's Capital Purchase Program (CPP), issued subordinated long-term debt, and sold shares of our common stock in an at-the-market equity offering.

We raised \$330.0 million by participating in the CPP. We received these funds on December 12, 2008, when we sold 330,000 shares of Wilmington Trust Series A preferred stock, and issued associated warrants, to the U.S. Treasury. We will pay a 5.00% dividend on this preferred stock annually until 2013, and 9.00% annually thereafter. The addition of this capital enhanced our financial stability, and it will help us stimulate economic recovery in the mid-Atlantic region by making loans to businesses and consumers. For more information about our CPP participation, read Note 16, "Capital," in this report.

We issued \$200.0 million of subordinated long-term debt. This offering, which was subscribed fully upon issue, was in 10-year notes at 8.50%. These notes will mature on April 2, 2018. We used some of the proceeds of this offering to repay \$125.0 million in subordinated long-term debt that matured on May 1, 2008, and to fund, in part, the AST acquisition. For more information about this debt issue, read Note 12, "Borrowings," in this report.

Net proceeds from our at-the-market offering of common stock were \$43.7 million. We issued 1,727,300 shares of common stock under this program, which we discuss in more detail in Note 16, "Capital," in this report.

CAPITAL STRENGTH

As of and for the year ended December 31 (dollars in millions, except per share amounts)	2008		2007	2006	
	With impairment	Without impairment		With impairment	Without impairment
Common stock- holders' equity (period end)	\$1,012.4	\$1,070.6	\$1,120.3	\$1,059.3	\$1,101.0
Common stockholders' equity (on average)	\$1,085.2	\$1,108.4	\$1,091.0	\$1,059.1	\$1,069.7
Return on average common stock- holders' equity	(2.17)%	8.97%	16.68%	13.58%	17.34%
Return on average assets	(0.20)%	0.83%	1.65%	1.37%	1.76%
Capital generation ratio ¹	(10.36)%	0.62%	8.69%	5.77%	9.87%
Average common equity to average assets	9.13%	9.30%	9.92%	10.09%	10.17%

¹ To calculate the capital generation ratio, we divide net income, less dividends paid, by the amount of common stockholders' equity at the end of the prior year.

The non-cash impairment charges we recorded in 2008 affected our capital negatively. Although no cash exchanged hands, the impairment charges we recorded on some of our investment securities and in the value of our investment in RCM caused decreases in net income, goodwill, and other assets. This reduced the returns on equity and assets and the capital generation ratio, and it inflated the dividend payout ratio to an artificial high. The 2008 impairment charges are discussed elsewhere in this report and in Note 6, "Investment securities," and Note 10, "Goodwill and other intangible assets," in this report.

On an operating basis, capital returns declined because net income was lower. Excluding the impairment charges, net income for 2008 was 45% lower than for 2007. This was primarily the result of the higher provision for loan losses and the declining market interest rate environment, which reduced net interest income.

NET INCOME AND CAPITAL GROWTH RATES ON A REPORTED BASIS

Percentage change as of December 31	2008 vs. 2007	2007 vs. 2006	2006 vs. 2005
Growth in net income	–%	27%	(14)%
Growth in net income, less cash dividends paid	–%	57%	(32)%
Growth in common stockholders' equity (period end)	(10)%	6%	4%
Growth in common stockholders' equity (on average)	(1)%	3%	12%

NET INCOME AND CAPITAL GROWTH RATES ON AN OPERATING BASIS

Percentage change as of December 31	2008 vs. 2007	2007 vs. 2006	2006 vs. 2005
Growth in net income	(45)%	(2)%	11%
Growth in net income, less cash dividends paid	(93)%	(8)%	16%
Growth in common stockholders' equity (period end)	(4)%	2%	8%
Growth in common stockholders' equity (on average)	2%	2%	13%

We manage capital to:

- Meet or exceed appropriate standards of financial safety and soundness.
- Provide for future growth.

We use capital to:

- Make loans.
- Gather deposits.
- Cover expenses.
- Invest in buildings, equipment, and technology.
- Purchase investment securities.
- Pay dividends.
- Pay taxes.
- Make acquisitions.
- Fund expansion.
- Meet other needs.

The Regional Banking business is our most capital-intensive business, and it is subject to regulatory capital requirements.

The CCS and WAS businesses require less capital. Neither is subject to regulatory capital requirements, although some of our trust agreements include capital specifications.

CRM and RCM are not subject to regulatory capital requirements.

We review our capital position and make adjustments as needed to assure that our capital base is sufficient to:

- Satisfy existing and impending regulatory requirements.
- Meet appropriate standards of safety.
- Provide for future growth.

For more information about our capital adequacy, read Note 16, "Capital," in this report.

Our current share repurchase plan was authorized by our Board of Directors in April 2002.

It permits us to buy back up to 8 million shares of Wilmington Trust common stock.

Our share repurchase activity reflects how we choose to deploy capital.

Our decisions to repurchase shares are not based on share price alone.

The U.S. government has placed some dividend restrictions on banks that participate in the CPP. For more information about these restrictions, read Note 16, "Capital," in this report.

In January 2009, economic uncertainty led us to reduce the cash dividend on our common stock. The regular quarterly cash dividend we declared on January 29, 2009, was \$0.1725 per common share, which was 50% lower than the 2008 third quarter dividend of \$0.345. At \$0.345 per common share, our quarterly dividend payments amounted to approximately \$24.0 million per quarter.

Since we do not know how long the current recession will last, or how long uncertainty in the capital markets will persist, our Board of Directors believed this was the most prudent course of action. We expect this will enable us to continue making loans to qualified borrowers and to maintain a position of capital strength, while simultaneously continuing to pay dividends on our common stock.

CASH DIVIDEND

As of and for the year ended December 31 (dollars in millions, except per share amounts)	2008		2007	2006	
	With impairment	Without impairment		With impairment	Without impairment
Dividends declared per common share (annualized)	\$1.38	\$1.38	\$1.34	\$ 1.26	\$ 1.26
Dividends paid per common share	\$1.37	\$1.37	\$1.32	\$1.245	\$1.245
Cost of dividends paid (in millions)	\$92.5	\$92.5	\$89.9	\$ 85.1	\$ 85.1
Dividend payout ratio	-%	93.06%	49.40%	59.18%	45.88%

In 2008, we did not repurchase any shares under our currently authorized share repurchase plan. We opted to use capital to fund the AST acquisition and loan growth, which was higher in 2008 than we anticipated.

CURRENT 8-MILLION-SHARE REPURCHASE PLAN ACTIVITY

For the year ended December 31	2008	2007	2006
Number of shares repurchased	-	2,000,000	500,000
Average price per share repurchased	\$ -	\$39.60	\$44.14
Total cost of shares repurchased (in millions)	\$ -	\$ 79.2	\$ 22.1
Total shares purchased under current plan	3,043,796	3,043,796	1,043,796
Shares available for repurchase at year-end	4,956,204	4,956,204	6,956,204

Figures in the table above do not match the figures in the share repurchase table in our Form 10-K. That table includes shares we use when recipients of stock-based compensation exercise their options. We consider those share acquisitions to be outside the parameters of our authorized share repurchase plan, because those shares are not trading on the open market when we acquire them.

We are not permitted to repurchase any of our common stock unless all dividends on the preferred stock we issued to the Treasury in the CPP are paid in full. This limitation applies until December 12, 2012, or until the Treasury no longer holds the preferred stock we issued in the CPP, whichever occurs earlier.

From time to time, we may choose to issue equity or debt securities to raise capital for general corporate or other purposes. A variety of factors, including financial market conditions, could influence the timing of any of these issues. In order to have the most flexibility to make these issues under securities registration requirements, we filed a shelf registration (Form S-3)

with the SEC on November 29, 2007, and post-effective amendments to that registration statement on September 22, 2008, and January 12, 2009. Pursuant to Rule 415 of the Securities Act of 1933, we have three years from November 29, 2007, in which to issue any such securities.

LIQUIDITY AND FUNDING

We categorize liquidity risk into three levels that consider various internal and external scenarios.

Level I is the level with the least risk. In this scenario, the operating environment is normal and there are no funding pressures. At this level, the sources of funds available to us are diverse, and we are able to access them immediately at a reasonable cost and at the maturities we desire.

Level II indicates that the potential for funding difficulties exists. These difficulties could result from real or perceived weakness in earnings, deterioration of asset quality, credit rating downgrades, damage to our reputation, changes in the economic or business climate, and other internal and external factors. In a Level II scenario, we would report conditions to our Board of Directors and recommend an action plan. Such a plan could include using Federal Home Loan Bank borrowings to fill funding gaps, selling liquid securities, implementing a communications plan to clarify market perceptions, and expanding core deposit strategies.

Level III indicates that the composition of our balance sheet has created excessive liquidity risk. In a Level III scenario, we would report conditions to our Board of Directors and implement a contingency plan. Such a plan could include the actions recommended in a Level II scenario, restricting the acquisition of additional assets, restricting additional lending activities, restricting off-balance-sheet commitments, and selling liquid assets.

At the ends of 2007 and 2008, we were operating within Level I parameters of our liquidity risk management policy. Liquidity management enabled us to fund record-high loan growth in 2008.

If unfavorable market conditions persist in 2009, our liquidity position could be affected adversely. As economic conditions worsened in 2008, illiquidity in the capital markets limited the range of capital-raising options available to us and limited our ability to sell certain types of investment securities. It is impossible to predict how long or to what extent these conditions might continue.

SOURCES OF LIQUIDITY

As of December 31 (in millions)	2008	2007	2006
Core deposit balances	\$ 6,117.1	\$ 5,465.5	\$ 5,275.0
National CDs ≥ \$100,000	2,432.9	2,392.0	3,054.1
Short-term borrowings	1,617.2	1,992.1	1,158.8
Long-term debt	468.8	267.8	388.5
Stockholders' equity	1,333.9	1,120.3	1,059.3
Investment securities	1,373.3	1,846.8	2,107.3
Unused borrowing capacity from lines of credit with U.S. financial institutions	80.0	85.0	85.0
Unused borrowing capacity secured with collateral from the Federal Home Loan Bank of Pittsburgh (FHLB)	665.3	428.5	861.8
Unused borrowing capacity secured with collateral from the Federal Reserve	4,498.4	406.5	378.5
Total	\$18,586.9	\$14,004.5	\$14,368.3

For more information about our long-term debt and lines of credit, read Note 12, "Borrowings," in this report.

Liquidity is a measure of a company's ability to obtain the funding it needs to conduct business.

As a bank holding company, we need funding to:

- Support operating and investing activities.
- Comply with regulatory requirements.
- Minimize the risk of being unable to conduct business.

We believe our liquidity position is strong, because we:

- Are well capitalized.
- Have access to diverse sources of funding.
- Have investment-grade credit ratings.

Our diverse sources of liquidity include:

- Deposits.
- Short-term borrowings.
- Long-term borrowings.
- Cash flows from our loan portfolio.
- Cash flows from our investment securities portfolio.
- Stockholders' equity.
- Other types of credit facilities.

Having diverse funding sources:

- Mitigates our liquidity risk.
- Enables us to adjust the mix and amount of funding as we deem appropriate.

To manage the risk of having insufficient liquidity:

- We follow policies established by our Asset/Liability Committee and approved by our Board of Directors.
- Use a funds-at-risk (FAR) ratio, which we calculate monthly.

The FAR ratio:

- Expresses liquid assets and other dedicated funding sources as a percentage of wholesale liabilities.
- Considers these items on three-month, six-month, and one-year time horizons.

Factors or conditions that could affect our liquidity include changes in:

- The types of assets and liabilities on our balance sheet.
- Our investment, loan, and deposit balances.
- Our credit ratings.
- Our reputation.

A significant change in our financial performance or credit ratings could reduce the availability or increase the cost of funding.

Our long-term credit ratings have been investment grade since 1998, the year they were first issued.

Among the risks to our liquidity at year-end 2007 was a partial guaranty of a line of credit obligation for CRM. At December 31, 2007, this line of credit was \$3.0 million, the balance was zero, and our guaranty was for 82.41%, an amount equal to our ownership interest in CRM at the time. This line of credit expired on December 2, 2008.

Our credit ratings were downgraded. The credit rating agencies cited the combination of the increase in our troubled loan levels and the uncertain economic outlook as reasons for the downgrades.

Standard & Poor's revised its outlook on us from stable to negative on September 3, 2008, and downgraded our credit ratings in January 2009. Fitch Ratings and Moody's Investors Service also cited our 2008 results in their downgrade decisions, which occurred in February 2009.

We do not expect these downgrades to have any significant effect on our operations, financial condition, or business prospects.

WILMINGTON TRUST CORPORATION CREDIT RATINGS

	Fitch Ratings ¹	Moody's Investors Service ²	Standard & Poor's ³
Outlook	Negative	Negative	Negative
Issuer rating (long-term/short-term)	A/F1	Baa1/*	BBB+/A-2
Subordinated debt	A-	Baa2	BBB

WILMINGTON TRUST COMPANY CREDIT RATINGS

	Fitch Ratings ¹	Moody's Investors Service ²	Standard & Poor's ³
Outlook	Negative	Negative	Negative
Bank financial strength	B	C	*
Issuer rating (long-term/short-term)	A/F1	A3	A-/A-2
Bank deposits (long-term/short-term)	A+/ F1	A3/P-2	A-/A-2

* No rating in this category

¹ As of February 2, 2009

² As of February 3, 2009

³ As of January 14, 2009

Core deposits continued to be our primary source of funding. On average, core deposit balances for 2008 were 7% higher than for 2007. For more information about our core deposits, read the Regional Banking section of this report.

FUNDING SOURCES AS A PERCENTAGE OF DAILY AVERAGE BALANCES

For the year ended December 31	2008	2007	2006
Percentage from core deposits:			
Noninterest-bearing demand deposits	8%	8%	9%
Savings deposits	8	5	3
Interest-bearing demand	24	26	27
Certificates of deposits	13	15	17
Total percentage from core deposits	53%	54%	56%
Percentage from non-core deposits:			
National funding	28%	30%	31%
Short-term borrowings	19	16 ¹	13
Total percentage from non-core deposits	47%	46%	44%

¹ Excluding debt that matured in 2008.

LOAN-TO-DEPOSIT RATIO

For the year ended December 31	2008	2007	2006
Loan-to-deposit ratio	1.13%	1.08%	0.97%

Our funding strategy is to use a mix of core deposits and non-core deposits. Core deposits are deposits from clients. Non-core deposits comprise national CDs in amounts of \$100,000 or more and short-term borrowings.

This strategy supports our Regional Banking business model. We make commercial loans throughout the mid-Atlantic region, but we gather core deposits primarily in Delaware, where our consumer banking activities are focused.

Using non-core deposits:

- **Is a cost-effective way to add funding without having to incur the expense of a large-scale expansion of our branch office network.** On an absolute basis, the rates on non-core deposits tend to be higher than the rates on core deposits – but core deposit rates do not reflect the expense of staffing and maintaining branch offices.
- **Helps us manage interest rate risk.** We can match the repricing characteristics of our floating-rate loans more easily with non-core deposits, since they typically mature more quickly than deposits from our clients. We adjust the mix between national CDs and short-term borrowings according to which offers more favorable terms.

See the five-year analysis of earnings and consolidated average statements of condition in this report for a comparison of core deposit and non-core deposit rates. For more information about how we manage interest rate risk, read the interest rate risk discussion in this report.

We monitor our existing and projected liquidity requirements continually.

We believe our liquidity management practices give us the flexibility to react to changes that might affect our liquidity adversely.

As we grow our commercial banking business in the mid-Atlantic region, we expect that:

- Loan growth will continue to outpace core deposit growth.
- We will continue to use a blend of core and non-core deposits to support loan growth.

We maintain an investment securities portfolio to:

- Generate cash flow.
- Help us manage interest rate risk.
- Provide collateral for deposits and other liabilities.

We do not invest in securities for trading purposes.

Our investment securities portfolio consists primarily of short-term fixed income instruments. It contains:

- Mortgage-backed securities.
- U.S. Treasury and government agency bonds.
- Corporate bonds.
- Municipal bonds.
- Other types of debt and equity securities.

Our policy is to invest in securities that have investment grade ratings of A or better from Standard & Poor's or Moody's Investors Service.

INVESTMENT SECURITIES PORTFOLIO

Investment securities balances decreased in 2008. Balances declined because:

- Realized and unrealized securities losses were higher.
- As holdings matured amid tightening in the capital markets, we found fewer reinvestment opportunities that satisfied our credit and duration risk preferences.
- We had less need for securities to collateralize accounts that use short-term cash sweeps.

We recorded \$130.7 million of securities impairment charges in 2008.

These write-downs were on some of our trust-preferred securities (TruPS) and on perpetual preferred stock issued by Fannie Mae and Freddie Mac. We also changed the way we account for trust-preferred securities. For more information about this, read Note 6, "Investment securities," in this report.

Securities balances decreased, but cash flows from the portfolio increased. The significant decline in our TruPS valuations reduced balances, but these securities continued to generate cash flows.

INVESTMENT SECURITIES PORTFOLIO

As of and for the year ended December 31 (in millions)	2008	2007	2006	Change 2008 vs. 2007	Change 2007 vs. 2006
Period-end balances	\$1,373.3	\$1,846.8	\$2,107.3	(26)%	(12)%
Average balances	\$1,561.2	\$1,863.5	\$1,884.0	(16)%	(1)%
Approximate cash flow generated	\$ 565.2	\$ 470.5	\$ 296.8	20%	59%
Securities gains	\$ 0.1	\$ 0.3	\$ 0.4	(67)%	(25)%
Securities losses	\$ (130.7)	\$ (0.2)	\$ (0.2)	–%	–%
Securities (losses)/ gains (net)	\$ (130.6)	\$ 0.1	\$ 0.2	–%	(50)%

U.S. government agency securities, trust-preferred securities, and preferred stock accounted for most of the 2008 changes in the portfolio's composition on a percentage basis. Balances of U.S. government agency securities declined due to a high volume of calls and maturities in 2008. The estimated fair values of trust-preferred securities and preferred stock decreased significantly in 2008. For more information about these decreases, read Note 6, "Investment securities," and Note 14, "Fair value measurement of assets and liabilities," in this report.

COMPOSITION OF INVESTMENT SECURITIES PORTFOLIO

At December 31 (dollars in millions)	2008		2007	
	Dollar amount	Percent of portfolio	Dollar amount	Percent of portfolio
Collateralized mortgage obligations	\$ 169.0	12%	\$ 210.7	11%
Mortgage-backed securities	491.5	36	519.9	28
Corporate bonds				
(trust-preferred securities)	160.2	12	317.7	17
U.S. government agency securities	463.0	34	646.5	35
U.S. Treasury securities	41.4	3	60.2	3
Preferred stock	17.1	1	44.9	3
Municipal bonds	6.9	1	17.8	1
Other securities	24.2	1	29.1	2
Total	\$1,373.3	100%	\$1,846.8	100%
Percentage invested in fixed rate instruments	\$1,290.9	94%	\$1,514.4	82%

There were no subprime residential mortgages in the underlying collateral of securities in the portfolio in 2007 and 2008. All of the mortgage-backed instruments in our portfolio are issued by U.S. government-sponsored enterprises. As such, they carry an implied credit rating of AAA.

Attrition in the portfolio caused its average life and duration to change. The negative duration at year-end 2008 was caused by the depressed TruPS valuations and the low market interest rate environment. Excluding the TruPS, duration at year-end 2008 would have been 1.38.

AVERAGE LIFE

At December 31 (in years)	2008	2007	2006
Mortgage-backed instruments	2.45	3.48	4.10
Total portfolio	6.32	4.45	4.93

DURATION

At December 31 (in years)	2008	2007	2006
Mortgage-backed instruments	1.37	3.20	3.80
Total portfolio	(0.93)	1.97	2.24

Our investments in mortgage-backed instruments reflect our view of mortgage-related duration and interest rate risk.

We believe we can manage these risks more efficiently with investment securities than by retaining residential mortgages on our balance sheet, because:

- Residential mortgages typically have 15- to 30-year terms.
- In comparison, almost all of the mortgage-backed instruments in our securities portfolio are fixed rate instruments with terms of 15 years or less.

More information about how we manage our mortgage exposure is in the interest rate risk discussion in this report.

Our primary risks are:

- **Credit risk:** The risk that borrowers might be unable to repay their loans, which could increase our loan losses and our provision for loan losses.
- **Interest rate risk:** The risk that fluctuations in market interest rates could decrease the profitability of floating rate loans, compress the net interest margin, and reduce net interest income.
- **Financial market risk:** The risk that volatility in the financial markets might reduce the market valuations of assets in:
 - Client portfolios, which could decrease fee income.
 - Our investment securities portfolio, which could require us to record securities losses.
- **Economic risk:** The risk that economic conditions might affect our ability to conduct business.

All of these risks could affect our financial performance and condition adversely.

We believe our exposure to these risks is mitigated by our business mix, which:

- Provides geographic, product, and client diversification.
- Produces two balanced and diversified sources of revenue (net interest income and noninterest income).

Risk

The normal course of business exposes us to a variety of operational, reputational, legal, and regulatory risks, which we monitor closely to safeguard our clients' assets and our company's assets. Some of these risks are summarized below. Additional information about credit risk, interest rate risk, and other risks is in the sections that follow.

Lending money is inherently risky. No matter how financially sound a client or lending decision may seem, a borrower's ability to repay can be affected adversely by economic changes and other external factors.

Adverse economic conditions, especially within the Regional Banking geographic footprint, can increase the degree of repayment risk. We do most of our lending in the mid-Atlantic region, where our Regional Banking business is concentrated.

Some of the loans we make carry a higher degree of repayment risk than others. This typically depends on the type of loan and the collateral with which it is secured.

Market interest rates can affect loan profitability and increase repayment risk. Low interest rates can reduce the profitability of our loans. When interest rates increase, some borrowers with floating rate loans may have difficulty repaying their loans.

Market interest rates present more risk to us than inflation. As a financial institution, nearly all of our assets and liabilities are monetary in nature. Their values are more likely to be eroded by changes in market interest rates than by the effects of inflation on currency valuations.

Changes in market interest rates, and the pace at which they occur, can increase or decrease our net interest margin and net interest income. Rate changes can affect the yields we earn on loans and investments and the rates we pay on deposits and other borrowings.

Securities in our investment portfolio could decline in value. We could be required to record these valuation declines as securities losses.

Our noninterest income could be reduced by decreases in financial market valuations. Most WAS fees and some CCS fees are based on the market valuations of assets we manage or hold in custody for clients.

Circumstances beyond our control could reduce demand for our services and negatively affect our ability to conduct business. These circumstances include inflation, recession, unemployment, changes in market interest rates, money supply, the competitive environment, economic uncertainty, military actions, and others.

Competition could affect our ability to retain existing clients or attract new clients. We compete with a variety of other financial services providers for loans, deposits, assets to manage or hold in custody, and opportunities to provide trustee, administrative, and other services.

The competitive environment could affect our business negatively. Failure to offer new products and services, failure to adopt new technologies, changes in market demand, and other factors could affect our ability to launch new products successfully, and could prevent us from achieving pricing, profitability, and other performance targets.

Changes in accounting rules and interpretations could affect our reported earnings and operating income significantly.

The value of goodwill or intangible assets on our balance sheet could decline. In some cases, this could require us to write down the value of these assets and record an associated impairment expense.

Insufficient funding could impede our ability to conduct business. Insufficient funding could impede our ability to make loans, accommodate deposit withdrawals, meet contractual obligations, and conduct other types of transactions.

Unfavorable credit ratings could affect our business negatively. Unfavorable ratings could increase the cost of funding, limit access to some types of funding, and prevent us from meeting contractual requirements.

Making and integrating acquisitions present a degree of risk. These activities can divert our attention from other business matters and create unanticipated problems.

We are subject to a variety of legal and regulatory restrictions. Failure to comply adequately with these requirements could subject us to financial, regulatory, or other sanctions.

We are exposed to a variety of operational risks. These include human error, systems failures, fraud, inadequate controls and procedures, and other risks.

Negative public opinion could damage our reputation. Negative public opinion can result from the actual or perceived manner in which we conduct business.

Disruption in the capital and credit markets has created illiquidity and uncertainty. The capital and credit markets have experienced severe volatility and disruption since the second half of 2007. In some cases, these conditions have reduced securities valuations and the availability of credit, regardless of the financial strength of the underlying issuers.

The failure of other financial institutions could affect us adversely. We have exposure to many different industries and counterparties, and routinely execute transactions with other banks, brokers and dealers, insurers, and other financial services providers. Defaults by, or even questions or rumors about, these providers could lead to losses for us as well as the providers.

There can be no assurance that recent U.S. government intervention will help stabilize the U.S. financial system. A number of details remain unclear about how U.S. government programs will be implemented, managed, and monitored.

We win business in an increasingly competitive environment by:

- Focusing on long-term relationships with clients.
- Having extensive knowledge of the clients and markets we serve.
- Providing responsive, personalized, and customized services.
- Attracting and retaining highly qualified staff.
- Offering competitive pricing.
- Developing and marketing new and innovative products and services.
- Deploying technology that improves efficiency and client service.

Asset quality is a measure of the risk associated with loans, investment securities, and other assets on our balance sheet.

Asset quality affects cash flows, capital, income, expenses, and, ultimately, our profitability.

Our principal assets are loans, securities we hold in our investment portfolio, and the goodwill we record in conjunction with acquisitions and investments in affiliate money managers.

We believe the most revealing measure of credit quality is the net charge-off ratio. This ratio expresses loan losses minus loan recoveries as a percentage of total loans outstanding.

The net charge-off ratio offers the best basis for analyzing our credit quality because:

- It presents loan losses in the context of our lending activities overall.
- As loan balances increase, even if net charge-off dollar amounts rise, the net charge-off ratio may not.
- Other measures of credit quality do not convey the nature of our client relationships, our efforts to help clients resolve problems, and our pursuit of repayment even after we classify a loan as nonaccruing or charge it off.

Our ability to pay dividends on our common stock depends primarily on our financial results and strategies for managing capital. In addition, our participation in the United States Department of the Treasury's Capital Purchase Program places some restrictions on our ability to pay or increase dividends on our common stock. For more information about these and other regulatory restrictions on common stock dividend payments, read Note 16, "Capital," in this report.

For more information about these and other risks, read the discussion of risk factors (Item 1A) in our Form 10-K.

ASSET QUALITY AND CREDIT RISK

COMPOSITION OF ASSETS

At December 31	2008	2007	2006
Percentage in loans	78%	74%	73%
Percentage in investment securities	11%	16%	19%
Percentage in other types of assets	11%	10%	8%

Three factors affected our asset quality in 2008:

- **Loan losses, as well as nonperforming, substandard, and watch-listed loans, were significantly higher than in recent years.** We discuss the quality of our loan portfolio elsewhere in this section.
- **Sharp declines in the market values of some of the instruments in our investment securities portfolio led us to record securities losses that totaled \$130.7 million.** For more information about this, read our discussion of the portfolio in the "Capital resources" section of this report and Note 6, "Investment securities," in this report.
- **The carrying value of our investment in affiliate money manager Roxbury Capital Management declined, and we recorded a goodwill impairment charge of \$66.9 million.** For more information about this, read the "Affiliate money managers" section of this report.

More information about specific risks to asset quality is in the discussion of risk factors (Item 1A) in our Form 10-K.

CREDIT RISK

One of our primary risks is credit risk (the risk that borrowers will be unable to repay their loans). To mitigate this risk, we:

- Employ rigorous loan underwriting standards and apply them consistently.
- Prefer to grow loan balances ourselves, using our own underwriting standards, instead of purchasing loans or acquiring other banks.
- Make the majority of our loans within Regional Banking's mid-Atlantic geographic footprint, in markets we know well.
- Focus on building long-term relationships with clients, not merely increasing transaction volumes.
- Maintain a loan portfolio that is diversified among different types of commercial and consumer loans.

- Monitor the portfolio to identify potential problems and to avoid disproportionately high concentrations in any single industry sector or to any one borrower.
- Regularly review all past-due loans, loans not being repaid according to contractual terms, and loans we doubt will be paid on a timely basis.
- Typically obtain collateral and personal guarantees from commercial loan clients.

CREDIT QUALITY IN 2008 AND 2007

Economic conditions deteriorated in the mid-Atlantic region. After softening in 2007 and the first nine months of 2008, the regional economy weakened significantly in the 2008 fourth quarter. More information about the regional economy is in the Regional Banking discussion in this report.

The number of troubled credits in the portfolio increased, but remained at a manageable level. These credits were spread across the commercial and consumer portfolios, and were not concentrated in any single loan category.

In the internal risk rating analysis, the percentage of loans with pass ratings decreased to 90.80%. Rating downgrades occurred in the commercial, construction/real estate, and commercial mortgage loan portfolios.

We believe the increase in the number of troubled credits resulted from economic pressures, not underwriting inadequacies. Likewise, favorable economic conditions in 2005 and 2006 were the main reason for the low levels of net charge-offs and the net charge-off ratio for those years.

CREDIT QUALITY OVERVIEW

At December 31 (dollars in millions)	2008	2007	2006	2005	2004
Total loans outstanding	\$9,619.1	\$8,475.8	\$8,094.9	\$7,397.7	\$6,763.0
Nonaccruing loans	\$ 196.3	\$ 47.8	\$ 31.0	\$ 39.3	\$ 56.4
Renegotiated loans	\$ 0.1	\$ 23.7	\$ —	\$ 4.7*	\$ 5.2*
Other real estate owned	\$ 14.5	\$ 9.1	\$ 4.8	\$ 0.2	\$ 0.2
Loans past due					
90 days or more	\$ 34.3	\$ 13.7	\$ 5.8	\$ 4.1	\$ 5.5
Net charge-offs	\$ 52.4	\$ 21.3	\$ 18.5	\$ 10.1	\$ 15.8
Net charge-off ratio	0.57%	0.26%	0.24%	0.14%	0.24%

*Restructured as nonaccruing.

Due to the economic environment, nonaccruing loans, past-due loans, net charge-offs, the net charge-off ratio, and other real estate owned increased significantly from their 2007 levels. Most of the 2008 increases occurred in the 2008 fourth quarter. The 2007 levels were moderately higher than the 2006 levels, as the regional economy began to soften.

On a percentage basis, the composition of the loan portfolio remained well diversified and relatively unchanged. There are discussions of our commercial real estate and automobile dealer exposure elsewhere in this section.

We maintain an internal risk rating system that classifies all loans into one of four categories of risk:

- **Pass:** Loans with no current or potential problems.
- **Watchlisted:** Accruing loans that are potentially problematic.
- **Substandard:** Accruing or nonaccruing loans with some probability of loss.
- **Doubtful:** Nonaccruing loans with a high probability of loss.

We apply these classifications consistently and we analyze migrations within the classifications quarterly.

This system has helped us develop adequate reserves for loan losses for many years.

INTERNAL RISK RATING CLASSIFICATIONS

At December 31	2008	2007	2006
Pass	90.80%	96.03%	97.39%
Watchlisted	5.20%	2.69%	1.82%
Substandard	3.99%	1.27%	0.79%
Doubtful	0.01%	0.01%	—%

We separate credit policy and lending activities from credit risk management activities.

- Staff in the Regional Banking business set underwriting standards and make credit policy and lending decisions.
- Staff in the Finance Department perform the internal risk rating analysis, conduct other reviews of the loan portfolio, and calculate the provision and reserve for loan losses.

NET CHARGE-OFFS, LOAN LOSS PROVISION, AND LOAN LOSS RESERVE

The weaker economy in the mid-Atlantic region drove the net charge-off ratio for 2008 to 57 basis points. It was 26 basis points for 2007, and 24 basis points for 2006.

Quarterly changes in the net charge-off ratio indicate the extent of the economic deterioration we saw in the 2008 fourth quarter.

QUARTERLY NET CHARGE-OFF RATIOS

(not annualized)	2008 Q1	2008 Q2	2008 Q3	2008 Q4
	0.05%	0.13%	0.11%	0.26%

Net charge-offs for 2008 were \$52.4 million and split almost evenly between the commercial and retail portfolios. Commercial net charge-offs were \$26.6 million. Retail (residential mortgage, consumer, and other retail) charge-offs were \$25.8 million. In 2007, retail loan net charge-offs were \$14.0 million, or 66% of total net charge-offs for the year.

One loan accounted for approximately 49% of 2008 commercial net charge-offs. This is a commercial construction loan for a single-family and townhouse development in Sussex County, Delaware. We renegotiated this loan in the third quarter of 2007. We transferred it to nonaccruing status in early 2008. An appraisal conducted in late 2008 showed this property had declined in value. Ultimately we charged off approximately \$13.0 million of this loan in 2008. At December 31, 2008, approximately \$10.7 million of this loan remained in nonaccruing loans.

Three other loans accounted for most of the rest of 2008 commercial net charge-offs:

- A commercial construction loan for a luxury home development in Montgomery County, Pennsylvania. This loan had been nonaccruing since the 2007 third quarter. In the 2008 second quarter, we foreclosed on this property, charged off a portion of the loan, and recorded the remainder as other real estate owned.
- A commercial loan to a Pennsylvania-based textile manufacturer.
- A commercial loan to a Delaware-based sports equipment retailer.

Automobile loans made indirectly (through automobile dealers) accounted for most of the consumer and other retail net charge-offs in 2008 and 2007. In 2008, there also was an increase in net charge-offs of home equity loans, especially in the fourth quarter.

Changes in the status of commercial and consumer loans led to increases in the provision and reserve for loan losses. These increases, most of which occurred in the 2008 fourth quarter, were due to downgrades in internal risk ratings, reductions in appraised values, and the higher levels of nonperforming loans and net charge-offs. The same factors contributed to the 2007 increase in the provision and reserve, albeit to a lesser extent.

Because we focus on relationships with clients:

- We work with borrowers to resolve repayment problems.
- We may renegotiate loan terms or explore other repayment options.

When we believe there is little chance of repayment, we may charge loans off as uncollectible.

Even after we charge loans off, we continue to pursue repayment.

When we receive these repayments, we record them as loan recoveries.

Commercial loan charge-offs are very unpredictable, because:

- Negotiations with borrowers can affect the timing and extent of charge-offs, or avert them altogether.
- Associated legal proceedings can affect the timing and amount of charge-offs or recoveries.

ANALYSIS OF NET CHARGE-OFFS AND THE LOAN LOSS RESERVE

For the year ended December 31 (dollars in millions)	2008	2007	2006	2005	2004
Loan loss reserve at start of year	\$101.1	\$ 94.2	\$91.4	\$89.7	\$89.9
Loans charged off:					
Commercial, financial, and agricultural	\$ 12.6	\$ 4.3	\$10.8	\$ 4.9	\$11.0
Commercial real estate – construction	13.5	2.9	–	–	–
Commercial mortgage	2.0	1.3	0.3	–	–
Residential mortgage	0.4	0.1	–	0.1	0.1
Consumer and other retail	30.5	20.8	13.5	12.2	10.0
Total loans charged off	\$ 59.0	\$ 29.4	\$24.6	\$17.2	\$21.1
Recoveries on loans previously charged off:					
Commercial, financial, and agricultural	\$ 0.7	\$ 1.0	\$ 0.6	\$ 3.3	\$ 1.4
Commercial real estate – construction	–	–	–	–	–
Commercial mortgage	0.8	0.2	–	–	0.8
Residential mortgage	0.1	–	0.1	–	–
Consumer and other retail	5.0	6.9	5.4	3.8	3.1
Total recoveries	\$ 6.6	\$ 8.1	\$ 6.1	\$ 7.1	\$ 5.3
Net loans charged off:					
Commercial, financial, and agricultural	\$ 11.9	\$ 3.3	\$10.2	\$ 1.6	\$ 9.6
Commercial real estate – construction	13.5	2.9	–	–	–
Commercial mortgage	1.2	1.1	0.3	–	(0.8)
Residential mortgage	0.3	0.1	(0.1)	0.1	0.1
Consumer and other retail	25.5	13.9	8.1	8.4	6.9
Total net charge-offs	\$ 52.4	\$ 21.3	\$18.5	\$10.1	\$15.8
Transfers from/(to) unfunded loan commitments	\$ (7.1)	\$ –	\$ –	\$ –	\$ –
Provision for loan losses	\$115.5	\$ 28.2	\$21.3	\$11.8	\$15.6
Loan loss reserve at end of year	\$157.1	\$101.1	\$94.2	\$91.4	\$89.7
Net charge-off ratio (average balances)	0.57%	0.26%	0.24%	0.14%	0.24%
Loan loss reserve ratio	1.63%	1.19%	1.16%	1.24%	1.33%
Reserve for unfunded loan commitments in other liabilities*	\$ 7.1	\$ –	\$ –	\$ –	\$ –

* We transferred the reserve for unfunded loan commitments from the reserve into a separate liability account (other liabilities) as of December 31, to comply with current accounting guidelines. We did not reclassify prior periods.

The provision and reserve for loan losses represent what we believe are reasonable assessments of our known, estimated, and inherent loan losses.

Increases in the reserve and provision for loan losses may not correspond with increases in loan balances, because newly added loans do not automatically carry the same or a higher degree of risk than loans already in the portfolio.

In calculating the reserve for loan losses, we make subjective judgments about amounts we might be able to recover. We also consider:

- Loan growth
- Internal risk rating classifications
- Payment delinquency patterns
- Market interest rates
- Regulatory guidelines
- Industry conditions and trends
- Economic conditions in the mid-Atlantic region

The residential mortgage loans we make are typically conventional mortgages with terms of 15 to 30 years.

We do not make subprime, Alt-A, or any other so-called "exotic" residential mortgage loans.

We sell most of our newly originated fixed rate residential mortgages into the secondary market.

LOAN LOSS RESERVE ALLOCATION

At December 31 (in millions)	2008	2007	2006	2005	2004
Commercial, financial, and agricultural	\$ 57.5	\$ 33.7	\$36.3	\$38.5	\$43.4
Real estate – construction	40.1	25.7	19.2	12.7	7.8
Commercial mortgage	18.6	15.9	14.5	15.4	14.8
Residential mortgage	2.3	1.4	1.3	1.3	1.2
Consumer	30.3	13.4	11.3	11.2	10.4
Secured with investments	6.2	4.9	5.5	6.2	6.0
Unallocated	2.1	6.1	6.1	6.1	6.1
Total	\$157.1	\$101.1	\$94.2	\$91.4	\$89.7

EACH CATEGORY OF LOANS AS A PERCENTAGE OF TOTAL NET LOANS

At December 31 (in millions)	2008	2007	2006	2005	2004
Commercial, financial, and agricultural	31%	31%	31%	33%	37%
Real estate – construction	20	21	21	17	11
Commercial mortgage	19	17	16	17	19
Residential mortgage	6	6	6	6	6
Consumer	18	19	19	19	18
Secured with investments	6	6	7	8	9
Total	100%	100%	100%	100%	100%

NONPERFORMING LOANS

Most of the increase in nonaccruing loans occurred in the 2008 fourth quarter, when additional concerns emerged about the health of the mid-Atlantic regional housing market. Commercial real estate/construction loans accounted for more than two-thirds of the 2008 increase in nonaccruing loans.

Commercial construction loans to several residential housing developers accounted for approximately \$78.4 million of the 2008 increase in nonaccruing loans. These developments are in the mid-Atlantic region. We transferred these loans to nonaccruing status after evaluating the near-term prospects for recovery in the regional housing market, which raised concerns about the ability of these borrowers to repay their loans in the future.

Nonperforming loans consist of:

- Nonaccruing loans.
- Renegotiated loans.
- Other real estate owned (OREO).

Nonaccruing loans are loans for which we doubt we will be able to collect principal or interest payments.

Renegotiated loans are loans for which we and the borrower have renegotiated terms or conditions.

Three loans accounted for most of the increase in nonaccruing commercial mortgage loans. These are mortgages on light manufacturing facilities and a recreational property.

Most of the increase in nonaccruing consumer and other retail loans was concentrated among three loans to WAS clients. Nonaccruing residential mortgage loans also increased in 2008.

Almost all of the 2008 decrease in renegotiated loans, as well as almost all of the 2007 increase in renegotiated loans, involved one project. This is the Sussex County, Delaware, single-family and townhouse development mentioned in the net charge-offs discussion above. This loan was renegotiated in the 2007 third quarter and transferred to nonaccruing status in the 2008 second quarter. Part of this loan was charged off in 2008.

In early 2008, we sold two properties recorded as OREO and recouped \$8.9 million. These properties consisted of two housing developments in southern New Jersey being built by the Elliott Building Group. Although we normally do not mention clients by name, this borrower filed for bankruptcy in June 2007, and our \$10.3 million relationship became a matter of public record. When we foreclosed on these properties in the 2007 fourth quarter, we transferred \$8.9 million of our exposure to OREO, and charged off the remaining \$1.4 million. We recouped that \$8.9 million in the 2008 first quarter, when we sold these properties to two different buyers. We did not finance either buyer's purchase.

We foreclosed on two other properties in 2008. Both of these loans had been nonaccruing since the 2007 third quarter.

One is an income-producing hotel and retail property in Ocean City, Maryland. This property accounted for approximately \$9.2 million of the OREO at year-end 2008.

The other is the luxury home development in Montgomery County, Pennsylvania, mentioned in the net charge-offs discussion above. This foreclosure initially added approximately \$4.6 million to OREO. By year-end 2008, we had sold some of the remaining properties in this development and reduced the associated OREO amount at year-end 2008 to approximately \$2.3 million.

Amounts recorded as OREO represent the net realizable value of the underlying property.

The market often views OREO negatively, but we think moving properties to OREO is a positive step in the loan work-out process, because:

- We gain control of the situation.
- Negotiations with the borrower cease.
- Legal expenses associated with collection efforts cease.
- We gain the ability to facilitate disposition of these properties and recover our cash.
- We can then redeploy that cash into loans or other earning assets.

For more information about how we establish and account for nonaccruing loans and the loan loss reserve, read Note 2, "Summary of significant accounting policies," and Note 8, "Reserve for loan losses," in this report.

Serious-doubt loans are loans that:

- We think have a high probability of becoming nonperforming loans in the future.
- Were performing in accordance with their contractual terms, or were fewer than 90 days past due, when we classified them as serious-doubt loans.

Most of our serious-doubt loans are commercial loans.

NONPERFORMING LOANS

At December 31 (dollars in millions)	2008	2007	2006
Nonaccruing loans:			
Commercial, financial, and agricultural	\$ 41.2	\$23.8	\$13.7
Commercial real estate – construction	112.7	9.9	–
Commercial mortgage	21.7	7.1	8.5
Consumer and other retail	20.7	7.0	8.8
Total nonaccruing loans	\$196.3	\$47.8	\$31.0
Renegotiated loans	0.1	23.7	–
Total nonaccruing and renegotiated loans	\$196.4	\$71.5	\$31.0
Other real estate owned (OREO)	14.5	9.1	4.8
Total nonperforming loans	\$210.9	\$80.6	\$35.8
Ratio of total nonperforming loans to total loans outstanding	2.19%	0.95%	0.44%

PAST-DUE LOANS

Consumer and other retail loans accounted for half of the 2008 and 2007 increases in loans past due 90 days or more. This was mainly the result of increases in delinquencies of indirect automobile loans. When loans in the table below initially are categorized as past due 90 days or more, they are still accruing interest.

LOANS PAST DUE 90 DAYS OR MORE

At December 31 (dollars in millions)	2008	2007	2006
Commercial, financial, and agricultural	\$ 8.4	\$ 2.4	\$1.5
Commercial real estate – construction	4.8	0.7	–
Commercial mortgage	1.6	1.3	0.2
Consumer and other retail	19.5	9.3	4.1
Total loans past due 90 days or more	\$34.3	\$13.7	\$5.8
Ratio of loans past due 90 days or more to total loans outstanding	0.36%	0.16%	0.07%

SERIOUS-DOUBT LOANS

Economic uncertainty in 2008 led to an increase in serious-doubt loans. Major contributors to this increase were loans to a Pennsylvania-based concrete pipe manufacturer, a Pennsylvania-based tubing manufacturer, and automobile dealers in the mid-Atlantic region.

