SULLIVAN & CROMWELL LLP

TELEPHONE: 1-212-558-4000
FACSIMILE: 1-212-558-3588
WWW.SULLCROM.COM

125 Broad Street
New York, NY 10004-2498

LOS ANGELES • PALO ALTO • WASHINGTON, D.C.
FRANKFURT • LONDON • PARIS
BEIJING • HONG KONG • TOKYO
MELBOURNE • SYDNEY

August 20, 2014

CONFIDENTIAL TREATMENT REQUEST

Ivan J. Hurwitz
Vice President, Bank Applications
Federal Reserve Bank of New York,
33 Liberty Street,
New York, New York 10045.

Re: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC

Ladies and Gentlemen:

Enclosed please find the following documents, prepared by our clients, CIT Group Inc. and Carbon Merger Sub LLC (together, the "Applicants"), in connection with their application to the Board of Governors of the Federal Reserve System (the "Board") relating to the Applicants' proposed acquisition of IMB Holdco LLC and certain related transactions:

- An Application to the Board pursuant to Sections 3(a)(1), (2), (3) and (5) of the Bank Holding Company Act of 1956, as amended, and Regulation Y promulgated thereunder (the "Application");
- Public Exhibits to the Application (separately bound); and
- Confidential Exhibits to the Application (separately bound).

Certain of the enclosed materials (the Confidential Exhibits) have been marked "Confidential Treatment Requested" and are referred to herein as the "Confidential Materials."

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, and the regulations of the Board, 12 C.F.R. Part 261, we hereby respectfully request on behalf of the Applicants that the Confidential Materials be treated confidentially and not be made available for public inspection or copying.* The Confidential Materials constitute nonpublic commercial or financial information that is privileged or confidential within the meaning of Section 261.14(a)(4) of the Board's regulations or information that is otherwise exempt from disclosure under Section 261.14(a) of the Board's regulations, the disclosure of which would cause significant harm to the Applicants and their respective affiliates.

At this time, the Confidential Materials will not be publicly disclosed and are not required to be publicly disclosed. Disclosure of this information would reveal to competitors the internal strategies, future plans and competitive position of the Applicants and would place the Applicants at a competitive disadvantage with respect to their competitors who do not publicly reveal such information. For these reasons, the Applicants believe that the Confidential Materials are privileged or confidential within the meaning of 12 C.F.R. § 261.14(a)(4).

In addition, we request, pursuant to the Freedom of Information Act and the applicable Board regulations and for reasons including those set forth above, that any memoranda, notes or other writings of any kind whatsoever made by an employee, agent or any person under the control of the Board (or any other governmental agency) that incorporate, include or relate to any of the matters referred to in the Confidential Materials (i) furnished by the Applicants or their respective employees or agents to the Board (or any other governmental agency) or (ii) referred to in any conference, meeting, telephone conversation or interview between (a) employees, former employees, representatives, agents or counsel of the Applicants or their subsidiaries and (b) employees, agents or any persons under the control of the Board, be maintained in confidence, not be made part of any public record and not be disclosed to any person.

We also request that, if the Board should make a preliminary determination not to comply with the foregoing requests for confidential treatment, the Applicants be given notice thereof in ample time to permit the Applicants to make an appropriate submission as to why such information should be preserved in confidence. If any of the Confidential Materials, or any of such memoranda, notes or writings, is the subject of a Freedom of Information Act request or a request or demand for disclosure by any governmental agency, Congressional office or committee, court or grand jury, we

---

* Under 5 U.S.C. § 552(b)(4), information that a private party has provided to a government agency is exempt from disclosure if it consists of "trade secrets and commercial or financial information obtained from a person and privileged or confidential." Accord 12 C.F.R. § 261.14(a)(4). It is well established that this exemption protects confidential trade secrets and commercial and financial information from disclosure if such disclosure would be "likely . . . to cause substantial harm to the competitive position of the person from whom the information was obtained." National Parks & Conservation Ass'n v. Kleppe, 547 F.2d 673, 677-78 (D.C. Cir. 1976). To establish such an exemption, the person seeking such an exemption need not show certainty of competitive harm, but only a likelihood that such harm may occur. See Gulf & Western Indus. v. United States, 615 F.2d 527, 530 (D.C. Cir. 1979).

request, pursuant to the Board's regulations, that you notify the Applicants prior to making such disclosure. We further ask that the Applicants be furnished with a copy of all written materials pertaining to such request (including but not limited to the request itself and any determination with respect to such request) and that the Applicants be given sufficient advance notice of any intended release so that it may, if deemed necessary or appropriate, pursue any available remedies.

* * *

If you have any questions with respect to any of the matters discussed in this letter or in the materials included herewith, please feel free to contact me at (212) 558-3373 (ormec@sullcrom.com).

Very truly yours,

Camille L. Orme /SMS

Camille L. Orme

(Enclosures)

cc: Robert J. Ingato
(CIT Group Inc.)

Joseph Otting
(IMB Holdco LLC)

H. Rodgin Cohen
Stephen M. Salley
(Sullivan & Cromwell LLP)

Richard K. Kim
(Wachtell, Lipton, Rosen & Katz)

APPLICATION

TO THE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

RELATING TO THE PROPOSED ACQUISITION OF

IMB HOLDCO LLC

BY

CIT GROUP INC.