SERIOUS-DOUBT LOANS

At December 31 (dollars in millions)	2008	2007	2006
Commercial, financial, and agricultural	\$ 82.9	\$11.6	\$13.4
Commercial real estate – construction	8.4	–	1.4
Commercial mortgage	15.0	–	1.0
Consumer and other retail	0.6	–	–
Contingency allocation	3.0	3.0	3.0
Total serious-doubt loans	\$109.9	\$14.6	\$18.8
Ratio of serious-doubt loans to total loans outstanding	1.14%	0.15%	0.23%

CREDIT EXPOSURE TO THE COMMERCIAL REAL ESTATE INDUSTRY

Commercial real estate-related loan balances have increased on a dollar-amount basis, but have remained relatively unchanged as a percentage of total loans outstanding. At year-end 2007, commercial real estate-related loans accounted for 38% of total loans outstanding. At year-end 2008, they accounted for 39% of the total.

The growth in commercial real estate/construction and commercial mortgage loans between 2006 and 2008 coincided with a period of tremendous expansion in the Regional Banking business in southeastern Pennsylvania, New Jersey, and Maryland. It also coincided with population growth in the region, primarily in southern Delaware.

COMMERCIAL REAL ESTATE EXPOSURE IN DOLLARS

At December 31 (in millions)	2008	2007	2006
Commercial real estate – construction loans	\$1,923.8	\$1,780.4	\$1,663.9
Commercial mortgage loans	1,870.2	1,463.4	1,296.1
Total	\$3,794.0	\$3,243.8	\$2,960.0

COMMERCIAL REAL ESTATE EXPOSURE AS A PERCENTAGE OF TOTAL NET LOANS

At December 31 (in millions)	2008	2007	2006
Commercial real estate – construction loans	20%	21%	21%
Commercial mortgage loans	19%	17%	16%
Total	39%	38%	37%

We have a high degree of confidence in our construction loan underwriting standards. In addition to the collateral provided by the project itself, we generally obtain personal guarantees from borrowers. Before extending credit, we:

- Conduct separate evaluations of the project's finances and the borrower's finances.
- Stress-test the project's estimated cash flows in a variety of economic scenarios, including changes in absorption rates and financing costs.

Our exposure to the commercial real estate industry is limited to the mid-Atlantic region.

We make construction and commercial mortgage loans to clients in this region whose projects are in this region.

We lend to clients with well-established businesses that are family-owned or closely held.

We do not lend to large, national homebuilders.

Most of our construction loans are for single-family homes in Delaware and southeastern Pennsylvania.

We do very little condominium construction or conversion financing.

Read the Regional Banking section in this report for more information on:

- Our commercial construction/real estate and commercial mortgage lending activities.
- Economic dynamics in the mid-Atlantic region.

Our exposure to the automobile industry is limited to the mid-Atlantic region, where we make loans to automobile dealers and provide indirect financing for new and late-model used cars.

We do not lend to automobile manufacturers or to primary suppliers to the wholesale manufacturers.

COMMERCIAL CONSTRUCTION LOAN UNDERWRITING STANDARDS

Maximum term:	Two years on unimproved land Three years on land development
Target loan size:	\$1 million to \$10 million
Maximum loan-to-value requirements:	65% on unimproved land 75% on land development 80% on residential construction and income-producing properties

Construction limits on residential projects: Pre-sold inventory plus a maximum of:

- 6 unsold single-family homes or
- 10 unsold townhomes

Consistent with industry practice, when we fund an interest reserve on a construction loan, we include it in the loan-to-value calculation and as part of the total loan amount.

CREDIT EXPOSURE TO THE AUTOMOBILE INDUSTRY

We had approximately \$450.3 million in commercial loans outstanding to automobile dealers at year-end 2008. These dealers are based in the mid-Atlantic region.

Approximately \$234.0 million of this amount was in floor plan (inventory) lending. Inventories financed with these floor plan loans were balanced between U.S.-made cars and imports. The other loans were for working capital and financing showroom and service locations in the mid-Atlantic region.

At year-end 2008, approximately \$113.2 of the \$450.3 million in automobile dealer outstandings was classified as watchlisted or substandard in the internal risk rating analysis. The watchlisted and substandard automobile loans included serious-doubt loans of approximately \$30.2 million.

We had approximately \$817.3 million in indirect automobile loans outstanding at year-end 2008. As discussed elsewhere in this section, the net charge-offs, nonaccruals, and delinquencies of these loans increased in 2008. In June 2007, we refined our indirect automobile lending pricing and standards to ensure we attract high-quality loans. More information about these loans is in the Regional Banking discussion in this report.

INTEREST RATE RISK

One of our primary risks is interest rate risk (the risk to net interest income from changes in market interest rates). To mitigate this risk, we:

- **Maintain a mix of assets and liabilities that give us flexibility in a dynamic marketplace.**
- **Manage the relative proportion of fixed and floating rate assets and liabilities so we can manage their repricing characteristics as closely as possible.**
- **Use a blend of core deposits and national funding.** For more information about this, read the liquidity and funding discussion in this report.
- **Manage the size of our investment securities portfolio and the mix of instruments in it.** For more information about this, read the investment securities discussion in this report.
- **Sell most newly originated fixed rate residential mortgages into the secondary market.** By limiting the fixed rate residential mortgages in our loan portfolio, we eliminate much of the long-term risk inherent in instruments with fixed rates and 15- to 30-year maturities.
- **Prefer to manage our exposure to fixed rate mortgages in our investment securities portfolio.** The mortgage-backed instruments in the portfolio typically have shorter maturity and duration characteristics than a portfolio of individual mortgage loans.
- **Use off-balance-sheet derivative instruments.** For more information about this, read Note 15, "Derivative and hedging activities," and the discussion of off-balance-sheet arrangements and contractual obligations in this report.

INTEREST RATE RISK IN 2008 AND 2007

The market interest rate environment pressured our net interest margin. In January 2007, the federal funds target rate was 5.25%. By the end of 2008, the Federal Open Market Committee (FOMC) had lowered the target rate to a range of zero to 0.25%.

The magnitude of the rate cuts, and the pace at which they occurred, created most of the pressure. The FOMC began reducing rates in September 2007, ultimately cutting rates three times that year, for a total of 100 basis points. The cuts were much more severe in 2008: The FOMC lowered rates seven times, for a total of 400 basis points.

The effects on our net interest margin were decreases of 12 basis points in 2007 and 39 basis points in 2008.

NET INTEREST MARGIN

For the year ended December 31	2008	2007	2006
Net interest margin	3.28%	3.67%	3.79%

The 2008 margin did not reflect the full effect of the FOMC's 2008 rate cuts. Compression resulting from the cuts the FOMC made in the 2008 fourth quarter will not be fully apparent until the 2009 first quarter, when we estimate our margin will be closer to 3.00%.

We define interest rate risk as the risk that changes in market interest rates might pressure our net interest margin and reduce our net interest income.

Changes in market interest rates, and the pace at which they occur, can affect:

- The yields we earn on assets like loans and investments.
- The rates we pay on liabilities like deposits and other borrowings.

We believe the primary measure of interest rate risk management is the net interest margin.

The margin measures the difference, or "spread," between the yields we earn on assets and the rates we pay on liabilities.

Approximately 37% of our total 2008 revenue and approximately 31% of total 2007 revenue (after the provision for loan losses and amortization) was subject to interest rate risk.

The Regional Banking business generates most of our net interest income.

Our interest rate risk position is asset-sensitive:

- We have more floating rate assets than floating rate liabilities.
- Following changes in market interest rates, our assets reprice more quickly than our liabilities.
- Most of our floating rate loan price adjustments occur within 30 to 45 days of a rate change.
- It typically takes 90 to 120 days for the pricing on our liabilities to adjust after a rate change.
- Some categories of core deposits may take even longer to reprice, depending on their maturities.

In general, being asset sensitive means that:

- Our net interest income is more likely to increase in a rising market interest rate environment.
- Our net interest income is more likely to decrease in a declining market interest rate environment.

One of the ways we manage interest rate risk is to match the pricing and maturity characteristics of our assets as closely as possible to the pricing and maturity characteristics of our liabilities.

TARGET FEDERAL FUNDS RATE CHANGES SINCE 2007

At January 1, 2007:	5.25%
September 18, 2007:	4.75%
October 31, 2007:	4.50%
December 11, 2007:	4.25%
January 22, 2008:	3.50%
January 30, 2008:	3.00%
March 18, 2008:	2.25%
April 30, 2008:	2.00%
October 8, 2008:	1.50%
October 29, 2008:	1.00%
December 16, 2008:	Zero to 0.25%

Our use of non-core deposits helped mitigate the effects of the difficult interest rate environment. Most of our non-core deposits (national CDs of \$100,000 or more and short-term borrowings) typically mature more quickly than the majority of our core (client) deposits. As interest rates change, this helps us match the repricing adjustments on these funds more closely with the repricing adjustments on our floating rate loans.

LOAN AND DEPOSIT PRICING CHARACTERISTICS AS A PERCENTAGE OF TOTAL BALANCES

At December 31	2008	2007	2006
Total loans outstanding with floating rates	74%	71%	74%
Commercial loans with floating rates	88%	85%	89%
Floating rate commercial loans tied to a prime rate	57%	59%	61%
Floating rate commercial loans tied to the 30-day LIBOR	37%	36%	35%
National CDs ≥ \$100,000 and short-term borrowings maturing in ≤ 90 days	83%	78% ¹	67%

¹ Excludes debt that matured in 2008.

At December 31, 2008, approximately \$3.35 billion of non-core deposits were repricing in 90 or fewer days, while approximately \$5.95 billion of commercial loans were repricing within 30 to 45 days.

The market interest rate environment affected our net interest income negatively and prevented the benefits of record-high loan growth in 2008 from reaching our bottom line. The following table compares how the effects of changes in asset and liability volumes and rates in 2007 and 2008 affected net interest income.

CHANGES IN INTEREST INCOME AND EXPENSE DUE TO VOLUME AND RATE

(in millions)	2008/2007			2007/2006		
	Increase/(decrease) due to change in			Increase/(decrease) due to change in		
	Volume ²	Rate ³	Total	Volume ²	Rate ³	Total
Interest income:						
Time deposits in other banks	\$ 4.4	\$ (3.5)	\$ 0.9	\$ 0.1	\$ 0.1	\$ 0.2
Federal funds sold and securities purchased under agreements to resell	(0.1)	(0.9)	(1.0)	(0.8)	(0.1)	(0.9)
Total short-term investments	4.3	(4.4)	(0.1)	(0.7)	–	(0.7)
U.S. Treasury securities	(1.6)	(0.6)	(2.2)	(2.1)	0.1	(2.0)
Government agency securities	(8.3)	–	(8.3)	7.3	3.6	10.9
State and municipal securities*	(0.4)	–	(0.4)	0.4	(0.2)	0.2
Preferred stock*	(2.1)	–	(2.1)	(1.7)	0.1	(1.6)
Mortgage-backed securities	1.6	1.7	3.3	(5.2)	0.7	(4.5)
Other securities*	(1.4)	(5.8)	(7.2)	(0.5)	1.0	0.5
Total investment securities	(12.2)	(4.7)	(16.9)	(1.8)	5.3	3.5
FHLB & FRB stock, at cost ^f	0.4	(0.1)	0.3	0.2	(0.4)	(0.2)
Commercial, financial, and agricultural*	25.7	(54.3)	(28.6)	3.8	0.6	4.4
Real estate-construction	10.7	(52.8)	(42.1)	18.2	(2.3)	15.9
Commercial mortgage*	24.7	(34.1)	(9.4)	11.1	0.9	12.0
Total commercial loans	61.1	(141.2)	(80.1)	33.1	(0.8)	32.3
Residential mortgage	0.3	(0.8)	(0.5)	3.5	0.3	3.8
Installment loans to individuals	15.0	(17.3)	(2.3)	4.9	3.7	8.6
Loans secured with investments	0.7	(13.0)	(12.3)	(1.4)	1.1	(0.3)
Total retail loans	16.0	(31.1)	(15.1)	7.0	5.1	12.1
Total loans net of unearned income	77.1	(172.3)	(95.2)	40.1	4.3	44.4
Total interest income	\$ 69.6	\$(181.5)	\$(111.9)	\$37.8	\$ 9.2	\$47.0
Interest expense:						
Savings deposits	\$ 6.6	\$ (0.7)	\$ 5.9	\$ 0.8	\$ 9.7	\$10.5
Interest-bearing demand deposits	1.0	(15.8)	(14.8)	0.4	6.8	7.2
Certificates under \$100,000	(0.2)	(8.2)	(8.4)	1.1	6.0	7.1
Local certificates \$100,000 and over	(5.4)	(3.5)	(8.9)	(4.9)	1.4	(3.5)
Total core interest- bearing deposits	2.0	(28.2)	(26.2)	(2.6)	23.9	21.3
National certificates \$100,000 and over	4.8	(52.9)	(48.1)	(2.4)	6.8	4.4
Total interest-bearing deposits	6.8	(81.1)	(74.3)	(5.0)	30.7	25.7
Federal funds purchased and securities sold under agreements to repurchase	16.1	(46.5)	(30.4)	16.6	(1.4)	15.2
U.S. Treasury demand deposits	0.4	(0.7)	(0.3)	(0.1)	0.1	–
Line of credit & other debt	(3.3)	(1.1)	(4.4)	5.1	2.3	7.4
Total short-term borrowings	13.2	(48.3)	(35.1)	21.6	1.0	22.6
Long-term debt	7.0	2.8	9.8	(5.8)	(0.9)	(6.7)
Total interest expense	\$ 27.0	\$(126.6)	\$(99.6)	\$10.8	\$ 30.8	\$41.6
Changes in net interest income	\$ 42.6	\$ (54.9)	\$(12.3)	\$27.0	\$(21.6)	\$ 5.4

WILMINGTON TRUST PRIME LENDING RATE

As of and for the year ended December 31	2008	2007	2006
At year-end	4.00%	7.25%	8.25%
On average	5.15%	8.07%	7.96%

Our prime lending rate serves as a point of reference for a substantial number of our commercial floating rate loans.

* We calculate variances on a fully tax-equivalent basis, which includes the effects of any disallowed interest expense.

^f Federal Home Loan Bank and Federal Reserve Bank stock

² We define changes attributable to volume as changes in average balances multiplied by the prior year's rate.

³ We define changes attributable to rate as changes in rate multiplied by the average balances in the applicable period of the prior year. A change in rate/volume (change in rate multiplied by change in volume) has been allocated to the change in rate.

Our interest rate risk management objective is to minimize reductions to net interest income that might result from changes in market interest rates.

To achieve this objective, we follow guidelines set by an asset-liability management policy that is approved annually by our Board of Directors.

Under the current policy, our objective is to limit any reduction in net interest income from changes in market interest rates to less than 10% in any 12-month period.

The primary tool we use to assess our exposure to interest rate risk is a computer modeling technique that simulates how gradual and sustained changes in market interest rates might affect net interest income.

We perform simulations quarterly that compare a stable interest rate environment to multiple hypothetical interest rate scenarios.

As a rule, our model employs scenarios in which rates gradually move up or down 250 basis points over a period of 10 months.

In April 2008, after the FOMC cut the federal funds target rate to 2.00%, we changed the range of our interest rate risk simulation for the gradual decrease scenario from 250 basis points to 200 basis points. Had we left it at 250 basis points, the model would have created negative interest rates.

In December 2008, after the FOMC included zero percent in its target rate range, we discontinued the declining-rate scenario. We continued to perform the rising-rate scenario.

As of December 31, 2008, the model projected that, if short-term rates were to increase gradually over a 10-month period in a series of moves that totaled 250 basis points, our net interest income would increase 4.03% over the 12 months beginning December 31, 2008.

EFFECT OF INTEREST RATE CHANGES ON NET INTEREST INCOME

For the 12 months beginning December 31	2008	2007	2006
Gradual increase of 250 basis points	4.03%	4.22%	4.22%
Gradual decrease of 250 basis points	Not applicable	(6.67)%	(3.99)%

In 2006, we adjusted the simulation model to reflect two changes:

- To reflect pricing characteristics more accurately, we changed the rates on some of the assets in the model from fixed to floating.
- On March 31, 2006, we terminated \$250 million of interest rate swaps that were associated with \$250 million of 10-year subordinated long-term debt we issued in April 2003. We issued this debt at a fixed rate, which we immediately swapped for a floating rate. We terminated these swaps to eliminate the potential volatility of changing market valuations. For more information about this, read Note 15, "Derivative and hedging activities," and the discussion of derivatives and hedging instruments in this report.

Our discussion of the interest rate risk simulation model contains forward-looking statements about the anticipated effects on net interest income that may result from hypothetical changes in market interest rates. Assumptions about retail deposit rates, loan prepayments, asset-backed securities, and collateralized mortgage obligations play a significant role in our interest rate simulations. Our assumptions about rates and the pace of changes in payments differ for assets and liabilities in rising as well as in declining rate environments. These assumptions are inherently uncertain, and the simulations cannot predict precisely how actual interest rate changes might affect our net interest income.

FINANCIAL MARKET RISK

Most WAS fees, some CCS fees, and all of the revenue we receive from affiliate money managers Cramer Rosenthal McGlynn and Roxbury Capital Management are based on the market values of assets in client portfolios. Equity and debt markets determine these values. Fluctuations in one or both of these markets can increase or decrease fees that are based on asset valuations.

Two categories of WAS revenue are subject to financial market risk: trust and investment advisory fees and mutual fund fees. Together, these fees comprised 80% of total WAS revenue for 2008.

Two categories of CCS revenue are subject to financial market risk: retirement services fees and fees for institutional investment and cash management services. Together, these fees comprised 39% of total CCS revenue for 2008.

REVENUE SUBJECT TO FINANCIAL MARKET RISK

For the year (dollars in millions)	2008	2007	2006
WAS trust and investment advisory fees	\$152.0	\$158.6	\$136.5
WAS mutual fund fees	27.2	21.4	20.2
Total WAS fees subject to financial market risk	\$179.2	\$180.0	\$156.7
Total WAS fees	\$224.7	\$220.1	\$192.0
CCS retirement services fees	37.4	12.9	11.5
CCS investment/cash management fees	13.9	12.8	10.3
Total CCS fees subject to financial market risk	\$ 51.3	\$ 25.7	\$ 21.8
Total CCS fees	\$131.8	\$ 98.6	\$ 85.6
Affiliate money manager revenue	15.7	21.9	20.5
Total revenue subject to financial market risk	\$246.2	\$227.6	\$199.0
Total operating noninterest income ¹	\$423.1	\$386.0	\$346.1
Percent of operating noninterest income subject to financial market risk	58%	59%	57%
Total operating net interest and noninterest income ¹	\$665.3	\$726.7	\$687.9
Percent of total operating income subject to financial market risk	37%	31%	29%

¹ Operating income excludes securities impairment charges. Noninterest income after amortization. Net interest income after the provision for loan losses.

Financial markets also determine the valuations of investments in our securities portfolio. For more information about income from the investment securities portfolio, see the quarterly analysis of earnings in this report.

We define financial market risk as the risk that declines in market valuations could reduce the fees we receive for providing asset management, custody, and other services.

Revenue subject to financial market risk:

- Most WAS revenue.
- Some CCS revenue.
- All of the revenue we receive from Cramer Rosenthal McGlynn and Roxbury Capital Management.

Economic risk is the risk that our financial performance could be affected negatively by changes in economic conditions, including unemployment, population migration, the consumption of goods and services, and other factors.

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud, or inadequate internal controls and procedures.

Fiduciary risk is the risk of loss that could occur if we were to breach a fiduciary duty to a client.

Section 404 of the Sarbanes-Oxley Act requires us to assess the design and effectiveness of our internal controls over financial reporting. We evaluate the documentation of our control processes and test our primary controls continually, and we remediate them as needed. Each quarter, we require designated managers in each business unit to certify to the chairman and chief executive officer, and to the chief financial officer, that the internal controls within their respective areas of responsibility are effective.

We summarize the regulatory restrictions that apply to us in the "Supervision and regulation" discussion in our Form 10-K.

ECONOMIC RISK

Among our businesses, Regional Banking has the most exposure to economic risk. Most of that risk is tied to economic conditions within the mid-Atlantic region, where our Regional Banking business is focused. We believe this exposure is mitigated by the region's diversified economy, which provides a degree of economic stability and helps the region withstand the effects of downturns in any single sector. We discuss the regional economy in more detail in the Regional Banking section of this report.

Beyond the Delaware Valley region, changes in economic conditions at the national and international level that eliminate or slow demand for our services could affect all of our businesses, loan and deposit balances, revenue, net income, and overall results.

OPERATIONAL AND FIDUCIARY RISK

Operational and fiduciary risks are inherent in our business. To mitigate these risks, we have policies, procedures, and internal controls designed to reduce the risks of failing to comply with applicable legal and regulatory requirements and failing to discharge our obligations to clients faithfully. All staff members share responsibility for adhering to our policies and procedures for authorizing, approving, documenting, and monitoring transactions; creating, selling, and managing investment products; trading securities; and selecting counterparties. Our internal auditors and other staff members continually monitor the overall effectiveness of our system of internal controls.

REGULATORY RISK

We are subject to a variety of regulatory restrictions specified by state and federal governments in the United States, government authorities in other jurisdictions, and other regulatory authorities. If we fail to comply adequately with these regulatory requirements, we may be subject to financial or other sanctions. To limit this risk, we employ policies and procedures to reduce the risk of failing to comply with these requirements.

LEGAL RISK

We are subject to various legal proceedings that arise from time to time in the ordinary course of business. Some of these proceedings may seek relief or damages in amounts that may be substantial. Because these proceedings are complex, many years may pass before they are resolved, and it is not feasible to predict their outcomes. Some of these proceedings involve claims that we believe may be covered by insurance, and we have advised our insurance carriers accordingly.

As of December 31, 2008, we believed there were no outstanding legal matters that, upon their ultimate resolution, would have a materially adverse effect on our consolidated financial statements.

Other Information

DERIVATIVES, HEDGING INSTRUMENTS, OTHER OFF-BALANCE-SHEET ARRANGEMENTS, PENSION AND OTHER POSTRETIREMENT BENEFIT OBLIGATIONS, AND OTHER CONTRACTUAL OBLIGATIONS

We use a variety of financial instruments and contracts to help us manage capital, liquidity, interest rate risk, credit risk, and other aspects of our day-to-day operations. As permissible under regulatory guidelines, we include these instruments in our calculations of regulatory risk-based capital ratios. These instruments and contracts include:

- Derivative instruments, such as interest rate swaps and interest rate floors. For more information about our derivative instruments, read Note 15, "Derivative and hedging activities," in this report.
- Instruments that generally accepted accounting principles deem to be off-balance-sheet arrangements. These instruments include standby letters of credit, unfunded loan commitments, unadvanced lines of credit, operating lease obligations, and other guaranties. For more information about these instruments, read Note 12, "Borrowings," and Note 13, "Commitments and contingencies," in this report.
- Pension and other postretirement benefit plan obligations. We contributed \$9.8 million and \$13.2 million in 2008 and 2007, respectively, to these plans. For more information about these plans, read Note 18, "Pension and other postretirement benefits," in this report.
- Contractual obligations including certificates of deposit and long-term debt, which appear on our balance sheet. For more information about certificates of deposits, read Note 11, "Deposits," in this report. For more information about our long-term debt, read Note 12, "Borrowings," in this report.

When we enter into an interest rate swap contract with a commercial loan client, we simultaneously enter into a "mirror" swap contract in the same amount with a third party. This practice allows a client to swap floating rates for fixed rates. We then mirror the client swap by swapping, with a third party, the fixed rate for a floating rate. We retain the associated credit risk in these transactions.

At December 31, 2008, we had interest rate swap contracts associated with loans to clients with a total notional amount of \$1,603.7 million. For more information about these swap contracts, read Note 15, "Derivatives and hedging activities," in this report.

At year-end 2007, we had interest rate floor contracts with a notional amount of \$1.00 billion. We sold these contracts in January 2008. We realized a gain on this sale of \$35.5 million. We are amortizing this amount into interest and fees on loans on a monthly basis. These monthly reclassifications began in February 2008 and will continue until July 2014. For more information on this sale and gain, read Note 15, "Derivatives and hedging activities," in this report.

On March 31, 2006, we sold \$250.0 million of interest rate swaps associated with the \$250.0 million of subordinated long-term debt we issued on April 4, 2003. We realized a loss of \$12.7 million in this transaction. We will recognize the amount of the loss over the remaining life of the debt, which matures in 2013, and record it in our income statement as interest expense on long-term debt.

The derivative instruments we use are primarily interest rate swap and interest rate floor contracts.

These instruments help us manage the effects of fluctuating interest rates on net interest income.

We also use interest rate swap contracts to help commercial loan clients manage their interest rate risk.

We do not hold or issue derivative financial instruments for trading purposes.

At December 31, 2008, our other contractual obligations consisted of:

- One \$28.0 million loan from the Federal Home Loan Bank of Pittsburgh (FHLB). We used this loan to construct Wilmington Trust Plaza, our operations center in downtown Wilmington, Delaware, which was completed in 1998.
- Lease commitments for offices, net of sublease arrangements, which totaled \$72.6 million. These lease commitments are for many of our branch offices in Delaware, all of our branch offices outside of Delaware, and all of our non-branch offices outside of Delaware.
- Certificates of deposit amounting to \$3.74 billion.
- Letters of credit, unfunded loan commitments, and unadvanced lines of credit amounting to \$3.67 billion.

**AMOUNTS AND DURATION OF PAYMENTS DUE
ON CURRENT CONTRACTUAL OBLIGATIONS**

At December 31, 2008 (in millions)	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Certificates of deposit	\$3,736.1	\$3,413.4	\$180.8	\$137.4	\$ 4.5
Debt obligations	478.0	—	28.0	250.0	200.0
Interest on debt obligations	213.4	31.0	59.9	50.3	72.2
Operating lease obligations	72.6	13.3	21.4	15.3	22.6
Benefit plan obligations	3.7	3.7	—	—	—
Total	\$4,503.8	\$3,461.4	\$290.1	\$453.0	\$299.3

The debt obligations in the table above consist of:

- \$250.0 million of subordinated long-term debt that we issued in 2003 and used for general liquidity purposes. This debt is due on April 15, 2013.
- \$200.0 million of subordinated long-term debt that we issued on April 1, 2008. We used some of the proceeds of this issue to repay an aggregate principal amount of \$125.0 million in subordinated long-term debt that expired on May 1, 2008. We also used some to fund, in part, our acquisition in April 2008 of AST Capital Trust Company. We intend to use the remaining proceeds for general corporate purposes. This debt is due on April 2, 2018.
- FHLB advances of \$28.0 million.

Both of our issues of subordinated long-term debt are included in the "Long-term debt" line of our balance sheet.

Contractual obligations in the table above do not include uncertain tax liabilities that we have not paid. At December 31, 2008, we had unrecognized tax benefits that, if recognized, would affect our effective tax rate in future periods. The amounts that we ultimately may pay, as well as their timing, remain uncertain. For more information on our income taxes, read Note 20, "Income taxes," in this report.

Our agreements with CRM, Roxbury Capital Management, and Grant Tani Barash & Altman permit principal members and designated key employees of each firm, subject to certain restrictions, to put (relinquish) their interests in their respective firms to us. For more information about these agreements, read Note 4, "Affiliates and acquisitions," in this report.

CONTROLS AND PROCEDURES

Our chairman and chief executive officer, and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2008, pursuant to Securities Exchange Act Rule 13a-15(e). They concluded from that evaluation that our disclosure controls and procedures were effective in alerting them on a timely basis to any material information about our company (including our consolidated subsidiaries) that we are required to include in the periodic filings we make with the Securities and Exchange Commission. There was no change in our internal control over financial reporting during 2008 that materially affected, or is reasonably likely to affect materially, our internal control over financial reporting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our critical accounting policies conform with U.S. generally accepted accounting principles (GAAP), and with reporting practices prescribed for the banking industry. We maintain our accounting records and prepare our financial statements using the accrual basis of accounting. In applying our critical accounting policies, we make estimates and assumptions about revenue recognition, the reserve for loan losses, stock-based employee compensation, investment securities valuations, goodwill impairments, loan origination fees, income taxes, and other items. For more information about our critical accounting policies, read Note 2, "Summary of significant accounting policies," and Note 3, "Recent accounting pronouncements," in this report.

FACTORS AFFECTING FUTURE RESULTS

This report contains estimates, predictions, opinions, and other statements that might be construed as "forward-looking" statements under the Private Securities Litigation Reform Act of 1995. These statements include references to our financial goals, dividend policy, financial and business trends, new business results and outlook, business prospects, market positioning, pricing trends, strategic initiatives, credit quality and the reserve for loan losses, the effects of changes in market interest rates, the effects of changes in securities valuations, the effects of accounting pronouncements, and other internal and external factors that could affect our financial performance.

These statements are based on a number of assumptions, estimates, expectations, and assessments of potential developments, and are subject to various risks and uncertainties that could cause our actual results to differ from our expectations. Our ability to achieve the results reflected in these statements could be affected adversely by, among other things, changes in national or regional economic conditions; changes in market interest rates; fluctuations in equity or fixed income markets; significant changes in banking laws or regulations; changes in accounting policies, procedures, or guidelines; increased competition for business; higher-than-expected credit losses; the effects of acquisitions; the effects of integrating acquired entities; a substantial and permanent loss of either client accounts and/or assets under management at Wilmington Trust and/or affiliate money managers Cramer Rosenthal McGlynn and Roxbury Capital Management; changes in the market values of securities in our investment portfolio; changes in the regulatory, judicial, legislative, or tax treatment of business transactions; new litigation or developments in existing litigation; and economic uncertainty created by unrest in other parts of the world.

Comparison of Results With and Without Non-Cash Impairment Write-Downs

As of and for the year ended December 31, 2008

STATEMENT OF CONDITION (in millions)

Investment securities available for sale
Investment securities held to maturity
Goodwill, net of accumulated amortization
Other assets
Total assets
Liabilities
Minority interest
Stockholders' equity
Total liabilities and stockholders' equity

OPERATING RESULTS (in millions)

Net interest income
Provision for loan losses
Noninterest income
Noninterest expense
Income before taxes and minority interest
Income tax (benefit)/expense
Net (loss)/income before minority interest
Minority interest
Net (loss)/income

PER SHARE DATA

Basic common shares outstanding (in millions)
Diluted common shares outstanding (in millions)
Basic per-share (loss)/earnings
Diluted per-share (loss)/earnings

STATISTICS AND RATIOS

Total assets, on average (in millions)
Common stockholders' equity, on average (in millions)
Return on average assets
Return on common equity

Dividends paid on common shares (in millions)
Dividend payout ratio

Common shares outstanding (in millions)
Book value per common share

Staff members
Net (loss)/income per staff member (in thousands)
Capital generation ratio

Stock price
Price/earnings multiple

Net interest before provision and noninterest income
Tax equivalent interest income
Tax equivalent net interest and noninterest income
Noninterest expense
Efficiency ratio

	With impairment	Without impairment	Impairment
	\$ 1,210.7	\$ 1,212.1	\$ (1.4)
	162.6	190.6	(28.0)
	355.6	422.5	(66.9)
	10,590.0	10,545.4	44.6
	\$12,318.9	\$12,370.6	\$ (51.7)
	\$10,984.8	\$10,978.3	\$ 6.5
	0.2	0.2	-
	1,333.9	1,392.1	(58.2)
	\$12,318.9	\$12,370.6	\$ (51.7)
	\$ 357.7	\$ 357.7	\$ -
	(115.5)	(115.5)	-
	292.4	423.1	(130.7)
	559.7	492.8	66.9
	(25.1)	172.5	(197.6)
	(2.0)	72.6	(74.6)
	(23.1)	99.9	(123.0)
	0.5	0.5	-
	\$ (23.6)	\$ 99.4	\$(123.0)
	67.5	67.5	-
	67.5	67.6	(0.1)
	\$ (0.36)	\$ 1.46	\$ (1.82)
	\$ (0.36)	\$ 1.46	\$ (1.82)
	\$11,881.2	\$11,912.8	\$ (31.6)
	1,085.2	1,108.4	(23.2)
	(0.20)%	0.83%	(1.03)%
	(2.17)%	8.97%	(11.14)%
	\$ 92.5	\$ 92.5	\$ -
	-%	93.06%	-%
	69.1	69.1	-
	\$ 14.65	\$ 15.49	\$ (0.84)
	2,946	2,946	-
	\$ (8.0)	\$ 33.7	\$ (41.7)
	(10.36)%	0.62%	(10.98)%
	\$ 22.24	\$ 22.24	\$ -
	-	15.23	-
	\$ 650.1	\$ 780.8	\$(130.7)
	2.8	2.8	-
	652.9	783.6	(130.7)
	559.7	492.8	66.9
	85.73%	62.89%	22.84%

In 2008 we recorded non-cash impairment write-downs that totaled \$197.6 million.

Of this amount:

- \$130.7 million represented declines in the carrying value of some of the securities in our investment portfolio.
- \$66.9 million represented a decline in the carrying value of our investment in Roxbury Capital Management.

Although no cash exchanged hands, these write-downs affected our 2008 financial results negatively.

We discuss our results in two ways throughout this report:

- On a reported basis, which includes these write-downs.
- On an operating basis, which excludes these write-downs.

As shown here and discussed elsewhere in this report:

- On a reported basis, we incurred a loss of \$23.6 million, or \$0.36 per share, for 2008.
- On an operating basis, we earned net income of \$99.4 million, or \$1.46 per common share, for 2008.

We consider operating results to be the better measure of trends in each of our businesses. We also believe our operating results offer a more relevant and comparative basis on which to evaluate our performance.

Eleven-year Summary of Selected Consolidated Financial Data

(in millions, except share amounts) 2008⁸ 2007 2006⁸ 2005 2004 2003

CONSOLIDATED AVERAGE STATEMENTS OF CONDITION

ASSETS

Cash and due from banks	\$ 253.1	\$ 208.7	\$ 210.6	\$ 229.2	\$ 212.2	\$ 190.2
Short-term investments	99.8	38.4	52.8	33.7	23.8	28.5
Investment securities	1,561.2	1,863.5	1,884.0	1,863.3	1,848.3	1,720.0
FHLB and FRB stock, at cost ⁷	22.2	12.4	9.1	13.3	20.2	22.4
Loans	9,200.0	8,212.0	7,699.8	7,047.1	6,470.4	6,060.0
Reserve for loan losses	(108.1)	(95.5)	(91.8)	(90.9)	(90.3)	(86.7)
Net loans	9,091.9	8,116.5	7,608.0	6,956.2	6,380.1	5,973.3
Other	853.0	757.9	730.6	707.3	643.2	598.5
Total	\$11,881.2	\$10,997.4	\$10,495.1	\$9,803.0	\$9,127.8	\$8,532.9

LIABILITIES AND STOCKHOLDERS' EQUITY

Core deposits	\$ 5,397.2	\$ 5,045.5	\$ 4,936.7	\$4,866.6	\$4,553.7	\$4,356.2
National certificates \$100,000 and over	2,846.3	2,756.7	2,803.9	2,306.6	2,039.5	1,937.7
Short-term borrowings	1,883.5	1,568.2	1,135.8	1,107.8	1,116.3	975.7
Other	232.6	228.5	164.9	167.0	156.3	144.4
Long-term debt	418.3	307.3	394.4	405.5	407.3	345.8
Total	10,777.9	9,906.2	9,435.7	8,853.5	8,273.1	7,759.8
Minority interest	0.2	0.2	0.3	0.2	0.4	0.1
Stockholders' equity	1,103.1	1,091.0	1,059.1	949.3	854.3	773.0
Total	\$11,881.2	\$10,997.4	\$10,495.1	\$9,803.0	\$9,127.8	\$8,532.9

CONSOLIDATED STATEMENTS OF INCOME

Net interest income	\$ 357.7	\$ 368.9	\$ 363.1	\$ 328.9	\$ 294.4	\$ 277.1
Advisory fees:						
Wealth Advisory Services	224.7	220.1	192.0	172.1	155.6	140.4
Corporate Client Services	131.8	98.6	85.6	76.3	71.6	67.3
Cramer Rosenthal McGlynn	16.4	20.7	19.3	16.1	10.9	5.3
Roxbury Capital Management	(0.7)	1.2	1.2	1.4	1.6	(2.3)
Total advisory fees	372.2	340.6	298.1	265.9	239.7	210.7
Amortization of affiliate intangibles	(7.7)	(4.7)	(4.2)	(4.0)	(2.5)	(1.7)
Total advisory fees after amortization of affiliate intangibles	364.5	335.9	293.9	261.9	237.2	209.0
Other noninterest income	58.5	50.0	52.0	50.6	50.0	54.5
Securities (losses)/gains	(130.6)	0.1	0.2	0.8	(0.5)	0.7
Total noninterest income	292.4	386.0	346.1	313.3	286.7	264.2
Net interest and noninterest income	650.1	754.9	709.2	642.2	581.1	541.3
Provision for loan losses	(115.5)	(28.2)	(21.3)	(11.8)	(15.6)	(21.6)
Salaries and employment benefits	296.1	270.6	242.5	225.0	210.5	190.8
Other noninterest expense	263.6⁸	173.5	229.1 ⁸	145.1	139.3	125.5
Total noninterest expense	559.7	444.1	471.6	370.1	349.8	316.3
(Loss)/income before income taxes, minority interest, and cumulative effect of change in accounting principle	(25.1)	282.6	206.3	260.3	215.7	203.4
Applicable income taxes	(2.0)	99.7	72.7	93.0	77.9	71.4
Net (loss)/income before minority interest and cumulative effect of change in accounting principle	(23.1)	182.9	143.6	167.3	137.8	132.0
Minority interest	0.5	0.9	(0.2)	0.3	0.9	1.1
Net (loss)/income before cumulative effect of change in accounting principle	(23.6)	182.0	143.8	167.0	136.9	130.9
Cumulative effect of change in accounting principle (net of income taxes of \$0.6 in 2001)	-	-	-	-	-	-
Net (loss)/income	\$ (23.6)⁸	\$ 182.0	\$ 143.8 ⁸	\$ 167.0	\$ 136.9	\$ 130.9

2002	2001	2000	1999 ²	1998	Compound growth rates 1998 to 2008	Compound growth rates 2003 to 2008
\$ 189.1	\$ 215.8	\$ 194.7	\$ 198.0	\$ 188.2	3.01%	5.88%
28.2	28.7	29.5	31.5	31.1	12.37	28.49
1,278.2	1,320.8	1,538.1	1,570.5	1,591.4	(0.19)	(1.92)
17.2	21.1	28.9	23.9	18.2	2.01	(0.18)
5,691.3	5,235.3	5,053.1	4,530.4	4,156.4	8.27	8.71
(83.0)	(77.8)	(75.3)	(73.3)	(66.2)	5.03	4.51
5,608.3	5,157.5	4,977.8	4,457.1	4,090.2	8.32	8.76
542.9	487.6	441.4	409.2	333.9	9.83	7.34
\$7,663.9	\$7,231.5	\$7,210.4	\$6,690.2	\$6,253.0	6.63%	6.84%
\$3,981.1	\$3,675.0	\$3,766.3	\$4,004.5	\$3,802.1	3.57%	4.38%
1,846.5	1,588.1	1,504.8	762.0	625.2	16.37	7.99
821.1	1,027.7	1,145.9	1,138.1	1,076.5	5.75	14.06
132.1	131.3	92.2	84.9	96.0	9.25	10.00
160.5	166.3	168.0	168.0	125.9	12.76	3.88
6,941.3	6,588.4	6,677.2	6,157.5	5,725.7	6.53	6.79
0.1	-	-	-	-	-	14.87
722.5	643.1	533.2	532.7	527.3	7.66	7.37
\$7,663.9	\$7,231.5	\$7,210.4	\$6,690.2	\$6,253.0	6.63%	6.84%
\$ 276.5	\$ 258.9	\$ 255.1	\$ 245.9	\$ 237.7	4.17%	5.24%
126.9	109.6	104.5	98.1	88.8	9.73	9.86
64.3	54.9	46.7	40.4	35.8	13.92	14.39
7.7	6.3	1.6	4.1	4.9	12.84	25.35
8.6	14.2	19.7	12.0	2.5	-	(21.17)
207.5	185.0	172.5	154.6	132.0	10.92	12.05
(1.3)	(8.2)	(7.5)	(6.2)	(3.2)	9.18	35.27
206.2	176.8	165.0	148.4	128.8	10.96	11.77
54.0	49.7	51.6	41.8	48.4	1.91	1.43
2.0	1.5	(0.4)	1.3	6.7	-	-
262.2	228.0	216.2	191.5	183.9	4.75	2.05
538.7	486.9	471.3	437.4	421.6	4.43	3.73
(22.0)	(19.9)	(21.9)	(17.5)	(20.0)	19.17	39.84
187.5	172.2	167.9	151.7	141.0	7.70	9.19
127.5	110.1	101.8	111.0 ²	92.2	11.08	16.00
315.0	282.3	269.7	262.7	233.2	9.15	12.09
201.7	184.7	179.7	157.2	168.4	-	-
71.8	64.1	62.4	53.2	56.6	-	-
129.9	120.6	117.3	104.0	111.8	-	-
0.6	-	-	-	-	-	(14.59)
129.3	120.6	117.3	104.0	111.8	-	-
-	1.1	-	-	-	-	-
\$ 129.3	\$ 121.7	\$ 117.3	\$ 104.0 ²	\$ 111.8	-%	-%

(CONTINUED)

¹ Federal Home Loan Bank and Federal Reserve Bank stock.

² 1999 results included a \$13.4 million one-time pre-tax charge for outsourcing data processing functions.

³ Based on income before the cumulative effect of change in accounting principle or one-time pre-tax charge for outsourcing data processing functions.

⁴ At year-end.

⁵ Total other expenses as a percentage of net interest and other income on a tax-equivalent basis.

⁶ Net income minus dividends paid as a percentage of prior year-end stockholders' equity.

⁷ Adjusted for two-for-one stock split in June 2002.

⁸ 2008 and 2006 results included non-cash goodwill impairment write-downs of \$66.9 and \$72.3 million, respectively. 2008 results also include securities write-downs of \$130.7 million.

Eleven-year Summary of Selected Consolidated Financial Data (CONTINUED)

(in millions, except share amounts)	2008 ⁸	2007	2006 ⁸	2005	2004	2003
Net (loss)/income per common share – diluted:						
(Loss)/income before cumulative effect of change in accounting principle	\$ (0.36) ⁸	\$ 2.64	\$ 2.06 ⁸	\$ 2.43	\$ 2.02	\$ 1.97
Cumulative effect of change in accounting principle ⁷	–	–	–	–	–	–
Net (loss)/income per common share – diluted ⁷	\$ (0.36) ⁸	\$ 2.64	\$ 2.06 ⁸	\$ 2.43	\$ 2.02	\$ 1.97
Percentage change from prior year	–%	28%	(15)%	20%	3%	1%
SELECTED FINANCIAL RATIOS AND STATISTICS						
Net (loss)/income as a percentage of:						
Average common stockholders' equity ³	(2.17)%	16.68%	13.58%	17.59%	16.02%	16.93%
Average total assets ³	(0.20)	1.65	1.37	1.70	1.50	1.53
Capital generation ratio ^{3,6}	(10.36)	8.69	5.77	9.54	7.70	8.15
Average common equity to assets ratio	9.13	9.92	10.09	9.68	9.36	9.06
Risk-based capital ratio ⁴	13.97	11.21	12.10	11.84	11.68	12.52
Loan quality:						
Percentage of average total loans:						
Net charge-offs	0.57%	0.26%	0.24%	0.14%	0.24%	0.28%
Nonaccruing loans	2.13	0.58	0.40	0.62	0.95	0.75
Percentage of total loans:						
Reserve for loan losses ⁴	1.63%	1.19%	1.16%	1.24%	1.33%	1.44%
Selected per share data:						
Cash dividends declared and paid per common share ⁷	\$ 1.370	\$ 1.320	\$ 1.245	\$ 1.185	\$ 1.125	\$ 1.065
Book value ^{4,7}	14.65	16.70	15.46	14.99	13.49	12.17
Stock price ^{4,7}	22.24	35.20	42.17	38.91	36.15	36.00
Price/earnings multiple ⁴	–	13.13	20.08	15.75	17.63	18.09
Assets under management:						
Wilmington Trust	\$36,571.4	\$35,934.7	\$31,222.9	\$25,998.2	\$26,464.0	\$24,352.8
Cramer Rosenthal McGlynn	7,817.4	11,417.3	10,623.8	8,899.0	6,927.2	4,698.6
Roxbury Capital Management	1,336.6	2,466.0	3,138.1	3,287.3	3,138.6	3,210.7
Combined assets under management	\$45,725.4	\$49,818.0	\$44,984.8	\$38,184.5	\$36,529.8	\$32,262.1
Staff members (full-time-equivalent) ⁴	2,946	2,672	2,574	2,469	2,428	2,307
Net (loss)/income per staff member (in thousands) ³	\$ (8.0) ⁸	\$ 68.1	\$ 55.9 ⁸	\$ 67.6	\$ 56.4	\$ 56.7
Efficiency ratio ^{3,5}	85.73%	58.53%	66.10%	57.28%	59.72%	57.92%
Registered stockholders ⁴	7,534	7,718	7,962	8,180	8,499	8,666

	2002	2001	2000	1999 ²	1998	Compound growth rates 1998 to 2008	Compound growth rates 2003 to 2008
	\$ 1.95	\$ 1.83	\$ 1.80	\$ 1.56 ²	\$ 1.63	—%	—%
	—	0.02	—	—	—	—	—
	\$ 1.95	\$ 1.85	\$ 1.80	\$ 1.56 ²	\$ 1.63	—%	—%
	5%	3%	15%	(4)%	9%		
	17.90%	18.92%	22.00%	19.52%	21.20%		
	1.69	1.68	1.63	1.55	1.79		
	9.24	10.13	12.04	9.07	12.04		
	9.43	8.89	7.39	7.96	8.43		
	10.19	11.20	10.83	10.70	12.49		
	0.31%	0.30%	0.44%	0.28%	0.29%		
	0.74	0.73	0.80	0.64	0.74		
	1.41%	1.47%	1.48%	1.60%	1.66%		
	\$ 1.005	\$ 0.945	\$ 0.885	\$ 0.825	\$ 0.765		
	11.35	10.48	9.17	7.72	8.20		
	31.68	31.66	31.03	24.13	30.82		
	16.08	16.93	17.05	15.27	18.46		
	\$20,966.7	\$23,829.2	\$27,994.4	\$25,529.7	\$22,770.2		
	3,512.0	4,643.0	3,495.0	3,204.0	4,319.0		
	3,712.4	7,700.0	11,300.0	11,200.0	6,000.0		
	\$28,191.1	\$36,172.2	\$42,789.4	\$39,933.7	\$33,089.2		
	2,361	2,316	2,299	2,434	2,442		
	\$ 54.8	\$ 52.5	\$ 51.0	\$ 42.7 ²	\$ 45.8		
	57.93%	57.20%	56.35%	58.99%	54.23%		
	8,712	8,841	9,189	9,617	9,868		

¹ Federal Home Loan Bank and Federal Reserve Bank stock.

² 1999 results included a \$13.4 million one-time pre-tax charge for outsourcing data processing functions.

³ Based on income before the cumulative effect of change in accounting principle or one-time pre-tax charge for outsourcing data processing functions.

⁴ At year-end.

⁵ Total other expenses as a percentage of net interest and other income on a tax-equivalent basis.

⁶ Net income minus dividends paid as a percentage of prior year-end stockholders' equity.

⁷ Adjusted for two-for-one stock split in June 2002.

⁸ 2008 and 2006 results included non-cash goodwill impairment write-downs of \$66.9 and \$72.3 million, respectively. 2008 results also include securities write-downs of \$130.7 million.

Five-year Analysis of Earnings and Consolidated Average Statements of Condition

	2008			2007		
	Average balance	Income/expense	Average rate	Average balance	Income/expense	Average rate
(dollar amounts in millions; rates on a tax-equivalent basis)						
ASSETS						
Interest-bearing deposits in other banks	\$ 67.1	\$ 1.2	1.82%	\$ 4.4	\$ 0.3	6.95%
Federal funds sold and securities purchased under agreements to resell	32.7	0.7	2.28	34.0	1.7	5.01
Total short-term investments	99.8	1.9	1.97	38.4	2.0	5.23
U.S. Treasury securities	60.7	1.8	2.97	103.8	4.0	3.82
Government agency securities	485.6	23.0	4.73	659.5	31.3	4.75
Obligations of state and political subdivisions ²	8.8	0.7	8.10	14.5	1.1	7.48
Preferred stock ²	41.8	3.2	7.60	68.5	5.3	7.76
Mortgage-backed securities	705.5	31.7	4.50	668.3	28.4	4.25
Other securities ²	355.5	16.9	4.74	377.5	24.1	6.36
Total investment securities	1,657.9	77.3	4.66	1,892.1	94.2	4.97
FHLB & FRB stock, at cost ¹	22.2	0.7	3.28	12.4	0.4	3.59
Commercial, financial, and agricultural loans	2,814.6	165.4	5.88	2,485.7	194.0	7.81
Real estate – construction loans	1,860.6	102.3	5.50	1,731.9	144.4	8.34
Commercial mortgage loans	1,694.1	100.2	5.91	1,382.2	109.6	7.93
Total commercial loans	6,369.3	367.9	5.77	5,599.8	448.0	8.00
Residential mortgage loans	562.0	32.0	5.70	556.3	32.5	5.84
Consumer loans	1,728.7	110.9	6.42	1,526.6	113.2	7.41
Loans secured with investments	540.0	23.5	4.35	529.3	35.8	6.76
Total retail loans	2,830.7	166.4	5.88	2,612.2	181.5	6.95
Total loans ^{2,3}	9,200.0	534.3	5.81	8,212.0	629.5	7.67
Total earning assets at historical cost	10,979.9			10,154.9		
Fair value adjustment on securities available for sale	(96.7)			(28.6)		
Total earning assets	10,883.2	614.2	5.59	10,126.3	726.1	7.15
Other assets	998.0			871.1		
Total assets	\$11,881.2			\$10,997.4		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Savings	\$ 779.3	17.7	2.28%	\$ 500.1	11.8	2.35%
Interest-bearing demand	2,470.4	18.9	0.77	2,400.2	33.7	1.40
Certificates under \$100,000	1,006.3	35.2	3.49	1,010.1	43.6	4.32
Local certificates \$100,000 and over	299.5	10.9	3.63	412.7	19.8	4.80
Core interest-bearing deposits	4,555.5	82.7	1.81	4,323.1	108.9	2.52
National certificates \$100,000 and over	2,846.3	100.0	3.51	2,756.7	148.1	5.37
Total interest-bearing deposits	7,401.8	182.7	2.47	7,079.8	257.0	3.63
Federal funds purchased and securities sold under agreements to repurchase	1,810.5	38.0	2.10	1,465.0	68.4	4.67
U.S. Treasury demand	18.5	0.2	1.28	9.8	0.5	4.77
Line of credit and other debt	54.5	3.5	6.52	93.4	7.9	8.45
Total short-term borrowings	1,883.5	41.7	2.22	1,568.2	76.8	4.90
Long-term debt	418.3	29.3	7.01	307.3	19.5	6.33
Total interest-bearing liabilities	9,703.6	253.7	2.61	8,955.3	353.3	3.95
Demand deposits	841.7			722.4		
Other noninterest funds	434.6			477.2		
Total funds used to support earning assets	10,979.9	253.7	2.31	10,154.9	353.3	3.48
Minority interest	0.2			0.2		
Stockholders' equity	1,103.1			1,091.0		
Equity used to support earning assets	(434.6)			(477.2)		
Other liabilities	232.6			228.5		
Total liabilities and stockholders' equity	\$11,881.2			\$10,997.4		
Net interest income/margin ⁴		360.5	3.28%		372.8	3.67%
Tax-equivalent adjustment		(2.8)			(3.9)	
Net interest income		\$357.7			\$368.9	

2006			2005			2004		
Average balance	Income/expense	Average rate	Average balance	Income/expense	Average rate	Average balance	Income/expense	Average rate
\$ 2.9	\$ 0.1	4.16%	\$ 1.0	\$ 0.1	6.44%	\$ 0.5	\$ -	5.75%
49.9	2.6	5.09	32.7	1.0	3.30	23.3	0.4	1.42
52.8	2.7	5.04	33.7	1.1	3.39	23.8	0.4	1.52
159.1	6.0	3.76	125.7	3.9	3.05	187.9	5.6	2.97
485.9	20.4	4.20	366.8	14.1	3.85	260.6	10.2	3.92
9.8	0.9	8.80	11.2	1.0	8.75	13.0	1.1	8.69
90.6	6.9	7.65	93.1	6.9	7.50	122.3	9.1	7.41
792.7	32.9	4.15	942.0	38.4	4.07	982.5	39.8	4.05
386.1	23.6	6.14	344.3	16.5	4.79	288.4	9.3	3.25
1,924.2	90.7	4.72	1,883.1	80.8	4.29	1,854.7	75.1	4.05
9.1	0.6	6.23	13.3	0.4	3.28	20.2	0.4	1.75
2,437.4	189.6	7.78	2,462.1	152.2	6.19	2,374.4	107.9	4.55
1,516.8	128.5	8.47	982.3	67.4	6.87	731.8	35.7	4.88
1,240.8	97.6	7.87	1,229.1	79.3	6.46	1,168.6	58.9	5.04
5,195.0	415.7	8.00	4,673.5	298.9	6.40	4,274.8	202.5	4.74
495.2	28.7	5.80	438.6	25.9	5.89	453.8	27.4	6.04
1,458.2	104.6	7.18	1,329.3	84.8	6.38	1,134.1	67.7	5.97
551.4	36.1	6.54	605.7	28.6	4.72	607.7	17.5	2.88
2,504.8	169.4	6.76	2,373.6	139.3	5.86	2,195.6	112.6	5.13
7,699.8	585.1	7.60	7,047.1	438.2	6.22	6,470.4	315.1	4.87
9,685.9			8,977.2			8,369.1		
(40.2)			(19.8)			(6.4)		
9,645.7	679.1	7.01	8,957.4	520.5	5.80	8,362.7	391.0	4.67
849.4			845.6			765.1		
\$10,495.1			\$9,803.0			\$9,127.8		
\$ 311.4	1.3	0.41%	\$ 344.9	0.9	0.27%	\$ 369.1	0.7	0.18%
2,365.1	26.5	1.12	2,303.8	19.9	0.86	2,311.1	11.6	0.50
979.4	36.5	3.73	824.4	21.1	2.56	768.3	15.6	2.03
521.7	23.3	4.48	401.5	12.1	3.01	177.7	3.0	1.69
4,177.6	87.6	2.10	3,874.6	54.0	1.39	3,626.2	30.9	0.85
2,803.9	143.7	5.12	2,306.6	77.4	3.36	2,039.5	29.3	1.44
6,981.5	231.3	3.31	6,181.2	131.4	2.13	5,665.7	60.2	1.06
1,116.2	53.2	4.77	1,096.3	35.1	3.20	1,106.0	18.1	1.64
11.1	0.5	4.77	11.5	0.3	3.04	9.5	0.1	1.10
8.5	0.5	5.95	-	-	-	0.8	-	1.52
1,135.8	54.2	4.77	1,107.8	35.4	3.20	1,116.3	18.2	1.63
394.4	26.2	6.65	405.5	20.9	5.15	407.3	13.7	3.36
8,511.7	311.7	3.66	7,694.5	187.7	2.44	7,189.3	92.1	1.28
759.1			992.0			927.5		
415.1			290.7			252.3		
9,685.9	311.7	3.22	8,977.2	187.7	2.09	8,369.1	92.1	1.10
0.3			0.2			0.4		
1,059.1			949.3			854.3		
(415.1)			(290.7)			(252.3)		
164.9			167.0			156.3		
\$10,495.1			\$9,803.0			\$9,127.8		
	367.4	3.79%		332.8	3.71%		298.9	3.57%
	(4.3)			(3.9)			(4.5)	
	\$363.1			\$328.9			\$294.4	

¹ Federal Home Loan Bank and Federal Reserve Bank stock

² Tax-advantaged income has been adjusted to a tax-equivalent basis using an income tax rate of 35% for all years.

³ Loan balances include nonaccrual loans. Interest income includes amortization of deferred loan fees.

⁴ To compute the net interest margin, we divide net interest income on a fully tax-equivalent basis by total earning assets, on average.

Note: Average rates are calculated using average balances based on historical cost and do not reflect market valuation adjustments.

Five-year Comparison of Consolidated Average Statements of Condition

For the year ended December 31 (in millions)	2008	2007	2006	2005	2004
ASSETS					
Cash and due from banks	\$ 253.1	\$ 208.7	\$ 210.6	\$ 229.2	\$ 212.2
Interest-bearing deposits in other banks	67.1	4.4	2.9	1.0	0.5
Federal funds sold and securities purchased under agreements to resell	32.7	34.0	49.9	32.7	23.3
Investment securities:					
U.S. Treasury securities	61.0	103.0	156.5	124.4	189.0
Government agency securities	493.3	657.8	478.9	363.8	262.2
Obligations of state and political subdivisions	9.0	14.7	10.0	11.5	13.5
Preferred stock	35.6	66.2	90.2	94.0	120.9
Mortgage-backed securities	700.2	647.5	761.9	925.0	973.6
Other securities	262.1	374.3	386.5	344.6	289.1
Total investment securities	1,561.2	1,863.5	1,884.0	1,863.3	1,848.3
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	22.2	12.4	9.1	13.3	20.2
Loans:					
Commercial, financial, and agricultural	2,814.6	2,485.7	2,437.4	2,462.1	2,374.4
Real estate – construction	1,860.6	1,731.9	1,516.8	982.3	731.8
Commercial mortgage	1,694.1	1,382.2	1,240.8	1,229.1	1,168.6
Total commercial loans	6,369.3	5,599.8	5,195.0	4,673.5	4,274.8
Residential mortgage	562.0	556.3	495.2	438.6	453.8
Consumer	1,728.7	1,526.6	1,458.2	1,329.3	1,134.1
Loans secured with investments	540.0	529.3	551.4	605.7	607.7
Total retail loans	2,830.7	2,612.2	2,504.8	2,373.6	2,195.6
Total loans net of unearned income	9,200.0	8,212.0	7,699.8	7,047.1	6,470.4
Reserve for loan losses	(108.1)	(95.5)	(91.8)	(90.9)	(90.3)
Net loans	9,091.9	8,116.5	7,608.0	6,956.2	6,380.1
Premises and equipment	153.5	149.6	150.6	148.9	152.0
Goodwill	356.0	314.3	339.6	341.4	290.9
Other intangibles	42.4	36.6	37.4	41.5	31.1
Other assets	301.1	257.4	203.0	175.5	169.2
Total assets	\$11,881.2	\$10,997.4	\$10,495.1	\$9,803.0	\$9,127.8
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing demand	\$ 841.7	\$ 722.4	\$ 759.1	\$ 992.0	\$ 927.5
Interest-bearing:					
Savings	779.3	500.1	311.4	344.9	369.1
Interest-bearing demand	2,470.4	2,400.2	2,365.1	2,303.8	2,311.1
Certificates under \$100,000	1,006.3	1,010.1	979.4	824.4	768.3
Local certificates \$100,000 and over	299.5	412.7	521.7	401.5	177.7
Total core deposits	5,397.2	5,045.5	4,936.7	4,866.6	4,553.7
National certificates \$100,000 and over	2,846.3	2,756.7	2,803.9	2,306.6	2,039.5
Total deposits	8,243.5	7,802.2	7,740.6	7,173.2	6,593.2
Short-term borrowings:					
Federal funds purchased and securities sold under agreements to repurchase	1,810.5	1,465.0	1,116.2	1,096.3	1,106.0
U.S. Treasury demand	18.5	9.8	11.1	11.5	9.5
Line of credit and other debt	54.5	93.4	8.5	–	0.8
Total short-term borrowings	1,883.5	1,568.2	1,135.8	1,107.8	1,116.3
Other liabilities	232.6	228.5	164.9	167.0	156.3
Long-term debt	418.3	307.3	394.4	405.5	407.3
Total liabilities	10,777.9	9,906.2	9,435.7	8,853.5	8,273.1
Minority interest	0.2	0.2	0.3	0.2	0.4
Stockholders' equity:					
Preferred stock	17.9	–	–	–	–
Other stockholders' equity	1,085.2	1,091.0	1,059.1	949.3	854.3
Total stockholders' equity	1,103.1	1,091.0	1,059.1	949.3	854.3
Total liabilities and stockholders' equity	\$11,881.2	\$10,997.4	\$10,495.1	\$9,803.0	\$9,127.8

Five-year Comparison of Consolidated Statements of Income

For the year ended December 31 (in millions, except share amounts)	2008	2007	2006	2005	2004
NET INTEREST INCOME					
Interest income	\$ 611.4	\$722.2	\$674.8	\$516.6	\$386.5
Interest expense	253.7	353.3	311.7	187.7	92.1
Net interest income	357.7	368.9	363.1	328.9	294.4
Provision for loan losses	(115.5)	(28.2)	(21.3)	(11.8)	(15.6)
Net interest income after provision for loan losses	242.2	340.7	341.8	317.1	278.8
NONINTEREST INCOME					
Advisory fees:					
Wealth Advisory Services	224.7	220.1	192.0	172.1	155.6
Corporate Client Services	131.8	98.6	85.6	76.3	71.6
Cramer Rosenthal McGlynn	16.4	20.7	19.3	16.1	10.9
Roxbury Capital Management	(0.7)	1.2	1.2	1.4	1.6
Total advisory fees	372.2	340.6	298.1	265.9	239.7
Amortization of affiliate intangibles	(7.7)	(4.7)	(4.2)	(4.0)	(2.5)
Total advisory fees after amortization of affiliate intangibles	364.5	335.9	293.9	261.9	237.2
Service charges on deposit accounts	30.2	28.3	28.2	28.1	31.4
Other noninterest income	28.3	21.7	23.8	22.5	18.6
Securities (losses)/gains	(130.6)	0.1	0.2	0.8	(0.5)
Total noninterest income	292.4	386.0	346.1	313.3	286.7
Net interest and noninterest income	534.6	726.7	687.9	630.4	565.5
NONINTEREST EXPENSE					
Salaries and wages	196.3	172.8	154.4	139.8	134.7
Incentives and bonuses	48.1	46.9	39.8	38.0	35.1
Employment benefits	51.7	50.9	48.3	47.2	40.7
Net occupancy	30.8	28.3	25.7	22.4	21.2
Furniture, equipment, and supplies	43.3	39.2	38.3	34.7	32.1
Other noninterest expense	122.6	106.0	92.8	88.0	86.0
Total noninterest expense before impairment	492.8	444.1	399.3	370.1	349.8
Goodwill impairment write-down	66.9	–	72.3	–	–
Total noninterest expense	559.7	444.1	471.6	370.1	349.8
NET (LOSS)/INCOME					
(Loss)/income before income taxes and minority interest	(25.1)	282.6	216.3	260.3	215.7
Income tax (benefit)/expense	(2.0)	99.7	72.7	93.0	77.9
Net (loss)/income before minority interest	(23.1)	182.9	143.6	167.3	137.8
Minority interest	0.5	0.9	(0.2)	0.3	0.9
Net (loss)/income	\$ (23.6)	\$182.0	\$143.8	\$167.0	\$136.9
Net (loss)/income per common share – basic	\$ (0.36)	\$ 2.68	\$ 2.10	\$ 2.47	\$ 2.05
Net (loss)/income per common share – diluted	\$ (0.36)	\$ 2.64	\$ 2.06	\$ 2.43	\$ 2.02
Weighted average common shares outstanding (in thousands):					
Basic	67,454	67,946	68,413	67,688	66,793
Diluted	67,454	68,851	69,675	68,570	67,749
Net (loss)/income as a percentage of:					
Average total assets	(0.20)%	1.65%	1.37%	1.70%	1.50%
Average common stockholders' equity	(2.17)%	16.68%	13.58%	17.59%	16.02%
EXCLUDING IMPAIRMENT WRITE-DOWNS					
(Loss)/income before income taxes and minority interest	\$ (25.1)	\$282.6	\$216.3	\$260.3	\$215.7
Impairment write-downs	197.6	–	72.3	–	–
Income before income taxes, minority interest, and impairment write-downs	172.5	282.6	288.6	260.3	215.7
Income tax expense	72.6	99.7	103.3	93.0	77.9
Net income before minority interest and impairment write-downs	99.9	182.9	185.3	167.3	137.8
Minority interest	0.5	0.9	(0.2)	0.3	0.9
Net income before impairment write-downs	\$ 99.4	\$182.0	\$185.5	\$167.0	\$136.9
Net income per common share – basic	\$ 1.46	\$ 2.68	\$ 2.71	\$ 2.47	\$ 2.05
Net income per common share – diluted	\$ 1.46	\$ 2.64	\$ 2.66	\$ 2.43	\$ 2.02
Weighted average common shares outstanding (in thousands):					
Basic	67,454	67,946	68,413	67,688	66,793
Diluted	67,607	68,851	69,675	68,570	67,749
Net income as a percentage of:					
Average total assets	0.83%	1.65%	1.76%	1.70%	1.50%
Average common stockholders' equity	8.97%	16.68%	17.34%	17.59%	16.02%

Summary of Consolidated Quarterly Results of Operations (unaudited)

For the quarter ended (in millions, except per share amounts)	2008				2007			
	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
NET INTEREST INCOME								
Interest income	\$147.1	\$152.1	\$150.0	\$162.4	\$177.9	\$183.4	\$180.8	\$180.0
Interest expense	52.5	61.0	64.8	75.5	86.8	89.3	88.0	89.2
Net interest income	94.6	91.1	85.2	86.9	91.1	94.1	92.8	90.8
Provision for loan losses	(67.5)	(19.6)	(18.5)	(10.0)	(9.2)	(8.9)	(6.5)	(3.6)
Net interest income after provision for loan losses	27.1	71.5	66.7	76.9	81.9	85.2	86.3	87.2
NONINTEREST INCOME								
Advisory fees:								
Wealth Advisory Services	54.0	57.3	57.8	55.7	59.1	56.1	53.4	51.5
Corporate Client Services	39.7	34.4	31.7	26.0	26.2	23.6	24.8	24.0
Cramer Rosenthal McGlynn	3.1	3.8	5.5	4.0	5.5	4.2	6.3	4.7
Roxbury Capital Management	(0.3)	0.4	(1.1)	0.3	0.4	0.4	0.2	0.1
Total advisory fees	96.5	95.9	93.9	86.0	91.2	84.3	84.7	80.3
Amortization of affiliate intangibles	(2.3)	(2.2)	(2.0)	(1.2)	(1.3)	(1.2)	(1.1)	(1.1)
Advisory fees after amortization of affiliate intangibles	94.2	93.7	91.9	84.8	89.9	83.1	83.6	79.2
Service charges on deposit accounts	7.3	7.7	7.5	7.6	7.3	7.2	7.0	6.8
Other noninterest income	5.5	6.1	6.3	10.4	5.3	4.7	6.2	5.4
Securities (losses)/gains	(98.4)	(19.7)	(12.5)	—	0.2	(0.2)	0.1	—
Noninterest income	8.6	87.8	93.2	102.8	102.7	94.8	96.9	91.4
Net interest and noninterest income	35.7	159.3	159.9	179.7	184.6	180.0	183.2	178.6
NONINTEREST EXPENSE								
Salaries and wages	51.7	50.6	48.3	45.7	45.0	44.1	41.9	41.8
Incentives and bonuses	8.6	11.8	13.2	14.5	11.5	10.0	11.4	14.0
Employment benefits	12.1	12.8	12.4	14.3	12.0	12.7	11.5	14.6
Net occupancy	7.3	7.9	8.0	7.5	7.4	7.3	6.8	6.8
Furniture, equipment, and supplies	11.8	11.7	10.3	9.8	9.7	10.0	9.8	9.7
Other noninterest expense:								
Advertising and contributions	2.8	2.6	3.0	2.1	3.2	2.0	2.8	2.7
Servicing and consulting fees	4.8	2.9	3.2	2.5	3.4	2.6	2.8	2.4
Subadvisor expense:								
Retirement services	6.7	2.0	0.8	—	—	—	0.1	—
Other services	2.4	2.7	2.7	2.7	2.8	2.7	2.4	2.5
Travel, entertainment, and training	2.8	3.2	2.9	2.4	3.3	2.8	2.4	2.2
Originating and processing fees	2.8	2.8	2.6	2.4	2.9	2.8	2.7	2.5
Other expense	18.0	12.9	14.2	11.6	15.7	13.8	11.4	11.2
Total other noninterest expense	40.3	29.1	29.4	23.7	31.3	26.7	24.6	23.5
Total noninterest expense before impairment	131.8	123.9	121.6	115.5	116.9	110.8	106.0	110.4
Goodwill impairment write-down	—	—	66.9	—	—	—	—	—
Total noninterest expense	131.8	123.9	188.5	115.5	116.9	110.8	106.0	110.4
NET (LOSS)/INCOME								
(Loss)/income before income taxes and minority interest	(96.1)	35.4	(28.6)	64.2	67.7	69.2	77.2	68.2
Income tax (benefit)/expense	(27.6)	12.3	(9.3)	22.7	23.6	22.9	28.3	24.6
Net (loss)/income before minority interest	(68.5)	23.1	(19.3)	41.5	44.1	46.3	48.9	43.6
Minority interest	—	0.2	0.2	0.1	0.1	0.1	—	0.6
Net (loss)/income	\$ (68.5)	\$ 22.9	\$ (19.5)	\$ 41.4	\$ 44.0	\$ 46.2	\$ 48.9	\$ 43.0
Net (loss)/income per common share – basic	\$ (1.02)	\$ 0.34	\$ (0.29)	\$ 0.62	\$ 0.66	\$ 0.68	\$ 0.71	\$ 0.63
Net (loss)/income per common share – diluted	\$ (1.02)	\$ 0.34	\$ (0.29)	\$ 0.62	\$ 0.65	\$ 0.67	\$ 0.70	\$ 0.62
EXCLUDING IMPAIRMENT WRITE-DOWNS								
(Loss)/income before income taxes and minority interest	\$ (96.1)	\$ 35.4	\$ (28.6)	\$ 64.2	\$ 67.7	\$ 69.2	\$ 77.2	\$ 68.2
Impairment write-downs	98.4	19.7	79.5	—	—	—	—	—
Income before income taxes, minority interest, and impairment write-downs	2.3	55.1	50.9	64.2	67.7	69.2	77.2	68.2
Income tax expense	11.8	19.5	18.7	22.7	23.6	22.9	28.3	24.6
Net (loss)/income before minority interest and impairment write-downs	(9.5)	35.6	32.2	41.5	44.1	46.3	48.9	43.6
Minority interest	—	0.2	0.2	0.1	0.1	0.1	—	0.6
Net (loss)/income before impairment write-downs	\$ (9.5)	\$ 35.4	\$ 32.0	\$ 41.4	\$ 44.0	\$ 46.2	\$ 48.9	\$ 43.0
Net (loss)/income per common share – basic	\$ (0.15)	\$ 0.53	\$ 0.48	\$ 0.62	\$ 0.66	\$ 0.68	\$ 0.71	\$ 0.63
Net (loss)/income per common share – diluted	\$ (0.15)	\$ 0.53	\$ 0.47	\$ 0.62	\$ 0.65	\$ 0.67	\$ 0.70	\$ 0.62

Consolidated Statements of Condition

As of December 31 (in millions, except share amounts)	2008	2007
ASSETS		
Cash and due from banks	\$ 290.4	\$ 260.5
Interest-bearing deposits in other banks	141.0	4.4
Federal funds sold and securities purchased under agreements to resell	45.3	129.6
Investment securities available for sale	1,210.7	1,844.7
Investment securities held to maturity (fair value of \$119.2 in 2008 and \$2.1 in 2007)	162.6	2.1
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	20.0	22.4
Loans:		
Commercial, financial, and agricultural	2,966.3	2,594.9
Real estate – construction	1,923.8	1,780.4
Commercial mortgage	1,870.2	1,463.4
Total commercial loans	6,760.3	5,838.7
Residential mortgage	571.2	562.0
Consumer	1,732.9	1,571.6
Loans secured with investments	554.7	503.5
Total retail loans	2,858.8	2,637.1
Total loans, net of unearned income of \$5.6 in 2008 and \$5.4 in 2007	9,619.1	8,475.8
Reserve for loan losses	(157.1)	(101.1)
Net loans	9,462.0	8,374.7
Premises and equipment, net	152.0	152.1
Goodwill, net of accumulated amortization of \$29.8 in 2008 and 2007	355.6	330.0
Other intangible assets, net of accumulated amortization of \$39.6 in 2008 and \$31.6 in 2007	47.0	38.3
Accrued interest receivable	82.0	80.0
Other assets	350.3	246.9
Total assets	\$12,318.9	\$11,485.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing demand	\$ 1,365.3	\$ 966.2
Interest-bearing:		
Savings	815.7	659.8
Interest-bearing demand	2,632.9	2,471.8
Certificates under \$100,000	1,072.5	1,011.4
Local certificates \$100,000 and over	230.7	356.3
Total core deposits	6,117.1	5,465.5
National certificates \$100,000 and over	2,432.9	2,392.0
Total deposits	8,550.0	7,857.5
Short-term borrowings:		
Federal funds purchased and securities sold under agreements to repurchase	1,590.8	1,775.3
U.S. Treasury demand deposits	6.4	77.3
Line of credit and other debt	20.0	139.5
Total short-term borrowings	1,617.2	1,992.1
Accrued interest payable	71.2	78.8
Other liabilities	277.6	169.1
Long-term debt	468.8	267.8
Total liabilities	10,984.8	10,365.3
Minority interest	0.2	0.1
Stockholders' equity:		
Preferred stock: \$1.00 par value, 1,000,000 shares authorized, 330,000 5% cumulative shares issued and outstanding	321.5	–
Common stock: \$1.00 par value, authorized 150,000,000 shares, issued 78,528,346 shares	78.5	78.5
Capital surplus	216.4	188.1
Retained earnings	1,103.7	1,221.1
Accumulated other comprehensive loss	(84.5)	(28.4)
Total contributed capital and retained earnings	1,635.6	1,459.3
Less: treasury stock: 9,414,898 shares in 2008 and 11,441,800 shares in 2007, at cost	(301.7)	(339.0)
Total stockholders' equity	1,333.9	1,120.3
Total liabilities and stockholders' equity	\$12,318.9	\$11,485.7

See Notes to Consolidated Financial Statements

Consolidated Statements of Income

For the year ended December 31 (in millions, except share amounts)	2008	2007	2006
NET INTEREST INCOME			
Interest and fees on loans	\$ 532.8	\$627.5	\$583.2
Interest and dividends on investment securities:			
Taxable interest	73.1	87.4	82.3
Tax-exempt interest	0.4	0.5	0.6
Dividends	2.5	4.4	5.4
Interest on deposits in other banks	1.2	0.3	0.2
Interest on federal funds sold and securities purchased under agreements to resell	0.7	1.7	2.5
Dividends on Federal Home Loan Bank and Federal Reserve Bank stock	0.7	0.4	0.6
Total interest income	611.4	722.2	674.8
Interest on deposits	182.7	257.0	231.3
Interest on short-term borrowings	41.7	76.8	54.2
Interest on long-term debt	29.3	19.5	26.2
Total interest expense	253.7	353.3	311.7
Net interest income	357.7	368.9	363.1
Provision for loan losses	(115.5)	(28.2)	(21.3)
Net interest income after provision for loan losses	242.2	340.7	341.8
NONINTEREST INCOME			
Advisory fees:			
Wealth Advisory Services:			
Trust and investment advisory fees	152.0	158.6	136.5
Mutual fund fees	27.2	21.4	20.2
Planning and other services	45.5	40.1	35.3
Total Wealth Advisory Services	224.7	220.1	192.0
Corporate Client Services:			
Capital markets services	48.1	42.9	37.0
Entity management services	32.4	30.0	26.8
Retirement services	37.4	12.9	11.5
Investment/cash management services	13.9	12.8	10.3
Total Corporate Client Services	131.8	98.6	85.6
Cramer Rosenthal McGlynn	16.4	20.7	19.3
Roxbury Capital Management	(0.7)	1.2	1.2
Total advisory fees	372.2	340.6	298.1
Amortization of affiliate intangibles	(7.7)	(4.7)	(4.2)
Total advisory fees after amortization of affiliate intangibles	364.5	335.9	293.9
Service charges on deposit accounts	30.2	28.3	28.2
Loan fees and late charges	8.9	8.6	8.0
Card fees	9.6	7.2	9.2
Other noninterest income	9.8	5.9	6.6
Securities (losses)/gains	(130.6)	0.1	0.2
Total noninterest income	292.4	386.0	346.1
Net interest and noninterest income	\$ 534.6	\$726.7	\$687.9

(CONTINUED)

For the year ended December 31 (in millions, except share amounts)	2008	2007	2006
NONINTEREST EXPENSE			
Salaries and wages	\$196.3	\$172.8	\$154.4
Incentives and bonuses	48.1	46.9	39.8
Employment benefits	51.7	50.9	48.3
Net occupancy	30.8	28.3	25.7
Furniture, equipment, and supplies	43.3	39.2	38.3
Advertising and contributions	10.5	10.7	9.4
Servicing and consulting fees	13.4	11.2	10.4
Subadvisor expense:			
Retirement services	9.6	0.1	0.1
Other services	10.3	10.4	10.6
Travel, entertainment, and training	11.3	10.7	10.4
Originating and processing fees	10.6	10.9	11.1
Other noninterest expense	56.9	52.0	40.8
Total noninterest expense before impairment	492.8	444.1	399.3
Goodwill impairment write-down	66.9	–	72.3
Total noninterest expense	559.7	444.1	471.6
NET (LOSS)/INCOME			
(Loss)/income before income taxes and minority interest	(25.1)	282.6	216.3
Income tax (benefit)/expense	(2.0)	99.7	72.7
Net (loss)/income before minority interest	\$ (23.1)	\$182.9	\$143.6
Minority interest	0.5	0.9	(0.2)
Net (loss)/income	\$ (23.6)	\$182.0	\$143.8
Net (loss)/income per common share:			
Basic	\$ (0.36)	\$ 2.68	\$ 2.10
Diluted	\$ (0.36)	\$ 2.64	\$ 2.06
Weighted average common shares outstanding (in thousands):			
Basic	67,454	67,946	68,413
Diluted	67,454	68,851	69,675

See Notes to Consolidated Financial Statements

Consolidated Statements of Changes in Stockholders' Equity

(in millions, except share amounts)	Preferred stock	Common stock ²	Capital surplus	Retained earnings	Accumulated other comprehensive loss ³	Treasury stock	Total
2008							
Balance at January 1, 2008	\$ —	\$78.5	\$188.1	\$1,221.1	\$(28.4)	\$(339.0)	\$1,120.3
Comprehensive loss:							
Net loss	—	—	—	(23.6)	—	—	(23.6)
Other comprehensive loss ¹	—	—	—	—	(56.1)	—	(56.1)
Total comprehensive loss	—	—	—	(92.5)	—	—	(92.5)
Cash dividends paid: \$1.37 per common share	—	—	—	(92.5)	—	—	(92.5)
Preferred stock issued	321.5	—	8.5	—	—	—	330.0
Pension/SERP ⁶ adjustment due to change in measurement date, net of taxes ⁷	—	—	—	(1.3)	—	—	(1.3)
Common stock issued under employment benefit plans and to the Board of Directors (353,197 shares issued)	—	—	1.3	—	—	5.9	7.2
Reissuance of treasury stock (1,727,300 shares)	—	—	10.6	—	—	33.1	43.7
Stock-based compensation expense	—	—	8.0	—	—	—	8.0
Acquisition of treasury stock (53,595 shares)	—	—	—	—	—	(1.7)	(1.7)
Tax expense from stock-based compensation costs	—	—	(0.1)	—	—	—	(0.1)
Balance at December 31, 2008	\$321.5	\$78.5	\$216.4	\$1,103.7	\$(84.5)	\$(301.7)	\$1,333.9
2007							
Balance at January 1, 2007	\$ —	\$78.5	\$168.6	\$1,130.4	\$(52.7)	\$(265.5)	\$1,059.3
Comprehensive income:							
Net income	—	—	—	182.0	—	—	182.0
Other comprehensive income ¹	—	—	—	—	24.3	—	24.3
Total comprehensive income	—	—	—	182.0	24.3	—	206.3
Cash dividends paid: \$1.32 per common share	—	—	—	(89.9)	—	—	(89.9)
Common stock issued under employment benefit plans and to the Board of Directors (807,955 shares issued)	—	—	10.1	—	—	13.0	23.1
Stock-based compensation expense	—	—	8.1	—	—	—	8.1
Acquisition of treasury stock (2,180,923 shares)	—	—	—	—	—	(86.5)	(86.5)
Adoption of FASB Interpretation No. 48	—	—	—	(1.4)	—	—	(1.4)
Tax benefits from stock-based compensation costs	—	—	1.3	—	—	—	1.3
Balance at December 31, 2007	\$ —	\$78.5	\$188.1	\$1,221.1	\$(28.4)	\$(339.0)	\$1,120.3

(CONTINUED)

(in millions, except share amounts)	Preferred stock	Common stock ²	Capital surplus	Retained earnings	Accumulated other com- prehensive loss ³	Treasury stock	Total
2006							
Balance at January 1, 2006	\$ –	\$78.5	\$145.0	\$1,071.7	\$(21.8)	\$(255.7)	\$1,017.7
Comprehensive income:							
Net income	–	–	–	143.8	–	–	143.8
Other comprehensive income ⁷	–	–	–	–	3.5	–	3.5
Total comprehensive income							147.3
Effect of adopting SFAS 158, net of taxes of \$(18.6)	–	–	–	–	(34.4)	–	(34.4)
Cash dividends paid: \$1.245 per common share	–	–	–	(85.1)	–	–	(85.1)
Common stock issued under employment benefit plans and to the Board of Directors (1,219,231 shares issued)	–	–	11.3 ⁴	–	–	19.3	30.6
Stock-based compensation expense	–	–	7.8 ⁵	–	–	–	7.8
Acquisition of treasury stock (662,996 shares)	–	–	–	–	–	(29.1)	(29.1)
Tax benefits from stock-based compensation costs	–	–	4.5	–	–	–	4.5
Balance at December 31, 2006	\$ –	\$78.5	\$168.6	\$1,130.4	\$(52.7)	\$(265.5)	\$1,059.3

¹ Other comprehensive (loss)/income

(in millions)	2008	2007	2006
Other comprehensive (loss)/income, net of tax:			
Net unrealized (losses)/gains on securities, net of taxes of \$(54.0), \$(2.6), and \$2.9	\$(95.9)	\$(4.5)	\$5.0
Net unrealized gain on equity method investments, net of taxes of \$0.3, \$0.0, and \$0.0	0.5	–	–
Reclassification adjustment for securities losses/(gains) included in net income, net of income taxes of \$47.0, \$0.0, and \$(0.1)	83.6	(0.1)	(0.1)
Net unrealized holding gains/(losses) arising during the year on derivatives used for cash flow hedges, net of taxes of \$4.9, \$8.3, and \$(1.5)	8.8	15.4	(2.7)
Reclassification adjustment from accumulated other comprehensive income into earnings of discontinued cash flow hedges, net of taxes of \$(3.6), \$0.0, and \$0.0	(6.7)	–	–
Reclassification adjustment of derivative costs, net of income taxes of \$(0.8), \$0.7, and \$0.1	(1.4)	1.3	0.1
Foreign currency translation adjustments, net of income taxes of \$(1.5), \$0.2, and \$0.7	(2.6)	0.3	1.2
SERP ⁶ liability adjustment, net of income taxes of \$(1.9), \$(0.4), and \$0.0	(3.6)	(0.7)	–
Postretirement benefits liability adjustment, net of income taxes of \$5.1, \$0.4, and \$0.0	9.6	0.4	–
Pension liability adjustment, net of income taxes of \$(26.1), \$6.5, and \$0.0	(48.4)	12.2	–
Total other comprehensive (loss)/income	\$(56.1)	\$24.3	\$3.5

² Shares outstanding at December 31, 2008, 2007, and 2006 were 69,113,448, 67,086,546, and 68,459,514, respectively

³ See Note 21 for additional accumulated other comprehensive loss information

⁴ Includes reclassification of \$(0.8) for 2006

⁵ Includes reclassification of \$0.8 for 2006

⁶ Supplemental executive retirement plan

⁷ See Note 18 for measurement date information

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows

For the year ended December 31 (in millions)	2008	2007	2006
OPERATING ACTIVITIES			
Net (loss)/income	\$ (23.6)	\$ 182.0	\$ 143.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	115.5	28.2	21.3
Provision for depreciation and other amortization	22.8	22.8	21.8
Impairment write-down	66.9	—	72.3
Amortization of other intangible assets	8.9	5.9	5.4
Minority interest in net income	0.5	0.9	(0.2)
(Accretion)/amortization of discounts and premiums on investment securities	0.2	(1.4)	0.3
Deferred income taxes	(110.2)	(14.7)	(32.5)
Originations of residential mortgages available for sale	(96.8)	(115.7)	(82.4)
Gross proceeds from sales of residential mortgages	97.9	117.2	83.2
Gains on sales of residential mortgages	(1.1)	(1.5)	(0.8)
Securities (gains)/losses:			
Other-than-temporary impairment	130.7	—	—
Other	(0.1)	(0.1)	(0.2)
Employer pension contributions	(6.5)	(10.0)	(15.0)
Amortization of gain on interest rate floors	(12.7)	—	—
Stock-based compensation expense ²	8.0	8.1	7.8
Tax expense/(benefit) realized on employee exercise of stock options	0.1	(1.3)	(4.5)
Decrease/(increase) in other assets	16.7	(43.3)	27.6
Increase in other liabilities	33.7	46.0	22.2
Net cash provided by operating activities	\$ 250.9	\$ 223.1	\$ 270.1
INVESTING ACTIVITIES			
Proceeds from sales of investment securities available for sale	\$ 11.9	\$ 44.2	\$ 23.0
Proceeds from sales of Federal Home Loan Bank and Federal Reserve Bank stock	17.9	8.7	5.4
Proceeds from maturities of investment securities available for sale	1,208.6	1,332.4	1,404.0
Proceeds from maturities of investment securities held to maturity	4.2	0.5	0.8
Purchases of investment securities available for sale	(900.6)	(1,121.4)	(1,610.8)
Purchases of investment securities held to maturity	(0.6)	(0.9)	—
Purchases of Federal Home Loan Bank and Federal Reserve Bank stock	(15.5)	(23.8)	(0.6)
Investments in affiliates	(16.8)	(17.9)	(13.3)
Cash paid for acquisitions	(109.9)	(30.7)	(4.7)
Proceeds from sale of affiliate interest	0.3	—	—
Purchase of client list	—	—	(0.9)
Purchases of residential mortgages	(2.0)	(7.0)	(11.7)
Net increase in loans	(1,200.8)	(395.2)	(704.0)
Purchases of premises and equipment	(24.2)	(20.8)	(24.1)
Dispositions of premises and equipment	4.0	0.2	1.7
Sale of interest rate floors	55.1	—	—
Increase in interest rate floor contracts	—	—	(20.7)
Swap termination	—	—	(12.7)
Net cash used for investing activities	\$ (968.4)	\$ (231.7)	\$ (968.6)

(CONTINUED)

For the year ended December 31 (in millions)	2008	2007	2006
FINANCING ACTIVITIES			
Net increase in demand, savings, and interest-bearing demand deposits	\$ 716.1	\$ 309.8	\$ 86.9
Net (decrease)/increase in certificates of deposit	(23.6)	(781.4)	953.0
Net (decrease)/increase in federal funds purchased and securities sold under agreements to repurchase	(184.5)	644.5	(224.8)
Net (decrease)/increase in U.S. Treasury demand deposits	(70.9)	64.3	(5.1)
Proceeds from issuance of long-term debt	198.7	–	–
Proceeds from issuance of preferred stock	330.0	–	–
Maturity of long-term debt	(125.0)	–	(7.5)
Net increase in line of credit	5.0	–	15.0
Cash dividend	(92.5)	(89.9)	(85.1)
Distributions to minority shareholders	(0.4)	(0.8)	–
Proceeds from common stock issued under employment and director benefit plans ³	5.7	16.8	27.2
Proceeds from reissuance of treasury stock	43.7	–	–
Tax (expense)/benefit realized on employee exercise of stock options	(0.1)	1.3	4.5
Acquisition of treasury stock	(0.2)	(80.2)	(25.7)
Net cash provided by financing activities	802.0	84.4	738.4
Effect of foreign currency translation on cash	(2.3)	0.1	0.4
Increase in cash and cash equivalents	82.2	75.9	40.3
Cash and cash equivalents at beginning of year	394.5	318.6	278.3
Cash and cash equivalents at end of year	\$ 476.7	\$ 394.5	\$ 318.6
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	\$ 261.3	\$ 349.9	\$ 282.3
Taxes	72.9	92.6	104.3
Liabilities were assumed in connection with our interests in Cramer Rosenthal McGlynn, LLC; Roxbury Capital Management, LLC; and Camden Partners Holdings, LLC; and with our acquisitions of AST Capital Trust Company; UBS Fiduciary Trust Company; Grant Tani Barash & Altman, LLC; Amaco (Luxembourg) S.A.; PwC Corporate Services (Cayman) Limited; and SPV Management Limited, as follows:			
Fair value of assets acquired	\$ 116.4	\$ 4.9	\$ 0.3
Goodwill and other intangible assets from acquisitions	114.7	46.2	19.2
Cash paid	(126.4)	(48.6)	(18.9)
Liabilities assumed	\$ 104.7	\$ 2.5	\$ 0.6
Non-cash items during the year:			
Net unrealized (losses)/gains on securities, net of tax of \$(54.0), \$(2.6), and \$2.8, respectively	\$ (95.9)	\$ (4.6)	\$ 4.9
Net unrealized gains on equity method investment, net of tax of \$0.3, \$0.0, and \$0.0, respectively	0.5	–	–
Other-than-temporary impairment losses on securities, net of tax of \$47.0, \$0.0, and \$0.0	83.7	–	–
Transfer of investment securities from available-for-sale to held-to-maturity	189.1	–	–
Net unrealized holding gains/(losses) on derivatives used for cash flow hedges, net of tax of \$4.9, \$8.3, and \$(1.5), respectively	8.8	15.4	(2.7)
Reclassification from accumulated other comprehensive income into earnings of discontinued cash flow hedges, net of tax of \$(3.6), \$0.0, and \$0.0	(6.7)	–	–
Foreign currency translation adjustment, net of tax of \$(1.5), \$0.2, and \$0.7, respectively	(2.6)	0.3	1.2
Adoption of FASB Interpretation No. 48	–	(1.4)	–
Reclassification adjustment of derivative costs, net of tax of \$(0.8), \$0.7, and \$0.1, respectively	(1.4)	1.3	0.1
Pension liability adjustment, net of tax of \$(26.1), \$6.5, and \$(12.9), respectively	(48.4)	12.2	(23.9)
Postretirement benefits liability adjustment, net of tax of \$5.1, \$0.4, and \$(3.9), respectively	9.6	0.4	(7.1)
SERP ¹ liability adjustment, net of tax of \$(1.9), \$(0.4), and \$(1.8), respectively	(3.6)	(0.7)	(3.4)

¹ Supplemental executive retirement plan

² Includes reclassification of \$0.8 for 2006

³ Includes reclassification of \$(0.8) for 2006

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

1. Nature of Business

Wilmington Trust Corporation is (we are) a Delaware corporation and a financial holding company under the Bank Holding Company Act. We are a relationship management company that helps clients increase and preserve their wealth. We do this through a variety of deposit-taking, lending, fiduciary, trustee, financial planning, investment consulting, asset management, insurance, broker-dealer, and administrative services.