AND

CARBON MERGER SUB LLC

PURSUANT TO SECTIONS 3(a)(1), 3(a)(2), 3(a)(3) AND 3(a)(5)
OF THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED,
AND REGULATION Y PROMULGATED THEREUNDER

August 20, 2014

TABLE OF CONTENTS

TABLE OF EXHIBITS

Confidential Exhibits (in a separately bound volume) **Tab**

PRELIMINARY STATEMENT

I. OVERVIEW

CIT Group Inc. ("CIT Group" and, together with its affiliates, "CIT"), a bank holding company that has elected to become a financial holding company, and Carbon Merger Sub LLC ("Merger Sub" and, together with CIT Group, the "Applicants"), a direct, wholly-owned subsidiary of CIT Group formed for the purpose of facilitating the transactions described herein (collectively, the "Transaction"), submit this application (the "Application") to the Board of Governors of the Federal Reserve System (the "Board") and to the Federal Reserve Bank of New York ("FRBNY") pursuant to Sections 3(a)(1), (2), (3) and (5) of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), and the Board's Regulation Y promulgated thereunder, requesting the Board's prior approval for the following:

i. Merger Sub's becoming a bank holding company, under CIT Group, as a result of Merger Sub's acquisition of IMB Holdco LLC, a bank holding company headquartered in Pasadena, California ("IMB" and, together with its consolidated subsidiaries, "OneWest") through a merger transaction whereby IMB will be merged with and into Merger Sub, with Merger Sub surviving the merger (the "Subsidiary Merger"), and Merger Sub's subsequent merger with and into CIT Group;

ii. Merger Sub's resulting acquisition of control of IMB's sole banking subsidiary, OneWest Bank, National Association ("OWB"); and

iii. CIT Group's indirect acquisition of control of IMB and OWB as a result of the Subsidiary Merger.

Information regarding each of the foregoing parties to the Transaction is set forth below in Section IV.

II. DESCRIPTION OF THE TRANSACTION

A. The BHC Merger

On July 21, 2014, CIT Group, Merger Sub, IMB and JCF III Holdco I L.P. (solely in its capacity as the representative of holders of IMB's limited liability company interests) entered into an Agreement and Plan of Merger (the "Merger Agreement"), which provides for the merger of IMB with and into Merger Sub, with Merger Sub surviving the merger. As noted above, Merger Sub has been formed as a new, wholly-owned subsidiary of CIT Group in order to facilitate the Transaction. As a result of the Subsidiary Merger, Merger Sub will become a bank holding company through its direct ownership of OWB, and CIT Group will acquire indirect ownership of OWB. A copy of the Merger Agreement[1] is attached to this Application as Public Exhibit 1.

---

[1] In addition to the Merger Agreement, Public Exhibit 1 includes a copy of the Stockholders Agreement, dated as of July 21, 2014, by and among CIT Group and the parties thereto and certain retention letters from CIT Group (continued ...)

At the effective time of the Subsidiary Merger, each outstanding limited liability company voting common interest of IMB ("Common Interest") will cease to be outstanding, and the IMB equity holders will receive, for each such Common Interest, merger consideration equal to a certain number of shares of CIT Group common stock and a certain amount of cash, determined in accordance with formulae set forth in the Merger Agreement. The total merger consideration to be paid to IMB equity holders in the aggregate is expected to be approximately $3.4 billion,[2] comprised of approximately $2.0 billion (59%) in cash and $1.4 billion (41%) in CIT Group common stock (corresponding to approximately 31.1 million shares of CIT Group common stock).[3]

Under the terms of the Merger Agreement, prior to the consummation of the Subsidiary Merger, IMB will cause its only direct subsidiary, OneWest Bank Group LLC ("OWBG") (an intermediate bank holding company and, currently, the direct parent of OWB), and OneWest Asset Management LLC (a limited liability company subsidiary of OWBG that is currently inactive), to be wound up and liquidated, such that, prior to the Subsidiary Merger, IMB's only direct subsidiary will be OWB. Thus, following the Subsidiary Merger, Merger Sub's only direct subsidiary will be OWB. Other than a cash deposit balance, currently held by IMB,[4] that will be acquired by Merger Sub as a result of the Subsidiary Merger, Merger Sub will have no assets or operations other than holding shares of OWB.

Following the Subsidiary Merger, CIT intends to merge Merger Sub with and into CIT Group,[5] with CIT Group surviving the merger, such that OWB will become a direct, wholly-owned subsidiary of CIT Group (such merger, the "Upstream Merger" and, collectively with the Subsidiary Merger, the "BHC Merger").

As a result of the Subsidiary Merger, the Applicants will also acquire indirect control of the subsidiaries of OWB pursuant to Section 4(c)(5) of the BHC Act and Section 225.22(e) of Regulation Y.[6] No Board approval is required for the Applicants' indirect acquisition of these subsidiaries.

(... continued)

to senior management of OneWest and CIT. A confidential portion of the Merger Agreement and certain confidential related agreements are included in Confidential Exhibit 1.

2 Based on a price of $44.33 per share of CIT Group common stock, subject to adjustment as set forth in the Merger Agreement.

3 Holders of unvested common interests of IMB will also receive unvested restricted shares of CIT Group, with a value to be determined based on the merger consideration at the time of the closing of the Transaction.

4 The vast majority of IMB's cash deposit balance is held in a deposit account with OWB.

5 Although CIT Group intends to merge Merger Sub into CIT Group immediately following the Subsidiary Merger, CIT may choose to retain Merger Sub for some period of time as a shell bank holding company. CIT will update the Board if it believes this scenario is likely. It does not alter the approvals being sought in the Application.

6 Please see Public Exhibit 2 for an organization chart of IMB, which shows each of OWB's subsidiaries.

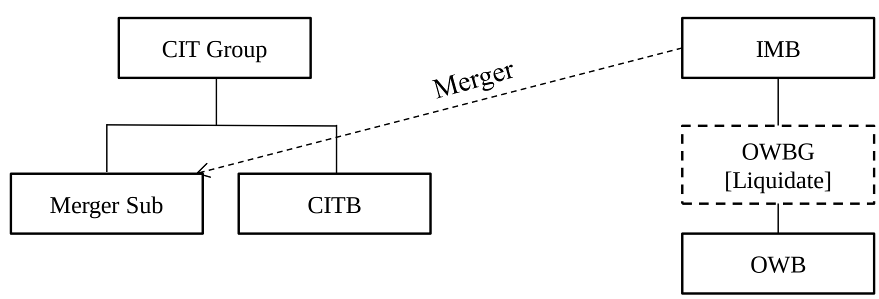
B. The Bank Merger

Immediately following the Upstream Merger, CIT Group's sole U.S. depository institution subsidiary, CIT Bank ("CITB"), a Utah-chartered state non-member bank, will merge with and into OWB, with OWB surviving the merger (the "Bank Merger"). At the time of the Bank Merger, each of OWB and CITB will be wholly owned by CIT Group, and, accordingly, no Board approval is required with respect to the Bank Merger.[7] Upon consummation of the Bank Merger, CIT intends to change the name of the resultant bank from OWB to "CIT Bank, National Association" (hereinafter, "CITBNA").

The operations of CITBNA attributable to former OWB and CITB will continue to run on their existing banking systems and platforms until the former OWB and CITB operations are integrated into a single CITBNA system. CIT is committed to effecting an efficient and effective integration of these two operations by devoting the necessary time and resources to the transition. CIT is in the process of selecting a third-party consultant to assist with the integration and is creating a central transition team/oversight function, led by senior management from each of CIT and OneWest, which will allow for efficient direction and decision-making with the benefit of input and experience from diverse areas of the combined organization. The transition team will provide appropriate periodic reporting to CIT Group's and IMB's respective management committees and each of CIT Group's, IMB's, CITB's and OWB's board of directors and regulators. There is also expected to be a transition period following the closing during which CITBNA will operate under both the CITB and OWB brands in order to support the transition of customers and other business relationships. Please see Confidential Exhibit 2 for more information regarding the integration framework.

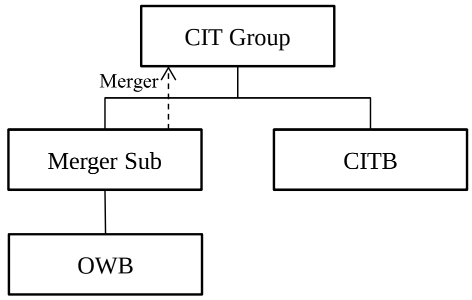
The following shows the principal steps of the Transaction:

Subsidiary Merger

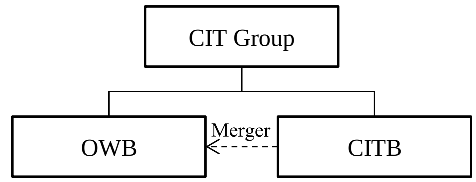


7 CIT Group will not acquire control of any bank as a result of the Bank Merger. As indicated below, the Bank Merger is subject to the approval of the Office of the Comptroller of the Currency ("OCC").

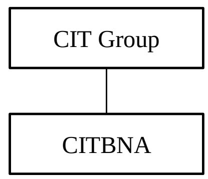
Upstream Merger



Bank Merger



Post Transaction



C. Approvals and Expected Closing

Each of CIT Group's and IMB's board of directors has approved its respective institution's entry into the Merger Agreement and the Transaction. The holders of over 90% of IMB's Common Interests have executed, and delivered to IMB, written consents irrevocably approving the Transaction. No approval of CIT Group shareholders is required to complete the Transaction.

Consummation of the BHC Merger and the Bank Merger is subject to receipt of all required regulatory approvals, including the approval of the Board pursuant to this Application, and other customary closing conditions specified in the Merger Agreement. In addition, subject to certain limitations specified in the Merger Agreement, CIT's obligation to close the transaction is conditioned on the receipt of either a written consent to the Transaction, or a written acknowledgement that consent is not required, from each of the Federal Deposit Insurance Corporation ("FDIC"), the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), in respect of certain of OWB's contracts with each of the FDIC, Fannie Mae and Freddie Mac.[8] These contracts relate to OWB's legacy mortgage loan portfolio, including loss-sharing agreements with the FDIC and selling and servicing agreements with Fannie Mae and Freddie Mac.