We manage our company through three business lines: Regional Banking, Corporate Client Services (CCS), and Wealth Advisory Services (WAS). Although each of our businesses targets specific types of clients, provides different kinds of services, and has a different geographic scope, many of our clients use services from more than one of these businesses.

Regional Banking

Serves:

- Commercial banking clients in the mid-Atlantic region (Delaware and contiguous areas in Pennsylvania, New Jersey, and Maryland)
- Retail banking clients in Delaware

Targets:

Family-owned or closely held businesses in the mid-Atlantic region with annual sales of up to \$250 million with whom we can develop long-term banking and wealth management relationships

Provides:

- Commercial lending, including lines of credit, term loans, and demand loans for working capital and to finance accounts receivable, inventory, and equipment purchases
- Consumer lending, including installment loans, residential mortgages, home improvement loans, direct and indirect automobile loans, credit cards, and secured and unsecured lines of credit
- Deposit taking, including demand checking, certificate of deposit, negotiable order of withdrawal, money market, and various savings deposit services

Corporate Client Services (CCS)

Serves institutional clients who seek:

- The advantageous legal, tax, and creditor protections available in jurisdictions in the United States, the Caribbean, and Europe
- Trustee and administrative services that support capital markets transactions
- To establish and maintain legal residency (nexus) for special purpose entities
- Independent trustees to hold or manage retirement plan assets
- Investment and cash management

Targets:

Investment bankers, corporate tax advisors, and financial executives of multinational institutions

Provides:

- Indenture, successor, collateral, and liquidating trustee and administrative services that support corporate debt issuances, syndicated bank loans, reorganizations, debt restructurings, mergers, and bankruptcies
- Owner and indenture trustee and specialized services that support asset-backed securitizations and financing structures for aircraft, power generating facilities, ships, and other types of capital equipment
- Independent directors, corporate governance, and regulatory reporting services for special purpose entities

- Trust and custody services for unbundled retirement plans
- Fixed income investment and cash management services

***Wealth Advisory
Services (WAS)***

Serves:

- High-net-worth individuals and families who want to:
 - Grow, preserve, and protect their wealth
 - Minimize taxes
 - Transfer wealth to future generations
 - Support charitable endeavors
 - Manage family and business affairs
- Foundations and endowments
- Tax-qualified benefit and defined contribution plans

Targets:

Clients throughout the United States with liquid assets of \$10 million or more

Provides:

- Investment counseling, asset allocation, and asset management
- Proprietary and third-party investment management that encompasses a full spectrum of investment styles and asset classes, including domestic and international equities, fixed income instruments, mutual funds, real estate investment trusts, private equity investments, and hedge funds
- Strategies for taxable and tax-exempt cash portfolios
- Fiduciary and trust services
- Financial, estate, succession, and other planning services
- Tax preparation, estate settlement, private banking, and insurance services
- Broker-dealer services
- Corporate governance, business management, bookkeeping, and other administrative services for family offices

We provide our services through various legal entities and subsidiaries that we own wholly or in part.

Our primary wholly owned subsidiary is Wilmington Trust Company, a Delaware-chartered bank and trust company formed in 1903. We have 48 branch offices and one trust office in Delaware.

Our other wholly owned depository institution is Wilmington Trust FSB, through which we conduct business in the United States outside of Delaware. Wilmington Trust FSB is a federally chartered savings bank with offices in California, Florida, Georgia, Maryland, Massachusetts, Nevada, New Jersey, New York, and Pennsylvania.

Until November 2008, we owned a third depository institution, Wilmington Trust of Pennsylvania (WTPA), a Pennsylvania-chartered bank and trust company with five offices in southeastern Pennsylvania. On November 1, 2008, we merged WTPA into Wilmington Trust FSB, which absorbed the former WTPA offices.

We own six registered investment advisors:

- Rodney Square Management Corporation, which oversees the Wilmington family of mutual funds.
- Wilmington Trust Investment Management, LLC (WTIM), which sets our investment and asset allocation policies and selects the independent asset managers we use in our investment consulting services.
- Grant Tani Barash & Altman, LLC (GTBA) and Grant, Tani, Barash & Altman Management, Inc., the Beverly Hills-based firm through which we offer business management and family office services.
- Wilmington Family Office, Inc. (WFO), through which we provide family office services.
- Wilmington Brokerage Services Company, which is also a licensed broker-dealer.

We own five investment holding companies:

- WT Investments, Inc. (WTI), which holds interests in five asset management firms: our two affiliate money managers, Cramer Rosenthal McGlynn, LLC, and Roxbury Capital Management, LLC; Clemente Capital, Inc.; Camden Partners Holdings, LLC; and Camden Partners Private Equity Advisors, LLC. WTI also holds our interest in Wilmington Trust Conduit Services, LLC, which provides conduit servicing for special purpose vehicles.
- Wilmington Trust (UK) Limited, through which we conduct business outside the United States through Wilmington Trust SP Services (London) Limited and its subsidiaries.

- GTBA Holdings, Inc. (GTBAH), through which we conduct the business of GTBA, Grant, Tani, Barash & Altman Management, Inc., and WFO.
- WTC Camden, Inc., which holds our interest in Camden Partners Equity Managers I, LLC.
- Wilmington Trust CI Holdings Limited, which owns Wilmington Trust Corporate Services (Cayman) Limited and its subsidiaries.

In addition to the locations noted above, we and our affiliates have offices in Arizona, Connecticut, Minnesota, South Carolina, Vermont, the Cayman Islands, the Channel Islands, Amsterdam (The Netherlands), Dublin (Ireland), London (England), Frankfurt am Main (Germany), and Luxembourg.

We compete for deposits, loans, assets under management, and the opportunity to provide trust, investment management, brokerage, and other services related to financial planning and management. Our competitors include other trust companies, full-service banks, deposit-taking institutions, mortgage lenders, credit card issuers, credit acceptance corporations, securities dealers, asset managers, investment advisors, mutual fund companies, insurance companies, and other financial institutions.

We are subject to the regulations of, and undergo periodic examinations by, the Federal Reserve Bank, the Office of Thrift Supervision, the Delaware Department of Banking, other U.S. federal and state regulatory agencies, and the regulatory agencies of other countries in which we conduct business.

On December 31, 2008, we and our subsidiaries had 2,946 full-time-equivalent staff members.

2. Summary of Significant Accounting Policies

We maintain our accounting records and prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and reporting practices prescribed for the banking industry. Using these principles, we make subjective judgments about uncertainties and trends and we make estimates and assumptions about the amounts we report in our financial statements and notes, including amounts for revenue recognition, the reserve for loan losses, pension and other benefit plans, stock-based employee compensation, investment securities valuations, goodwill impairment, loan origination fees, income taxes, and other items. We evaluate these estimates on an ongoing basis.

The precision of these estimates and the likelihood of future changes are subject to various risks and uncertainties, and depend on a number of assumptions, estimates, expectations, assessments of potential developments, other underlying variables, and a range of possible outcomes. Circumstances that differ significantly from our judgments and estimates could cause our actual financial results to differ from our expectations.

Our financial results could be affected adversely by, among other things, changes in national or regional economic conditions; changes in market interest rates; fluctuations in equity or fixed income markets; changes in the market values of securities in our investment portfolio; significant changes in banking laws or regulations; changes in accounting policies, procedures, or guidelines; increased competition for business; higher-than-expected credit losses; the effects of acquisitions; the effects of integrating acquired entities; a substantial and permanent loss of either client accounts and/or assets under management at Wilmington Trust and/or affiliate money managers Cramer Rosenthal McGlynn and Roxbury Capital Management; changes in the regulatory, judicial, legislative, or tax treatment of business transactions; new litigation or developments in existing litigation; and economic uncertainty created by unrest in other parts of the world.

We may use the following abbreviations throughout this report:

- APB: Accounting Principles Board
- ARB: Accounting Research Bulletin
- CPP: U.S. Department of the Treasury Capital Purchase Program
- EITF: Emerging Issues Task Force
- FASB: The Financial Accounting Standards Board
- FHLB: Federal Home Loan Bank
- FIN: FASB Interpretation (Number)
- FRB: Federal Reserve Bank
- FSP: FASB Staff Position
- GAAP: U.S. generally accepted accounting principles
- IRS: Internal Revenue Service

NYSE: New York Stock Exchange
SAB: Staff Accounting Bulletin
SEC: Securities and Exchange Commission
SFAS: Statement of Financial Accounting Standards
TARP: U.S. Department of the Treasury Troubled Asset Relief Program

We have applied our critical accounting policies and estimation methods consistently in all periods presented in this report and we have discussed these policies with our Audit Committee. The following paragraphs summarize our significant accounting policies.

Consolidation. Our consolidated financial statements include the accounts of Wilmington Trust Corporation, our wholly owned subsidiaries, and the subsidiaries in which we are majority owner. We eliminate intercompany balances and transactions in consolidation. We have reclassified certain prior year amounts to conform to current year presentation.

Although we are majority owner of CRM, we do not consolidate its results because CRM owners retain control over certain governance matters. We do not consolidate the results of RCM because we are not majority owner and RCM owners retain control over certain governance matters. For information on how we account for CRM, RCM, and other subsidiaries and affiliates, read Note 4, "Affiliates and acquisitions," in this report.

Cash. We account for cash and cash equivalents on our balance sheet as "Cash and due from banks," "Interest-bearing deposits in other banks," and "Federal funds sold and securities purchased under agreements to resell."

Investment securities. We classify debt securities that we have the intent and ability to hold until they mature as "held to maturity," and carry them at historical cost, adjusted for any amortization of premium or accretion of discount. We carry marketable equity and debt securities classified as "available for sale" at fair value, and we report their unrealized gains and losses, net of taxes, as part of other comprehensive income. We include realized gains and losses, and declines in value judged to be other than temporary, in earnings. We use the specific identification method to determine the cost of securities we have sold. We amortize premiums and accrete discounts as an adjustment of a security's yield using the interest method, adjusted for the effects of prepayments on the underlying assets.

We evaluate securities for other-than-temporary impairment at least quarterly. When testing a security for impairment, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, general market and industry conditions, and our intent and ability to hold the security until its fair value has recovered to a level at least equal to the amortized cost. In addition, we use a cash flow methodology using remaining expected future cash flows for securities that we test for impairment under EITF 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets." When we determine that a security's unrealized loss is other-than-temporary, we recognize an impairment loss in the period in which the decline is determined to be other-than-temporary.

We do not hold investment securities for trading purposes. For more information about our investment securities, read Note 6, "Investment securities," Note 14, "Fair value measurement of assets and liabilities," and Note 21, "Accumulated other comprehensive income," in this report.

Fair value. We measure the fair values of assets and liabilities in accordance with SFAS No. 157, "Fair Value Measurements," and other related guidance. Generally, fair value is the price on which a willing buyer and a willing seller would agree in other than a distressed sale situation. Because of the uncertainties inherent in determining fair value, fair value estimates may not be precise. Many of our fair value estimates are based on highly subjective judgments and assumptions we make about market information and economic conditions. For a detailed discussion of fair value measurements and methodology used to determine fair value, read Note 14, "Fair value measurements of assets and liabilities," in this report.

Loans. We generally state loans at their outstanding unpaid principal balance, net of any deferred fees or costs on originated loans, and net of any unamortized premiums or discounts on purchased loans. We accrue and recognize interest income based on the principal amount outstanding. We defer loan origination fees, net of certain direct origination costs, and we amortize the net amounts over the contractual lives of the loans as adjustments to the yield, using the interest method.

When we doubt that we will be able to collect interest or principal, we stop accruing interest. We consider a loan impaired when it is probable that the borrower will be unable to pay all amounts due according to the contractual terms of the loan agreement. We generally place loans, including those determined impaired under SFAS No. 114, "Accounting by Creditors for Impairment of

a Loan," on nonaccrual status after they have become 90 days past due. For installment and revolving consumer loans, we accrue interest income until we charge off the loan, which generally occurs when installment loans are 120 days past due and revolving consumer loans are 180 days past due. We continue to pursue collection on nonaccruing and charged-off loans. We apply subsequent payments on nonaccruing loans to the outstanding principal balance of the loan or we record the payments as interest income, depending on how the loan is collateralized and the likelihood, in our opinion, of ultimately collecting the principal.

We return loans we have not charged off to accrual status when all principal and interest delinquencies become current, and when we are reasonably assured that contractual payments will continue. Normally, this occurs after six months of satisfactory payment performance.

Reserve for loan losses. We establish a reserve for loan losses in accordance with GAAP by charging a provision for loan losses against income. The reserve reflects our best estimate of known and inherent loan losses, based on subjective judgments about the likelihood that loans will be repaid. In calculating the reserve, we consider current micro- and macro-economic factors, historical net loss experience, current delinquency trends, movements within our internal risk rating classifications, and other factors. The process we use to calculate the reserve has provided an appropriate reserve over an extended period of time, and we believe that our methodology is sound.

On a quarterly basis, we:

- Charge loans deemed uncollectible against the reserve.
- Credit recoveries, if any, to the reserve.
- Reassess the level of the reserve.
- Have the reserve evaluated by staff members who do not have lending responsibilities.

We made several enhancements to our reserve methodology in 2008:

- We expanded the use of historical losses to determine appropriate reserve levels.
- We added qualitative factors, such as general economic conditions, loan concentrations, and other factors, to the criteria we use to assign reserve levels.
- We reclassified a portion of the reserve to a separate liability account to create a reserve for unfunded loan commitments, mainly letters of credit.

For commercial loans, we maintain reserve allocations at various levels based on our evaluation of the levels of risk inherent in the loans. For commercial loans that are not subject to specific impairment allocations, we assign reserves based on analysis of historical losses for each loan type and the assessment of qualitative factors. For loans that we have determined to be impaired, we establish reserves to reflect the present value of anticipated cash flows discounted at the loan's effective interest rate at the date the loan is determined to be impaired or, for collateral-dependent loans, the fair value of the collateral. For collateral-dependent loans, we obtain appraisals for all significant properties. Specific reserve allocations represent subjective estimates of probable losses, and consider estimated collateral shortfalls.

For retail loans, we use historical trend data and the assessment of qualitative factors to determine reserve allocations. We establish specific allocations for impaired credits, which typically are loans that are nearing charge-off status under our charge-off policy guidelines. We establish general allocations for the remainder of the retail portfolio by applying a ratio to the outstanding balances that considers the net loss experience recognized over a historical period for the respective loan product and the assessment of qualitative factors. We adjust these allocations as necessary.

Various regulatory agencies, as an integral part of their examinations, periodically review the reserves of our banking affiliates. These agencies base their judgments on information that is available to them when they conduct their examinations, and they may require us to adjust the reserve.

Determining the reserve is inherently subjective. Estimates we make, including estimates of the amounts and timing of payments we expect to receive on impaired loans, may be susceptible to significant change. If actual circumstances differ substantially from the assumptions we used to determine the reserve, future adjustments to the reserve may be necessary, which could have a material effect on our financial performance.

Premises and equipment. We record premises and equipment at cost, less accumulated depreciation. We capitalize and depreciate fixed assets and improvements on the straight-line basis over the estimated useful life of the asset as follows:

- Buildings and improvements over an estimated useful life of 39 years.
- Leasehold improvements over the lesser of the asset's useful life or the life of the lease plus renewal options.
- Furniture and equipment over the lesser of the asset's useful life or an estimated useful life of three, five, or seven years.

We include gains or losses on dispositions of property and equipment in income as they are realized.

Goodwill and other intangible assets. We account for goodwill and other intangible assets of our consolidated subsidiaries in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." All of the goodwill on our books is related to acquisitions we have made and firms in which we have invested, such as affiliate money managers CRM and RCM. The amount we initially record as goodwill reflects the value assigned to the asset at the time of acquisition or investment. To ensure that the amount of goodwill recorded does not exceed the actual fair value of the goodwill, we perform goodwill impairment tests at least annually, or when events occur or circumstances change that would more likely than not reduce the fair value of the goodwill. Our impairment testing methodology is consistent with the methodology prescribed in SFAS No. 142. For our unconsolidated affiliates, our impairment testing methodology is in accordance with APB No. 18, "The Equity Method of Accounting for Investments in Common Stock." If impairment testing indicates that the fair value of the asset is less than its book value, we are required to record an impairment expense in our income statement.

A substantial and permanent loss of client accounts and/or assets under management at CRM or RCM would trigger impairment testing using a discounted cash flow approach. A decline in the fair value of our investment in either of these firms could cause us to record an impairment expense. In 2008, we recorded an impairment expense associated with RCM. For more information about the RCM impairment, read Note 10, "Goodwill and other intangible assets," in this report.

We amortize other intangible assets on the straight-line or sum-of-the-years'-digits basis over the estimated useful life of the asset. We currently amortize mortgage servicing rights over an estimated useful life of approximately eight years, and client lists over an estimated useful life of 10 to 20 years.

Other real estate owned (OREO). OREO is property that we have acquired through foreclosure, by accepting a deed in lieu of foreclosure, or by taking possession of assets that were used as loan collateral. We account for OREO as a component of "Other assets" on our balance sheet at the lower of the asset's cost or the asset's estimated fair value less cost to sell, based on current appraisals.

Derivative financial instruments. We use derivative financial instruments, such as interest rate swaps and floors, mainly to manage interest rate risk. We also use interest rate swaps to help commercial borrowers manage their interest rate risk. We do not hold or issue derivative financial instruments for trading purposes.

We account for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Depending on the type of derivative, we record the income and expense associated with derivatives as components of interest income or interest expense, or we net the income and expense and record it in other income in our income statement. We record the fair value of derivatives as other assets or other liabilities on our balance sheet (statement of condition). To determine a derivative's fair value, we use external pricing models that incorporate assumptions about market conditions and risks that are current as of the reporting date.

We recognize changes in the fair value of derivatives in our income statement, unless they meet specific accounting criteria prescribed by SFAS No. 133. If we use a derivative to hedge our exposure to changes in the fair value of a recognized asset or liability, and it meets specified accounting criteria, the derivative is a fair value hedge under SFAS No. 133. We recognize the gain or loss of a fair value hedge in earnings, and we attribute the offsetting loss or gain on the hedged item to the risk being hedged. If we use a derivative to hedge our exposure to variable cash flows of a forecasted transaction, and it meets specified accounting criteria, the derivative is a cash flow hedge under SFAS No. 133. For a cash flow hedge, we initially recognize the effective portion of the change in fair value as a component of other comprehensive income, and subsequently reclassify it into earnings when the forecasted transaction affects earnings. We recognize the ineffective portion of the gain or loss in earnings immediately.

If a derivative instrument in a cash flow hedge is terminated or the hedge designation is removed, we reclassify the related amount out of accumulated other comprehensive income and into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. If it is probable that a forecasted transaction will not occur, we reclassify any related amounts out of accumulated other comprehensive income and into earnings in that period.

For interest rate floors, we record changes in fair value that are determined to be ineffective as a component of other noninterest income. We record the effective portion of the change in fair value as a component of other comprehensive income. We amortize the premiums we pay for interest rate floor contracts over the life of each floor and recognize those payments as an offset to interest income.

For more information about derivatives, read Note 14, "Fair value measurement of assets and liabilities," Note 15, "Derivative and hedging activities," and Note 21, "Accumulated other comprehensive income," in this report.

Revenue recognition. Except for nonaccruing loans, we recognize all sources of income on the accrual basis. This includes interest income, advisory fees, income from affiliate money managers, service charges, loan fees, late charges, and other noninterest income. We recognize interest income from nonaccrual loans on the cash basis.

Stock-based compensation plans. Effective January 1, 2006, we adopted SFAS No. 123(revised), "Share-Based Payment," using the modified retrospective method. SFAS No. 123(revised) requires us to recognize the fair value of stock-based awards in our income statement over their vesting periods. The vesting period is the time, during which stock-based award recipients must remain employed by us, between when stock-based awards are granted and when recipients become eligible to exercise their options and/or acquire their awards. The stock-based compensation expense we record includes estimates of forfeitures. We use the Black-Scholes valuation method to estimate the fair value of stock option awards. For more information about our stock-based compensation plans, read Note 19, "Stock-based compensation plans," in this report.

Pension accounting. We account for our pension and other postretirement benefits in accordance with SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(revised)," which requires us to recognize the funded status of our plans on our balance sheet, and to recognize changes in the funded status of these plans as other comprehensive income in the year in which the changes occur. Other requirements of FASB Statements No. 87, 88, 106, and 132(revised) remain in effect and we account for our plans under these statements as applicable. For more information about these plans, read Note 18, "Pension and other postretirement benefits," in this report.

Income taxes. We use the asset and liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between financial statement carrying amounts and the tax bases of existing assets and liabilities. These temporary differences are measured at the prevailing enacted tax rates in effect when the differences are settled or realized.

Effective January 1, 2007, we adopted FIN 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109." FIN 48 clarifies income tax accounting by prescribing that tax positions should be recognized initially in financial statements when it is more likely than not that the position will be sustained when examined by taxing authorities. FIN 48 requires tax positions to be measured as the largest amount of benefit that is more than 50% likely of being realized upon ultimate settlement. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For more information about income taxes, read Note 20, "Income taxes," in this report.

Our consolidated federal tax return excludes subsidiaries Rodney Square Investors, L.P.; Wilmington Trust (Cayman), Ltd.; Wilmington Trust CI Holdings Limited (WTCIH); WT Luxembourg SARM; and Wilmington Trust (UK) Limited (WTL). Rodney Square Investors, L.P. files its federal tax returns separately. Wilmington Trust (Cayman), Ltd.; WTCIH; WT Luxembourg SARM; and WTL are non-U.S. companies not subject to U.S. federal income taxes.

Per share data. We use the weighted average number of shares outstanding during each year to calculate basic net income per common share. Diluted net income per common share reflects the dilutive effect of shares issuable under stock-based compensation plans and warrants. Net income available to common shareholders for both calculations is net of preferred dividends. For more information about our earnings per share calculations, read Note 22, "Earnings per share," in this report.

Comprehensive income. We account for unrealized gains or losses on our available-for-sale securities, additional minimum pension liabilities, derivative gains and losses, and foreign currency translation adjustments in comprehensive income, in accordance with SFAS No. 130, "Reporting Comprehensive Income." For more information, read Note 21, "Accumulated other comprehensive loss," in this report.

3. Recent Accounting Pronouncements

The following recent accounting pronouncements may affect our financial condition and results of operations.

SFAS No. 160. In December 2007, FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51." SFAS No. 160 amends ARB No. 51 and establishes the accounting and reporting standards for a noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 requires a noncontrolling interest, sometimes called a minority interest, in a subsidiary to be reported as a component of equity in the consolidated financial statements. SFAS No. 160 also changes the income statement presentation of noncontrolling interests, establishes a single method of accounting for a change in a parent's ownership percentage in a subsidiary that does not result in deconsolidation, requires a parent to recognize a gain or loss in net income when a subsidiary is deconsolidated, and requires various other disclosures. SFAS No. 160 was effective for us on January 1, 2009. It will change the presentation and accounting treatment of affiliates in which we have noncontrolling interests, and of our subsidiaries in which others hold noncontrolling interests.

SFAS No. 141(revised 2007). In December 2007, FASB issued SFAS No. 141(revised 2007), "Business Combinations." SFAS No. 141(revised 2007) retains the fundamental requirement of SFAS No. 141 that the acquisition method of accounting be used for all business combinations. However, SFAS No. 141(revised 2007) does make significant changes to the accounting for a business combination achieved in stages, the treatment of contingent consideration, transaction and restructuring costs, and other aspects of business combination accounting. SFAS No. 141(revised 2007) was effective for us with the fiscal year that began on January 1, 2009. Its adoption will change our accounting treatment for business combinations on a prospective basis.

SFAS No. 161. In March 2008, FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133." SFAS No. 161 amends SFAS No. 133 and its related guidance by requiring expanded disclosures about derivative instruments and hedging activities. This Statement will require us to provide additional disclosure about a) how and why we use derivative instruments; b) how we account for derivative instruments and related hedged items under SFAS No. 133 and its related interpretations; and c) how derivative instruments and related hedged items affect our financial condition, financial performance, and cash flows. SFAS No. 161 does not change the accounting for derivatives under SFAS No. 133. SFAS No. 161 was effective for us on January 1, 2009.

SFAS No. 162. In May 2008, FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 is intended to correct flaws in the GAAP hierarchy which, up to now, had been defined in the U.S. auditing literature. The purpose of the new standard is to improve financial reporting by providing a consistent framework for determining what accounting principles should be used when preparing U.S. GAAP financial statements. SFAS No. 162, which was effective for us on November 15, 2008, did not have a material effect on our financial statements.

FSP EITF 03-6-1. In June 2008, FASB issued FSP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." FSP EITF 03-6-1 states that all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends are considered participating securities. Because the awards are considered participating securities, the issuing entity is required to apply the two-class method of computing basic and diluted earnings per share. FSP EITF 03-6-1 was effective for us on January 1, 2009. We do not expect the adoption of FSP EITF 03-6-1 to have a material effect on our financial statements.

FSP FAS No. 133-1 and FIN 45-4. In September 2008, FASB issued FSP FAS No. 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161." FSP FAS No. 133-1 and FIN 45-4 amends SFAS 133 to require sellers of credit derivatives to provide certain disclosures for credit derivatives. FSP FAS No. 133-1 and FIN 45-4 also amends FIN 45 to require guarantors to disclose the current status of the payment/performance risk of each guarantee. Although we do not sell credit derivatives, the amendments to FIN 45 apply to some of our guarantee arrangements. Adopting FSP FAS No. 133-1 and FIN 45-4, which were effective for us on December 31, 2008, did not affect our financial statements.

FSP FAS No. 157-3. In October 2008, FASB issued FSP FAS No. 157-3, "Determining the Fair Value of a Financial Asset When the Market for that Asset Is Not Active." FSP FAS 157-3 clarifies the application of SFAS No. 157 in an inactive market and provides an example of how to determine the fair value of a financial asset when the market for that asset is inactive. Specifically, FSP FAS 157-3 states that management may use estimates that incorporate current market participant expectations of future cash flows and include appropriate risk premiums to determine the fair value of a security when there is not an active market for that security. This FSP also indicates that, in some cases, using unobservable inputs might be more appropriate than using

observable inputs to determine the fair value of a security in an inactive market. FSP FAS 157-3 was effective upon issuance. Its adoption did not affect our financial statements, but it clarified existing guidance about valuation techniques used in illiquid markets. For more information about this, read Note 14, "Fair value measurement of assets and liabilities," in this report.

FSP FAS No. 132(revised)-1. In December 2008, FASB issued FSP FAS No. 132(revised)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets." FSP FAS No. 132(revised)-1 amends SFAS No. 132(revised), "Employers' Disclosures about Pensions and Other Postretirement Benefits," to require more detailed disclosures about employers' defined benefit plan and other post-retirement plan assets, including employers' investment policies and strategies, major categories of plan assets, concentration of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. FSP FAS No. 132(revised)-1 will not change the accounting for postretirement benefit plan assets. FSP FAS No. 132(revised)-1 will be effective for us for the fiscal year ending December 31, 2009.

FSP No. EITF 99-20-1. In January 2009, FASB issued FSP No. EITF 99-20-1, "Amendments to the Impairment Guidance of EITF Issue No. 99-20." FSP No. EITF 99-20-1 amends the impairment recognition model provided in EITF 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets." EITF 99-20 required other-than-temporary impairment recognition to be based on the cash flows that a market participant used to determine an instrument's fair value. The amendment removes the reference to market participants and instead requires that other-than-temporary impairment be recognized when it is probable that the holder will be unable to collect all amounts due according to the contractual terms of the instrument. FSP No. EITF 99-20-1 was effective for our fiscal year ending December 31, 2008. Its adoption did not have a material effect on our financial statements. For more information about other-than-temporary impairments, read Note 6, "Investment securities," in this report.

4. Affiliates and Acquisitions

Cramer Rosenthal McGlynn. WT Investments, Inc. (WTI) has an equity interest in Cramer Rosenthal McGlynn, LLC (CRM), an investment advisory firm with offices in New York City and White Plains, New York. CRM specializes in value-style equity and hedge fund investing for institutional clients and wealthy individuals and families.

We account for WTI's investment in CRM under the equity method of accounting. We record this investment on our balance sheet in goodwill, other intangible assets, and other assets. We do not consolidate CRM's financial results with ours because CRM's principals retain management controls, including veto powers, over a variety of matters. The revenue we record from CRM in our income statement is net of that firm's expenses and based on WTI's ownership position as of the reporting date.

Under the CRM acquisition agreement, principal members and certain key employees (principals) of CRM were granted options to purchase interests in CRM. The acquisition agreement also allows these same principals, subject to certain restrictions, to put (relinquish) their interests in CRM to WTI, which would increase WTI's equity interest. Conversely, WTI, subject to certain restrictions, may call (acquire) interests held by principals of CRM, which also would increase WTI's equity interest. In the event of a change in control of Wilmington Trust Corporation, the principals of CRM may call the interests held by WTI and retain ownership of those interests.

WTI acquired its first interest, and the ability to increase its interest in the future, in CRM on January 2, 1998. The following table shows how WTI's interest in CRM has changed since 2006.

CRM OWNERSHIP

At December 31	2008	2007	2006
WTI interest in CRM	80.99%	82.41%	81.73%

During 2008, some CRM managers exercised their CRM stock options, which caused WTI's interest in CRM to decrease. In 2007, puts exercised by CRM principals caused WTI's ownership position in CRM to increase. Neither of these actions had a significant effect on the revenue we received from CRM.

If all of the options granted to CRM principals had been exercised at December 31, 2008, WTI's equity interest would have been reduced to 66.93%.

Roxbury Capital Management. WTI has preferred, common, and Class B interests in Roxbury Capital Management, LLC (RCM), an asset management firm headquartered in Santa Monica, California. RCM specializes in growth-style equity investing for institutional and individual clients.

We account for WTI's investment in RCM under the equity method of accounting, and record it on our balance sheet in goodwill, other intangible assets, and other assets. We do not consolidate RCM's financial results with ours, in part because RCM's principals retain management controls, including veto powers, over a variety of matters. The revenue we record from RCM in our income statement is net of that firm's expenses and based on WTI's preferred, common, and Class B ownership position as of the reporting date.

Under the RCM acquisition agreement, principal members and certain key employees (principals) of RCM can put (relinquish) their interests in RCM to WTI, which would increase WTI's ownership. Conversely, WTI, subject to certain restrictions, may call (acquire) interests held by principals of RCM, which also would increase WTI's ownership.

WTI's agreement with RCM also includes provisions that permit some of RCM's portfolio managers to put (relinquish) their ownership of certain free cash flow interests (Class B interests) to us. These Class B interests are in addition to our equity ownership position in RCM. Exercises of these puts increase the revenue we receive from RCM.

WTI acquired 100% of RCM's preferred interests on July 31, 1998. This transaction entitles WTI to a preferred profits interest equal to 30% of RCM's revenues. The following table shows how WTI's investment in RCM has changed since 2006.

RCM OWNERSHIP

At December 31	2008	2007	2006
WTI interest in RCM's preferred profits	30%	30%	30%
WTI interest in RCM's common interests	41.23%	41.23%	41.23%
WTI interest in RCM's Class B interests	67%	25%	-

In 2007, principals of RCM's office in Portland, Oregon, became eligible to exercise some of their puts. The following table shows the amounts of these puts, which were exercised in April of 2008 and 2007, and the revenue they generated.

RCM CLASS B PUTS

For the year ended December 31 (in millions)	2008	2007
RCM Class B interests put to Wilmington Trust	\$16.8	\$13.0
Revenue contribution to Wilmington Trust	\$ 2.3	\$ 1.4

Of the \$16.8 million of RCM Class B interests put to us in 2008, approximately \$2.5 million was put to us on December 31, 2008. This increased our ownership of RCM Class B interests as of December 31, 2008, but did not entitle us to any revenue related to those additional interests until 2009.

Changes in business conditions at RCM that became apparent during the 2008 second quarter led us to reassess the valuation of our investment in RCM. Among these changes were a protracted decline in assets under management and lower-than-expected operating performance and near-term projections. We determined that the carrying value of our investment in RCM had declined from \$89.1 million to \$22.2 million, and that this decline was an other-than-temporary impairment. We recorded the \$66.9 million decline in value as an impairment write-down for the 2008 second quarter. For more information about this write-down, read Note 10, "Goodwill and other intangible assets," in this report.

Underlying equity in affiliate asset manager transactions. The excess of the carrying value over the underlying equity resulting from the CRM and RCM transactions was \$147.8 million and \$198.9 million at December 31, 2008 and 2007, respectively.

INVESTMENTS IN AFFILIATES

At December 31 (in millions)	2008	2007
Cramer Rosenthal McGlynn	\$133.3	\$137.2
Roxbury Capital Management	\$ 22.5	\$ 76.2

Camden Partners. On February 22, 2002, WTI acquired a 25% equity interest in Camden Partners Holdings, LLC (Camden), a Baltimore-based private equity firm that organizes venture capital and corporate finance funds. WTI's investment in Camden increased to 31.25% in 2003; did not change in 2004 or 2005; declined to 28.13% in 2006; did not change in 2007; and declined to 25.0% on January 1, 2008. We account for Camden under the equity method of accounting, and do not consolidate its results in our financial statements.

Grant Tani Barash & Altman. On October 1, 2004, GTBA Holdings, Inc. (GTBAH), acquired a 90% interest in Grant Tani Barash & Altman, LLC (GTBA), a firm based in Beverly Hills, California, that provides business management services for high-net-worth clients. GTBA's services include bookkeeping, cash flow management, budgeting, investment management, tax preparation, tax planning, insurance consultation, and other services. The acquisition agreement allows principal members (principals), subject to certain restrictions, to put (relinquish) their interests in GTBA to GTBAH, which would increase GTBAH's equity interest. Conversely, GTBAH, subject to certain restrictions, may call (acquire) interests held by principals of GTBA, which would increase GTBAH's equity interest. In the event of a change in control of Wilmington Trust Corporation, the principals of GTBA can either put their interests to us, or call the interests held by GTBAH and retain ownership of those interests. We consolidate GTBA's financial results in our financial statements.

Charleston Captive Management Company. On July 7, 2005, Wilmington Trust SP Services, Inc. acquired 100% of the stock of Charleston Captive Management Company (CCM), a captive insurance manager based in Charleston, South Carolina. CCM provides corporate management, directors, bookkeeping, treasury management, and other services to captive insurance clients. We have consolidated CCM's financial results in our financial statements since July 2005, when we changed CCM's name to Wilmington Trust SP Services (South Carolina), Inc.

PwC Corporate Services (Cayman) Limited. On May 24, 2006, Wilmington Trust CI Holdings Limited acquired 100% of the stock of PwC Corporate Services (Cayman) Limited (PwCCS), a firm located in George Town, Grand Cayman. PwCCS and its subsidiaries, Florence Limited, Kendall Corporation Ltd., Redmond Limited, Sentinel Corporation, and Woodbridge Corporation, Ltd., provide registered office, corporate secretarial, corporate officer, administrative, directors, management, and bookkeeping services. We have consolidated the financial results of PwCCS in our financial statements since May 2006, when we changed its name to Wilmington Trust Corporate Services (Cayman) Limited.

Wilmington Trust Conduit Services. On July 13, 2006, we formed Wilmington Trust Conduit Services, LLC (WTCS). Based in New York, New York, WTCS provides conduit administration services for special purpose vehicles, including directors and officers, accounting, compliance monitoring and testing, payment calculations and disbursements, and other services. To staff WTCS, we acquired a team of consultants from PVA International, a firm focused on capital markets and risk management. On August 24, 2006, WTI acquired a 70% equity interest in WTCS, and principal members of the team from PVA International (principals) acquired a 30% equity interest in WTCS. We have consolidated the financial results of WTCS in our financial statements since August 2006.

In the 2008 fourth quarter, we announced our intent to close this business due to lack of capital markets activity and demand for these services, and we began to transition clients of this business to other service providers. This decision triggered an assessment of the recoverability of our investment in WTCS. As of December 31, 2008, the net realizable value of WTCS' assets had declined by \$1.8 million, and we wrote off that amount in the 2008 fourth quarter.

Amaco (Luxembourg) S.A. On May 14, 2007, we formed WT Luxembourg SARL to acquire Amaco (Luxembourg) S.A. (Amaco). We subsequently changed Amaco's name to Wilmington Trust SP Services (Luxembourg) S.A. This firm provides administrative management services for institutional clients who seek the advantageous legal, tax, and creditor protections available in Luxembourg. We have consolidated the financial results of Wilmington Trust SP Services (Luxembourg) S.A. in our financial statements since May 2007.

Bingham Legg Advisers, LLC. On June 29, 2007, we acquired Bingham Legg Advisers, LLC (BLA), which we subsequently liquidated into Wilmington Trust FSB. This firm provides investment consulting and asset management service for high-net-worth clients. We also acquired BLA Holdings Corp. (as a subsidiary of BLA) and BDG&CO, a company that holds nominee title to shares of stock managed by BLA and whose partners are BLA (now Wilmington Trust FSB) and BLA Holdings Corp. We have consolidated the financial results of BLA in our financial statements since July 2007.

AST Capital Trust Company of Delaware. On April 30, 2008, Wilmington Trust FSB acquired AST Capital Trust Company of Delaware (AST). This was an all-cash transaction. The purchase price was \$90 million. AST provides directed trustee, trust administration, and back-office services offered through financial advisors to retirement plans, high-net-worth individuals and families, and institutional investors. We have consolidated the financial results of AST in our financial statements since May 2008. In August 2008, we rebranded AST as Wilmington Trust Retirement and Institutional Services Company.

UBS Fiduciary Trust Company. On October 10, 2008, Wilmington Trust Retirement and Institutional Services Company acquired UBS Fiduciary Trust Company (UBSFTC) and rebranded it as Wilmington Trust Fiduciary Services Company. UBSFTC provides trust, investment management, fund accounting, and benefit payment services offered through financial advisors for retirement and employee benefit plans. We have consolidated the financial results of UBSFTC in our financial statements since October 2008.

5. Restrictions on Cash and Due From Banks

The Board of Governors of the Federal Reserve System requires banks to maintain cash reserves based on a percentage of certain deposits. On an average daily balance basis, these reserves were \$26.6 million and \$6.3 million for 2008 and 2007, respectively.

6. Investment Securities

We maintain an investment securities portfolio to generate cash flow, to help manage interest rate risk, and to provide collateral for deposits and other liabilities. We do not invest in securities for trading purposes. There are no client funds in this portfolio.

Our investment securities portfolio consists of:

- Securities issued by the U.S. Treasury.
- Discount notes and other securities issued by other U.S. government agencies, including the Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank System.
- Obligations of state and political subdivisions, which primarily are bonds issued by the state of Delaware and its municipalities.
- Mortgage-backed securities and collateralized mortgage obligations issued by Fannie Mae, Freddie Mac, and Ginnie Mae in which the underlying collateral consists of adjustable rate and/or fixed rate residential mortgages. As of December 31, 2008, there were no subprime mortgages in the underlying collateral of these securities.
- Corporate debt securities, which are trust-preferred securities (TruPS) issued by financial institutions.
- Perpetual preferred stock, which consists of securities issued by Fannie Mae, Freddie Mac, and three other financial institutions.
- Small amounts of other types of marketable debt and equity securities.

Numerous factors affect the valuations at which we record these securities on our balance sheet, including market interest rates, credit spreads, and investor perceptions. We review the securities in our investment portfolio at least quarterly in order to determine their fair value, which can be equal to, more than, or less than their book value (amortized cost). To determine a security's fair value, we use a variety of techniques and consult with third-party valuation experts. For more information about the key determinants of a security's fair value, read Note 14, "Fair value measurement of assets and liabilities," in this report.

In this note, we discuss the classification and accounting treatment of securities in the portfolio, temporarily impaired securities, trust-preferred securities, other-than-temporarily impaired securities, and other matters pertaining to the portfolio.

We classify investment securities in one of two categories:

1. Available-for-sale (AFS). This means we have the ability to hold the security, but we may elect to sell it, depending on our needs.
2. Held-to-maturity (HTM). This means we have not only the ability, but also the intent, to retain the security on our books until it matures.

AFS securities are carried at their estimated fair value. When the fair value of an AFS security exceeds its book value, we record an unrealized gain as a change in stockholders' equity through accumulated other comprehensive income. This increases stockholders' equity. It does not affect earnings.

HTM securities are carried at their amortized cost. When the fair value of an HTM security exceeds its book value, there is no effect to our financial statements or earnings. We disclose the fair value of the security in a footnote to the financial statements.

When a security's fair value falls below its book value, the security is considered impaired, and we must account for it in one of two ways:

1. As temporarily impaired.
2. As other-than-temporarily impaired (OTTI).

To determine whether a security's impairment is temporary or other-than-temporary, we consider factors that include:

- The causes of the decline in fair value, such as credit problems, interest rate fluctuations, or market volatility.
- The severity and duration of the decline.
- Whether or not the security's contractual cash flows have been, or are projected to become, impaired.
- Our ability and intent to hold these investments until they recover in value, mature, or are called.

Under GAAP, we are required to assess HTM securities for impairment consistent with our AFS assessments. There are different accounting treatments for AFS and HTM securities when they are temporarily impaired. If they are OTTI, the accounting treatments for AFS and HTM securities are the same. For a discussion of how we account for security losses, read the sections below on temporarily impaired and other-than-temporarily impaired securities. For more information about how we account for investment securities, read Note 2, "Summary of significant accounting policies," Note 14, "Fair value of financial instruments," and Note 21, "Accumulated other comprehensive income," in this report.

BOOK VALUES (AMORTIZED COST) AND FAIR VALUES

At December 31 (in millions)

	2008		2007	
	Amortized cost	Fair value	Amortized cost	Fair value
Investment securities available for sale:				
U.S. Treasury securities	\$ 41.2	\$ 41.4	\$ 60.0	\$ 60.2
Government agency securities	453.9	463.0	639.6	646.5
Obligations of state and political subdivisions	6.3	6.2	16.7	16.9
Mortgage-backed debt securities	649.6	660.3	743.1	730.4
Corporate debt securities	—	—	336.2	317.7
Foreign securities	—	—	0.5	0.5
Preferred stock	20.5	17.1	54.2	44.9
Other marketable equity securities	26.3	22.7	27.5	27.6
Total	\$1,197.8	\$1,210.7	\$1,877.8	\$1,844.7
Investment securities held to maturity:				
Obligations of state and political subdivisions	\$ 0.7	\$ 0.7	\$ 0.9	\$ 0.9
Mortgage-backed debt securities	0.2	0.2	0.2	0.2
Corporate debt securities	160.2	116.8	—	—
Foreign securities	0.5	0.5	—	—
Other debt securities	1.0	1.0	1.0	1.0
Total	\$ 162.6	\$ 119.2	\$ 2.1	\$ 2.1

UNREALIZED GAINS/(LOSSES)

At December 31 (in millions)

	2008		2007	
	Unrealized gains	Unrealized losses	Unrealized gains	Unrealized losses
Investment securities available for sale:				
U.S. Treasury securities	\$ 0.2	\$ —	\$0.2	\$ —
Government agency securities	9.1	—	7.0	(0.1)
Obligations of state and political subdivisions	—	(0.1)	0.2	—
Mortgage-backed debt securities	11.5	(0.8)	0.6	(13.3)
Corporate debt securities	—	—	0.4	(18.8)
Preferred stock	0.4	(3.8)	—	(9.3)
Other marketable equity securities	—	(3.6)	—	—
Total	\$21.2	\$ (8.3)	\$8.4	\$(41.5)
Investment securities held to maturity:				
Corporate debt securities	\$ —	\$(43.4)	\$ —	\$ —
Total	\$ —	\$(43.4)	\$ —	\$ —

CONTRACTUAL MATURITY OF SECURITIES

At December 31, 2008 (in millions)	1 year or less	After 1 year through 5 years	After 5 years through 10 years	After 10 years	Total
Book value (amortized cost) of debt securities available for sale:					
U.S. Treasury securities	\$ 37.7	\$ 3.5	\$ –	\$ –	\$ 41.2
Government agency securities	242.9	128.0	83.0	–	453.9
Obligations of state and political subdivisions	–	0.2	–	6.1	6.3
Mortgage-backed securities	–	20.4	270.5	358.7	649.6
Total book value of debt securities available for sale	\$280.6	\$152.1	\$353.5	\$364.8	\$1,151.0
Fair value of debt securities available for sale	\$282.0	\$156.7	\$361.7	\$370.5	\$1,170.9
Weighted average yield of securities available for sale ¹	2.79%	4.81%	4.59%	4.75%	4.23%
Book value of debt securities held to maturity:					
Obligations of state and political subdivisions	\$ –	\$ 0.7	\$ –	\$ –	\$ 0.7
Mortgage-backed securities	–	–	–	0.2	0.2
Corporate debt securities	–	–	–	160.2	160.2
Foreign securities	–	0.5	–	–	0.5
Other debt securities	0.2	0.7	0.1	–	1.0
Total book value of debt securities held to maturity	\$ 0.2	\$ 1.9	\$ 0.1	\$160.4	\$ 162.6
Fair value of debt securities held to maturity	\$ 0.2	\$ 1.9	\$ 0.1	\$117.0	\$ 119.2
Weighted average yield of securities held to maturity ¹	–%	4.73%	–%	11.73%	11.71%

¹ Weighted average yields are not on a tax-equivalent basis

For securities in the table above, expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations without incurring penalties.

Temporarily impaired securities. When we classify a security as temporarily impaired, it means we believe the security's decline in valuation (impairment) is a function of short-term market forces. When a security is determined to be temporarily impaired and there is an associated unrealized loss, its accounting treatment depends on whether it is classified as AFS or HTM.

For temporarily impaired AFS securities, we are required to:

- Report the amount of the impairment as an unrealized loss.
- Record the unrealized loss as a change in stockholders' equity through accumulated other comprehensive income. This reduces stockholders' equity. It does not affect earnings.

For temporarily impaired HTM securities, we are required to:

- Disclose the amount of the decline in fair value.
- Make that disclosure in a footnote, not as a change in stockholders' equity. There is no effect to our financial statements or earnings.

For temporarily impaired debt securities, the primary risk is interest rate risk. An extended period of increases in long-term interest rates could further reduce the fair value of these securities and create additional unrealized losses. For temporarily impaired preferred stocks, the primary risks are interest rate risk and credit erosion. An extended period of increases in long-term interest rates, or a decline in creditworthiness, could further reduce the fair values of these securities and create additional unrealized losses.

In 2008, uncertainty and volatility in the financial markets caused a) fair value estimates for some of our temporarily impaired securities to decrease and b) the associated estimated unrealized losses to increase. We believe these changes were due mainly to liquidity problems in the financial markets, not deterioration in the creditworthiness of issuers or underlying issuers.

TEMPORARILY IMPAIRED SECURITIES

(in millions)	Fewer than 12 months		12 months or more		Total	
	Fair value	Estimated unrealized losses	Fair value	Estimated unrealized losses	Fair value	Estimated unrealized losses
As of December 31, 2008:						
Obligations of state and political subdivisions	\$ 5.5	\$ (0.1)	\$ –	\$ –	\$ 5.5	\$ (0.1)
Mortgage-backed securities	20.8	–	39.5	(0.8)	60.3	(0.8)
Corporate debt securities	–	–	84.1	(43.4)	84.1	(43.4)
Preferred stock	–	–	10.8	(3.8)	10.8	(3.8)
Other marketable equity securities	13.6	(3.6)	–	–	13.6	(3.6)
Total temporarily impaired securities	\$ 39.9	\$ (3.7)	\$ 134.4	\$ (48.0)	\$ 174.3	\$ (51.7)
As of December 31, 2007:						
U.S. Treasury securities	\$ 20.0	\$ –	\$ –	\$ –	\$ 20.0	\$ –
Government agency securities	116.1	–	82.9	(0.1)	199.0	(0.1)
Mortgage-backed securities	68.3	(0.5)	500.2	(12.8)	568.5	(13.3)
Corporate debt securities	189.3	(14.4)	67.3	(4.4)	256.6	(18.8)
Preferred stock	29.6	(6.6)	12.3	(2.7)	41.9	(9.3)
Total temporarily impaired securities	\$ 423.3	\$ (21.5)	\$ 662.7	\$ (20.0)	\$ 1,086.0	\$ (41.5)

TEMPORARILY IMPAIRED SECURITIES

At December 31	2008	2007
Number of positions	65	168
Number of positions with unrealized losses continuously for 12 months or more	44	99

We retain temporarily impaired securities because we know when they will mature, they generate expected cash flows, and we have the ability to hold them until they recover in value or mature, at which point their fair values equal their book values. While we have determined these unrealized losses to be temporary, a sustained and prolonged downturn in the financial markets could cause us to reassess our determination.

Trust-preferred securities (TruPS). We record TruPS on our balance sheet as corporate debt securities. At December 31, 2008:

- The amortized cost of the total TruPS portfolio was \$160.2 million.
- Its estimated fair value was \$116.8 million.
- The TruPS portfolio consisted of 38 pooled issues and 9 single-issue securities. The single-issue TruPS are from money center and large regional banks. The pooled instruments include securities issued by banks, insurance companies, and other financial institutions. Our positions in pooled TruPS are generally secured by over-collateralization or default protections provided by subordinated tranches.

In 2008, the market for TruPS became increasingly illiquid and their fair values declined, due to negative perceptions about the health of the financial sector in general, and to concerns about the financial stability of some of the underlying issuers in pooled TruPS in particular. As 2008 progressed and market conditions deteriorated, it became increasingly difficult to ascertain fair market valuations for these securities and to determine if their impairments were temporary or other-than-temporary.

In the first three quarters of 2008, using the methodologies described in this report in Note 14, "Fair value measurement of assets and liabilities," we determined that the declines in our TruPS valuations were temporary and due mainly to the market illiquidity.

Until July 31, 2008, we recorded the TruPS valuation declines as unrealized losses within accumulated other comprehensive income, as the TruPS were held as AFS and their impairments were temporary. From the time we initially acquired these TruPS through July 31, 2008, we recorded a total of \$138.4 million of associated unrealized losses within accumulated comprehensive income.

On July 31, 2008, we transferred our entire TruPS portfolio from AFS to HTM, because:

- We have the ability and intent to hold these securities until they mature.
- These securities have attractive cash flows, and all were meeting their contractual cash flow obligations as of the reclassification date.
- Reclassifying the TruPS to HTM reduces the volatility and future negative effect on our capital ratios, because HTM securities are not marked-to-market through accumulated other comprehensive income, but carried at their amortized cost basis.

Before the transfer to HTM, the amortized cost basis of the TruPS portfolio was \$326.2 million. After the transfer to HTM on July 31, 2008, the amortized cost basis was \$189.1 million. We are required to treat the difference between these two amortized cost bases like a discount and accrete it into interest income over the remaining life of each security. The unrealized loss on these securities, which is in accumulated other comprehensive income, will be amortized as an adjustment of yield in a manner consistent with the discount, thus offsetting or mitigating the effect of the amortization of the discount on interest income.

In the 2008 fourth quarter, continued valuation declines in our TruPS, credit ratings downgrades of some of them, the potential that some of their expected cash flows would not equal their contractual cash flows, and other factors led us to determine that 14 of our pooled TruPS were other-than-temporarily impaired (OTTI). We recorded an impairment charge of \$97.0 million on these TruPS. At December 31, 2008, after the impairment charge, the amortized cost basis and the estimated fair value of these 14 securities was \$32.7 million. We discuss the OTTI TruPS in more detail in the OTTI section below.

The other 24 pooled TruPS and all 9 single-issue TruPS remained temporarily impaired. Our year-end 2008 temporary impairment determinations were based on a number of factors and included:

- The use of all applicable guidance issued by the SEC and FASB, particularly the guidance issued in the 2008 third and fourth quarters.
- The cash flow methodology described in this report in Note 14, "Fair value measurement of assets and liabilities."
- Our belief that the decline in the fair value of these TruPS was due primarily to the absence of demand for them and the ensuing market illiquidity.
- An assessment of cash flow projections for individual securities within the pooled TruPS. As of December 31, 2008, we concluded it was probable that we will collect all of the estimated cash flows.

For the temporarily impaired TruPS, no balance sheet adjustments for changes in their fair value were made after July 31, 2008, since these TruPS are recorded as HTM securities.

The tables below summarize the Fitch Ratings and Moody's Investors Service credit ratings of our entire TruPS portfolio, including the temporarily impaired and OTTI TruPS.

TRUPS IN WILMINGTON TRUST'S PORTFOLIO AS RATED BY FITCH RATINGS¹

At December 31, 2008 (dollars in millions)	Number of holdings	Fair value	Amortized cost	Fair value plus unrealized losses
Pooled TruPS:				
AAA	5	\$ 13.4	\$ 15.4	\$ 25.2
AA	2	2.2	2.6	4.7
A	30	58.1	81.8	124.2
BBB	1	3.3	3.4	3.3
Below investment grade	-	-	-	-
Not rated	-	-	-	-
Total pooled TruPS	38	\$ 77.0	\$ 103.2	\$ 157.4
Single-issue TruPS:				
AAA	-	\$ -	\$ -	\$ -
AA	1	5.4	8.7	11.4
A	6	29.1	39.8	46.0
BBB	2	5.3	8.5	10.7
Below investment grade	-	-	-	-
Not rated	-	-	-	-
Total single-issue TruPS	9	\$ 39.8	\$ 57.0	\$ 68.1
Total TruPS	47	\$ 116.8	\$ 160.2	\$ 225.5
Total investment securities portfolio		\$1,329.9	\$1,360.4	\$1,446.9

¹ As of January 27, 2009

TRUPS IN WILMINGTON TRUST'S PORTFOLIO AS RATED BY MOODY'S INVESTORS SERVICE¹

At December 31, 2008 (dollars in millions)	Number of holdings	Fair value	Amortized cost	Fair value plus unrealized losses
Pooled TruPS:				
Aaa	1	\$ 2.0	\$ 2.5	\$ 2.9
Aa	5	12.8	14.8	26.2
A	5	14.9	22.4	42.8
Baa	7	14.2	14.7	14.2
Below investment grade	20	33.1	48.8	71.3
Not rated	-	-	-	-
Total pooled TruPS	38	\$ 77.0	\$ 103.2	\$ 157.4
Single-issue TruPS:				
Aaa	-	\$ -	\$ -	\$ -
Aa	-	-	-	-
A	8	37.2	53.1	63.3
Baa	-	-	-	-
Below investment grade	-	-	-	-
Not rated	1	2.6	3.9	4.8
Total single-issue TruPS	9	\$ 39.8	\$ 57.0	\$ 68.1
Total TruPS	47	\$ 116.8	\$ 160.2	\$ 225.5
Total investment securities portfolio		\$1,329.9	\$1,360.4	\$1,446.9

¹ As of January 27, 2009

TruPS valuation requires substantial judgment and estimation of factors that are not currently observable in the market, given the illiquidity of these securities. Because of market conditions and other factors, it is possible that, in future reporting periods, we could deem more of our TruPS to be OTTI. Such a determination would require us to write down their value and incur a non-cash OTTI charge in the amount of the decrease in valuation.

Other-than-temporarily impaired (OTTI) securities. When we classify a security as OTTI, it means we believe the security's impairment is due to factors that could include its inability to return expected cash flows over time, its inability to pay interest or dividends, its potential for default, and/or other factors. The OTTI evaluation is a quantitative and qualitative process that is subject to various risks and uncertainties.

When an AFS or HTM security becomes OTTI, we have to record the amount of its impairment as a realized securities loss in our income statement. This reduces stockholders' equity and earnings. When a security becomes OTTI, its fair value at the time of impairment becomes its new amortized cost basis.

In 2008, we recorded \$130.7 million in OTTI securities losses on some of our TruPS holdings and our entire portfolio of perpetual preferred stocks.

As discussed in the TruPS section above, we determined that 14 of our TruPS were OTTI in the 2008 fourth quarter. These 14 securities accounted for \$97.0 million of the 2008 OTTI charges. To make the OTTI determination, we used criteria specified by the SEC and FASB. Our assessment was extensive and complex. It considered broker quotes, credit data and cash flow projections generated internally and by third parties, and numerous other factors.

The portfolio of perpetual preferred stocks accounted for \$33.7 million of the 2008 OTTI charges. This portfolio consists of perpetual preferred stocks issued by Fannie Mae, Freddie Mac, and two other financial institutions. Uncertainty about future market conditions and underlying problems in the mortgage and housing markets caused the fair values of these stocks to decline sharply in 2008. In the 2008 second quarter, we recorded a \$12.6 million OTTI charge on these stocks, most of which was for Fannie Mae and Freddie Mac perpetual preferred stock. The estimated fair values of the Fannie Mae and Freddie Mac stock fell further in the second half of 2008, especially after the U.S. government placed both agencies into conservatorship on September 7, 2008. We recorded additional OTTI write-downs on these stocks in the 2008 third and fourth quarters. These actions reduced the value of our investments in these Fannie Mae and Freddie Mac stocks to zero as of December 31, 2008.

Other matters. At December 31, 2008, securities with an aggregate book value of \$1,307.2 million were pledged to secure public deposits, short-term borrowings, demand notes issued to the U.S. Treasury, FHLB borrowings, repurchase agreements, and interest rate swap agreements, and for other purposes required by law.

We had investments in the securities of regulatory authorities that totaled \$20.0 million at December 31, 2008, and \$22.4 million at December 31, 2007. These securities are carried at cost.

SALE AND WRITE-DOWN OF INVESTMENT SECURITIES AVAILABLE FOR SALE

For the year ended December 31 (in millions)	2008	2007	2006
Proceeds	\$ 11.9	\$44.2	\$23.0
Gross gains realized	\$ 0.1	\$ 0.1	\$ 0.4
Gross losses realized	\$ -	\$ (0.2)	\$ (0.2)
OTTI charges	\$(33.7)	\$ -	\$ -

CALLED SECURITIES

For the year ended December 31 (in millions)	2008	2007	2006
Gross gains	\$ -	\$ 0.2	\$ -
Offsetting losses	\$ -	\$ -	\$ -

7. Loan Concentrations

LOAN CONCENTRATIONS AS A PERCENTAGE OF TOTAL LOANS OUTSTANDING

At December 31	2008	2007
Commercial, financial, and agricultural	31%	31%
Commercial real estate – construction	20	21
Commercial mortgage	19	17
Residential mortgage	6	6
Consumer	18	19
Secured with investments	6	6

In addition to these outstandings, we had unfunded commitments to lend in the real estate sector of approximately \$1,167.5 million and \$1,189.1 million at December 31, 2008 and 2007, respectively. For more information on commitments, read Note 13, “Commitments and contingencies,” in this report.

We generally require collateral on all real estate exposure and a loan-to-value ratio of no more than 80% at the time of underwriting. In general, commercial mortgage loans are secured by income-producing properties. We extend loans secured with investments primarily to Wealth Advisory Services clients.

In addition to servicing our own residential mortgage loan portfolio, we service \$531.6 million of residential mortgage loans for Fannie Mae and other private investors. For more information about mortgage servicing rights, read Note 10, “Goodwill and other intangible assets,” in this report.

At December 31, 2008, loans with an aggregate book value of \$5,548.1 million were pledged as collateral to provide borrowing capacity at the Federal Reserve.

We had \$14.5 million and \$9.1 million in OREO held for sale as of December 31, 2008 and 2007, respectively.

8. Reserve for Loan Losses

CHANGES IN THE RESERVE FOR LOAN LOSSES

(in millions)	2008	2007	2006
Reserve for loan losses at January 1	\$101.1	\$ 94.2	\$ 91.4
Loans charged off:			
Commercial, financial, and agricultural	(12.6)	(4.3)	(10.8)
Commercial real estate – construction	(13.5)	(2.9)	–
Commercial mortgage	(2.0)	(1.3)	(0.3)
Residential mortgage	(0.4)	(0.1)	–
Consumer and other retail	(30.5)	(20.8)	(13.5)
Total loans charged off	\$ (59.0)	\$ (29.4)	\$ (24.6)
Recoveries on loans previously charged off:			
Commercial, financial, and agricultural	0.7	1.0	0.6
Commercial real estate – construction	–	–	–
Commercial mortgage	0.8	0.2	–
Residential mortgage	0.1	–	0.1
Consumer and other retail	5.0	6.9	5.4
Total recoveries	\$ 6.6	\$ 8.1	\$ 6.1
Net loans charged off	\$ (52.4)	\$ (21.3)	\$ (18.5)
Transfers from/(to) reserve for lending commitments	(7.1)	–	–
Provision charged to operations	115.5	28.2	21.3
Reserve for loan losses at December 31	\$157.1	\$101.1	\$ 94.2
Reserve for unfunded commitments in other liabilities ¹	\$ 7.1	\$ –	\$ –

¹ The reserve for unfunded commitments was transferred to other liabilities as of December 31, 2008. Prior periods were not reclassified.

Loans past due 90 days and still accruing were \$34.3 million at December 31, 2008, and \$13.7 million at December 31, 2007.

At December 31, 2008 and 2007, we had commitments to lend on nonaccruing loans of \$37.7 million and \$3.3 million, respectively.

IMPAIRED LOANS

For the year ended December 31 (in millions)	2008	2007	2006
Average investment recorded in impaired loans	\$ 78.4	\$37.8	\$32.8
Year-end investment recorded in impaired loans subject to a reserve for loan losses:			
2008 reserve: \$31.0	\$207.5		
2007 reserve: \$5.5		\$40.3	
2006 reserve: \$4.2			\$21.9
Year-end investment in impaired loans requiring no reserve for loan losses	\$ 2.3	\$27.2	\$ 5.0
Year-end investment recorded in impaired loans	\$209.8	\$67.5	\$26.9
Year-end investment recorded in impaired loans classified as nonaccruing	\$196.3	\$43.8	\$26.9
Year-end investment recorded in impaired loans classified as troubled restructured debt	\$ 0.1	\$23.7	\$ -
Interest income recognized	\$ 4.4	\$ 1.9	\$ 1.2
Interest income recognized using the cash basis method of income recognition	\$ 4.4	\$ 1.9	\$ 1.2

EFFECT OF NONACCRUING LOANS ON INTEREST INCOME

(in millions)	2008	2007	2006
Nonaccruing loans at December 31	\$196.3	\$47.8	\$31.0
Interest income that would have been recognized under original terms	\$ 5.0	\$ 3.4	\$ 2.5
Interest actually received	\$ 4.3	\$ 2.1	\$ 1.3

9. Premises and Equipment

VALUE OF PREMISES AND EQUIPMENT

For the year ended December 31 (in millions)	2008	2007
Land	\$ 9.5	\$ 10.5
Buildings and improvements	171.4	165.0
Furniture and equipment	209.9	198.4
Total	\$ 390.8	\$ 373.9
Accumulated depreciation	(238.8)	(221.8)
Premises and equipment, net	\$ 152.0	\$ 152.1

We lease all of our office locations outside of Delaware, and some of those within Delaware. We use any rental incentives we receive to reduce rental expense over the term of the lease. Our lease expense was \$14.6 million for 2008, \$12.9 million for 2007, and \$11.4 million for 2006. For more information about our real property lease obligations, read Note 13, "Commitments and contingencies," in this report.

10. Goodwill and Other Intangible Assets

GOODWILL AND OTHER INTANGIBLE ASSETS

For the year ended December 31 (in millions)	2008			2007		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Goodwill (nonamortizing)	\$385.4	\$29.8	\$355.6	\$359.8	\$29.8	\$330.0
Other intangibles (amortizing):						
Mortgage servicing rights	\$ 9.7	\$ 8.0	\$ 1.7	\$ 9.1	\$ 7.3	\$ 1.8
Client lists	73.2	28.4	44.8	57.2	21.3	35.9
Acquisition costs	1.7	1.7	–	1.7	1.7	–
Other intangibles	2.0	1.5	0.5	1.9	1.3	0.6
Total other intangibles	\$ 86.6	\$39.6 ¹	\$ 47.0	\$ 69.9	\$31.6	\$ 38.3

¹ The change in accumulated amortization at December 31, 2008, included a decrease of \$0.9 million due to foreign currency translation adjustments.

On June 19, 2008, we determined that the carrying value (the value ascribed to the asset) of our investment in growth-style affiliate money manager Roxbury Capital Management (RCM) had declined from \$89.1 million to \$22.2 million, and that this decline was other-than-temporary. We recorded the \$66.9 million difference as an impairment write-down for the 2008 second quarter.

The other-than-temporary determination was the result of an impairment test triggered by business conditions at RCM that became apparent during the 2008 second quarter. One of these conditions was a protracted decline in assets under management. Other conditions included RCM's lower-than-expected operating performance and near-term projections.

Since we account for our investment in RCM under the equity method of accounting, we performed the impairment test in accordance with APB No. 18, "The Equity Method of Accounting for Investments in Common Stock," using a discounted cash flow methodology.

As of December 31, 2008, \$21.8 million of the carrying value of our investment in RCM was recorded as goodwill and \$0.7 million was recorded in other assets.

For more information about our investment in RCM, read Note 4, "Affiliates and acquisitions," in this report.

AMORTIZATION EXPENSE OF OTHER INTANGIBLE ASSETS

For the year ended December 31 (in millions)	2008	2007	2006
Amortization expense of other intangible assets	\$8.9	\$5.9	\$5.4

FUTURE AMORTIZATION EXPENSE OF OTHER INTANGIBLE ASSETS

For the year ended December 31 (in millions)	2009	2010	2011	2012	2013
Estimated annual amortization expense of other intangibles	\$9.4	\$8.0	\$6.7	\$5.5	\$4.3

CARRYING AMOUNT OF GOODWILL BY BUSINESS SEGMENT

(in millions)	Regional Banking	Wealth Advisory Services	Corporate Client Services	Affiliate Money Managers	Total
Balance as of January 1, 2008	\$3.8	\$107.7	\$25.2	\$193.3	\$330.0
Goodwill acquired	–	18.0	63.0	16.8	97.8
Impairment write-down	–	–	–	(66.9)	(66.9)
Sale of affiliate interest	–	–	–	(0.3)	(0.3)
Decrease in carrying value due to foreign currency translation adjustments	–	–	(5.0)	–	(5.0)
Balance as of December 31, 2008	\$3.8	\$125.7	\$83.2	\$142.9	\$355.6
Balance as of January 1, 2007	\$3.8	\$ 88.9	\$22.7	\$176.0	\$291.4
Goodwill acquired	–	18.8	2.1	17.3	38.2
Increase in carrying value due to foreign currency translation adjustments	–	–	0.4	–	0.4
Balance as of December 31, 2007	\$3.8	\$107.7	\$25.2	\$193.3	\$330.0

Goodwill from acquisitions for 2008 consisted of:

- The following amounts recorded under Wealth Advisory Services:
 - \$13.3 million in connection with the 2008 acquisition of AST Capital Trust Company.
 - A \$3.6 million contingent payment in connection with the 2004 acquisition of Grant Tani Barash & Altman, LLC.
 - A \$2.5 million contingent payment in connection with the 2007 acquisition of Bingham Legg Advisers, LLC (BLA).
 - \$(1.4) million recorded for subsequent adjustments in connection with the 2007 acquisition of BLA.
- The following amounts recorded under Corporate Client Services:
 - \$50.2 million recorded in connection with the 2008 acquisition of AST Capital Trust Company.
 - \$12.8 million recorded in connection with the 2008 acquisition of UBS Fiduciary Trust Company.
- \$16.8 million recorded under Affiliate Money Managers in connection with the purchase of a portion of the Class B interests from principals of RCM's office in Portland, Oregon.

The \$0.3 million reduction recorded under Affiliate Money Managers for 2008 reflected Camden Partners' repurchase of interests previously sold to us. For more information about our interest in Camden Partners, read Note 4, "Affiliates and acquisitions," in this report.

Goodwill from acquisitions for 2007 consisted of:

- The following amounts recorded under Wealth Advisory Services:
 - \$16.0 million in connection with the 2007 acquisition of Bingham Legg Advisers, LLC.
 - A \$2.8 million contingent payment in connection with the 2004 acquisition of Grant Tani Barash & Altman, LLC.
- \$2.1 million recorded under Corporate Client Services in connection with the 2007 acquisition of Amaco (Luxembourg) S.A.
- The following amounts recorded under Affiliate Money Managers:
 - \$13.0 million in connection with the purchase of a portion of the Class B interests of principals of RCM's office in Portland, Oregon.
 - \$4.3 million in connection with an increase in WTI's equity interest in CRM.

CHANGES IN OTHER INTANGIBLE ASSETS

For the year ended December 31 (in millions)	2008			2007		
	Weighted average amortization Amount assigned	Residual value	Period in years	Weighted average amortization Amount assigned	Residual value	Period in years
Mortgage servicing rights	\$ 0.6	\$ –	8	\$0.8	\$ –	8
Client lists	17.3	–	7	7.9	–	16
Decrease in carrying value of client lists due to foreign currency translation adjustments	(1.3)	–	–	–	–	–
Other intangibles	0.1	–	9	0.1	–	9
Changes in other intangible assets	\$16.7	\$ –		\$8.8	\$ –	

The 2008 amount recorded for client lists consisted of:

- The following amounts recorded under Corporate Client Services:
 - \$10.6 million recorded in connection with the 2008 acquisition of AST Capital Trust Company.
 - \$2.5 million recorded in connection with the 2008 acquisition of UBS Fiduciary Trust Company.
- The following amounts recorded under Wealth Advisory Services:
 - \$2.8 million recorded in connection with the 2008 acquisition of AST Capital Trust Company.
 - \$1.4 million recorded for subsequent adjustments in connection with the 2007 acquisition of Bingham Legg Advisers, LLC.

The 2007 amount recorded for client lists consisted of:

- \$7.3 million recorded under Wealth Advisory Services in connection with the 2007 acquisition of Bingham Legg Advisers, LLC.
- \$0.6 million recorded under Affiliate Money Managers in connection with an increase in WTI's equity interest in CRM.

11. Deposits

CONTRACTUAL MATURITIES OF CDS

(in millions)

2009	\$3,413.4
2010	\$ 148.4
2011	\$ 32.4
2012	\$ 124.5
2013	\$ 12.9
2014 and thereafter	\$ 4.5

The aggregate book value of CDs in denominations of \$100,000 and more was \$2.66 billion and \$2.75 billion at December 31, 2008 and 2007, respectively.

MATURITIES OF TIME DEPOSITS ≥ \$100,000

As of December 31, 2008 (in millions)	Certificates of deposit	All other interest- bearing deposits
Three months or less	\$1,866.4	\$ -
More than three through six months	504.1	-
More than six through 12 months	262.8	-
More than 12 months	30.3	-
Total	\$2,663.6	\$ -

Deposit overdrafts reclassified as loans were \$44.0 million and \$41.1 million at December 31, 2008 and 2007, respectively.

12. Borrowings

Our short-term borrowings consist of federal funds purchased, securities sold under agreements to repurchase, U.S. Treasury demand notes, lines of credit, and other debt. Our long-term borrowings consist of an advance from the Federal Home Loan Bank of Pittsburgh (FHLB) and two issuances of long-term subordinated debt.

Federal funds purchased and securities sold under agreements to repurchase. The securities underlying these agreements are U.S. Treasury bills, notes, bonds, or agencies held at the Federal Reserve as collateral. Federal funds purchased and securities sold under agreements to repurchase generally mature within 365 days from the transaction date. U.S. Treasury demand notes mature overnight.

FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

(dollars in millions)	2008	2007	2006
Average amount outstanding during the year	\$1,810.5	\$1,465.0	\$1,116.2
Weighted average interest rate during the year	2.1%	4.7%	4.8%
Weighted average interest rate at December 31	0.4%	3.9%	4.9%
Maximum amount outstanding at any month end	\$2,381.7	\$1,999.3	\$1,254.6
Amount outstanding at December 31	\$1,590.8	\$1,775.3	\$1,130.9

Lines of credit. At December 31, 2008, we had two lines of credit with major unaffiliated U.S. financial institutions. These lines were for \$50.0 million each, for a total of \$100.0 million. The weighted average interest rate on outstanding balances was 3.2%. In January 2009, we decided not to renew one of these lines of credit.

Our credit agreements with these institutions contain covenants that require us to maintain certain financial ratios. As of December 31, 2008, some of these ratios did not meet the limits specified in the covenants. We have obtained from the lenders waivers or approval to amend the agreements for these ratio specifications for the year ended December 31, 2008.

At December 31, 2007, we were in compliance with all required covenants. At December 31, 2008 and 2007, the outstanding balances on these lines of credit were \$20.0 million and \$15.0 million, respectively.

FHLB advance. We used the FHLB advance to finance construction of the Wilmington Trust Plaza, our operations center in downtown Wilmington, Delaware, which was completed in 1998.

FEDERAL HOME LOAN BANK ADVANCE

(dollars in millions)	2008	2007	Term	Fixed interest rate	Maturity date
Principal amounts	\$28.0	\$28.0	15 years	6.55%	October 4, 2010

Under the advance agreement, we are required to maintain specific levels of collateral as set by the FHLB quarterly. Our collateral was well above the required level for each quarter in 2008.

Subordinated long-term debt. On April 1, 2008, we issued \$200.0 million of subordinated long-term debt in 10-year, 8.50% notes. We used part of the proceeds of this offering to repay an aggregate principal amount of \$125.0 million subordinated long-term debt that expired on May 1, 2008, and to fund, in part, our acquisition of AST Capital Trust Company. We intend to use the remaining proceeds for general corporate purposes.

SUBORDINATED LONG-TERM DEBT

(dollars in millions) Issue date	Amount issued and outstanding	Term	Semiannual payment dates	Fixed payment rates	Maturity
April 4, 2003	\$250.0	10 years	April 15 and October 15	4.875%	April 15, 2013
April 1, 2008	\$200.0	10 years	April 1 and October 1	8.50%	April 2, 2018

The long-term debt of \$468.8 million on our balance sheet at December 31, 2008, included, in addition to the FHLB advance, \$(7.8) million of unamortized losses related to terminated interest rate swaps on long-term debt, \$(0.3) million of unamortized discounts on the \$250.0 million of subordinated long-term debt that matures on April 15, 2013, and \$(1.1) million of unamortized discounts on the \$200.0 million of subordinated long-term debt that matures on April 2, 2018.

None of our long-term debt is redeemable prior to maturity or subject to any sinking fund.

13. Commitments and Contingencies

Lease commitments. At December 31, 2008, our outstanding net operating lease commitments and renewal options totaled \$72.6 million and extended through 2022. The minimum payments we will make in the future on noncancelable leases for real property are as follows:

MINIMUM NONCANCELABLE LEASE PAYMENTS ON REAL PROPERTY

(in millions)	Gross amount	Sublease amount	Net amount
2009	\$13.5	\$0.2	\$13.3
2010	\$12.2	\$0.1	\$12.1
2011	\$ 9.4	\$0.1	\$ 9.3
2012	\$ 8.2	\$0.1	\$ 8.1
2013	\$ 7.3	\$0.1	\$ 7.2
2014 and thereafter	\$23.1	\$0.5	\$22.6

Off-balance-sheet commitments. In the normal course of business, we engage in off-balance-sheet financial agreements to help us manage interest rate risk, to support the needs of our subsidiaries and affiliates, and to meet the financing needs of our clients. These agreements include commitments to extend credit, letters of credit, and loan guaranties.

Commitments to extend credit and letters of credit. Commitments to extend credit are agreements to lend to clients. These agreements generally have fixed expiration dates, and they may require payment of a fee. Many commitments to extend credit expire without ever having been drawn on, so the total commitment amounts do not necessarily represent future cash requirements. Letters of credit are contingent commitments that we issue to support clients' financial obligations to third parties, such as for the purchase of goods. Normally, letters of credit are for terms shorter than five years, and many of them expire unfunded.

The principal risk associated with commitments to extend credit and letters of credit is essentially the same risk involved in making loans. Before we enter into these types of agreements, we evaluate each client's creditworthiness on a case-by-case basis. Depending on our assessment of the client, we may obtain collateral, such as securities, receivables, inventory, equipment, and residential and commercial properties.

Loan guaranties. We are guarantor of a portion of a line-of-credit obligation for affiliate money manager Cramer Rosenthal McGlynn (CRM). The fair value of this loan guaranty approximates the fees paid on that portion of the line-of-credit obligation for which we are the guarantor, which was 80.99% at December 31, 2008. This line of credit expired on December 2, 2008, and is being renegotiated. When it expired, this line of credit was for \$3.0 million and its balance was zero.

OFF-BALANCE-SHEET COMMITMENTS

At December 31 (in millions)	2008		2007	
	Contractual amount	Fair value	Contractual amount	Fair value
Unfunded commitments to extend credit	\$3,261.3	\$12.5	\$3,485.8	\$13.4
Standby and commercial letters of credit	406.0	2.8	510.4	3.1
CRM loan guaranty	—	—	2.5	—

Visa Inc. litigation. Global retail electronic payments network Visa Inc. commenced a restructuring on October 3, 2007, and issued shares of its common stock to its financial institution members, of which we are one. As a U.S.-member bank of Visa, we (and other U.S.-member banks) are obligated to share in potential losses arising from certain indemnified litigation involving Visa. On November 7, 2007, Visa announced the settlement of litigation with American Express Company. Our proportionate share of that litigation was \$1.1 million, and we recorded a liability in that amount.

The SEC has provided guidance to member banks on how to account for contingent obligations (potential losses) that may arise from other indemnified litigation involving Visa. The SEC's guidance states that member banks must recognize these obligations at their estimated fair value.

In a highly judgmental estimate, we established \$2.1 million in 2007 as the fair value of any potential loss we may incur from the pending litigation. We recorded this amount as an additional liability and corresponding expense for 2007. Combined with the \$1.1 million we recorded for the American Express settlement, the total amount we recorded in other noninterest expense for our proportionate share of Visa's indemnified litigation was \$3.2 million in 2007.

In the first quarter of 2008, we recorded approximately \$4.9 million of revenue from our share of the proceeds from Visa's initial public offering, and reduced our proportionate share of Visa's indemnified litigation by \$1.4 million. In October 2008, Visa announced the settlement of litigation with Discover Financial Services. We were required to record an additional liability of approximately \$0.6 million for our proportionate share of the indemnified litigation. In December 2008, we recorded approximately \$0.6 million of revenue for additional shares purchased by Visa, and reversed the liability recorded previously. At December 31, 2008, the balance of our proportionate share of Visa's pending litigation was \$1.8 million.

Legal proceedings. We and our subsidiaries are subject to various legal proceedings that arise from time to time in the ordinary course of our business and operations. Some of these proceedings seek relief or damages in amounts that may be substantial. Because of the complex nature of some of these proceedings, it may be a number of years before these claims ultimately are resolved. While it is not feasible to predict the outcome of these proceedings, we do not believe that the ultimate resolution of any of them will have a materially adverse effect on our consolidated financial condition. We believe that some of these claims may be covered by insurance and we have notified our insurance carriers about these proceedings.

14. Fair Value Measurement of Assets and Liabilities

In accordance with SFAS No. 107, "Disclosures About Fair Value of Financial Instruments," we disclose the estimated fair values of certain financial instruments, whether or not we recognize them at fair value in our Consolidated Statements of Condition. This note summarizes the methods and assumptions we use to estimate fair value.

Fair value generally is the exchange price on which a willing buyer and a willing seller would agree in other than a distressed sale situation. Because of the uncertainties inherent in determining fair value, fair value estimates may not be precise. Many of our fair value estimates are based on highly subjective judgments and assumptions we make about market information and economic conditions. Changes in market interest rates or any of the assumptions underlying our estimates could cause those estimates to change significantly.

We do not believe that the aggregate fair value amounts presented in this Note offer a full assessment of our consolidated financial condition, our ability to generate net income, or the value of our company, because the fair value amounts presented here do not consider any value that may accrue from existing client relationships or our ability to create value by making loans, gathering deposits, or providing fee-based services. In addition, SFAS No. 107 prohibits us from including the values of all nonfinancial assets and liabilities, intangible assets, and certain other financial instruments.

On January 1, 2008, we adopted SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The definitions, framework, and disclosures required by SFAS No. 157 apply to other accounting pronouncements that require or permit fair value measurement. SFAS No. 157 does not require any new fair value measurements of reported balances. The adoption of SFAS No. 157 had no material effect on our financial statements.

In conjunction with the adoption of SFAS No. 157, we adopted FSP SFAS No. 157-2, which amends SFAS No. 157 to allow companies to delay the application of this statement until January 1, 2009, for certain nonfinancial assets and liabilities, such as items that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis.

SFAS No. 157 establishes a three-level hierarchy that prioritizes the factors (inputs) used to calculate the fair value of assets and liabilities:

- **Level 1.** Level 1 inputs are unadjusted quoted prices, such as a New York Stock Exchange closing price, in active markets for identical assets. Level 1 is the highest priority in the hierarchy.
- **Level 2.** Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as other significant inputs that are observable at commonly quoted intervals, such as interest rates, foreign exchange rates, and yield curves.
- **Level 3.** Level 3 inputs are unobservable inputs. Typically, our own assumptions determine these inputs, since there is little, if any, related market activity. Level 3 is the lowest priority in the hierarchy.

If we use multiple input levels to calculate the fair value of an asset or liability, then the lowest-level significant input determines the level for the entire fair value measurement of that asset or liability. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and it considers factors specific to the asset or liability.

In accordance with GAAP, we may be required to measure certain assets and liabilities at fair value on a nonrecurring basis. These adjustments typically relate to lower-of-cost or fair value accounting, or write-downs of individual assets due to impairment.

The following paragraphs summarize how we determine fair values and inputs to fair value calculations.

Cash and due from banks, short-term investments, accrued interest receivable, short-term borrowings, and accrued interest payable. Due to their short maturities, the fair values of these instruments approximate their carrying values.

Investment securities. We review our debt and equity investment securities at least quarterly to determine their fair value. For debt securities, the key determinants of fair value are long-term market interest rates. When long-term market interest rates rise, the fair values of debt securities typically decline and unrealized losses increase. Conversely, when long-term market interest rates fall, the fair values of debt securities typically increase. As their fair values rise, the unrealized loss diminishes or disappears.

Most of the equity instruments in our investment portfolio are preferred stocks. For preferred stocks, the key determinants of fair value are market interest rates, credit spreads, and investor perceptions. As market interest rates decline or as credit spreads tighten, the valuations of preferred stocks typically increase and unrealized losses decline. Conversely, when interest rates rise or when credit spreads widen, the valuations of preferred stocks typically decline and unrealized losses increase.

To determine the fair values of most of our investment securities, we consider a variety of factors and use criteria specified by the SEC and FASB. We use financial market data, credit data, cash flow projections, and other analytics generated internally and by third parties. Where possible, we draw parallels from the trades and quotes of securities with similar features. If these parallels are not available, we base fair value on the market prices of comparable instruments as quoted by broker-dealers, with adjustments for maturity dates, underlying assets, credit ratings, and other items, if necessary.

In 2008, due to continued illiquidity in the market for pooled trust-preferred securities (TruPS), we used Level 2 and Level 3 inputs to estimate the fair value of the pooled TruPS in our portfolio. We obtained these inputs from brokers as well as from cash flow projections from third-party advisors. We then used an internal model that reflects liquidity and credit risk to discount the third-party cash flow projections for each TruPS issue. We also used all applicable guidance issued by the SEC and FASB, particularly the guidance issued in the 2008 third and fourth quarters.

The base cash flow for the calculation is the remaining expected future cash flows, based on the contractual terms of the security and adjusted for current and potential future defaults. We adjust our default assumptions each quarter based on, among other factors, the current environment in the financial sector; developments related to the financial institutions whose securities underlie the pooled TruPS; and general market conditions that could affect the default rate, estimated loss severity, and overcollateralization of the security. We also adjust the discount rate for appropriate risk premiums, including liquidity risk and credit risk. Based on changes in certain yield curves related to the financial sector, and other factors, we estimate the associated risk premium for each individual security and adjust the discount rate accordingly.

While estimating fair values and the inputs to fair value calculations in illiquid markets is inherently uncertain, we believe our methodology applies assumptions that market participants would find relevant, and provides the best estimate of fair value at this time.

FHLB and FRB stock. The fair value of FHLB and FRB stock is assumed to equal its cost basis, since the stock is non-marketable but redeemable at its par value.

Derivative financial instruments. We base the fair value estimates of derivative instruments on pricing models that use assumptions about market conditions and risks that are current as of the reporting date. In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (as amended), the estimated fair values of derivatives we use to manage interest rate risk, such as interest rate swap and floor agreements, represent the amounts we would have expected to receive or pay to terminate such agreements. For more information about our use of derivatives, read Note 15, "Derivative and hedging activities," in this report.

To determine the fair values of our interest rate swaps, we obtain data from an independent third-party advisor on interest rate and foreign exchange risk management. We use data provided by this advisor to determine the fair values of our interest rate swaps by using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). We base the variable cash payments (or receipts) on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with SFAS No. 157, we incorporate credit valuation adjustments to reflect both our nonperformance risk and the respective counterparty's nonperformance risk. In adjusting the fair value of our derivative contracts for the effect of non-performance risk, we consider the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Most of the inputs we use to value our swap contracts fall within Level 2 of the fair value hierarchy. For the credit valuation adjustments we consider, we use Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties.

Loans. For fixed rate loans with no significant credit risk, and for variable rate loans with no significant credit risk that reprice within one year, we base fair value estimates on the carrying amounts of the loans. For all other loans, we employ discounted cash flow analyses that use interest rates and terms similar to those currently being offered to borrowers with similar credit quality.

We do not record loans at fair value on a recurring basis. We record fair value adjustments to loans on a nonrecurring basis to reflect full and partial charge-offs due to impairment. For impaired loans, we use a variety of techniques to measure fair value, such as using the current appraised value of the collateral, discounting the contractual cash flows, and analyzing market data that we may adjust due to the specific characteristics of the loan or collateral.

Deposits. The fair values of demand deposits equal the amount payable on demand as of the reporting date. The carrying amount for variable rate deposits approximates their fair values as of the reporting date. To estimate the fair values of fixed rate CDs, we use a discounted cash flow analysis that incorporates prevailing market interest rates for CDs with comparable maturities.