Other applications being filed in connection with the Transaction include: (i) an application to the OCC pursuant to the Bank Merger Act with respect to the Bank Merger (a copy of which will be provided supplementally to the Board when it is filed with the OCC); and

8 See Section 7.2(d)–(e) of the Merger Agreement.

(ii) an application to the Utah Department of Financial Institutions ("Utah DFI") pursuant to Utah law with respect to the Bank Merger and the Subsidiary Merger.

The parties are prepared to complete the Transaction as early as possible in the first half of 2015 and will complete the Transaction promptly once all regulatory approvals have been obtained and all other closing conditions have been satisfied.

III. Overview of the Benefits of the Proposed Transaction

CIT and OneWest have concluded, after extensive due diligence and deliberation,[9] that the Transaction will create a strong and sound banking institution better able to serve its customers and communities. As an essential part of this evaluation, CIT and OneWest took into account the increased requirements and regulatory expectations relating to systemically important financial institutions ("SIFIs"). CIT and OneWest believe they have the necessary managerial resources to satisfy those obligations and have begun the process of preparing to comply with SIFI requirements.

At the outset, the Transaction is highly complementary. It matches CIT's strong asset-generating capacity with OneWest's strong retail deposit base. It partners CIT's nationwide commercial lending and leasing platform with OneWest's leading Los Angeles-based regional branch banking platform. It balances CIT's internet deposit channel with OneWest's branch deposit channel. It balances CIT's small and middle market commercial financing platform with OneWest's commercial and consumer lending programs.

The Transaction also combines two management teams that have proven records of success in terms of not only financial results, but in terms of developing a strong culture and record of compliance.

From CIT's perspective, in particular, the Transaction would accelerate the transformation of CIT into a bank-centric bank holding company. Moreover, it would enable CIT to accomplish this transformation through the acquisition of a bank with relatively low-cost retail branch deposits, thereby reducing CIT's overall funding costs and enhancing the stability of CIT's overall funding profile. For example, the Transaction enables CIT to reduce its reliance on brokered deposits (brokered deposits currently account for approximately 40% of CITB's total deposits) and increase its reliance on traditional branch-based deposits as a percentage of its overall funding profile. When these factors are combined with the addition of OWB's strong bank management team, the result is an institution with greater earnings power, an enhanced competitive position and reduced risk. Indeed, nearly every financial measure demonstrates that, following the Transaction, CIT will continue to operate in a safe and sound manner: pro forma Tier 1 capital and leverage ratios far in excess of the relevant minima, and well above peers; increased asset and funding diversification; lower funding costs; enhanced profitability; enhanced liquidity (as reflected in the liquidity coverage ratio ("LCR")); and strong pro forma asset quality ratios.

---

[9] Please see Confidential Exhibit 3 for a description of the due diligence process.

Moreover, the Transaction's economics are not driven by expense reductions, and the results discussed above can be accomplished with only relatively limited cost synergies (approximately $20 million of after-tax cost synergies per year, fully phased-in by 2016). This will enable CIT to devote substantial time and focus to methodically integrating the two companies while maintaining strong controls and without risk of alienating customers or reducing revenue opportunities.

Both CIT and OneWest are committed to supporting the communities they serve. The Transaction will result in an organization that, with an enhanced lending and earnings capacity, will be well positioned to continue to meet the needs of those communities and with an expanded suite of products that will allow the combined organization to serve better its current and future customers. As a result, the Transaction will benefit both of the institutions, and their employees, customers and communities. In summary, it will create a stronger, more sound and more competitive financial organization.

IV. The Parties

A. CIT Group Inc.

CIT Group is a Delaware corporation, a public company listed on the New York Stock Exchange, a bank holding company that has elected to become a financial holding company and the top-tier holding company for the CIT organization. Please see Public Exhibit 3 for a current organization chart of CIT Group and its principal subsidiaries. CIT Group is subject to the primary supervision and regulation of the Board.

CIT Group's headquarters office is located in Livingston, New Jersey with principal executive offices in New York, New York. CIT Group is also the direct parent of CITB, owning all of its outstanding stock. The CIT organization was founded as a financing company in 1908, and CIT Group became a bank holding company in 2008.

CIT is a financial services company that provides financing, leasing and advisory services principally to middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. CIT operates through three primary business segments:

Segment	**Market and Services**
Transportation & International Finance ("TIF") *(53% of total financing and leasing assets)*[10]	TIF offers secured lending and leasing products to mid-size and larger companies across the aerospace, rail and maritime industries, as well as international finance, which includes corporate lending and equipment financing businesses in China and the United Kingdom.

[10] As of June 30, 2014, CIT Group's financing and leasing assets account for approximately 80% of its total assets, with cash and securities comprising the remainder.