Long-term debt. We base the fair value of long-term debt on the borrowing rate currently available to us for debt with comparable terms and maturities.

Commitments to extend credit and letters of credit. The fair values of loan commitments and letters of credit approximate the fees we charge for providing these services.

CARRYING VALUES AND ESTIMATED FAIR VALUES

For the year ended December 31 (in millions)	2008		2007	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and due from banks	\$ 290.4	\$ 290.4	\$ 260.5	\$ 260.5
Short-term investments	186.3	186.3	134.0	134.0
Investment securities	1,373.3	1,329.9	1,846.8	1,846.8
Federal Home Loan Bank and Federal Reserve Bank stock	20.0	20.0	22.4	22.4
Loans, net of reserves	9,462.0	9,384.0	8,374.7	8,313.2
Interest rate swap contracts	73.7	73.7	9.9	9.9
Interest rate floor contracts	—	—	40.4	40.4
Accrued interest receivable	82.0	82.0	80.0	80.0
Financial liabilities:				
Deposits	\$8,550.0	\$8,601.6	\$7,857.5	\$7,924.4
Short-term borrowings	1,617.2	1,617.2	1,992.1	1,992.9
Interest rate swap contracts	74.5	74.5	10.4	10.4
Accrued interest payable	71.2	71.2	78.5	78.5
Long-term debt	468.8	442.7	267.8	257.7

To determine the fair value of our investment securities in 2008, we used Level 1, Level 2, and Level 3 inputs. In the first quarter of 2008, as illiquidity in the market for pooled TruPS made it increasingly difficult to identify observable inputs for determining their fair value, we transferred the valuation of the pooled TruPS in our portfolio from Level 1 to Level 2. In the 2008 second quarter, market prices of comparable instruments became harder to identify, which required us to adjust the observable prices we obtained to compensate for maturity dates, credit ratings, and other items, as well as for market liquidity and volatility. As of June 30, we were using more Level 3 inputs of greater significance, which required us to move the valuation of these securities from Level 2 to Level 3. In the 2008 third quarter, due to further deterioration in the market for pooled TruPS, we placed greater emphasis on the cash flow methodology described earlier to estimate the fair value of these securities.

For our swap contracts, the credit valuation adjustments in 2008 were not significant to the overall valuation, and we used Level 2 inputs to determine our valuations.

FAIR VALUE OF ASSETS AND LIABILITIES MEASURED ON A RECURRING BASIS

As of December 31, 2008 (in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Investment securities available for sale	\$13.7	\$1,197.0	\$—	\$1,210.7
Interest rate swap contracts	—	73.7	—	73.7
Total assets	\$13.7	\$1,270.7	\$—	\$1,284.4
Liabilities				
Interest rate swap contracts	\$—	\$ 74.5	\$—	\$ 74.5
Total liabilities	\$—	\$ 74.5	\$—	\$ 74.5

In the 2008 third quarter, we reclassified our TruPS from available-for-sale (AFS) to held-to-maturity (HTM). This means we no longer have assets or liabilities for which fair values are measured on a recurring basis using Level 3 inputs, because HTM securities are not marked-to-market on the balance sheet unless they are other-than-temporarily impaired (OTTI). Accordingly, we have omitted the disclosures specific to recurring Level 3 fair value measurements from this report.

At December 31, 2008, all of our HTM investment securities with fair value measured on a nonrecurring basis were TruPS. For more information about this, read Note 6, "Investment Securities," in this report.

FAIR VALUE OF ASSETS AND LIABILITIES MEASURED ON A NONRECURRING BASIS

As of December 31, 2008 (in millions)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Loans	\$ –	\$28.4	\$ –	\$ 28.4
Other real estate owned	–	14.5	–	14.5
Investment securities held to maturity	–	39.8	77.0	116.8

In the table above, loan amounts do not include charged-off loans, because we carry fully charged-off loans at zero on our balance sheet. Also, according to SFAS No. 157, measurements for impaired loans that are determined using a present value technique are not considered fair value measurements under the standard and, therefore, are not included in the table above.

15. Derivative and Hedging Activities

We use derivative financial instruments, primarily interest rate swaps and floors, to help manage (hedge) the effects that changes in market interest rates may have on net interest income, the fair value of assets and liabilities, and cash flows. The derivative instruments we use are mainly interest rate swaps and floors, which we use primarily to hedge the interest rate risk associated with floating rate commercial loans and subordinated long-term debt. We also use interest rate swaps to help commercial borrowers manage their interest rate risk. We do not hold or issue derivative financial instruments for trading purposes. We account for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended.

Interest rate swaps. An interest rate swap is an agreement between two parties to exchange, at specified intervals, payments that represent fixed and floating rate interest amounts computed on notional amounts of principal. Typically, these payments are based on fixed and floating interest rate benchmarks or indices. The interest rate swap contracts we have with commercial loan clients allow them to convert floating rate loan payments to fixed rate loan payments. When we enter into an interest rate swap contract with a commercial loan client, we simultaneously enter into a "mirror" swap contract with a third party. The third party exchanges the client's fixed rate loan payments for floating rate loan payments. We retain the credit risk that is associated with the potential failure of counterparties and inherent in making loans.

At December 31, 2008, we had client swap contracts of \$1,603.7 million and an equal amount of swap contracts with third-party financial institutions, for a total notional amount of \$3,207.4 million in swaps associated with loans to clients. During 2008, we also had \$125.0 million of swaps with other financial institutions that were recorded as a fair value hedge against the 10-year subordinated long-term debt we issued on May 4, 1998 at a fixed rate of 6.625%. We used the short-cut method to account for this fair value hedge. On December 4, 2003, we swapped the fixed rate payments on this debt for floating rate payments based on the six-month Libor, which was 4.72% at December 31, 2007. The interest rates on these swaps reset semiannually. Semiannual payments coincided with the subordinated debt payments. These swaps matured when this debt expired on May 1, 2008.

At December 31, 2005, we had \$250.0 million of swap contracts recorded as a fair value hedge against the 10-year subordinated long-term debt we issued on April 4, 2003. We issued this debt at a fixed rate of 4.875% and immediately swapped it for a floating rate tied to the three-month Libor, which was 4.53% at December 31, 2005. On March 31, 2006, we sold these contracts and realized a loss of \$12.7 million. We are recognizing the amount of this loss as interest expense in our income statement over the remaining life of this debt, which matures in 2013.

Interest rate floors. An interest rate floor is a contract that establishes an interest rate (called the strike rate) on a notional amount of principal. The strike rate is tied to a floating interest rate index. When the index falls below the strike rate, the counterparty to the contract pays us the difference between the index and strike rates. When the index is equal to or higher than the strike rate, we do not receive any payments. We use interest rate floors to hedge the interest revenue from floating rate loans against declines in market interest rates.

At December 31, 2007, we had multiple interest rate floor contracts in notional amounts that totaled \$1.00 billion. The maturities of these contracts ranged from 2.1 to 6.5 years; the strike rates ranged from 6.50% to 8.00%; and the strike rates were tied to the Federal Reserve's H.15 Bank Prime Loan Rate. All of our interest rate floor contracts were considered cash flow hedges under SFAS No. 133.

In January 2008, we sold all of our interest rate floor contracts, which had a notional amount of \$1.00 billion. We realized a gain on this sale of \$35.5 million, which we are reclassifying from accumulated other comprehensive income to interest and fees on loans. For amortizing the gain on this sale into earnings, we use the method described by the Derivatives Implementation Group in DIG issue G20 of SFAS No. 133.

These monthly reclassifications began in February 2008 and will continue until July 2014. In 2008, we reclassified \$12.5 million into income. Between January 1 and December 31, 2009, we expect to reclassify approximately \$12.0 million of pretax net gains, or approximately \$7.7 million after tax, on discontinued cash flow hedges reported in accumulated other comprehensive income. These estimates could differ from the amounts we actually recognize if we add other hedges.

Interest rate floor expense. We amortized the premiums we pay for interest rate floor contracts over the life of each floor, and netted the expense against interest income from floating rate loans.

INTEREST RATE FLOOR EXPENSE

For the year ended December 31 (in millions)	2008	2007	2006
Interest rate floor contract expense	\$0.2	\$2.0	\$0.2

Fair value hedging strategies. Derivatives we use to hedge the effects of fluctuating interest rates on the fair values of assets and liabilities typically are classified as fair value hedges. We record adjustments related to the ineffective portion of fair value hedges in interest income, interest expense, or noninterest income, depending on the item hedged. There was no ineffectiveness for fair value hedges recognized in earnings for 2008 or 2007. We had no fair value hedges at December 31, 2008.

Cash flow hedging strategies. Derivatives used to hedge the effects of fluctuating interest rates on future cash flows typically are classified as cash flow hedges. In cash flow hedges, when the hedged transaction culminates, any unrealized gains or losses related to the swaps are reclassified from accumulated other comprehensive income into earnings in the same period or periods during which the hedge forecasted transaction affects earnings, and they are recorded in interest income. For cash flow hedges that require testing for ineffectiveness, we recognize any ineffectiveness present in current earnings. There was no ineffectiveness for cash flow hedges recognized in earnings for 2008 or 2007. We had no cash flow hedges at December 31, 2008.

For more information about how we account for derivatives and their fair values, read the sections on derivative financial instruments in Note 2, "Summary of significant accounting policies," and in Note 14, "Fair value of financial instruments," in this report.

16. Capital

Federal capital adequacy requirements. As of December 31, 2008 and 2007, we were considered well capitalized under the capital standards that U.S. banking regulators use to assess the capital adequacy of bank holding companies. These capital adequacy requirements specify guidelines that involve quantitative measures of assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The quantitative measures require us to maintain minimum amounts and ratios of total and Tier 1 capital to risk-weighted assets, and Tier 1 capital to average quarterly assets. U.S. banking regulators also make qualitative judgments about the components of our capital, risk weightings, and other factors. We use these capital guidelines to calculate our capital position. To be classified as “well capitalized” under the guidelines, banks generally must maintain ratios of total capital that are 100 to 200 basis points higher than the minimum requirements. We review our on- and off-balance-sheet items on a continual basis to ensure that the amounts and sources of our capital enable us to continue to exceed the minimum guidelines.

Failure to meet minimum capital requirements could cause regulatory authorities to take certain mandatory – and possibly additional discretionary – steps, or “prompt, corrective action.” If undertaken, that action could have a material effect on our financial statements and operations.

U.S. REGULATORY CAPITAL RATIOS

(dollars in millions)	Actual		Adequately capitalized minimum		Well-capitalized minimum	
	Amount	Ratio	Amount ≥	Ratio ≥	Amount ≥	Ratio ≥
As of December 31, 2008						
Total capital (to risk-weighted assets):						
Wilmington Trust Corporation	\$1,600.3	13.97%	\$916.4	8.00%	\$1,145.5	10.00%
Wilmington Trust Company	\$1,080.0	10.45%	\$826.8	8.00%	\$1,033.5	10.00%
Wilmington Trust FSB ¹	\$ 166.0	11.09%	\$119.7	8.00%	\$ 149.7	10.00%
Tier 1 capital (to risk-weighted assets):						
Wilmington Trust Corporation	\$1,058.3	9.24%	\$458.2	4.00%	\$ 687.3	6.00%
Wilmington Trust Company	\$ 950.6	9.20%	\$413.4	4.00%	\$ 620.1	6.00%
Wilmington Trust FSB ¹	\$ 148.4	9.92%	\$ 59.9	4.00%	\$ 89.8	6.00%
Tier 1 capital (to average assets):						
Wilmington Trust Corporation	\$1,058.3	8.77%	\$482.6	4.00%	\$ 603.2	5.00%
Wilmington Trust Company	\$ 950.6	8.88%	\$428.1	4.00%	\$ 535.2	5.00%
Wilmington Trust FSB ¹	\$ 148.4	7.27%	\$ 36.1	4.00%	\$ 45.2	5.00%
As of December 31, 2007						
Total capital (to risk-weighted assets):						
Wilmington Trust Corporation	\$1,130.0	11.21%	\$806.3	8.00%	\$1,007.9	10.00%
Wilmington Trust Company	\$1,004.3	10.77%	\$745.9	8.00%	\$ 932.4	10.00%
Wilmington Trust of Pennsylvania	\$ 112.8	13.78%	\$ 65.5	8.00%	\$ 81.9	10.00%
Tier 1 capital (to risk-weighted assets):						
Wilmington Trust Corporation	\$ 779.2	7.73%	\$403.1	4.00%	\$ 604.7	6.00%
Wilmington Trust Company	\$ 919.5	9.86%	\$373.0	4.00%	\$ 559.5	6.00%
Wilmington Trust of Pennsylvania	\$ 104.8	12.80%	\$ 32.7	4.00%	\$ 49.1	6.00%
Tier 1 capital (to average assets):						
Wilmington Trust Corporation	\$ 779.2	7.18%	\$434.2	4.00%	\$ 542.8	5.00%
Wilmington Trust Company	\$ 919.5	9.34%	\$393.9	4.00%	\$ 492.4	5.00%
Wilmington Trust of Pennsylvania	\$ 104.8	8.60%	\$ 48.8	4.00%	\$ 60.9	5.00%

¹ Wilmington Trust of Pennsylvania was merged into Wilmington Trust FSB on November 1, 2008.

Capital Purchase Program (CPP). On December 12, 2008, we entered into an agreement with the United States Department of the Treasury to participate in its CPP. Under this agreement, we sold 330,000 shares of Wilmington Trust Series A cumulative perpetual preferred stock to the Treasury, and issued warrants to the Treasury to purchase up to 1,856,714 shares of our common stock. We will pay a 5% dividend on the Series A preferred stock until 2013, and 9% annually thereafter.

In exchange for the Series A preferred stock and warrants, the Treasury paid us \$330.0 million. This addition to capital enhances our financial stability, and it will help us stimulate economic recovery in the mid-Atlantic region by continuing to make loans to qualified businesses and consumers. We sold the preferred stock and the warrants to the Treasury in a transaction exempt from registration under Section 4(2) of the Securities Act of 1933. We subsequently registered the resale of the preferred stock and warrants, and the common stock underlying the warrants, with the SEC on January 12, 2009.

We allocated the proceeds of this sale to the preferred stock and warrants in proportion to their estimated fair values and recorded those amounts in stockholders' equity. We recorded the Series A preferred stock at a net amount of \$321.5 million with a discount of \$8.5 million that we will amortize into retained earnings over the next five years. We recorded the warrants at \$8.5 million.

The Series A preferred stock qualifies as Tier 1 capital, has no maturity date, and ranks senior to our common stock in terms of dividend payments and distributions upon liquidation, dissolution, and winding up of the Company. The Series A preferred stock is non-voting, except for class voting rights on certain matters that could affect the shares adversely. It may be redeemed by us for the liquidation preference, plus accrued but unpaid dividends, with the approval of the Treasury. The warrants are exercisable immediately at an exercise price of \$26.66 per share, subject to certain anti-dilution and other adjustments, and have a 10-year term.

As long as this preferred stock is outstanding, all accrued and unpaid dividends on it must be paid in full and current before we may declare or pay dividends on our common stock or repurchase shares of our common stock. In addition, we must have the Treasury's consent in order to increase the quarterly cash dividend on common shares from the \$0.345 per common share declared on July 17, 2008. This consent is subject to limited exceptions and applies until December 12, 2012, or until neither the Treasury nor any of its affiliates owns the Series A stock, whichever occurs first.

Other details of our participation in the CPP are in a Form 8-K filed with the SEC on December 16, 2008.

At-the-market equity offering. On September 22, 2008, we initiated an at-the-market offering of our common stock. This offering is described in a base prospectus and prospectus supplement we filed with the SEC on September 22, 2008. We terminated this offering on January 29, 2009. Under this offering, we issued 1,727,300 shares of our common stock. Gross proceeds totaled \$45.4 million, with an average sale price of \$26.29 per share. Net of commissions, proceeds totaled \$44.5 million, with an average sale price of \$25.76 per share.

Capital requirements for dividend payments. Our ability to pay dividends is limited by Delaware law, which permits corporations to pay dividends out of surplus capital only. Historically, the surplus capital from which we have paid dividends has come from our wholly owned primary banking subsidiary, Wilmington Trust Company, and from another wholly owned subsidiary, Rodney Square Management Corporation.

Other capital adequacy requirements. A group of bank regulatory authorities from the United States and multiple other nations, known as the Basel Committee on Banking Supervision, has published its final rule, known as Basel II, on changes to the framework for measuring capital adequacy. This framework proposes minimum capital requirements and supervisory reviews of a bank's internal assessment process, capital adequacy, and effective use of disclosure to strengthen market discipline. Since we have less than \$250 billion in assets and less than \$10 billion of non-U.S. balance sheet exposure, we are not subject to Basel II. We continue to calculate our capital adequacy ratios under the rules of its predecessor framework, Basel I.

17. Related Party Transactions

Our banks make loans to officers, directors, and associates of our company and our affiliates in the ordinary course of business. We make these loans in a manner consistent with sound banking practices. We do not consider the credit risk associated with these loans to be any greater or any less than the credit risk we assume in the ordinary course of making loans.

LOANS TO RELATED PARTIES

At December 31 (in millions)	2008	2007
Total loans to related parties	\$57.5	\$62.5
Loan additions	\$32.3	\$40.8
Loan payments received	\$37.0	\$22.7
Other changes	\$ (0.3)	\$ 0.4

The amounts recorded as other changes reflect loan additions and payments of retired and newly elected executive officers and directors.

We are guarantor of a portion of a line-of-credit obligation for affiliate money manager CRM. The interest on this line of credit is computed at LIBOR plus 2%. The portion of the obligation for which we are guarantor approximates our ownership position in CRM, which was 80.99% at December 31, 2008. This line of credit expired on December 2, 2008, and is being renegotiated. When it expired, this line of credit was for \$3.0 million and its balance was zero.

18. Pension and Other Postretirement Benefits

This Note summarizes the status of our pension plan, supplemental executive retirement plan (SERP), and postretirement health care and life insurance benefits plan (collectively, our retirement plans), and our thrift savings plan.

To determine our retirement plan obligations, we use a discount rate assumption based on current yield rates in the AA bond market. To assure that the resulting rates can be achieved by each of these benefit plans, the only bonds used to develop the discount rate are those that satisfy certain criteria and are expected to remain available through the period of maturity of the plan benefits. In the tables below, the measurement date for pension and SERP benefits was December 31 for 2008 and September 30 for the prior years presented. The measurement date for the postretirement benefits plan was December 31 for all years presented.

To set the 2008 and 2007 discount rate for each plan, we used a method that matched projected payouts from each plan with a zero-coupon AA bond yield curve. We constructed this yield curve from the underlying bond price and yield data as of December 31, 2008, and included a series of annualized individual discount rates with durations ranging from 6 months to 30 years. Each discount rate in the curve was derived from an equal weighting of the AA or higher bond universe apportioned into distinct maturity groups. These individual discount rates were then converted into a single equivalent discount rate. This process was repeated separately for each plan.

Actuarial gains and losses for our retirement plans include assumptions we make according to how our actual experience differs from what we expected. These include gains and losses from asset returns, changes in required discount rates, and those caused by demographic characteristics such as mortality, rates of retirement and termination, and other factors. We review these assumptions periodically. Current unamortized losses exist in all three of our retirement plans, due mainly to asset losses in the pension plan in past years and to decreases in the discount rate from prior periods. We use the corridor method to amortize these losses. Accumulated losses that exceed 10% of liabilities (or assets, if greater) are amortized over the future average working lifetime of the population (9 to 15 years) as a component of periodic benefit expense. For 2008, these amounts were \$0.5 million for the pension plan, \$0.3 million for the SERP, and \$0.8 for the postretirement benefits plan.

WEIGHTED AVERAGE ASSUMPTIONS USED TO DETERMINE BENEFIT OBLIGATIONS

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
Discount rate	6.20%	6.50%	6.50%	6.50%	6.75%	6.30%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%	—	—

CHANGES TO ASSUMPTIONS USED TO DETERMINE BENEFIT OBLIGATIONS

At December 31 (in millions)	Pension plan	SERP	Postretirement benefits plan
Gain/(loss) due to change in the discount rate	\$ 9.3	\$ —	\$(1.0)
Gain/(loss) due to change in return on assets	\$65.3	\$ —	\$ —

Our net periodic benefits expense for 2009 will reflect these changes.

EXCESS/(SHORTFALL) OF PLAN ASSETS COMPARED TO PLAN OBLIGATIONS

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
Fair value of plan assets	\$177.7	\$223.5	\$ —	\$ —	\$ —	\$ —
Projected benefit obligation	218.6	190.8	32.6	25.6	—	—
Funded status (difference)	\$ (40.9)	\$ 32.7	\$(32.6)	\$(25.6)	\$ —	\$ —
Fair value of plan assets	\$177.7	\$223.5	\$ —	\$ —	\$ —	\$ —
Accumulated benefit obligation	193.6	169.0	25.4	20.2	27.7	41.0
Funded status (difference)	\$ (15.9)	\$ 54.5	\$(25.4)	\$(20.2)	\$(27.7)	\$(41.0)

CHANGES IN THE NET PROJECTED BENEFIT OBLIGATION AND PLAN ASSETS

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
Net projected benefit obligation at start of year	\$190.8	\$186.6	\$ 25.6	\$ 22.4	\$ 41.0	\$ 41.0
Service cost	12.2	9.0	1.0	0.7	1.2	1.3
Interest cost	15.2	11.2	2.1	1.3	2.6	2.4
Plan participants' contributions	—	—	—	—	0.4	0.4
Actuarial loss/(gain)	9.8	(8.8)	4.6	1.8	0.6	(1.1)
Gross benefits paid	(9.4)	(7.2)	(0.7)	(0.6)	(3.0)	(3.0)
Change in plan provisions	—	—	—	—	(15.1)	—
Net projected benefit obligation at end of year	\$218.6	\$190.8	\$ 32.6	\$ 25.6	\$ 27.7	\$ 41.0
Fair value of plan assets at start of year	\$223.5	\$197.5	\$ —	\$ —	\$ —	\$ —
Actual return on plan assets	(42.9)	23.2	—	—	—	—
Employer contributions	6.5	10.0	0.7	0.6	2.6	2.6
Plan participants' contributions	—	—	—	—	0.4	0.4
Gross benefits paid	(9.4)	(7.2)	(0.7)	(0.6)	(3.0)	(3.0)
Fair value of plan assets at end of year	\$177.7	\$223.5	\$ —	\$ —	\$ —	\$ —
Funded status at end of year	\$ (40.9)	\$ 32.7	\$(32.6)	\$(25.6)	\$(27.7)	\$(41.0)

NET AMOUNTS RECOGNIZED IN OUR CONSOLIDATED STATEMENTS OF CONDITION

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
Assets	\$ -	\$32.7	\$ -	\$ -	\$ -	\$ -
Liabilities	40.9	-	32.6	25.5	27.7	41.0
Net amount recognized at end of year	\$(40.9)	\$32.7	\$(32.6)	\$(25.5)	\$(27.7)	\$(41.0)

COMPONENTS OF THE NET AMOUNT RECOGNIZED IN OUR CONSOLIDATED STATEMENTS OF CONDITION

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
(Accrued)/prepaid benefit cost	\$ 51.7	\$ 50.8	\$(21.4)	\$(18.0)	\$(32.2)	\$(30.8)
Net asset/(liability) recognized	51.7	50.8	(21.4)	(18.0)	(32.2)	(30.8)
Accumulated other comprehensive (loss)/income	(92.6)	(18.1)	(11.2)	(7.5)	4.5	(10.2)
Net amount recognized at end of year	\$(40.9)	\$ 32.7	\$(32.6)	\$(25.5)	\$(27.7)	\$(41.0)
Amounts recognized in accumulated other comprehensive loss:						
Prior service cost (credit)	\$ 0.1	\$ 0.1	\$ 4.3	\$ 1.5	\$(18.4)	\$ (3.8)
Net loss	92.5	18.0	6.9	6.0	13.9	14.0
Total	\$ 92.6	\$ 18.1	\$ 11.2	\$ 7.5	\$ (4.5)	\$ 10.2

OTHER CHANGES IN PLAN ASSETS AND BENEFIT OBLIGATIONS RECOGNIZED IN OTHER COMPREHENSIVE (LOSS)/INCOME

At December 31 (in millions)	Pension benefits		SERP benefits		Postretirement benefits	
	2008	2007	2008	2007	2008	2007
Prior service cost/(credit)	\$ -	\$ -	\$ 3.2	\$ -	\$(15.1)	\$ -
Net (gain)/loss	75.1	(16.1)	1.4	1.7	0.6	(0.4)
Amortization of prior service cost	-	(0.8)	(0.4)	(0.3)	0.6	0.5
Amortization of net (gain)/loss	(0.6)	(1.8)	(0.4)	(0.2)	(0.8)	(0.9)
Total recognized in other comprehensive (loss)/income	\$ 74.5	\$(18.7)	\$ 3.8	\$ 1.2	\$(14.7)	\$ (0.8)
Change in liability included in other comprehensive (loss)/income	\$(74.5)	\$ 18.7	\$ (3.8)	\$(1.2)	\$ 14.7	\$ 0.8

NET PERIODIC BENEFIT EXPENSE WE EXPECT TO RECORD IN 2009

Component of accumulated other comprehensive (loss)/income (in millions)	Pension plan	SERP plan	Postretirement benefits plan
Expected 2009 amortization of prior service cost	\$ -	\$0.9	\$(1.9)
Expected 2009 amortization of net loss	\$1.9	\$0.4	\$ 0.7

WEIGHTED AVERAGE ASSUMPTIONS USED TO DETERMINE THE NET PERIODIC BENEFIT EXPENSE OF THE PLANS

At December 31 (dollars in millions)	Pension benefits			SERP benefits			Postretirement benefits		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Weighted average assumptions used to determine net periodic benefit expense:									
Discount rate	6.50%	6.10%	6.00%	6.50%	6.00%	5.90%	6.30%	5.90%	5.90%
Expected return on plan assets	8.50%	8.50%	8.50%	—	—	—	—	—	—
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	—	—	—
Components of net periodic benefit cost:									
Service cost	\$ 9.8	\$ 9.0	\$ 8.3	\$0.8	\$0.7	\$0.8	\$ 1.2	\$ 1.3	\$ 1.2
Interest cost	12.2	11.2	10.3	1.7	1.3	1.3	2.6	2.4	2.2
Expected return on plan assets	(18.0)	(16.0)	(14.1)	—	—	—	—	—	—
Amortization of transition obligation/(asset)	—	—	—	—	—	0.1	—	—	—
Amortization of prior service cost	—	0.8	0.8	0.3	0.3	0.3	(0.5)	(0.5)	(0.5)
Recognized actuarial loss	0.5	1.8	2.0	0.3	0.2	0.3	0.8	0.9	0.9
Net periodic benefit cost	\$ 4.5	\$ 6.8	\$ 7.3	\$3.1	\$2.5	\$2.8	\$ 4.1	\$ 4.1	\$ 3.8

PLAN CONTRIBUTIONS EXPECTED IN 2009

(in millions)	Pension plan	SERP plan	Postretirement benefits plan
Expected employer contributions	\$ —	\$0.7	\$3.0
Expected employee contributions	\$ —	\$ —	\$0.7

Under Internal Revenue Service rules, we are not required to contribute to the pension plan in 2009. We may make voluntary contributions based on corporate, cash, and tax strategies.

ESTIMATED FUTURE BENEFIT PAYMENTS BASED UPON CURRENT ASSUMPTIONS

(in millions)	Pension benefits	SERP benefits	Postretirement benefits
2009	\$ 7.9	\$ 0.7	\$ 3.0
2010	\$ 8.3	\$ 0.8	\$ 2.9
2011	\$ 8.7	\$ 1.2	\$ 2.9
2012	\$ 9.5	\$ 1.4	\$ 2.8
2013	\$10.5	\$ 1.7	\$ 2.7
2014–2018	\$69.1	\$14.1	\$11.9

Pension plan. Our pension plan is a noncontributory qualified defined benefit pension plan with retirement and death benefits. It covers substantially all Wilmington Trust staff members. To calculate pension benefits, we use a modified career-average formula based on a staff member's years of service. To ensure that the plan is able to meet its obligations, we contribute to it as necessary and as required by the Internal Revenue Service. Our contributions are designed to fund the plan's current and past service costs, plus interest, over a 10-year period. Using the projected unit credit method, independent actuaries determine the benefit obligation of the plan (the level of funds needed to pay benefits to the plan's members). We record the benefit obligation of the plan as a liability on our balance sheet.

We use a market-related asset valuation method to determine asset gains and losses and the expected return on the asset component of periodic net benefit cost. To determine market-related asset values, we use a smoothing method that recognizes the differences in expected versus actual returns on the fair value of assets over a 5-year period. Assumptions we make about the pension plan may change from year to year. These changes could affect pension liabilities and expense as follows:

DISCOUNT RATE AND ASSET RETURN ASSUMPTIONS

At December 31, 2008 (dollars in millions)	Change	Increase/ (decrease) in liabilities	Increase/ (decrease) in expense
Gain/(loss) due to increase in the discount rate	0.25%	\$(7.8)	\$1.0
Gain/(loss) due to increase in return on assets	0.25%	\$ -	\$0.5
Gain/(loss) due to increase in salary	0.25%	\$ 0.9	\$0.3

Our Benefits Administration Committee is responsible for determining and reviewing the investment policy for the plan, and for overseeing its assets. The Committee conducts quarterly reviews of performance, asset allocation, and investment manager due diligence. Our Investment Strategy Team is responsible for investing the plan's assets according to the plan's investment policy.

Our pension plan investment policy is to:

- Grow assets at an average annual rate that exceeds the actuarially assumed expected rate of return in order to keep pace with future obligations.
- Achieve the target growth rate with a moderate level of risk.
- Show positive returns after inflation.
- Provide liquidity for benefit payments to retired plan participants.

Our pension plan investment management objectives are to provide:

- Returns that exceed, and volatility that is equal to or lower than, those of an index that blends 70% of the Standard and Poor's 500 Index and 30% of the Barclays Capital Government/Credit Index.
- Returns that exceed those of the benchmarks for each asset class in which we invest plan assets.

These indices include, in addition to the Standard & Poor's 500 and the Barclays Capital Government/Credit Index, the Standard & Poor's Mid Cap 400, the Russell 2000, the MSCI EAFE Index (Europe, Australasia, Far East), and the National Association of Real Estate Investment Trusts (NAREIT) Index. For hedge funds, we seek absolute returns that exceed an index that blends 50% of the Lehman Aggregate Bond Index and 50% of the Standard & Poor's 500 Index.

We base the long-term rate of return we expect for the plan's total assets on the return we expect for each asset class in which we have invested plan assets, using long-term historical returns and weightings based on the target allocation for each class. We expect equity securities to return 10% to 11% over the long term. We expect cash and fixed income investments to return between 4% and 6% over the long term. For hedge funds, we seek returns that exceed those generated by fund-of-funds peer groups with similar expected volatility.

PENSION PLAN ASSET ALLOCATION

At December 31	Target allocation (weighted average)	Actual allocation	
	2008	2008	2007
Equity securities ¹	34%	30%	41%
Debt securities ²	30%	33%	26%
Real estate ³	17%	16%	13%
Alternative assets ⁴	19%	21%	20%
Total	100%	100%	100%

¹ Includes large-cap, mid-cap, small-cap, and international equities

² Includes cash and fixed income instruments

³ Includes investments in real estate investment trusts, Treasury inflation protection securities, commodities, and private real estate

⁴ Includes low- and moderate-volatility hedge funds and private equity investments

Some of our pension plan's assets are invested in the equity and fixed income portfolios of the Wilmington Funds, which our subsidiary, WTIM, manages. Plan assets invested in these funds totaled \$53.0 million and \$66.1 million at December 31, 2008 and 2007, respectively.

Supplemental executive retirement plan (SERP). The SERP is a nonqualified defined benefit plan that covers selected officers. Assumptions used to determine the net periodic benefit expense for the SERP are similar to those used to determine the net periodic benefit expense for our pension plan. We have invested in corporate-owned life insurance contracts to help meet the future obligations of the SERP.

DISCOUNT RATE, ASSET RETURN, AND SALARY INCREASE ASSUMPTIONS

At December 31, 2008 (dollars in millions)	Change	Increase/ (decrease) in liabilities	Increase/ (decrease) in expense
Gain/(loss) due to increase in the discount rate	0.25%	\$(1.0)	\$(0.1)
Gain/(loss) due to increase in return on assets	0.25%	\$ -	\$ -
Gain/(loss) due to increase in salary	0.25%	\$ 0.4	\$ 0.1

Postretirement health care and life insurance benefits. Certain health care and life insurance benefits are available for substantially all retired staff members (retirees). Retirees who are younger than age 65 are eligible to receive up to \$7,000 each year toward the medical coverage premium. Retirees age 65 or older are eligible to receive up to \$4,000 toward the medical coverage premium. Retirees also are eligible for \$7,500 of life insurance coverage. In accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 112, "Employers' Accounting for Postretirement Benefits," we recognize the expense of providing these benefits on an accrual basis.

ASSUMPTIONS USED TO CALCULATE THE ACCUMULATED POSTRETIREMENT BENEFIT OBLIGATION

At December 31	2008	2007
Health care cost trend rate assumed	9%	10%
Rate to which cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that rate reaches the ultimate trend rate	2013	2013

ASSUMPTIONS USED TO CALCULATE THE NET PERIODIC BENEFIT EXPENSE

For the year ended December 31	2008	2007
Health care cost trend rate assumed	10%	9%
Rate to which cost trend rate is assumed to decline (the ultimate trend rate)	5%	6%
Year that rate reaches the ultimate trend rate	2013	2010

DISCOUNT RATE ASSUMPTIONS

At December 31, 2008 (dollars in millions)	Change	Increase/ (decrease) in liabilities	Increase/ (decrease) in expense
Gain/(loss) due to increase in the discount rate	0.25%	\$(0.5)	\$ -

EFFECT ON POSTRETIREMENT HEALTH CARE BENEFITS OF A 1% CHANGE IN THE ASSUMED HEALTH CARE TREND RATE

(in millions)	1% increase	1% decrease
Effect on total service and interest components of net periodic health care benefit expense	\$0.4	\$(0.3)
Effect on accumulated postretirement benefit obligation	\$1.2	\$(1.0)

Thrift savings plan. We have a defined contribution thrift savings plan that covers all full-time staff members who elect to participate in it. Eligible staff members may contribute from 1% to 25% of their annual base pay, up to a maximum of \$15,500 per year. We match each \$1.00 a staff member contributes with a \$0.50 cash contribution, up to the first 6% of each staff member's pay. We contributed \$4.9 million, \$4.4 million, and \$4.0 million to this plan in 2008, 2007, and 2006, respectively.

19. Stock-based Compensation Plans

The Compensation Committee and the Select Committee of our Board of Directors administer these stock-based compensation plans:

- **Executive incentive plan.** Our current executive incentive plan, which was approved by shareholders on April 15, 2004, authorizes cash bonuses and issuances of up to 300,000 shares of our common stock with a par value of \$1.00 per share. The stock awards we have granted under this plan are for restricted stock and are subject to vesting at the sole discretion of the Compensation Committee. Recent grants typically have vested over a three- or four-year period.
- **Employee stock purchase plan (ESPP).** Under the current ESPP, which shareholders approved on April 17, 2008, substantially all staff members may purchase our common stock at the beginning of the stock purchase plan year through payroll deductions of up to 10% of their annual base pay, or \$21,250, whichever is less. Plan participants may terminate their participation at any time. The price per share is 85% (or such greater percentage as our Compensation Committee may determine) of the stock's fair market value at the beginning of the plan year.
- **Directors' deferred fee plan.** Our directors may elect to defer receipt of the cash portion of their directors' fees until they retire from the Board. A director may elect to earn a yield on the deferred cash portion based on yields Wilmington Trust Company pays on certain deposit products and/or changes in the price of our common stock (including dividends). Choosing the latter creates phantom shares. As of December 31, 2008, the fair value of phantom shares granted under the deferral plan was \$0.8 million. For more information about our directors' compensation, please see the proxy statement for our 2009 annual shareholders' meeting.
- **Long-term incentive plans.** These stock-based plans have permitted us to grant incentive stock options, nonstatutory stock options, restricted stock, and other awards of common stock to officers, other key staff members, directors, and advisory board members. Under these plans, the exercise price of each option has equaled the last sale price of our common stock on the date of the grant; options have been subject to a cliff vesting period, which typically has been three years (or such other term as our Compensation Committee or Select Committee determined); and options have had a maximum term of 10 years.

We account for our stock-based compensation plans in accordance with SFAS No. 123(revised), "Share-Based Payment." The table below shows the effects of stock-based awards, in total, in our Consolidated Statements of Income.

EFFECTS OF STOCK-BASED COMPENSATION

For the year ended December 31 (in millions)	2008	2007	2006
Compensation expense:			
Stock options	\$5.4	\$5.4	\$6.4
Restricted stock	2.6	2.1	0.8
ESPP	—	0.6	0.6
Total compensation expense	\$8.0	\$8.1	\$7.8
Tax benefit	2.8	2.6	1.9
Net income effect	\$5.2	\$5.5	\$5.9

The shares we issue as stock-based compensation come from our treasury, which held approximately 9.4 million shares at December 31, 2008. This is more than adequate to meet the share requirements of our current stock-based compensation plans.

Stock option valuation. Since adopting SFAS No. 123(revised) on January 1, 2006, we made no modifications to stock options already outstanding as of January 1, 2006. For stock options granted after January 1, 2006, we modified the way we determine their value. We segregated the awards into two groups: one group for designated senior managers and one for all other staff members. We did this because senior managers tend to hold their options for more time than other staff members do. Compared to options held for a short amount of time, options held for longer periods are likely to incur greater degrees of volatility in share price and, therefore, greater degrees of volatility in valuation. Segregating option awards into these two groups lets us:

- Base the value of the options on the amount of time that typically lapses between when options are granted and when they are exercised.
- Apply different forfeiture rates for each group.
- Calculate valuation estimates more precisely.

STOCK OPTION VALUATION ASSUMPTIONS

For the year ended December 31	2008	2007	2006
Risk-free interest rate	2.49–3.64%	3.25–4.84%	4.51–4.94%
Volatility of Corporation's stock	13.71–17.86%	13.46–18.25%	14.39–20.82%
Expected dividend yield	3.85–4.34%	2.88–3.87%	2.72–2.99%
Expected life of options	4.7–8.2 years	4.5–8.2 years	4.3–8.4 years

In the table above:

- We use the Black-Scholes valuation method.
- The risk-free interest rate is the U.S. Treasury rate commensurate with the expected life of options on the date of each grant.
- We based the volatility of our stock on historical volatility over a span of time equal to the expected life of the options.
- We based the expected life of stock option awards on historical experience. Expected life is the period of time we estimate that granted stock options will remain outstanding.

Stock-based compensation expense for incentive stock options and the ESPP affects our income tax expense and effective tax rate because we are not allowed a tax deduction unless the award recipient or ESPP subscriber makes a disqualifying disposition upon exercise. As a participant in the CPP, we may not deduct compensation of more than \$500,000 paid to any named executive officer identified in our proxy statement for any year in which the U.S. Treasury holds any debt or equity security issued to that agency by us under the CPP.

Long-term stock-based incentive plans (LTIPs). When LTIP awards vest, we adjust both retained earnings and stock-based compensation expense to reflect actual forfeitures that occurred prior to the vesting date. When option recipients exercise awards made under the LTIPs, we issue shares and record the proceeds as additions to capital.

LONG-TERM INCENTIVE PLAN STOCK OPTIONS EXERCISED

For the year ended December 31 (dollars in millions)	2008	2007	2006
Number of options exercised	219,219	657,168	1,071,943
Total intrinsic value of options exercised	\$0.6	\$ 7.6	\$19.3
Cash received from options exercised	\$5.1	\$19.7	\$27.5
Tax benefit realized from tax deductions for options exercised	\$0.2	\$ 2.3	\$ 6.0

LONG-TERM INCENTIVE PLAN STOCK OPTION ACTIVITY

For the year ended December 31, 2008	Stock options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2008	6,313,109	\$35.21		
Granted	1,100,156	\$33.06		
Exercised	(219,219)	\$30.32		
Expired	(111,709)	\$34.86		
Forfeited	(100,037)	\$40.68		
Outstanding at December 31, 2008	6,982,300	\$34.95	3.2 years	\$00.0¹
Exercisable at December 31, 2008	4,116,689	\$31.81	2.0 years	\$00.0¹

¹ At December 31, 2008, the closing stock price was \$22.24, below the strike price for all options.

The LTIP that shareholders approved in 2005 expired in 2008. We submitted its proposed successor, the 2008 LTIP, to a vote of shareholders on April 17, 2008. The provisions of the 2008 LTIP were similar in many respects to the provisions of the 2005 LTIP. Approval of this plan required that a majority of shares outstanding be cast in favor of it. As of the record date of February 19, 2008, there were 67,173,250 shares outstanding, meaning that, in order to be approved, the 2008 LTIP would have needed at least 33,586,626 votes in favor of its adoption. The 2008 LTIP did not receive shareholder approval.

Shareholders cast votes for the 2008 LTIP as follows:

PROPOSED 2008 LONG-TERM INCENTIVE PLAN

	For	Against	Abstain
Shareholder votes	31,023,091	14,806,837	945,718

The combined number of votes cast on the LTIP represented only 70% of total shares outstanding. We consider the lack of voting on the plan to be a factor in its failure to pass. We expect to submit a similar plan for shareholder approval in 2009.

Unvested stock options. At December 31, 2008, total unrecognized compensation cost related to unvested options was \$4.8 million, which we expect to record over a weighted average period of 1.5 years.

UNVESTED STOCK OPTIONS

For the year (per share)	2008	2007	2006
Weighted average fair value at grant date of stock options issued during year	\$2.95	\$6.92	\$7.05

Restricted stock grants. We have made restricted stock grants under our executive incentive and 2005 long-term incentive plans. When restricted stock recipients forfeit their shares before the awards vest, we:

- Reacquire the shares, hold them in our treasury, and use them to grant new awards.
- Adjust stockholders' equity and stock-based compensation expense to reflect these forfeitures.

We measure the fair value of restricted stock by the closing share price on the date of the restricted stock grant. We amortize the value of restricted stock grants into stock-based compensation expense on a straight-line basis over the requisite service period for the entire award. At December 31, 2008, total unrecognized compensation cost related to restricted stock grants was \$2.4 million, which we expect to record over a weighted average period of 1.4 years.

Under our incentive plans, the vesting period for restricted stock awards accelerates upon retirement and in certain other circumstances. When we award restricted stock to people from whom we may not receive services in the future, such as those who are eligible for retirement, we recognize the expense of restricted stock grants when we make the award, instead of amortizing the expense over the vesting period of the award. We recorded \$2.6 million of expense for restricted stock grants in 2008.

RESTRICTED STOCK ACTIVITY

	Restricted shares	Weighted average fair value at grant date
For the year ended December 31, 2008		
Outstanding at January 1, 2008	86,131	\$42.77
Granted	118,865	\$31.26
Vested	(22,539)	\$41.14
Forfeited	(3,549)	\$35.63
Outstanding at December 31, 2008	178,908	\$35.47

VALUE OF VESTED RESTRICTED STOCK

(in millions)	2008	2007	2006
Total value of shares vested during the year	\$0.9	\$0.8	\$0.3

Employee stock purchase plan. For the ESPP, we record stock-based compensation expense based on the fair value of plan participants' options to purchase shares, amortized over the plan's fiscal year. We use the Black-Scholes method to determine the fair value. For the year ended December 31, 2008, the total recognized compensation cost related to the ESPP was \$16,367 and the total unrecognized compensation cost related to this plan was \$0.1 million. We will recognize this cost in the first five months of 2009. Cash flow from shares issued under these subscriptions was \$0.6 million for 2008, \$3.4 million for 2007, and \$3.1 million for 2006.