North America Commercial Finance ("NACF") *(45% of total financing and leasing assets)*	NACF offers secured lending as well as other financial products and services predominately to small and mid-size companies in the United States and Canada. These include secured revolving lines of credit and term loans, leases, accounts receivable credit protection, accounts receivable collection, import and export financing, factoring, debtor-in-possession and turnaround financing and receivable advisory services.
Non-Strategic Portfolios ("NSP") *(2% of total financing and leasing assets)*	NSP consists of portfolios that have been determined to be no longer part of CIT's long-term strategy.

CIT operates its business on a national basis and has customers in all 50 states and offices in 11 other countries. CIT employs approximately 3,100 people, of which approximately 2,400 are employed in the United States and 700 outside the United States. After the run-off of the NSPs, however, CIT's non-U.S. operations will be reduced to offices in six other countries.

As of June 30, 2014, CIT Group had consolidated assets of approximately $44.2 billion, consolidated total deposits of $13.9 billion and consolidated shareholders' equity of $8.6 billion. As of June 30, 2014, CIT Group had a Basel I Tier 1 risk-based capital ratio of 16.0%, a total risk-based capital ratio of 16.7% and a leverage ratio of 18.3%.[11]

For additional information regarding CIT Group and its subsidiaries, please see CIT Group's Annual Report on Form 10-K for the year ended December 31, 2013, a copy of which is attached as Public Exhibit 4, and CIT Group's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, a copy of which is attached as Public Exhibit 5.

B. Carbon Merger Sub LLC

Merger Sub is a Delaware limited liability company that was formed for the sole purpose of facilitating the Transaction. Merger Sub is a direct, wholly-owned subsidiary of CIT Group. Upon consummation of the Subsidiary Merger, Merger Sub will become the direct, 100% parent of OWB, and, as a result, a bank holding company. Following the consummation of the Subsidiary Merger, Merger Sub is expected to be merged with and into CIT Group, with CIT Group surviving the merger. Thus, Merger Sub will serve only as an interim, shell bank holding company to facilitate the Transaction and will not carry on any activities or operations other than holding shares of OWB and holding a cash deposit balance that will be acquired from IMB as a result of the Subsidiary Merger.[12]

[11] CIT Group is not yet subject to Basel III so it does not report a Tier 1 Common equity ratio. However, CIT's stock of capital is substantially all Tier 1 Common equity and generally does not include non-qualifying capital instruments subject to deductions under Basel III. As of June 30, 2014, CIT Group reported that it believes CIT Group and CITB would meet all capital requirements under Basel III.

[12] As noted in Section II(A) above, although CIT Group intends to merge Merger Sub into CIT Group immediately following the Subsidiary Merger, CIT may choose to retain Merger Sub for some period of time following closing as a shell bank holding company.

C. CIT Bank

CITB is a state-chartered, non-member bank headquartered in Salt Lake City, Utah that currently offers commercial financing and leasing products and a suite of online-only retail savings products (e.g., online-only savings accounts and CDs). CITB is subject to the primary supervision and regulation of the FDIC and the Utah DFI.

CITB raises deposits from retail and institutional investors through its online savings and CD products and through brokered deposits. Other than its online savings products, CITB currently does not offer other financial products and services to retail customers. CITB provides commercial financing and leasing services, including equipment financing, commercial real estate ("CRE") lending, railcar leasing and maritime and aircraft financing. As of June 30, 2014, over 44% of CIT's commercial financing and leasing assets were held under CITB, and essentially all of CIT's new U.S. business volume and asset growth is being originated under CITB. CITB currently operates from its main office in Salt Lake City, Utah and has no branch offices. CITB, directly or through its operating subsidiaries, operates non-branch offices in Florida, New Hampshire, New Jersey and New York.

As of June 30, 2014, CITB had total consolidated assets of approximately $18.3 billion, total deposits of $13.9 billion and consolidated shareholders' equity of $2.7 billion. As of June 30, 2014, CITB had a Basel I Tier 1 risk-based capital ratio of 15.2%, a total risk-based capital ratio of 16.5% and a leverage ratio of 15.4%.

For additional information regarding CITB, please refer to CITB's Consolidated Report of Condition and Income for the quarter ended June 30, 2014, attached hereto as Public Exhibit 6.

D. IMB Holdco LLC

IMB is a Delaware limited liability company, a bank holding company and the top-tier bank holding company for the OneWest organization. IMB is headquartered in Pasadena, California. IMB's main operating subsidiary is OWB, and neither IMB nor OWBG engages in any activity other than holding shares of its respective subsidiaries and, in the case of IMB, a cash deposit balance. Please see Public Exhibit 2 for a current organization chart of IMB and its subsidiaries. IMB is subject to the primary supervision and regulation of the Board.

As of July 21, 2014, IMB had 16,160,812.78 Common Interests outstanding. There are four entities that beneficially own more than 10% of IMB's Common Interests. Immediately following the Transaction, none of these entities would control more than 5% of any class of CIT common stock.