EMPLOYEE STOCK PURCHASE PLAN ACTIVITY

Activity for the 2004 and 2008 employee stock purchase plans and their predecessors	Shares reserved for future subscriptions	Subscriptions outstanding	Price per share
Balance at January 1, 2006	590,290	106,836	
Subscriptions entered into on June 1, 2006	(95,551)	95,551	\$37.06
Forfeitures	6,038	(6,038)	\$30.54-\$37.06
Shares issued	-	(102,348)	\$30.54
Balance at January 1, 2007	500,777	94,001	
Subscriptions entered into on June 1, 2007	(106,012)	106,012	\$36.64
Forfeitures	14,110	(14,110)	\$36.64-\$37.06
Shares issued	-	(91,911)	\$37.06
Balance at January 1, 2008	408,875	93,992	
New plan adoption	800,000	-	
Forfeitures	78,849	(78,849)	\$36.64
Shares issued	-	(15,143)	\$36.64
Expiration of 2004 plan	(487,724)	-	
Subscriptions entered into on June 1, 2008	(116,076)	116,076	\$27.67
Forfeitures	25,918	(25,918)	\$27.67
Balance at December 31, 2008	709,842	90,158	

20. Income Taxes**RECONCILIATION OF STATUTORY INCOME TAX TO INCOME TAX (BENEFIT)/EXPENSE**

For the year ended December 31 (in millions)	2008	2007	2006
(Loss)/income before taxes	\$ (25.1)	\$282.6	\$216.3
Less: Minority interest	0.5	0.9	(0.2)
Less: Foreign income before taxes	3.5	1.8	1.5
Domestic (loss)/income before taxes, less minority interest	\$ (29.1)	\$279.9	\$215.0
Domestic (loss)/income before taxes, less minority interest	\$ (29.1)	\$279.9	\$215.0
Income tax at statutory rate of 35%	(10.2)	98.0	75.3
Tax effect of tax-exempt and dividend income	(2.2)	(3.0)	(2.9)
Stock compensation expense	3.8	0.3	0.2
State taxes, net of federal tax benefit	(4.0)	5.4	(2.1)
Valuation allowance	2.7	-	-
Tax reserve	4.9	(1.2)	0.8
Other	3.0	0.2	1.4
Total income taxes	\$ (2.0)	\$ 99.7	\$ 72.7
Current income taxes:			
Federal taxes	\$ 96.6	\$ 92.4	\$ 99.5
State taxes	11.2	8.4	5.4
Foreign taxes	0.4	0.5	0.3
Total current income taxes	\$ 108.2	\$101.3	\$105.2
Deferred income taxes:			
Federal taxes	\$(101.2)	\$ 0.2	\$ (23.8)
State taxes	(9.0)	(1.8)	(8.7)
Total deferred income taxes	\$(110.2)	\$ (1.6)	\$ (32.5)
Total income taxes	\$ (2.0)	\$ 99.7	\$ 72.7

The amounts recorded in our Consolidated Statements of Changes in Stockholders' Equity for common stock issued under stock-based compensation plans include tax (expenses)/benefits of \$(0.1) million, \$1.3 million, and \$4.5 million, respectively, for 2008, 2007, and 2006. We record these amounts as direct (debits)/credits to stockholders' equity.

In 2006, we reduced the carrying value of affiliate money manager Roxbury Capital Management (RCM) after determining that our investment in that firm was other-than-temporarily impaired (OTTI). This non-cash impairment write-down generated a tax benefit for 2006 of approximately \$31.5 million for the subsidiary in which we hold our RCM investment. In 2008, we determined that the carrying value of our investment in RCM had undergone another other-than-temporary impairment, and we recorded another non-cash impairment write-down. This resulted in a tax benefit of approximately \$29.2 million for 2008. For more information about RCM and this impairment write-down, read Note 4, "Affiliates and acquisitions," and Note 10, "Goodwill and other intangibles assets," in this report.

During 2008, we recorded \$130.7 million in OTTI securities losses on some of our pooled trust-preferred securities and our entire portfolio of perpetual preferred stocks. This resulted in a tax benefit of approximately \$47.8 million for 2008. For more information about our securities portfolio and these losses, read Note 6, "Investment securities," in this report.

Our results for the year ended December 31, 2008, were affected unfavorably by \$6.1 million recorded to income taxes related to adjustments of deferred tax assets. This adjustment was recorded as a result of a detailed review of our deferred taxes. We believe that the effect of the adjustment was not material to our financial position, results of operations, or liquidity for any period.

For our non-U.S. subsidiaries, we have not provided for U.S. deferred income taxes or foreign withholding taxes on undistributed earnings of \$6.9 million, since we intend to reinvest these earnings indefinitely. At December 31, 2008, we had \$355.6 million in goodwill, of which \$249.4 million is tax-deductible over a 15-year period.

SIGNIFICANT COMPONENTS OF DEFERRED TAX LIABILITIES AND ASSETS

For the year ended December 31 (in millions)	2008	2007
Deferred tax liabilities:		
Automobile and equipment leases	\$ 0.1	\$ 1.1
Partnerships	47.7	48.8
Pension and SERP	13.1	14.4
Accretion of discount	1.6	3.6
Amortization expense	5.4	2.7
OCI – interest rate floors	8.0	7.6
Bonus reserve	0.1	0.9
State taxes	–	5.5
Other	2.8	4.4
Gross deferred tax liabilities	\$ 78.8	\$ 89.0
Deferred tax assets:		
Loan loss provision	\$ 58.4	\$ 36.5
Tax depreciation	3.1	1.4
Customer list	2.9	0.3
Vacation reserve	0.9	2.2
OPEB obligation	10.7	14.3
Unearned fees	16.4	19.1
Market valuation on investment securities	64.9	12.5
OCI – additional pension liability	37.6	14.0
Interest on nonaccruing loans	2.8	1.5
Impairment of goodwill	60.7	32.1
Stock compensation expense	5.3	6.8
Gain on sale of securities	–	2.2
Net interest rate floor gains	8.1	–
Other	0.7	1.1
Gross deferred tax assets	\$272.5	\$144.0
Valuation allowance	(2.7)	–
Total deferred tax assets, net of valuation allowance	\$269.8	\$144.0
Net deferred tax assets	\$191.0	\$ 55.0

Net deferred assets are included in the “other assets” portion of the balance sheet. To determine whether a valuation allowance is necessary, we use a standard that considers whether it is more likely than not that the deferred tax assets will be realizable through future taxable income. This standard takes into account our historical earnings growth, as well as future profitability and growth sustainability forecasts.

At December 31, 2008, we established a valuation allowance of \$2.7 million for deferred tax assets. This \$2.7 million is for the likelihood that one of our subsidiaries will not have future taxable income. If this subsidiary does have income, we will reverse a portion of the valuation allowance for deferred tax assets accordingly.

At December 31, 2008, we recorded a \$4.0 million charge to reduce certain executive compensation-related deferred tax assets as a result of our participation in the CPP.

At December 31, 2008, we had state tax net operating loss carryforwards of approximately \$3.1 million. These will expire between 2013 and 2027. Due to the likelihood that we will not generate sufficient amounts of future state taxable income to utilize these net operating losses, we have maintained a valuation allowance of \$3.1 million for them. We do not reflect the net operating loss carryforwards or the associated valuation allowance in the table on page 123. We believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize the rest of our deferred tax assets.

In June 2006, FASB issued FIN 48, “Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109.” FIN 48 was effective for us beginning January 1, 2007. Its adoption did not have a significant effect on our financial statements. Under FIN 48, we have chosen to continue our practice of recognizing interest and penalties related to uncertain tax positions as income tax expense. We have reviewed and, where necessary, accrued for tax liabilities for open periods. We have applied this methodology consistently.

At the adoption of FIN 48, we recorded a reserve for additional unrecognized tax benefits (UTB) of \$1.4 million through a charge to retained earnings. As of December 31, 2008, we had recognized (and reduced UTB by) \$1.2 million of that amount, due to settlements and payments.

During 2008:

- We recorded \$0.5 million of interest and penalty exposure as accrued income tax expense.
- Agreements with state taxing authorities required us to adjust our FIN 48 liability, which resulted in a credit to income tax expense of approximately \$1.2 million.

UNRECOGNIZED TAX BENEFITS/(LIABILITIES)

(in millions)

Balance at January 1, 2008	\$(2.4)
Additions based on tax positions related to the current year	(0.2)
Additions for tax positions of prior years	(5.1)
Reductions for tax positions of prior years	0.1
Reductions due to settlements and payments	1.2
Reductions due to statute expirations	–
Balance at December 31, 2008	\$(6.4)

We file income tax returns in more than 30 tax jurisdictions. In some of these jurisdictions, we file returns for multiple legal entities. Generally, we are subject to scrutiny by tax auditors in these jurisdictions for three to six years (open tax years). No open statutes of limitations have been extended materially in any of our significant locations. Where necessary, we have reviewed and accrued for tax liabilities for open periods.

Our federal income tax return for 2006 is currently under IRS examination. Tax years 2005, 2007, and 2008 remain subject to U.S. federal examination.

It is reasonably possible that certain UTB may increase or decrease within the next 12 months due to tax examination changes, settlement changes, settlement activities, statute of limitation expirations, or the effects that published tax cases or other decisions could have on tax recognition and measurement considerations. At this time, however, any change is uncertain and an estimate cannot be made.

21. Accumulated Other Comprehensive Loss

COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS

For the year (in millions)	2008	2007	2006
Net unrealized losses on securities, net of taxes of \$(18.8), \$(11.9), and \$(9.3)	\$(33.5)	\$(21.2)	\$(16.6)
Net unrealized gain on equity method investment, net of taxes of \$0.3, \$0.0, and \$0.0	0.5	—	—
Net unrealized holding gains/(losses) on derivatives, net of taxes of \$8.1, \$6.8, and \$(1.5)	14.8	12.7	(2.7)
Reclassification adjustment of derivative costs, net of taxes of \$0.0, \$0.8, and \$0.1	—	1.4	0.1
Pension liability, net of taxes of \$(32.5), \$(6.4), and \$(12.9)	(60.1)	(11.7)	(23.9)
SERP liability, net of taxes of \$(4.5), \$(2.6), and \$(2.2)	(8.4)	(4.8)	(4.1)
Postretirement benefits liability, net of taxes of \$1.6, \$(3.5), and \$(3.9)	2.9	(6.7)	(7.1)
Foreign currency translation, net of taxes of \$(0.4), \$1.1, and \$0.9	(0.7)	1.9	1.6
Total accumulated other comprehensive loss	\$(84.5)	\$(28.4)	\$(52.7)

ACCUMULATED DERIVATIVE GAINS/(LOSSES) ON CASH FLOW HEDGES

For the year, net of taxes (in millions)	2008	2007	2006
Beginning accumulated derivative gains/(losses) on cash flow hedges	\$12.7	\$(2.7)	\$ —
Net change associated with current year hedging transactions	8.8	15.4	(2.7)
Net amount reclassified into earnings	(6.7)	—	—
Ending accumulated derivative gains/(losses) on cash flow hedges	\$14.8	\$12.7	\$(2.7)

22. Earnings Per Share

COMPUTATION OF BASIC AND DILUTED NET EARNINGS PER COMMON SHARE

(in millions, except earnings per share and dividends per share)	2008	2007	2006
Net (loss)/income	\$(23.6)	\$182.0	\$143.8
Preferred dividends	0.9	—	—
Net (loss)/income available to common shareholders	\$(24.5)	\$182.0	\$143.8
Average common shares issued and outstanding	67.5	67.9	68.4
Dilutive common shares from employee stock options, non-vested restricted stock, ESPP subscriptions, and stock warrants	—	1.0	1.3
Total diluted common shares issued and outstanding	67.5	68.9	69.7
Basic (loss)/income per common share	\$(0.36)	\$ 2.68	\$ 2.10
Diluted (loss)/income per common share	\$(0.36)	\$ 2.64	\$ 2.06
Annual cash dividend declared per common share	\$ 1.37	\$ 1.32	\$1.245
Anti-dilutive options excluded from calculation	7.2¹	0.3	0.5

¹ At December 31, 2008, the closing price of our stock was less than the strike price for all share equivalents.

23. Segment Reporting

We report business segment results for four segments: one for each of our three core businesses – Regional Banking, Wealth Advisory Services (WAS), and Corporate Client Services (CCS) – and one for affiliate money managers Cramer Rosenthal McGlynn (CRM) and Roxbury Capital Management (RCM). For more information about our three core businesses, read Note 1, “Nature of business,” in this report. For more information about CRM, RCM, and our ownership interests in them, read Note 4, “Affiliates and acquisitions,” in this report.

The WAS segment includes the results of Grant Tani Barash & Altman, which we acquired in 2004; and Bingham Legg Advisers, which we acquired in 2007. The CCS segment includes the results of Charleston Captive Management, which we acquired in 2005; PwC Corporate Services (Cayman) Limited, which we acquired in 2006; Wilmington Trust Conduit Services, which we formed in 2006; Amaco (Luxembourg) S.A., which we acquired in 2007; and AST Capital Trust Company and UBS Fiduciary Trust Company, which we acquired in 2008.

The affiliate money managers segment comprises the combined contributions of CRM and RCM. The contributions recorded from CRM and RCM are net of expenses, and based on our partial ownership interests in each firm.

Our business segment accounting policies are the same as those described in Note 2, "Summary of significant accounting policies," in this report. We use a funds transfer pricing methodology to credit and charge segments for funds provided and funds used. We use activity-based costing principles to assign corporate overhead expenses to each segment. We generally record sales and transfers among segments as if the sales or transfers were to third parties (e.g., at current market prices). We report profit or loss from infrequent events, such as the sale of a business, separately for each segment. We base our evaluation of each segment's performance on profit or loss from operations before income taxes, without including nonrecurring gains or losses.

Our business segment disclosures mirror the internal profitability reports we produce and review each quarter. We report segment assets on an average-balance basis, because we believe average balances offer a more relevant measure of business trends than period-end balances; we maintain and review all internal segment data on an average-balance basis; and we base some expense allocations on an average-balance basis.

We are presenting segment data on an operating basis consistent with our consolidated information. We believe that operating results – those that excluded the effects of impairment write-downs – present a more relevant measure of ongoing business trends and offer a better basis of comparison with prior periods. For information about the write-downs we recorded in 2008 and 2006, read Note 4, "Affiliates and acquisitions," Note 6, "Investment securities," and Note 10, "Goodwill and other intangible assets," in this report.

We have adjusted segment data for prior periods due to changes in reporting methodology and/or organizational structure.

SEGMENT REPORTING

For the year ended December 31, 2008 (in millions)	Regional Banking	Wealth Advisory Services	Corporate Client Services	Affiliate Money Managers	Totals
Net interest income	\$ 334.0	\$ 24.1	\$ 7.3	\$ (7.7)	\$ 357.7
Provision for loan losses	(102.4)	(13.1)	–	–	(115.5)
Net interest income after provision	231.6	11.0	7.3	(7.7)	242.2
Advisory fees:					
Wealth Advisory Services	2.8	214.0	7.9	–	224.7
Corporate Client Services	1.6	–	130.2	–	131.8
Affiliate Money Managers	–	–	–	15.7	15.7
Total advisory fees	4.4	214.0	138.1	15.7	372.2
Amortization of other intangibles	–	(4.1)	(2.7)	(0.9)	(7.7)
Total advisory fees after amortization of other intangibles	4.4	209.9	135.4	14.8	364.5
Other noninterest income	55.1	2.0	1.4	–	58.5
Securities gains	0.1	–	–	–	0.1
Net interest and noninterest income	291.2	222.9	144.1	7.1	665.3
Noninterest expense	(170.0)	(200.8)	(122.0)	–	(492.8)
Segment profit before income taxes	121.2	22.1	22.1	7.1	172.5
Applicable income taxes and minority interest	48.0	9.8	11.6	3.7	73.1
Segment operating income	\$ 73.2	\$ 12.3	\$ 10.5	\$ 3.4	\$ 99.4
Investment securities impairment charge					(130.7)
Roxbury Capital Management impairment charge					(66.9)
Applicable income taxes for impairment charges					74.6
Reported net loss					\$ (23.6)
Depreciation and amortization	\$ 12.6	\$ 10.3	\$ 8.1	\$ 0.9	\$ 31.9
Investment in equity method investees	\$ –	\$ –	\$ –	\$ 158.1	\$ 158.1
Segment average assets	\$9,749.1	\$1,590.3	\$ 353.2	\$188.6	\$11,881.2

For the year ended December 31, 2007 (in millions)	Regional Banking	Wealth Advisory Services	Corporate Client Services	Affiliate Money Managers	Totals
Net interest income	\$ 342.0	\$ 25.2	\$ 13.8	\$ (12.1)	\$ 368.9
Provision for loan losses	(24.4)	(3.8)	—	—	(28.2)
Net interest income after provision	317.6	21.4	13.8	(12.1)	340.7
Advisory fees:					
Wealth Advisory Services	2.8	210.9	6.4	—	220.1
Corporate Client Services	1.3	—	97.3	—	98.6
Affiliate Money Managers	—	—	—	21.9	21.9
Total advisory fees	4.1	210.9	103.7	21.9	340.6
Amortization of affiliate intangibles	—	(3.1)	(0.6)	(1.0)	(4.7)
Total advisory fees after amortization of affiliate intangibles	4.1	207.8	103.1	20.9	335.9
Other noninterest income	47.2	1.9	0.9	—	50.0
Securities gains	0.1	—	—	—	0.1
Net interest and noninterest income	369.0	231.1	117.8	8.8	726.7
Noninterest expense	(169.9)	(188.2)	(86.0)	—	(444.1)
Segment profit before income taxes	199.1	42.9	31.8	8.8	282.6
Applicable income taxes and minority interest	70.3	15.5	11.2	3.6	100.6
Segment net income	\$ 128.8	\$ 27.4	\$ 20.6	\$ 5.2	\$ 182.0
Depreciation and amortization	\$ 12.5	\$ 9.1	\$ 4.7	\$ 1.0	\$ 27.3
Investment in equity method investees	\$ —	\$ —	\$ —	\$ 215.3	\$ 215.3
Segment average assets	\$9,172.2	\$1,412.7	\$203.1	\$209.4	\$10,997.4

For the year ended December 31, 2006 (in millions)	Regional Banking	Wealth Advisory Services	Corporate Client Services	Affiliate Money Managers	Totals
Net interest income	\$ 334.7	\$ 25.7	\$ 15.2	\$ (12.5)	\$ 363.1
Provision for loan losses	(20.5)	(0.8)	—	—	(21.3)
Net interest income after provision	314.2	24.9	15.2	(12.5)	341.8
Advisory fees:					
Wealth Advisory Services	2.3	184.5	5.2	—	192.0
Corporate Client Services	1.0	—	84.6	—	85.6
Affiliate Money Managers	—	—	—	20.5	20.5
Total advisory fees	3.3	184.5	89.8	20.5	298.1
Amortization of affiliate intangibles	—	(2.8)	(0.5)	(0.9)	(4.2)
Total advisory fees after amortization of affiliate intangibles	3.3	181.7	89.3	19.6	293.9
Other noninterest income	48.6	2.3	1.1	—	52.0
Securities gains	0.2	—	—	—	0.2
Net interest and noninterest income	366.3	208.9	105.6	7.1	687.9
Noninterest expense	(157.5)	(164.7)	(77.0)	(0.1)	(399.3)
Segment profit before income taxes	208.8	44.2	28.6	7.0	288.6
Applicable income taxes and minority interest	74.8	16.0	9.4	2.9	103.1
Segment operating income	134.0	28.2	19.2	4.1	185.5
Roxbury Capital Management impairment charge					(72.3)
Applicable income tax benefit from impairment charge					30.6
Reported net income					\$ 143.8
Depreciation and amortization	\$ 12.7	\$ 9.0	\$ 4.9	\$ 0.9	\$ 27.5
Investment in equity method investees	\$ —	\$ —	\$ —	\$ 198.9	\$ 198.9
Segment average assets	\$8,650.1	\$1,381.4	\$216.6	\$247.0	\$10,495.1

24. Wilmington Trust Corporation (Corporation Only)

The following tables present condensed financial information for Wilmington Trust Corporation. We use the equity method of accounting to record investments in wholly owned subsidiaries.

STATEMENTS OF CONDITION

As of December 31 (in millions)	2008	2007
Assets:		
Cash and due from banks	\$ 303.7	\$ 11.2
Investment in subsidiaries	1,372.4	1,346.6
Investment securities available for sale	43.4	54.2
Advance to subsidiaries	79.8	84.4
Income taxes receivable	2.8	3.8
Other assets	5.7	5.0
Total assets	\$1,807.8	\$1,505.2
Liabilities and stockholders' equity:		
Liabilities	\$ 13.1	\$ 5.6
Line of credit and other debt	20.0	139.5
Long-term debt	440.8	239.8
Stockholders' equity	1,333.9	1,120.3
Total liabilities and stockholders' equity	\$1,807.8	\$1,505.2

STATEMENTS OF INCOME

For the year ended December 31 (in millions)	2008	2007	2006
Income:			
Dividend from subsidiaries	\$ 94.2	\$142.1	\$ 73.2
Interest on advance to subsidiaries	3.9	5.8	5.3
Interest	2.0	2.6	3.3
Securities (losses)/gains	0.1	0.1	0.1
Total income	\$100.2	\$150.6	\$ 81.9
Expense:			
Interest on other borrowings	\$ 4.2	\$ 7.9	\$ 0.5
Interest on long-term debt	27.5	17.6	24.0
Salaries, incentives, and bonuses	0.3	0.3	0.5
Other noninterest expense	1.5	1.4	2.4
Total expense	\$ 33.5	\$ 27.2	\$ 27.4
(Loss)/income before income tax benefit and equity in undistributed income of subsidiaries	\$ 66.7	\$123.4	\$ 54.5
Income tax benefit	(9.1)	(5.5)	(5.8)
Equity in undistributed (loss)/income of subsidiaries	(99.4)	53.1	83.5
Net (loss)/income	\$ (23.6)	\$182.0	\$143.8

STATEMENTS OF CASH FLOW

For the year ended December 31 (in millions)	2008	2007	2006
OPERATING ACTIVITIES			
Net (loss)/income	\$ (23.6)	\$ 182.0	\$ 143.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed loss/(income) of subsidiaries	99.4	(53.1)	(83.5)
Amortization of premiums on investment securities available for sale	0.2	0.3	0.3
Securities gains	(0.1)	(0.1)	(0.1)
Stock-based compensation expense	0.3	0.3	0.5
Tax benefit realized on employee exercise of stock options	-	-	-
Decrease in other assets	4.2	2.7	4.9
Increase in other liabilities	9.4	1.0	0.4
Net cash provided by operating activities	89.8	133.1	66.3
INVESTING ACTIVITIES			
Proceeds from sales of investment securities available for sale	6.5	1.0	7.2
Proceeds from maturities of investment securities available for sale	7.6	29.8	11.0
Purchases of investment securities available for sale	(4.8)	(0.4)	(7.4)
Capital contribution to subsidiaries	(177.0)	(31.2)	(6.8)
Advance to subsidiary	(8.0)	(15.3)	(15.9)
Repayment of advance to subsidiary	13.0	11.3	13.3
Swap termination	-	-	(12.7)
Net cash used for investing activities	(162.7)	(4.8)	(11.3)
FINANCING ACTIVITIES			
Cash dividends	(92.5)	(89.9)	(85.1)
Net increase in line of credit	5.0	-	15.0
Proceeds from common stock issued under employment benefit plans	5.7	23.1	31.4
Proceeds from reissuance of treasury stock	43.7	-	-
Proceeds from issuance of preferred stock	330.0	-	-
Proceeds from issuance of long-term debt	198.7	-	-
Maturity of long-term debt	(125.0)	-	-
Acquisition of treasury stock	(0.2)	(86.5)	(29.1)
Net cash provided by/(used for) financing activities	365.4	(153.3)	(67.8)
Increase/(decrease) in cash and cash equivalents	292.5	(25.0)	(12.8)
Cash and cash equivalents at beginning of year	11.2	36.2	49.0
Cash and cash equivalents at end of year	\$ 303.7	\$ 11.2	\$ 36.2

Management's Discussion of Financial Responsibility

To our shareholders:

The actions of Wilmington Trust management and staff members are governed by our Code of Conduct and Ethics. This Code reinforces our commitment to conduct business with integrity, within both the letter and the spirit of the law. We believe that only the highest standards of business and ethical conduct are appropriate, and we take responsibility for the quality and accuracy of our financial reporting. We do this by:

Maintaining a strong internal control environment. Our system of internal control includes written policies and procedures, segregation of duties, and care in the selection, management, and development of our staff members. It is designed to provide reasonable assurance that transactions are executed as authorized; that transactions are recorded accurately; that assets are safeguarded; and that accounting records are sufficiently reliable to permit the preparation of financial statements that conform in all material respects with U.S. generally accepted accounting principles (GAAP).

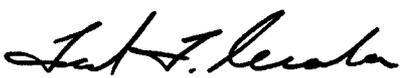
Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the specified time periods. We monitor our system of internal control through self-assessments and an ongoing program of internal audits. We revise the system when warranted by changes in circumstances or requirements.

Engaging strong and effective corporate governance. We have maintained governance policies and practices for many years. We have an active, capable, and diligent Board of Directors, and we welcome the Board's oversight. All of our directors, except the two management representatives, meet the required standards for independence.

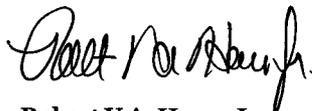
We review our critical accounting policies, financial reporting, and internal control matters with our Audit Committee, which is composed exclusively of independent directors who possess the financial knowledge and experience to provide appropriate oversight. The Audit Committee is responsible for appointing an independent registered public accounting firm to audit our financial statements in accordance with GAAP, and to assess independently the fair presentation of our financial position, results of operations, and cash flows. Our Audit Committee members communicate directly with our internal auditor and our independent registered public accounting firm, KPMG LLP. KPMG's report is on page 131 of this report.

Presenting financial results that are complete, transparent, and understandable. As management, we are responsible for the financial statements and financial information that are included in this report. This includes making sure that our financial statements are prepared in accordance with GAAP. Where necessary, amounts recorded reflect our best judgment. We have provided certifications regarding the quality of our public disclosures in all periodic reports filed with the Securities and Exchange Commission as required. In addition, the New York Stock Exchange (NYSE) requires us to certify annually that we are in compliance with the NYSE's Corporate Governance Listing Standards. We made an unqualified certification regarding our compliance with these standards on May 8, 2008. Our next NYSE certification is due in May 2009.

Management's report on internal control over financial reporting. We are responsible for establishing and maintaining adequate internal control over our financial reporting. To assess the effectiveness of that control, we use criteria established in *Internal Control - Integrated Framework* issued by the Committee on Sponsoring Organizations of the Treadway Commission. As of December 31, 2008, we concluded that our internal control over financial reporting is effective. Our assessment did not include AST Capital Trust Company (AST), the firm we acquired in April 2008. AST had assets of \$244.5 million and total revenue of \$25.8 million included in our Consolidated Financial Statements as of and for the year ended December 31, 2008. KPMG has issued an attestation report on the effectiveness of our internal control over financial reporting, which appears on page 132 of this report.



Ted T. Cecala
Chairman and
Chief Executive Officer



Robert V.A. Harra Jr.
President and
Chief Operating Officer



David R. Gibson
Chief Financial Officer and
Executive Vice President, Finance

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Wilmington Trust Corporation:

We have audited the accompanying consolidated statements of condition of Wilmington Trust Corporation and subsidiaries (the Corporation) as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2008. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

As more fully discussed in note 2 to the consolidated financial statements, the Corporation adopted Statement of Financial Accounting Standards No. 123 (revised), "Share-Based Payment," effective January 1, 2006, and Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," effective December 31, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 2, 2009 expressed an unqualified opinion on the effectiveness of the Corporation's internal control over financial reporting.

KPMG LLP

Philadelphia, Pennsylvania
March 2, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Wilmington Trust Corporation:

We have audited the internal control over financial reporting of Wilmington Trust Corporation and subsidiaries (the Corporation) as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of condition of the Corporation as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2008, and our report dated March 2, 2009 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Philadelphia, Pennsylvania
March 2, 2009

FORM 10-K INFORMATION

This Annual Report includes the information required in our Form 10-K filed with the United States Securities and Exchange Commission (SEC), although not in the same form or order as filed. The integration of the two documents gives shareholders and other interested parties timely and comprehensive information about our company. This Annual Report has not been approved or disapproved by the SEC, nor has the SEC passed on its accuracy or adequacy. A copy of the Form 10-K as filed with the SEC is available at www.sec.gov; in the Investor Relations section of our Web site, www.wilmingtontrust.com; or by contacting Investor Relations at Wilmington Trust, 1100 North Market Street, Wilmington, Delaware, 19890.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-14659

WILMINGTON TRUST CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

1100 North Market Street, Wilmington, Delaware

(Address of principal executive offices)

51-0328154

(Internal Revenue Service Employer Identification Number)

19890

(Zip Code)

(302) 651-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$1.00 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s)), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates* computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2008, the last business day of the registrant's most recently completed second fiscal quarter: \$58,143,941

Number of shares outstanding of each of the registrant's classes of common stock at January 31, 2009: 69,112,585

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for our Annual Shareholders Meeting (Proxy Statement) to be held April 22, 2009, are incorporated by reference in Part III, and portions of our Annual Report to Shareholders for 2008 (Annual Report) are incorporated by reference in Parts I, II, and IV.

*For purposes of this calculation, Wilmington Trust's subsidiaries and its directors and executive officers are deemed to be affiliates.

Form 10-K Cross-Reference Index

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Part I

Item 1. Business

DESCRIPTION OF BUSINESS

Wilmington Trust Corporation is (we are) a Delaware corporation and financial holding company under the Bank Holding Company Act. We provide a full range of banking and other financial services through our banking and other subsidiaries.

Our principal subsidiary is Wilmington Trust Company (WTC), a Delaware-chartered bank and trust company founded in 1903. We also own one other depository institution: Wilmington Trust FSB (WTFSB), a federally-chartered savings bank. Until November 2008, we owned a third depository institution: Wilmington Trust of Pennsylvania (WTPA), a Pennsylvania-chartered bank and trust company. On November 1, 2008, we merged WTPA into WTFSB.

WTFSB owns Wilmington Trust Retirement and Institutional Services Company (WTRISC), a Delaware-chartered trust company. WTRISC owns Wilmington Trust Fiduciary Services Company (WTFSC), a New Jersey-chartered nondepository bank.

Organizationally, we have four business segments: Regional Banking, Corporate Client Services (CCS), Wealth Advisory Services (WAS), and Affiliate Money Managers.

More information about our business is in the report's Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and in Notes 1 and 23 of the Notes to Consolidated Financial Statements, and is incorporated by reference herein.

STAFF MEMBERS

At year-end 2008, we had 2,946 full-time-equivalent staff members. We provide a variety of benefit programs for these staff members, which may include pension, incentive compensation, thrift savings, stock purchase, and group life, health, and accident plans. We consider our relationships with these staff members to be good, and we believe our ability to attract and retain high-quality staff members substantiates this.

STATISTICAL INFORMATION

The following information, as required by SEC Industry Guide 3, is contained in the MD&A and the Notes to Consolidated Financial Statements, and is incorporated from the following pages of the Annual Report by reference herein.

Statistical information	Section	Page
Interest changes due to volume and rate	MD&A interest rate risk discussion	55
Maturity distribution of investment securities	Note 6	93
Period-end loan balances by loan category	MD&A Regional Banking discussion	15
Loan loss reserve allocation for the last five years	MD&A credit risk discussion	48
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SUPERVISION AND REGULATION

As a publicly traded company that issues stock, we are subject to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Our stock is traded on the New York Stock Exchange, and we are subject to that exchange's rules and regulations. Our Board of Directors has implemented a system of strong corporate governance practices. More information about this is available on our Web site at www.wilmingtontrust.com.

We are a bank holding company, a thrift holding company, and a financial holding company under the Bank Holding Company Act. We and WTC are regulated by the Delaware Department of Banking (DOB) and the Federal Reserve Board. WTFSB

is regulated by the Office of Thrift Supervision (OTS). WTC and WTFSB (collectively, the banks) are subject to the rules and regulations of the Federal Deposit Insurance Corporation (FDIC). WTRISC is regulated by the DOB and the OTS. WTFSC is regulated by the New Jersey Department of Banking and Insurance and the OTS. In addition, some of our subsidiaries are regulated by other federal and state authorities as well as by regulatory authorities of other countries in which we conduct business.

The FDIC insures deposits in the banks up to applicable limits. WTC and WTFSB are required to pay premiums for FDIC insurance coverage.

Participation in government programs. In addition to the Capital Purchase Program described in Note 16 of the Notes to Consolidated Financial Statements, we currently are participating in the following U.S. government programs:

- **New deposit insurance limits.** FDIC deposit insurance coverage was increased on October 3, 2008, from \$100,000 to \$250,000 per depositor for all deposits (individual retirement account deposits continue to be insured separately up to \$250,000). This increase is temporary and, unless extended by Congress, it will expire on December 31, 2009.
- **FDIC Transaction Account Guarantee Program.** Under this program, which is part of the FDIC's Temporary Liquidity Guarantee Program (TLGP), all noninterest-bearing deposit transaction accounts, as well as certain types of transaction accounts with interest rates of 0.5% or less, will be fully guaranteed by the FDIC for the entire amount in the account through December 31, 2009. This is in addition to and separate from the coverage available under the FDIC's general deposit insurance coverage.
- **FDIC Debt Guarantee Program.** This program, also part of the FDIC's TLGP, guarantees timely principal and interest payments on senior unsecured debt issued between October 14, 2008, and June 30, 2009. We are participating in this program but, as of December 31, 2008, had no debt issues that qualified for these guarantees.
- **Temporary Guarantee Program for Money Market Funds.** Our three money market mutual funds – the Wilmington Prime Money Market Fund, the Wilmington U.S. Government Money Market Fund, and the Wilmington Tax-Exempt Money Market Fund – are participating in the U.S. Department of the Treasury's Temporary Money Market Guarantee Program. This program, which currently is scheduled to expire on April 30, 2009, provides insurance protection to shareholders of record in these funds as of September 19, 2008. The guarantee could be triggered if any of the participating funds' share prices were to fall below \$1.00. None of our participating funds has ever fallen below that level. Combined, these three funds had approximately \$7.1 billion in assets under management at December 31, 2008.

Safety and soundness. The Federal Reserve Board requires us to operate in a safe and sound manner. If the Federal Reserve Board determines there is a serious risk to the financial safety and soundness of a subsidiary bank, it can require us to terminate the activity presenting the risk or terminate our control of the subsidiary.

Federal regulations establish dollar amount limits and collateral requirements for assets the banks purchase from non-bank affiliates. For these purposes, we and most of the companies we control are considered affiliates of the banks. In addition, the Federal Reserve Act and the Federal Reserve Board impose dollar amount, credit quality, and other limitations on loans the banks make to directors, officers, principal shareholders, and their related interests.

Capital requirements and dividend limitations. To assess the capital adequacy of bank holding companies and their bank subsidiaries, the Federal Reserve Board and other federal banking agencies have adopted risk-weighted capital standards. As of December 31, 2008, we and the banks were well capitalized, with capital levels that exceeded the minimum thresholds. More information about this is in Note 16 of the Notes to Consolidated Financial Statements.

Dividends paid by the banks to us, and by us to shareholders, are subject to Federal Reserve Board, OTS, Delaware, and other legal and regulatory restrictions. More information about this is also in Note 16.

Bank Holding Company Act (BHCA). The BHCA requires us to have prior approval from the Federal Reserve Board before we may acquire control of a bank or before any company may acquire control of us. The BHCA also requires us to have the Federal Reserve Board's prior approval before we acquire ownership or control of more than 5% of the outstanding shares of any class of a bank's or bank holding company's voting securities; acquire substantially all of a bank's assets; or merge or consolidate with a bank holding company. Likewise, any bank holding or other company seeking to obtain control of us would need prior approval from the Federal Reserve Board and, because we are also a thrift holding company, prior approval from the OTS.

As a financial holding company, we may engage in activities permitted by the BHCA without obtaining prior Federal Reserve Board approval. In addition, we may engage in activities not otherwise permitted for bank holding companies, generally without the Federal Reserve Board's prior approval. These activities include those that the Federal Reserve Board has determined are beneficial in nature, incidental to financial activities, or complementary to a financial activity. The BHCA does not place territorial restrictions on the activities of nonbank subsidiaries of financial holding companies.

Bank Secrecy Act, USA PATRIOT Act, and Office of Foreign Assets Control regulations (collectively, the BSA laws). The BSA laws require us to establish policies, procedures, and controls to detect, prevent, and report money laundering and terrorist financing activities. If we fail to comply with these laws, significant criminal and civil penalties can be imposed on us, and our charter, license, and/or deposit insurance can be revoked. We have adopted appropriate policies, procedures, and controls to comply with the BSA laws, and we will revise them as needed.

Privacy and information security. Federal and state laws and regulations require us to respect the privacy of our clients and to protect the security and confidentiality of their nonpublic personal information. These laws and regulations limit our disclosure of nonpublic client information to nonaffiliated third parties; require us to inform clients of our privacy and information-sharing policies; and require us to notify clients and regulators if an unauthorized disclosure occurs and there is concern the disclosed information may be misused. We have information security programs to safeguard the confidentiality and security of client information, and to ensure its proper disposal.

Interstate Banking Act. As an institution headquartered in Delaware, we are subject to the provisions of the Interstate Banking Act embraced by Delaware. Under this Act, Delaware permits mergers between Delaware banks and out-of-state banks, and allows the merged institution to open new offices in Delaware. Delaware does not permit out-of-state banks to establish new branches in Delaware or acquire Delaware branches of other institutions without first merging with them.

Community Reinvestment Act (CRA). The CRA requires banks to help serve the credit needs of the communities it serves. This includes extending credit and providing other services to low- and moderate-income individuals and families. To be rated at least satisfactory under the CRA, we are required to meet or exceed federal definitions of well-managed and well-capitalized financial institutions. If we fail to meet these requirements, we may incur penalties, which could include denials of applications to add branches, relocate, add subsidiaries and affiliates, and merge with or purchase other financial institutions. We also could be required to cease engaging in financial holding company activity or divest ownership of one or both of the banks.

Fair Housing Act. This Act and the CRA prohibit us from discriminating against or withholding services from individuals who live in economically depressed areas.

Residential mortgage usury laws. Since Delaware and Maryland have not overridden federal legislation that preempted state usury laws on residential first mortgage loans, there currently is no limit on interest rates the banks can charge on residential first mortgage loans. In today's interest rate environment, these usury laws do not materially affect the banks' lending programs.

Consumer protection laws. Our banking activities are subject to a variety of federal and state consumer protection laws, including:

- The Truth-in-Lending Act, which mandates disclosures for certain consumer loans;
- The Truth-in-Savings Act, which mandates deposit-related disclosures;
- The Equal Credit Opportunity Act, which prohibits discrimination; and
- The Fair Credit Reporting Act, which, if we deny a client's application for credit, requires us to tell the client which credit bureau we used to evaluate the application, and which imposes rules for information sharing and pre-screened offers of credit.

Wilmington Brokerage Services Company (WBSC), our broker-dealer subsidiary, is registered as a broker-dealer with and is subject to regulation by the SEC and the securities administrators of the states in which it is registered. In addition, WBSC is a member of the Financial Industry Regulatory Authority (FINRA), and subject to FINRA regulations. WBSC is also a member of the Securities Investor Protection Corporation, which, in the event of a broker-dealer's liquidation, provides some financial protections for securities holders. Several of our subsidiaries, including WBSC, also are registered as investment advisors with the SEC and in some states.

For additional requirements to which we are subject, read the "Compensation Discussion and Analysis" section of our Proxy Statement.

ADDITIONAL INFORMATION

We provide corporate news and other information about our company on our Web site at www.wilmingtontrust.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports are available in the Investor Relations section of our Web site, under "SEC filings." We post these reports to our Web site as quickly as possible after we file them electronically with or furnish them to the SEC.

Our Corporate Governance Guidelines, Code of Conduct and Ethics, and the charters of our Audit, Compensation, and Nominating and Corporate Governance Committees are available in the About Us section of our Web site. This section also contains any amendments to or waivers from the Code of Conduct and Ethics that apply to any of our directors or executive officers.

Printed copies of these materials are available free of charge to any shareholder who requests them by contacting Investor Relations at (302) 651-8527 or IR@wilmingtontrust.com.

Item 1A. Risk Factors

The normal course of business exposes us to a variety of operational, reputational, legal, and regulatory risks, which we summarize below. All of these risks could affect our financial performance and condition adversely.

Lending money is inherently risky. This risk is associated primarily with our two subsidiary depository institutions (the banks): Wilmington Trust Company (WTC) and Wilmington Trust FSB (WTFSB). When we make a loan through the banks, we make subjective judgments about the borrower's ability to repay it. No matter how financially sound a client or lending decision may seem, a borrower's ability to repay can be affected adversely by economic changes and other external factors. If borrowers do not repay their loans, our levels of nonperforming assets, loan losses, and the provision for loan losses could increase.

Adverse economic conditions, especially in the mid-Atlantic region, can increase the degree of repayment risk inherent in our loan portfolio. We do most of our lending in the mid-Atlantic region. Economic conditions in this region could affect the ability of borrowers to repay their loans. Adverse conditions also could reduce the value of assets, such as property or securities, that borrowers use as collateral. A reduction in the value of collateral could affect our ability to collect repayment of a loan if the borrower defaults.

Some of the loans we make carry a higher degree of repayment risk than others. The commercial real estate/construction and commercial mortgage loans we make may carry a higher degree of repayment risk than other types of loans. The commercial real estate business is subject to downturns, overbuilding, and economic conditions. Adverse conditions in the real estate market, or in the economy in general, can affect the repayment ability of these borrowers more severely than other types of borrowers.

Commercial mortgage loans for multi-family residential properties may be riskier than those for one-to-four family residences. Multi-family property loans are typically larger than loans for one-to-four family residential properties. In addition, the repayment of loans for multi-family properties typically depends on successful property operation and management. At December 31, 2008, our commercial mortgage portfolio totaled \$1,870.2 million, or 19% of total loans outstanding.

Commercial real estate/construction loans, which we make for residential and commercial properties and for unimproved land, may carry a higher degree of repayment risk than other types of loans, especially when the associated projects are not generating income. Repayment of these types of loans often depends on the ultimate success of the project, not on the borrower's or guarantor's ability to repay. In addition, consistent with industry practice, we sometimes fund the interest payments on a commercial construction loan by including the interest as part of the total loan. This increases the total amount of the borrower's loan. At December 31, 2008, our commercial real estate/construction portfolio totaled \$1,923.8 million, or 20% of total loans outstanding.

Consumer loans may carry a higher degree of repayment risk than residential mortgage loans, particularly when the consumer loan is unsecured. Repayment of a consumer loan typically depends on the borrower's financial stability, and it is more likely to be affected adversely by job loss, illness, or personal bankruptcy. In addition, federal and state bankruptcy, insolvency, and other laws may limit the amount we can recover when a consumer client defaults. At December 31, 2008, our consumer loan portfolio totaled \$1,732.9 million, or 18% of total loans outstanding.

Market interest rates can affect loan profitability and increase repayment risk. The interest rates on almost all of our commercial loans, and on many of our consumer and residential mortgage loans, are adjustable (floating). Floating rate loans generally carry lower initial interest rates than fixed rate loans, which may make them less profitable than fixed rate loans during the initial interest rate period. When the floating rate rises, it may be more difficult for some borrowers to repay their loans, and loan delinquencies may increase. For 2008, we recorded a provision for loan losses of \$115.5 million.

Changes in market interest rates, and the pace at which they occur, can affect net interest income adversely. Market interest rates present more risk to us than inflation. As a financial institution, nearly all of our assets and liabilities are monetary in nature. Their values are more likely to be eroded by changes in market interest rates than by the effects of inflation on currency valuations.

Rate changes, which can affect the yields we earn on loans and investments and the rates we pay on deposits and other borrowings, can affect our net interest margin and net interest income positively or negatively, and ultimately affect our financial performance.

Securities in our investment portfolio are subject to credit risk, market risk, illiquidity, and accounting risk. The fair market value of instruments in our investment securities portfolio may fall below the amount at which we purchased them, and we may be required to record these valuation declines as securities losses. These conditions could result from factors beyond our control, including credit rating agency downgrades, issuer defaults, lack of market demand or trading activity, and instability in

the credit markets. In addition, issuers of these securities may prepay or revoke instruments prior to their scheduled maturity. These conditions could affect our cash flows, earnings, and regulatory capital ratios negatively.

Any change in current accounting principles or interpretations of those principles could affect our assessment of the fair value of our securities and our determination of whether they are other-than-temporarily impaired. Such a determination would require us to record a non-cash charge in an amount equal to the decrease in the value of the securities. In 2008, we recorded total securities losses of \$130.7 million.