Beneficial Owner[13]	Beneficial Ownership of IMB Common Interests	Pro Forma Beneficial Ownership of CIT Common Stock
Entities sponsored by Paulson & Co, Inc.	3,998,400 Common Interests (24.7%)	3.2%
Entities sponsored by J.C. Flowers & Co.	3,998,400 Common Interests (24.7%)	3.2%
MSD Financial Investments, LLC, an entity sponsored by MSD Capital, L.P.	2,500,800 Common Interests (15.5%)	2.0%
Entities sponsored by Stone Point Capital LLC	2,395,200 Common Interests (14.8%)[14]	1.9%

As of June 30, 2014, IMB had consolidated assets of approximately $22.6 billion, consolidated total deposits of $14.6 billion and consolidated shareholders' equity of $2.9 billion. As of June 30, 2014, IMB had a Basel I Tier 1 risk-based capital ratio of 24.9%, a total risk-based capital ratio of 25.7% and a leverage ratio of 12.1%.

For additional financial information regarding IMB, please see IMB's Consolidated Financial Statements on Form FR Y-9C for the quarter ended June 30, 2014, a copy of which is attached as Public Exhibit 7.

E. OneWest Bank, National Association

OWB is a national bank with its main office in Pasadena, California. OWB was originally chartered as a federal savings bank on March 19, 2009 and converted to a national bank on February 28, 2014. OWB is subject to the primary supervision and regulation of the OCC. In addition to its main office, OWB currently operates 73 branches, all located in Southern California. OWB is directly owned by OWBG and indirectly owned by IMB. As noted above, prior to the Subsidiary Merger, OWBG will be dissolved so that, at the time of the Subsidiary Merger, OWB will be a direct, wholly-owned subsidiary of IMB.

IMB originally formed OWB in order to purchase certain assets and assume certain deposits and other liabilities of former IndyMac Federal Bank, FSB ("IndyMac") from the FDIC in its capacity as Conservator and Receiver for IndyMac, which failed in 2008. OWB has since completed three additional transactions to acquire certain assets and assume certain liabilities of First Federal Bank of California, FSB and La Jolla Bank, FSB, and to acquire a multifamily and commercial loan portfolio from Citibank, N.A. The assets acquired in connection with these acquisitions, which are in run-off and are referred to by IMB as its "core portfolio", currently represent a majority of OWB's total assets.

13 Beneficial ownership information in this table is as of July 21, 2014.

14 The remaining beneficial owners of IMB consist of other investors and IMB directors and management.

OWB operates a branch-based retail banking business in Southern California (which OWB designates as "Consumer Banking") focused on personalized, relationship-based banking through which OWB obtains the vast majority of its deposits. OWB's Consumer Banking business offers a broad range of deposit and lending products to meet the needs of its retail customers (including both individuals and small businesses), including checking, savings, CDs, residential mortgage loans (both conforming and jumbo loans), credit cards and investment advisory services. OWB's Consumer Banking business is focused almost exclusively in the Southern California market; however, it holds jumbo mortgage loans on a nationwide basis.

OWB also has recently focused on expanding its commercial banking business (which OWB designates as "Wholesale Banking" or its "Wholesale Bank"). The Wholesale Banking business offers lending and deposit products to its business customers, including lines of credit, term loans, CRE loans, treasury management and derivative products. The Wholesale Banking business primarily serves mid-size and larger business customers, with a particular focus on certain industries (i.e., energy finance, media and entertainment finance, power and project finance, technology finance, and financial sponsors finance (serving private equity sponsors or privately held mid-size businesses)). OWB does not limit its commercial lending business to these industries, however. The Wholesale Banking business also operates a CRE lending group.

OWB's lending portfolio can be divided in four segments:

Segment	**Products and Services**
Core Portfolio *(62% of total loan assets)*[15]	Portfolio of loans acquired in the acquisitions of IndyMac, First Federal Bank of California, FSB and La Jolla Bank, FSB and a multifamily and commercial loan portfolio from Citibank, N.A. that are in run-off.[16]
Commercial Lending *(23% of total loan assets)*	Comprised primarily of term loans and revolving lines of credit to the Wholesale Bank's business customers, primarily located in California and the Western United States, with a focus in certain industries, as noted above.
Commercial Real Estate *(7.5% of total loan assets)*	Recourse and non-recourse CRE loans.
Consumer Banking *(7.5% of total loan assets)*	Traditional consumer lending (new originations by OWB) with a core competency in jumbo mortgages.

As of June 30, 2014, OWB had total consolidated assets of approximately $22.5 billion, total deposits of $14.6 billion and consolidated shareholders' equity of $2.8 billion. As

[15] OWB's loan assets account for approximately 60% of its total assets, with cash, securities and an indemnification asset comprising the majority of the remainder.

[16] At the consummation of the Transaction, the Applicants estimate that approximately 67% of the core portfolio will be covered by loss-sharing agreements with the FDIC expiring in 2019-2020.

of June 30, 2014, OWB had a Basel I Tier 1 risk-based capital ratio of 23.8%, a total risk-based capital ratio of 24.7% and a leverage ratio of 11.6%.

For additional information regarding OWB, please refer to OWB's Consolidated Report of Condition and Income for the quarter ended June 30, 2014, attached as Public Exhibit 8.

V. STATUTORY CRITERIA

The Applicants respectfully submit that the Transaction satisfies the criteria for approval under Section 3(c) of the BHC Act, as implemented by Section 225.13 of Regulation Y.