Volatility in financial markets can affect our noninterest income adversely. Some of our Wealth Advisory Services (WAS) and Corporate Client Services (CCS) fees, and all of the affiliate money manager fees, are based on financial market valuations of assets we manage or hold in custody for clients. Changes in these valuations can affect noninterest income positively or negatively, and ultimately affect our financial results.

Circumstances in the mid-Atlantic region, throughout the United States, and around the world could reduce demand for our services and negatively affect our ability to conduct business. These circumstances include inflation, recession, unemployment, changes in market interest rates, money supply, the competitive environment, economic uncertainty, military actions, and other factors beyond our control.

Changes in business and economic conditions in general, or specifically in the principal markets in which we do business, could affect our financial results adversely. Our results could be affected adversely by a weakening of or sustained weakness in business or economic conditions that may affect our clients and counterparties directly or indirectly. These conditions could lead to:

- A decrease in the demand for loans and other products and services we offer.
- A decrease in client savings, in general, and in demand for the savings and investment products we offer, in particular.
- An increase in the number of clients and counterparties who become delinquent, file for protection under bankruptcy laws, or default on their loans and other obligations to us. An increase in the number of delinquencies, bankruptcies, or defaults could result in a higher level of nonperforming assets, net charge-offs, and provisions for loan losses.

Our Regional Banking business is particularly vulnerable to adverse changes in economic conditions in the mid-Atlantic region, where this business is concentrated.

Competition can increase the rates we pay to attract deposits, reduce the interest rates we can charge on loans, reduce the fees we charge for services, and affect our ability to retain existing clients or attract new clients. We compete for loans, deposits, assets to manage or hold in custody, and opportunities to provide trustee, administrative, and other services.

We compete for loans primarily with savings banks, savings and loan associations, commercial banks, mortgage banking companies, insurance companies, and other institutional lenders in the mid-Atlantic region. For deposits, we compete primarily with savings banks, savings and loan associations, and commercial banks in the mid-Atlantic region. We also compete for deposits with dealers in government securities, deposit brokers, and credit card, direct, and internet-based financial institutions outside of the mid-Atlantic region.

We compete for other types of business with regional and money center banks, trust companies, investment advisors, mutual fund companies, family office service providers, insurance companies, accounting firms, law firms, and other service providers.

Some of our competitors are larger, have greater financial resources, have higher lending limits, and provide services that we do not, such as investment banking. In some cases, mergers, acquisitions, and other types of consolidation within the financial services industry have heightened competition by reducing the number of competitors. In other cases, consolidation that created very large institutions has reduced the number of independent, conflict-free competitors and made it easier for us to compete.

Our business could be affected negatively if we fail to develop and market new and innovative products and services, or fail to adopt or deploy new technologies. Our ability to compete for business depends in part on our ability to develop ways to differentiate our products and services and to improve efficiency. Competitive pressures plus rapid technological change in our industry require us to invest in new products and services, and to bring them to market in a timely fashion and at a competitive price, on an ongoing basis.

Developing and introducing new products can be risky. We may not achieve timeframe, price, or profitability targets. Changes in the regulatory environment, competition, and market demand could affect our ability to launch new products successfully. There could be unanticipated effects on our system of internal controls. These factors could affect our financial performance negatively.

Changes in accounting rules may affect our reported earnings and operating income adversely. Generally accepted accounting principles (GAAP) and accompanying accounting pronouncements, implementation guidelines, and interpretations for many aspects of our business are highly complex and may involve subjective judgments. Changes in these rules or their interpretations could affect our earnings significantly.

Changes in the value of goodwill or intangible assets on our balance sheet could affect earnings adversely. If, under GAAP, we determine that any of our goodwill or amortizable intangible assets are impaired, we may be required to record an expense that could reduce net income and stockholders' equity.

We review our amortizable intangible assets for impairment when events or changes in circumstances indicate that the carrying value of those assets may not be recoverable. We are required to test for impairment at least annually. In 2008, we wrote down the value of our investment in affiliate money manager Roxbury Capital Management by \$66.9 million.

Making acquisitions can be risky. Our attention may be diverted from other business matters; we could lose key clients or staff members; we may have difficulty integrating systems and operations; the acquired business may not meet our profitability expectations; we may assume unanticipated liabilities; we may be unable to anticipate fully the risks associated with entering new market segments or geographical areas; and we may incur unanticipated expenses. These factors could affect our financial performance negatively.

We typically allocate a portion of an acquisition's purchase price to goodwill. If the value of the acquired entity or business unit deteriorates, we may be required to record a goodwill impairment that could reduce net income and stockholders' equity.

We run the risk of having insufficient liquidity, or funding. A lack of funding, or access to it, could impede our ability to make loans, fund other asset growth, accommodate deposit withdrawals and other liability maturities, meet contractual obligations, and fund new business transactions at a reasonable cost, in a timely manner, and without adverse consequences.

Core deposits (deposits from clients) are our primary source of funding. Our core deposits come primarily from Delaware, where our consumer banking activities are concentrated. Because we make commercial loans throughout the mid-Atlantic region, we rely on other funding sources to augment core deposits.

A significant decrease in our core deposits, an inability to obtain alternative funding to our core deposits, or a substantial, unexpected, or prolonged change in the level or cost of funding could have a negative effect on our business and financial condition. At December 31, 2008, our loan-to-core-deposits ratio was 1.57%.

For more information about this, read the "Liquidity and funding" section of the MD&A in our Annual Report.

Our access to funding, and our ability to serve some clients, could be affected adversely by unfavorable rating actions taken by credit rating agencies. Wilmington Trust Corporation and Wilmington Trust Company are rated by Standard & Poor's, Moody's Investors Service, and Fitch Ratings. Standard & Poor's downgraded our credit ratings in January 2009. Moody's and Fitch downgraded our credit ratings in February 2009. Unfavorable rating actions by these agencies could increase our cost of funds, reduce or limit our access to certain types of funding, or place us in violation of certain covenants in client and other contracts in which we are a party.

Disruption in the capital and credit markets has created illiquidity and uncertainty. The capital and credit markets have experienced severe volatility and disruption since the second half of 2007. In some cases, these conditions have produced downward pressures on security prices and credit availability for issuers regardless of the underlying financial strength of the issuers. A continuation or worsening of these conditions could have a materially adverse effect on our business, financial condition, and results of operations.

The failure of other financial institutions could affect us adversely. We have exposure to many different industries and counterparties, and routinely execute transactions with other financial services providers, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds, and other institutional clients. Many of these transactions expose us to credit risk in the event of a default by our counterparty or client. In addition, our credit risk may be exacerbated when collateral we hold cannot be relied upon or is liquidated at prices not sufficient to recover the full amount of our exposure.

Defaults by, or even questions or rumors about, one or more financial services institutions, or the financial services industry in general, have created market-wide liquidity problems and could lead to losses or defaults by other institutions or us. Any such losses could materially and adversely affect our results of operations.

There can be no assurance that recent U.S. government intervention will help stabilize the U.S. financial system. The Emergency Economic Stabilization Act of 2008 (EESA) was enacted on October 3, 2008, in response to the financial crises affecting the banking system and financial markets and the questionable ability of certain investment banks and other financial institutions to continue as going concerns. Programs authorized by the EESA permit the U.S. Department of the Treasury to purchase mortgages, mortgage-backed securities, and certain other financial instruments from financial institutions for the purpose of stabilizing and providing liquidity to the U.S. financial markets. The failure of these programs to help stabilize the financial markets and a continuation or worsening of current financial market conditions could materially and adversely affect our business, financial condition, results of operations, access to credit, or the trading price of our securities.

We and our subsidiaries are subject to a variety of legal and regulatory restrictions. Failure to comply adequately with these requirements could subject us to financial, regulatory, or other sanctions, which could have negative effects on our financial performance and ability to conduct business. These include restrictions imposed by the BHCA, the Federal Deposit Insurance Act, the Federal Reserve Act, the Home Owners' Loan Act, and a variety of federal and state consumer protection laws.

We and our subsidiaries are subject to various legal proceedings that arise from time to time in the ordinary course of business. Some of these proceedings may seek relief or damages in amounts that may be substantial. Typically these proceedings are complex, and many years may pass before they are resolved.

Negative public opinion could damage our reputation. Negative public opinion can result from the actual or perceived manner in which we conduct business, manage actual or potential conflicts of interest and ethical issues, and protect confidential client information. It can have an adverse effect on our ability to attract and retain clients, expose us to litigation and regulatory actions, and ultimately affect our financial performance negatively.

Our ability to pay dividends on our common stock depends primarily on the financial results of our wholly owned subsidiaries. As a bank holding company, we conduct almost all of our business through WTC, WTFSB, and our other subsidiaries. Payments to us by these subsidiaries are the primary sources of the capital we use to pay dividends. The ability of our subsidiaries to make these payments to us is limited by their need to maintain sufficient capital and by other general regulatory restrictions on the dividends they pay us. If they do not satisfy these requirements, we may be unable to pay dividends on our common stock.

In addition, our participation in the United States Department of the Treasury's Capital Purchase Program places some restrictions on our ability to pay or increase dividends on our preferred or common stock. For more information about these and other regulatory restrictions on common stock dividend payments, read Note 16, "Capital," in the Annual Report.

In the future, we may issue debt and equity securities that could reduce the value of our common stock. We may attempt to increase our capital resources by issuing additional common stock, preferred stock, or secured or unsecured debt. Some of these issues, were they to occur, could substantially dilute the value of our common stock. Because our decision to incur debt and issue securities in future offerings may be influenced by market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of our future offerings or debt financings. In addition, market conditions could require us to accept less favorable terms for the issuance of our securities in the future. More information about these potential activities is in the prospectus supplement and amended shelf registration filed with the SEC on January 12, 2009. These documents are available on www.wilmingtontrust.com in the Investor Relations section under SEC filings.

Our certificate of incorporation may discourage unsolicited acquisition proposals. Our certificate of incorporation, our bylaws, and Delaware law include certain anti-takeover provisions. These protections could discourage potential acquisition proposals, or delay or prevent a change in control of our company. Under these provisions, we have a classified Board of Directors; we require shareholders to inform us in advance and meet certain other conditions if they nominate directors; and we have the ability to issue up to 1 million shares of preferred stock and the balance of our 150 million shares of common stock in the event of an unsolicited acquisition proposal.

Other risks could affect our earnings and damage our reputation. These include human error, systems failures, breach of fiduciary duty, fraud, and inadequate controls and procedures.

Item 1B. Unresolved Staff Comments

We have no outstanding unresolved comments from SEC staff.

Item 2. Properties

Our largest properties are in downtown Wilmington, Delaware: the Wilmington Trust Center (1100 North Market Street) and the Wilmington Trust Plaza (301 West Eleventh Street). Our main office is in the Wilmington Trust Center, which is owned by Rodney Square Investors, L.P., one of our subsidiaries. At the end of 2008, the outstanding mortgage on this building was \$33,274,118. There is no mortgage on the Wilmington Trust Plaza, an operations facility owned by a subsidiary.

At December 31, 2008, our branch office (as defined by banking regulators) and other office locations were as follows:

Arizona: One office in Phoenix.

California: One office each in Los Angeles, Costa Mesa, and Beverly Hills (Grant Tani Barash & Altman).

Connecticut: One office each in Guilford and Stamford.

Delaware: 48 branch offices throughout the state (24 in New Castle County, including one each at the Wilmington Trust Center and Wilmington Trust Plaza; 8 in Kent County; and 16 in Sussex County), plus 1 retirement services administrative office in Wilmington.

Florida: One branch office in North Palm Beach and one office each in Palm Beach, Stuart, and Vero Beach.

Georgia: One office in Atlanta.

Maryland: One branch office in Baltimore and one office in Bel Air.

Massachusetts: One office in Boston.

Minnesota: One office in Bloomington.

Nevada: One branch office in Las Vegas.

New Jersey: One office each in Jersey City, Mt. Laurel, and Princeton.

New York: Two offices in New York City.

Pennsylvania: One branch office each in Bethlehem, Doylestown, Philadelphia, Villanova, and West Chester.

South Carolina: One office in Charleston.

Vermont: One office in Burlington.

Europe: One office each in the Channel Islands (Jersey), England (London), Ireland (Dublin), Germany (Frankfurt), Luxembourg, and The Netherlands (Amsterdam).

Caribbean: One office in Grand Cayman, Cayman Islands.

We own 29 of these offices. We lease space for the others. We believe these offices are suitable and adequate for our needs, and that we could accommodate further growth by utilizing existing capacity or by acquiring or renting additional space. More information about our lease obligations is in the discussion of contractual obligations, which is on page 60 in our Annual Report, and in Note 13, "Commitments and contingencies," which begins on page 104 of our Annual Report.

Three of our reporting segments – Regional Banking, CCS, and WAS – operate principally at Wilmington Trust Center. CCS and WAS also lease a substantial portion of a facility across the street from Wilmington Trust Center.

Regional Banking operates our branch offices, except for the one in Florida, which WAS operates. Regional Banking and WAS operate our offices in Maryland, New Jersey, and Pennsylvania. WAS operates our offices in California, Connecticut, Florida, Georgia, and Massachusetts. WAS and CCS operate our offices in New York. CCS operates our offices in Arizona, Minnesota, Nevada, South Carolina, Vermont, Europe, and the Caribbean.

Our fourth reporting segment – Affiliate Money Managers – comprises our investments in Cramer Rosenthal McGlynn (CRM) and Roxbury Capital Management (RCM). CRM leases office space in White Plains and New York, New York. RCM leases office space in Santa Monica, California.

Item 3. Legal Proceedings

This information is in the risk discussion in the Annual Report on page 58, and is incorporated by reference herein.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted during the fourth quarter of 2008.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Information about our common stock, as well as the frequency and amount of dividends paid during the last two years, is in the section on stockholder information in the Annual Report on page 153 and is incorporated by reference herein. Information about equity securities we sold during 2008 that were not registered under the Securities Act of 1933 is contained in Note 16 to our Consolidated Financial Statements on page 112 of the Annual Report and is incorporated by reference herein.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
Equity compensation plans approved by security holders	7,072,458	\$34.86	929,173
Equity compensation plans not approved by security holders	—	—	—
Total	7,072,458	\$34.86	929,173

SHARE REPURCHASE ACTIVITY DURING THE FOURTH QUARTER OF 2008

Period	Total number of shares repurchased ¹	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plan ²
October	—	—	—	13,129,108
November	—	—	—	13,073,470
December	3,549	\$16.38	—	13,077,361
Total	3,549	\$16.38	—	13,077,361

¹ Includes 3,549 shares tendered for cancellation of restricted stock returned to treasury.

² In April 2002, our Board of Directors authorized the repurchase of up to 8 million shares of our stock.

The Federal Reserve Board's policy is that a bank holding company should not pay dividends unless its prospective earnings retention rate is consistent with its capital needs, asset quality, and overall financial condition. We believe our payment of dividends during 2008 was consistent with the Federal Reserve Board's policy. We reduced the quarterly dividend on our common stock to \$0.1725 on January 29, 2009.

Item 6. Selected Financial Data

BALANCE SHEET

At year end (in millions)	2008	2007	2006	2005	2004
Assets	\$12,318.9	\$11,485.7	\$11,157.0	\$10,245.4	\$9,519.1
Long-term debt	468.8	267.8	388.5	400.4	408.6

INCOME STATEMENT

For the years (in millions)	2008	2007	2006	2005	2004
Interest income	\$ 611.4	\$ 722.2	\$ 674.8	\$ 516.6	\$ 386.5
Net interest income	357.7	368.9	363.1	328.9	294.4
Provision for loan losses	115.5	28.2	21.3	11.8	15.6
Net (loss)/income	(23.6)	182.0	143.8	167.0	136.9

PER COMMON SHARE DATA

For the year (in dollars)	2008	2007	2006	2005	2004
Net (loss)/income – basic	\$ (0.36)	\$ 2.68	\$ 2.10	\$ 2.47	\$ 2.05
Net (loss)/income – diluted	(0.36)	2.64	2.06	2.43	2.02
Cash dividends declared	1.37	1.32	1.245	1.185	1.125

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information required by this Item is in the Annual Report on pages 8–61, and is incorporated by reference herein.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information required by this Item is in the risk discussion in the Annual Report on pages 53–56, and is incorporated by reference herein.

Item 8. Financial Statements and Supplementary Data

Information required by this Item is on the pages of the Annual Report indicated below, and is incorporated by reference herein.

Statement	Page
Consolidated Statements of Condition as of December 31, 2008, and 2007	73
Consolidated Statements of Income for the years ended December 31, 2008, 2007, and 2006	74–75
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2008, 2007, and 2006	76–77
Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007, and 2006	78–79
Notes to Consolidated Financial Statements	80–129
Reports of Independent Registered Public Accounting Firm	131–132
Unaudited Selected Quarterly Financial Data	72

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in accountants or disagreements with KPMG LLP, our independent registered public accounting firm, on accounting and financial disclosure.

Item 9A. Controls and Procedures

Information required by this Item is in the Controls and Procedures section on page 61 of the Annual Report, and in Management's Discussion of Financial Responsibility on page 130 of the Annual Report, and is incorporated by reference herein.

Item 9B. Other Information

At its meeting on February 25, 2009, the Compensation Committee (Committee) of our Board of Directors established the annual performance factors for bonus awards for 2009 that are payable in 2010 for the named executive officers in our Proxy Statement.

For Ted T. Cecala, those performance factors include our earnings per share, return on assets, and return on equity for 2009 compared to peer institutions, and how our net income for 2009 compares to our 2009 business plan.

For Robert V.A. Harra Jr., those performance factors include increasing deposits, expanding our presence in Maryland and New Jersey, and improving the profitability of the Regional Banking business.

For David R. Gibson, those performance factors include continued management of our interest rate risk, monitoring of our funding strategies, and assisting in our acquisition efforts and integrations of acquired businesses.

For William J. Farrell II, those performance factors include increasing sales for the CCS business internationally, increasing sales of our investment management services, and completing the integration of our retirement services activities with those provided by Wilmington Trust Retirement and Institutional Services Company (the former AST Capital Trust Company, which we acquired in April 2008).

For Robert M. Balentine, those performance factors include aligning the staff and resources of Wilmington Trust Investment Management (WTIM) with the WAS and CCS business lines, internalizing asset management provided by outside investment firms where appropriate, increasing sales of WTIM's mutual fund products, and expanding the scope of our brokerage activities in the mid-Atlantic region.

The Committee also approved an amendment to our Supplemental Executive Retirement Plan (SERP). Under that amendment, the compensation covered by the SERP is a participant's compensation for the highest paid five of the final 10 years of his or her employment.

The Committee also awarded the following bonuses in the form of restricted stock to its named executive officers: \$200,000 each to Messrs. Cecala, Harra, and Farrell; \$195,000 to Mr. Gibson; and \$187,500 to Mr. Balentine. This restricted stock vests in three equal installments over the three-year period beginning February 26, 2009, but not before the U.S. Treasury no longer holds any debt or equity security we issued under the Capital Purchase Program. Since these bonuses are in the form of restricted stock, they are subject to forfeiture prior to vesting.

Part III

Item 10. Directors, Executive Officers, and Corporate Governance

Information required by this Item is on pages 11–12, 32, 5, 6, and 9 of our Proxy Statement, and is incorporated by reference herein.

Item 11. Executive Compensation

Information required by this Item is on pages 14–32 of our Proxy Statement, and is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item is in Item 5 and on pages 13–14 of our Proxy Statement, and is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item is on pages 22 and 3–4 of our Proxy Statement, and is incorporated by reference herein.

Item 14. Principal Accountant Fees and Services

Information required by this Item is on page 10 of our Proxy Statement, and is incorporated by reference herein.

Part IV

Item 15. Exhibits and Financial Statement Schedules

The financial statements required by this Item are incorporated by reference from Item 8. No additional financial statement schedules are required to be filed as part of this report.

The exhibits listed below have been or are being filed as part of this report. Any exhibit is available to any shareholder:

- Free of charge on our Web site at www.wilmingtontrust.com or through the SEC's Web site at www.sec.gov.
- By sending a written request, plus \$0.20 per page for duplicating costs, to Investor Relations at our headquarters address or to IR@wilmingtontrust.com.

Exhibit number	Exhibit
3.1	Amended and Restated Certificate of Incorporation of the Corporation (Commission File Number 1-14659) ¹
3.2	Amended and Restated Bylaws of the Corporation (Commission File Number 1-14659) ²
3.3	Form of Amended Certificate of Designations of Series A Junior Participating Preferred Stock dated December 16, 2004 (Commission File Number 1-14659) ³
3.4	Certificate of Designations for Series A Preferred Stock dated December 12, 2008 (Commission File Number 1-14659) ⁴
4.1	Amended and Restated Rights Agreement dated as of December 16, 2004 between Wilmington Trust Corporation and Wells Fargo Bank, N.A. (Commission File Number 1-14659) ⁵
4.2	Indenture Relating to Subordinated Debt Securities dated as of May 4, 1998 between Wilmington Trust Corporation and Norwest Bank Minnesota, National Association (Commission File Number 1-14659) ⁶
4.3	Officers' Certificate dated April 1, 2003 establishing the terms of the 4.875% Subordinated Note due 2013 ⁷
4.4	Subordinated Note of Wilmington Trust Corporation dated April 4, 2003 (Commission File Number 1-14659) ⁸
4.5	Officers' Certificate pursuant to the Indenture, dated April 1, 2008, establishing the terms of the 8.50% Subordinated Note due 2018 ⁹
4.6	Form of 8.50% Subordinated Note due 2018 (Commission File Number 1-14659) ¹⁰
4.7	Form of Certificate for Series A Preferred Stock (Commission File Number 1-14659) ¹¹
4.8	Warrant to Purchase Shares of Common Stock (Commission File Number 1-14659) ¹²
10.1	Amended and Restated Supplemental Executive Retirement Plan ⁷
10.2	Severance Agreement dated as of February 29, 1996 between Wilmington Trust Company and Ted T. Cecala (Commission File Number 1-14659) ¹³
10.3	Severance Agreement dated as of February 29, 1996 between Wilmington Trust Company and William J. Farrell II (Commission File Number 1-14659) ¹⁴
10.4	Severance Agreement dated as of February 29, 1996 between Wilmington Trust Company and David R. Gibson (Commission File Number 1-14659) ¹⁵
10.5	Severance Agreement dated as of February 29, 1996 between Wilmington Trust Company and Robert V.A. Harra Jr. (Commission File Number 1-14659) ¹⁶
10.6	Severance Agreement dated as of February 22, 2006 between Wilmington Trust Company and Michael A. DiGregorio (Commission File Number 1-14659) ¹⁷
10.7	Severance Agreement dated as of February 13, 2007 between Wilmington Trust Company and Kevyn N. Rakowski (Commission File Number 1-14659) ¹⁸
10.8	Severance Agreement dated as of February 22, 2006 between Wilmington Trust Investment Management, LLC and Robert M. Balentine ¹⁹

Exhibit number	Exhibit
10.9	Severance Agreement dated as of December 19, 2000 between Wilmington Trust of Pennsylvania and Mark A. Graham ²⁰
10.10	Amendment No. 1 to Severance Agreement dated as of December 19, 2000 between Wilmington Trust Company and Ted T. Cecala (Commission File Number 1-14659) ²¹
10.11	Amendment No. 1 to Severance Agreement dated as of December 19, 2000 between Wilmington Trust Company and William J. Farrell II (Commission File Number 1-14659) ²²
10.12	Amendment No. 1 to Severance Agreement dated as of December 19, 2000 between Wilmington Trust Company and David R. Gibson (Commission File Number 1-14659) ²³
10.13	Amendment No. 1 to Severance Agreement dated as of December 19, 2000 between Wilmington Trust Company and Robert V.A. Harra Jr. (Commission File Number 1-14659) ²⁴
10.14	2008 Employee Stock Purchase Plan ²⁵
10.15	1999 Long-Term Incentive Plan (Commission File Number 1-14659) ²⁶
10.16	Amended and Restated 2002 Long-Term Incentive Plan of Wilmington Trust Corporation (Commission File Number 1-14659) ²⁷
10.17	2001 Non-Employee Directors' Stock Option Plan (Commission File Number 1-14659) ²⁸
10.18	2004 Executive Incentive Plan (Commission File Number 1-14659) ²⁹
10.19	Amended and Restated 2005 Long-Term Incentive Plan ³⁰
10.20	Amended and Restated Limited Liability Company Agreement of Cramer Rosenthal McGlynn, LLC dated as of January 1, 2001 (Commission File Number 1-14659) ³¹
10.21	Amendment to the Amended and Restated Limited Liability Company Agreement of Cramer Rosenthal McGlynn, LLC dated as of June 28, 2002 (Commission File Number 1-14659) ³²
10.22	Second Amended and Restated Limited Liability Company Agreement of Roxbury Capital Management, LLC dated as of August 1, 2003 (Commission File Number 1-14659) ³³
10.23	Limited Liability Company Interest Purchase Agreement dated as of April 2, 2004 among Grant Tani Barash & Altman, Inc., Warren Grant, Jane Tani, Corey Barash, Howard Altman and GTBA Holdings, Inc. (Commission File Number 1-14659) ³⁴
10.24	Amended and Restated Limited Liability Company Agreement of Grant Tani Barash & Altman, LLC dated as of October 1, 2004 among Grant, Tani, Barash & Altman, Inc., GTBA Holdings, Inc., Warren Grant, Jane Tani, Corey Barash, Howard Altman (Commission File Number 1-14659) ³⁵
10.25	Stock Purchase Agreement dated as of January 30, 2008 among Michael Karfunkel and Leah Karfunkel, as Trustees for the 2005 Michael Karfunkel Grantor Retained Annuity Trust, George Karfunkel, Renee Karfunkel, Leah Karfunkel, Michael Karfunkel, AST Capital Trust Company of Delaware, and Wilmington Trust FSB (Commission File Number 1-14659) ³⁶
10.26	Form of Stock Option Agreement ³⁷
10.27	Form of Restricted Stock Agreement (Commission File Number 1-14659) ³⁸
10.28	Form of Restricted Stock Unit Agreement (Commission File Number 1-14659) ³⁹
10.29	Letter Agreement including the Securities Purchase Agreement – Standard Terms incorporated therein, dated December 12, 2008, between Wilmington Trust Corporation and the United States Department of the Treasury (Commission File Number 1-14659) ⁴⁰
10.30	Form of Waiver (Commission File Number 1-14659) ⁴¹
10.31	Amendments to Benefit Plans dated December 12, 2008 (Commission File Number 1-14659) ⁴²
13	Annual Report to Shareholders ⁷
21	Subsidiaries of Wilmington Trust Corporation ⁷
23	Consent of KPMG LLP ⁷
31(i) and (ii)	Rule 13a-14(a)/15d-14(a) Certifications ⁷
32	Section 1350 Certifications ⁷

- ¹ Incorporated by reference to Exhibit 3(a) to the Report on Form S-8 of Wilmington Trust Corporation filed on October 31, 1991.
- ² Incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K of Wilmington Trust Corporation filed on January 21, 2009.
- ³ Incorporated by reference to Exhibit A to Exhibit 1 to the Form 8-A/A of Wilmington Trust Corporation filed on December 16, 2004.
- ⁴ Incorporated by reference to Exhibit 3.1 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.
- ⁵ Incorporated by reference to Exhibit 1 to the Form 8-A/A of Wilmington Trust Corporation filed on December 16, 2004.
- ⁶ Incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-3 of Wilmington Trust Corporation filed on November 29, 2007.
- ⁷ Filed herewith.
- ⁸ Incorporated by reference to Exhibit 10.37 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 15, 2005.
- ⁹ Incorporated by reference to Exhibit 4.3 to the Form 8-K of Wilmington Trust Corporation filed on April 1, 2008.
- ¹⁰ Incorporated by reference to Exhibit 4.2 to the Form 8-K of Wilmington Trust Corporation filed on April 1, 2008.
- ¹¹ Incorporated by reference to Exhibit 4.1 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.
- ¹² Incorporated by reference to Exhibit 4.2 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.
- ¹³ Incorporated by reference to Exhibit 10(i) to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 30, 1996.
- ¹⁴ Incorporated by reference to Exhibit 10(l) to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 30, 1996.
- ¹⁵ Incorporated by reference to Exhibit 10(m) to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 30, 1996.
- ¹⁶ Incorporated by reference to Exhibit 10(n) to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 30, 1996.
- ¹⁷ Incorporated by reference to Exhibit 10.7 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 1, 2007.
- ¹⁸ Incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 1, 2007.
- ¹⁹ Incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on February 29, 2008.
- ²⁰ Incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on February 29, 2008.
- ²¹ Incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on April 2, 2001.
- ²² Incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on April 2, 2001.
- ²³ Incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on April 2, 2001.
- ²⁴ Incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on April 2, 2001.
- ²⁵ Incorporated by reference to Exhibit C to the Proxy Statement of Wilmington Trust Corporation filed on February 29, 2008.
- ²⁶ Incorporated by reference to Exhibit A to the Proxy Statement of Wilmington Trust Corporation filed on March 31, 1999.
- ²⁷ Incorporated by reference to Exhibit 10.64 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on November 9, 2004.
- ²⁸ Incorporated by reference to Exhibit 4.9 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on April 2, 2001.
- ²⁹ Incorporated by reference to Exhibit 10.61 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on August 9, 2004.
- ³⁰ Incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on February 29, 2008.
- ³¹ Incorporated by reference to Exhibit 10.44 to the Quarterly Report on Form 10-Q/A of Wilmington Trust Corporation filed on March 25, 2003.
- ³² Incorporated by reference to Exhibit 10.46 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on August 14, 2002.
- ³³ Incorporated by reference to Exhibit 10.53 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on March 15, 2004.
- ³⁴ Incorporated by reference to Exhibit 10.59 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on May 10, 2004.
- ³⁵ Incorporated by reference to Exhibit 10.63 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on November 9, 2004.
- ³⁶ Incorporated by reference to Exhibit 10.28 to the Annual Report on Form 10-K of Wilmington Trust Corporation filed on February 29, 2008.
- ³⁷ Incorporated by reference to Exhibit 10.65 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on November 9, 2004.
- ³⁸ Incorporated by reference to Exhibit 10.66 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on November 9, 2004.
- ³⁹ Incorporated by reference to Exhibit 10.67 to the Quarterly Report on Form 10-Q of Wilmington Trust Corporation filed on November 9, 2004.
- ⁴⁰ Incorporated by reference to Exhibit 10.1 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.
- ⁴¹ Incorporated by reference to Exhibit 10.2 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.
- ⁴² Incorporated by reference to Exhibit 10.3 to the Form 8-K of Wilmington Trust Corporation filed on December 16, 2008.

Signatures

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WILMINGTON TRUST CORPORATION
February 26, 2009

By: /s/ Ted T. Cecala

TED T. CECALA, Director, Chairman of the Board and
Chief Executive Officer

Pursuant to the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

February 26, 2009

/s/ Ted T. Cecala

TED T. CECALA, Director, Chairman of the Board and
Chief Executive Officer

/s/ Gailen Krug

GAILEN KRUG, Director

/s/ Robert V.A. Harra Jr.

ROBERT V.A. HARRA JR., Director, President, and
Chief Operating Officer

/s/ REX L. MEARS, Director

/s/ David R. Gibson

DAVID R. GIBSON, Executive Vice President and
Chief Financial Officer

/s/ Stacey J. Mobley

STACEY J. MOBLEY, Director

/s/ Kevyn N. Rakowski

KEVYN N. RAKOWSKI, Senior Vice President and
Controller

/s/ Michele M. Rollins

MICHELE M. ROLLINS, Director

/s/ Carolyn S. Burger

CAROLYN S. BURGER, Director

/s/ David P. Roselle

DAVID P. ROSELLE, Director

/s/ Thomas L. du Pont

THOMAS L. DU PONT, Director

/s/ Oliver R. Sockwell

OLIVER R. SOCKWELL, Director

/s/ R. Keith Elliott

R. KEITH ELLIOTT, Director

/s/ ROBERT W. TUNNELL JR., Director

/s/ Donald E. Foley

DONALD E. FOLEY, Director

/s/ Susan D. Whiting

SUSAN D. WHITING, Director

Board of Directors

Carolyn S. Burger¹

Former President and Chief Executive Officer, Bell Atlantic – Delaware, Inc; Former Principal, CB Associates, Inc.

Ted T. Cecala

Chairman of the Board and Chief Executive Officer, Wilmington Trust Corporation; Director, Federal Reserve Bank of Philadelphia; Member, Board of Managers, Cramer Rosenthal McGlynn, LLC, and Roxbury Capital Management, LLC; Member, Board of Trustees of WT Mutual Fund

Thomas L. du Pont^{2,3}

Chairman and Publisher, duPont Publishing, Inc.

R. Keith Elliott³

Retired Director, Chairman, and CEO, Hercules Incorporated; Lead Director, Checkpoint Systems, Inc.; Director, QSGI, Inc.; and Trustee of the Institute for Defense Analyses

Donald E. Foley^{1*,2}

Senior Vice President, Treasurer, and Director of Taxes, ITT Corporation

Robert V.A. Harra Jr.

President and Chief Operating Officer, Wilmington Trust Corporation

Gailen Krug^{1,2}

Chief Investment Officer and Vice President, Waycrosse, Inc.

Rex L. Mears^{3*}

President, Ray S. Mears and Sons, Inc.

Stacey J. Mobley^{2*}

Retired Senior Vice President, General Counsel, and Chief Administrative Officer, E. I. du Pont de Nemours and Company; Director, International Paper Co.

Michele Rollins, Esq.³

Chairman, Rollins Jamaica

Dr. David P. Roselle¹

President Emeritus, University of Delaware; Director, OCLC, Inc., Blue Cross/Blue Shield of Delaware, and Winterthur Museum

Oliver R. Sockwell Jr.¹

Retired President and Chief Executive Officer, Construction Loan Insurance Corporation; Director, RR Donnelley & Sons Company and Liz Claiborne, Inc.

Robert W. Tunnell Jr.³

Managing Partner, Tunnell Companies, L.P.

Susan D. Whiting²

Vice Chair, The Nielsen Company

Standing Committees of the Board:

¹ Audit Committee

² Compensation Committee

³ Nominating and Corporate Governance Committee

* Denotes committee chair

Wilmington Trust Principal Officers

Ted T. Cecala

Chairman of the Board and Chief Executive Officer

Robert V.A. Harra Jr.

President and Chief Operating Officer

David R. Gibson

Chief Financial Officer and Executive Vice President, Finance

Robert M. Balentine

Executive Vice President, Wilmington Trust; Chairman and Chief Executive Officer, Wilmington Trust Investment Management, LLC

William J. Farrell II

Executive Vice President, Corporate Client Services

Mark A. Graham

Executive Vice President, Wealth Advisory Services

Michael A. DiGregorio

Senior Vice President, Secretary, and Chief Legal Counsel

Ronald K. Pendleton

Senior Vice President and Auditor

Kevyn N. Rakowski

Senior Vice President and Controller

Kevin J. Conte

Vice President and Treasurer

Stockholder Information

Stock Market Listing

Common stock trading symbol: WL

Common stock exchange listing: New York Stock Exchange (NYSE)

Our common stock has been traded on the NYSE since January 12, 1999. Before then, our common stock was traded on the NASDAQ Stock Market® under the symbol WILM.

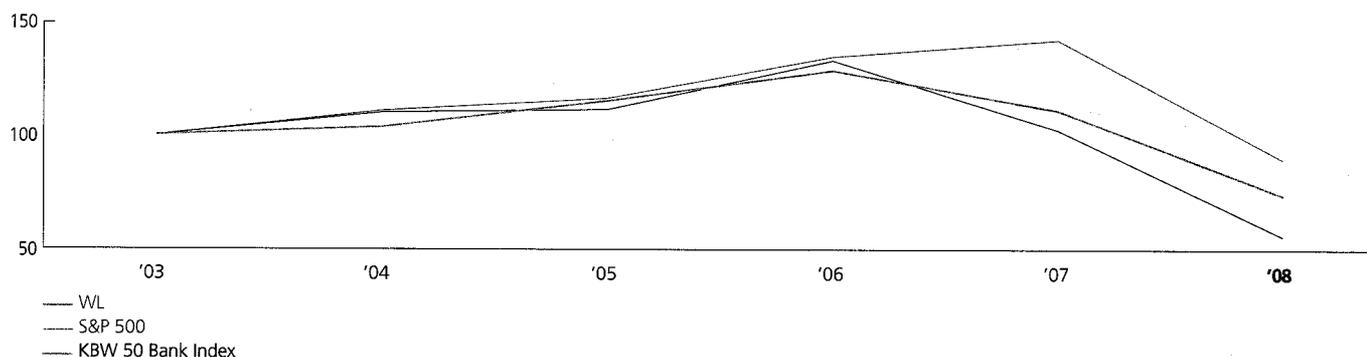
On December 12, 2008, we issued 330,000 shares of Series A preferred stock and associated warrants to the U.S. Department of the Treasury under its Capital Purchase Program. Unless noted otherwise, information in this section pertains to our common stock. For more information about our Series A preferred stock, read Note 16, "Capital," in this report.

Common Stock Price Performance

The graph below compares the cumulative total stockholder return (including price appreciation and dividend reinvestments) on our common stock, all companies in the Standard & Poor's 500 Index (S&P 500), and companies in the Keefe, Bruyette & Woods (KBW) 50 Bank Index over the past five years, assuming an initial investment of \$100 at the close of business on December 31, 2003. The KBW 50 Bank Index includes all money center banks and most major regional banks, weighted by market capitalization. We regard it as a proxy for the stock price performance of large banks throughout the United States.

TOTAL RETURN ON WILMINGTON TRUST COMMON STOCK

As of December 31



Source: KBW Research, SNL DataSource, FactSet Research

CUMULATIVE TOTAL STOCKHOLDER RETURN

As of December 31	2003	2004	2005	2006	2007	2008
WL	\$100.0	\$103.5	\$115.1	\$128.4	\$110.8	\$73.7
S&P 500 Index	\$100.0	\$110.8	\$116.3	\$134.6	\$142.0	\$89.5
KBW 50 Bank Index	\$100.0	\$110.0	\$111.3	\$132.9	\$102.3	\$55.8

COMMON STOCK PRICE PERFORMANCE AND PER-SHARE DIVIDENDS PAID

Quarter	2008			2007			2006		
	High	Low	Dividend paid	High	Low	Dividend paid	High	Low	Dividend paid
First	\$35.50	\$27.78	\$0.335	\$44.55	\$39.74	\$0.315	\$44.80	\$38.54	\$0.300
Second	\$35.17	\$26.26	\$0.345	\$43.14	\$39.62	\$0.335	\$45.21	\$40.22	\$0.315
Third	\$46.75	\$20.50	\$0.345	\$42.14	\$36.46	\$0.335	\$45.61	\$40.52	\$0.315
Fourth	\$31.07	\$19.49	\$0.345	\$42.00	\$32.57	\$0.335	\$45.33	\$40.54	\$0.315
Total	\$46.75	\$19.49	\$1.370	\$44.55	\$32.57	\$1.320	\$45.61	\$38.54	\$1.245
Dividend payout ratio	—%			49.40%			59.18%		
Dividend payout ratio excluding impairment write-downs	93.06%						45.88%		

PER-SHARE PRICE AND BOOK VALUE

At quarter end	2008		2007		2006	
	Closing price	Book value	Closing price	Book value	Closing price	Book value
First	\$31.10	\$16.99	\$42.17	\$15.90	\$43.35	\$15.30
Second	\$26.44	\$15.84	\$41.51	\$15.77	\$42.18	\$15.54
Third	\$28.83	\$15.60	\$38.90	\$16.23	\$44.55	\$15.56
Fourth	\$22.24	\$14.65	\$35.20	\$16.70	\$42.17	\$15.46

STATISTICAL INFORMATION

At year end	2008	2007	2006
Shareholders of record (approximate)	7,534	7,718	7,962
Diluted shares outstanding (average)	67,453,648	68,850,523	69,674,934
Basic shares outstanding (period end)	69,113,448	67,086,546	68,459,514
Market capitalization	\$1.54 billion	\$2.36 billion	\$2.89 billion

Dividends

We generally declare dividends on our common stock in the first month of each quarter to stockholders of record as of the first business day in February, May, August, and November. Common stock dividend payment dates usually occur 10 business days after the record date.

We have paid cash dividends on our common stock since 1908. We have paid quarterly cash dividends on our common stock every quarter since 1916.

Annual Meeting

Our annual meeting of stockholders will be held on Wednesday, April 22, 2009, at 10:00 a.m. (Eastern) at the Etta A. Harper Conference Center on the mezzanine level of the Wilmington Trust Plaza, 301 West 11th Street (between Washington and West Streets), in downtown Wilmington, Delaware.

Inquiries Regarding Stock Holdings

Registered shareholders of our common stock (owners who hold shares in their name) should direct inquiries about stockholder records, statements, dividend payments, stock transfers, address changes, lost certificates, duplicate mailings, direct deposit of cash dividend payments, and other administrative services to our stock transfer agent, dividend reinvestment and disbursing agent, and registrar of stock:

Wells Fargo Bank, N.A.
Telephone: 800.999.9867
www.wellsfargo.com/
shareowner_services

Mailing Address:
Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, MN 55164

Street Address:
Wells Fargo Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075

Beneficial shareholders of our common stock (owners who hold shares in the name of a broker or brokerage house) should direct communications on all administrative matters to the broker.

Dividend Reinvestment and Voluntary Stock Purchase Plan

Stockholders may purchase additional shares of our common stock by having their regular quarterly cash dividends automatically reinvested and/or by making voluntary cash payments. We pay all commissions and fees connected with the purchase and safekeeping of shares acquired under this plan. For details of this plan, please contact the stock transfer agent. We do not offer a direct stock purchase plan.

Additional Information

We provide corporate news and other information about our company on our Web site at www.wilmingtontrust.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports are available in the Investor Relations section of our Web site, under "SEC filings." We post these reports to our Web site as quickly as possible after we file them electronically with or furnish them to the SEC.

Our Corporate Governance Guidelines, Code of Conduct and Ethics, and the charters of our Audit, Compensation, and Nominating and Corporate Governance Committees are available in the About Us section of our Web site. This section also contains any amendments to or waivers from the Code of Conduct and Ethics that apply to any of our directors or executive officers.

Printed copies of these materials are available free of charge to any shareholder who requests them by contacting Investor Relations at (302) 651-8527 or IR@wilmingtontrust.com.

SEC Certifications

Certifications by the chairman and chief executive officer and the chief financial officer, as required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, were filed as exhibits to the *2008 Annual Report on Form 10-K* and to the quarterly reports on Form 10-Q we filed with the SEC in 2008.

How to Contact Us

Investors should direct inquiries to:
IR@wilmingtontrust.com
Ellen J. Roberts,
Vice President, Investor Relations
302.651.8069

Members of the news media should direct inquiries to:
media@wilmingtontrust.com
J. William Benintende,
Vice President, Public Relations
302.651.8268

To comment on Wilmington Trust's accounting, internal accounting controls, auditing matters, or other concerns to the Board of Directors or the Audit Committee, or to report ethical violations or other incidents of misconduct to an independent third party, contact Ethicspoint® at 866.ETHICSP (866.384.4277) or ethicspoint.com.

Corporate Headquarters

Wilmington Trust Corporation
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001
302.651.1000
www.wilmingtontrust.com

Independent Registered Public Accounting Firm

KPMG LLP
1601 Market Street
Philadelphia, PA 19103
267.256.7000

Wilmington Trust

Office Locations

CORPORATE HEADQUARTERS

Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001
302.651.1000
www.wilmingtontrust.com

ARIZONA

Phoenix

CALIFORNIA

Beverly Hills
Costa Mesa
Los Angeles

CONNECTICUT

Guilford
Stamford

DELAWARE

49 offices throughout the state

FLORIDA

North Palm Beach
Palm Beach
Stuart
Vero Beach

GEORGIA

Atlanta

MARYLAND

Baltimore
Bel Air

MASSACHUSETTS

Boston

MINNESOTA

Minneapolis

NEVADA

Las Vegas

NEW JERSEY

Jersey City
Mount Laurel
Princeton

NEW YORK

2 offices in Manhattan

PENNSYLVANIA

Doylestown
Lehigh Valley (Bethlehem)
Philadelphia
Villanova
West Chester

SOUTH CAROLINA

Charleston

VERMONT

Burlington

OUTSIDE THE UNITED STATES

Amsterdam
Cayman Islands
Channel Islands
Dublin
Frankfurt
London
Luxembourg