First, the Transaction will not have an adverse effect on competition because the deposit markets currently served by the main offices and branches of CIT and OneWest do not overlap, and, to the extent CIT and OneWest compete in the commercial lending market, they are both smaller competitors in markets with numerous strong competitors both in and out of market. Second, the financial and managerial resources of CIT Group and CITB are currently strong, will be strengthened by the Transaction and are more than sufficient to support the combined organization. Among other things, following the Transaction, both CIT Group and CITBNA will continue to be well capitalized. Third, each of CIT Group, CITB and OWB has a comprehensive, substantive and effective anti-money laundering program. Fourth, the Transaction will not result in greater or more concentrated risks to the stability of the U.S. banking or financial system; indeed, the transaction should enhance the stability of the U.S. banking and financial system. Fifth, the Transaction complies with the relevant requirements of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Riegle-Neal Act"), which the Board must consider under Section 3(d) of the BHC Act. Sixth, the Transaction satisfies the applicable requirements under the Community Reinvestment Act of 1977 (the "CRA") and will further the ability for CIT and OneWest to continue to meet the needs of each of the communities they currently serve. Thus, the Transaction is reasonably expected to produce benefits to the public that outweigh any possible adverse effects (to the extent any would result).

A. Competition Analysis

The Transaction will not have an adverse impact on competition in any relevant market for the basic reasons that (i) there is no competitive overlap between the deposit markets served by the main offices and branches of the respective bank subsidiaries of CIT Group and IMB and (ii) to the extent CIT and OneWest compete in the commercial lending market, they are both smaller competitors, competing against numerous (and, in many cases, much larger) bank and non-bank competitors, physically located both in and out of market.

As noted above, the Transaction will enhance OneWest's existing lending businesses (particularly the Wholesale Bank) with CIT's larger, national commercial lending platform (including with access to a broader range of commercial products and services). Moreover, CIT's existing operations will benefit from OneWest's lower-cost branch deposit funding, which, to the extent not deployed in OneWest's existing markets, can be deployed through CIT's nationwide commercial financing operations to compete with larger bank competitors that already have access to large branch-deposit funding bases. Thus, far from reducing competition, the Transaction promotes competition in the relevant markets because it will make the combined CIT/OneWest organization a stronger competitor.

In the United States, CIT and CITB historically have operated a national commercial finance business, focused primarily on commercial and industrial ("C&I") lending, leasing and factoring, and primarily in the middle market. CIT's C&I lending and leasing business is conducted on a national basis. CIT engages in small business lending to a relatively limited extent in comparison to its overall lending portfolio, particularly after the recent sale of its U.S. Small Business Administration ("SBA") lending unit and portfolio in June 2014.[17] CIT engages in CRE finance, but this accounts for only approximately 5% of its commercial loan and lease portfolio. CITB also has an online-only retail deposit operation which began operation in October 2011 and currently offers a limited suite of online-only savings products (e.g., savings accounts and CDs) to retail customers on a nationwide basis. These online savings products were designed principally to facilitate CIT's transition toward greater deposit funding for its financing businesses. CITB has its main office in Salt Lake City, Utah and has no branch offices.

OneWest operates a branch-based retail banking business in Southern California, where it maintains 73 branch offices. The vast majority (approximately 80%) of OWB's deposits are obtained through these branches. As a result of OWB's origin and subsequent acquisitions, its deposits far exceed its ongoing lending operations. As noted above, well over one-half of its booked loans represent acquired portfolios that are in run-off. OWB's originated loan business consists primarily of (i) commercial lending through OWB's Wholesale Banking division and (ii) jumbo residential mortgage loans. See Section IV(E) above. OWB's small business lending is primarily conducted through SBA lending programs; however, OWB is a smaller competitor in small business lending in the relevant markets. OWB does not engage in any factoring or leasing, which make up a considerable portion of CIT's commercial lending portfolio.

As the Applicants believe is clear from the foregoing description of businesses, CIT and OneWest are different types of financial institutions, with different product emphasis and generally different business approaches. Indeed, the distinct, but complementary nature of the businesses of the two organizations is a primary driver of the Transaction. The only areas of product or business-line overlap are in relation to commercial lending, and, even here, any even potential competitive impact is de minimis. In the first place, CIT's commercial lending businesses are operated on a national basis, primarily from offices in the New York/New Jersey region, whereas, OWB is a West Coast-based lender. Second, OWB does not engage in leasing or factoring, which, together, comprise approximately 65% of CIT's commercial portfolio. Third, each of CIT and OneWest is a smaller competitor in the market for commercial lending in any relevant market. Finally, commercial lending in the markets in which CIT and OneWest

---

17 As of June 30, 2014, small business loans (C&I loans of less than $1 million) accounted for only about 3.5% of CITB's C&I loan portfolio.

both operate is highly competitive, with numerous strong competitors physically located in and outside the relevant markets.

1. Basic Competition Analysis.

The Board and the Department of Justice (the "Department") initially analyze the competitive impact of a bank merger by calculating the Herfindahl-Hirschman Index ("HHI") for each relevant geographic market based on reported in-market deposits, with market analysis typically based on Federal Reserve Banking markets ("FRB Markets"). The Board and the Department have adopted a "safe harbor" for bank mergers where a merger is presumed not to have a significantly adverse competitive impact in a market as long as either the post-merger HHI in the relevant market(s) does not exceed 1800 or the HHI increase resulting from the merger does not exceed 200.

Under the Board's and the Department's basic deposit market share analysis, the Transaction should be presumed to have no significant adverse impact on competition because there is no competitive overlap in any deposit market. OWB operates in four FRB Markets: Los Angeles, CA; Oxnard-Thousand Oaks-Ventura, CA; Palm Springs-Cathedral City-Palm Desert, CA; and San Diego, CA.[18] CIT does not operate a branch in any of these markets. CIT's main office (it has no branches) is located in Salt Lake City, Utah. OWB has no branches in the Salt Lake City, UT FRB Market.

Accordingly, there is no deposit market overlap in any FRB Market between CITB and OWB, and the Transaction will not result in any change to the deposit market HHI in any FRB Market. Moreover, all the relevant FRB Markets are highly competitive with the HHI in these markets ranging from 1042 to 1417.[19] OWB currently has, and the combined institution would have, a deposit market share no higher than 6.9%, and rank no higher than sixth, in any FRB Market. Please see Section A of Public Exhibit 9. There are numerous bank and thrift competitors in the relevant FRB Markets (ranging from 23 to 132 banking or thrift competitors), including some of the largest banks in the country: Bank of America, Wells Fargo, MUFG Union Bank, JPMorgan Chase and Citibank, among many others. These institutions have significantly more branches and in-market deposits than would the combined company. Indeed, each of the top three competitors in any of the relevant FRB Markets would have at least three times the amount of in-market deposits as would the combined organization.

OneWest's operations are heavily concentrated in the Los Angeles, CA FRB Market, where it currently has 63 of its 73 branches and where it held approximately 85% of its

---

[18] The FRB Markets in California are defined by the Federal Reserve Bank of San Francisco. The Board and the Department also consider market shares in Ranally Metro Areas ("RMAs"). In this case, the RMAs and the FRB Markets are basically the same and, in any event, there is no deposit market share overlap. Please see Section B of the Competition Supplement attached as Public Exhibit 9 for RMA market information.

[19] Unless otherwise indicated, all FRB Market deposit level data in this Section V(A) are as of June 30, 2013 (the most recent available) and are compiled by SNL Financial. HHI analysis is calculated using the Department's initial screen which conservatively weights non-bank institutions at 0%. Exhibits showing market share and HHI information are included in the Competition Supplement (Public Exhibit 9).

deposits as of June 30, 2013. The Los Angeles, CA FRB Market is both very large (second in size only to the Metropolitan NY-NJ-PA-CT FRB Market) and very competitive, with an HHI of 1042. In the Los Angeles, CA FRB Market, OneWest has a 3.4% deposit market share, while the two largest competitors in the market (Bank of America and Wells Fargo) have five to six times that, and the next two largest competitors (MUFG Union Bank and JPMorgan Chase) have nearly three times that.

In marked contrast, CITB attracts its deposits in a national market that consists primarily of the non-branch channels of internet and brokered deposits. Online savings products, such as those offered by CITB, operate on a national basis as they are available online to consumers nationwide. Although no precise statistics are available, CITB's market share can be no more than minimal.[20]

2. *Small Business Lending.*

In some circumstances, the Board and the Department have also reviewed small business lending as a component of the competitive analysis. Both CIT and OneWest are smaller competitors in small business lending in the markets in which they operate. This fact is reflected in the location-specific small business loan data available through CRA reporting, which has been used by the Board and the Department as an approximation for small business lending.

The 2012 CRA loan data (the most recent available) demonstrate that CIT's CRA-reportable small business lending represented at most 0.03% of the market (by number or total dollar amount of loans) in any county in which OneWest has a branch.[21] Similarly, even in its home markets, OneWest has only a limited market share of small business lending, ranking no higher than 28th in any county (by number or total dollar amount of loans). In all relevant counties, the pro forma small business lending HHI increase is less than 0.1 (by either number or total dollar amount of loans), and the combined CIT-OneWest market share would not exceed 0.42% in any county. Moreover, there are numerous competitors in each of these small business lending markets (ranging from 84 to 209 competitors across the relevant counties).[22] Please see

---

20 It is undoubtedly the case that CITB acquires some of its deposits from the FRB Markets in which OWB has branches. It is likewise the case that the numerous other banks (both branch-based and internet-only bank) that compete in the national market and have no branches in the OWB markets attract deposits from customers in these markets. Even if these other banks are excluded from the analysis and CITB's deposits are attributed to the OWB markets on a deposit market-based allocation, there would be minimal change in HHI. For example, OWB's highest market share is in the Palm Springs-Cathedral City-Palm Desert, CA FRB Market (6.9%). That FRB Market has about 0.083% of total U.S. deposits (as of June 30, 2013). If 0.083% of the total CITB deposits (including internet and brokered deposits) (approximately $8.3 million) were attributed to the Palm Springs-Cathedral City-Palm Desert, CA FRB Market, the combined company's market share would be 7.0% and the deposit market HHI would increase from 1141 to 1142. Please see Section C of Public Exhibit 9.

21 CRA reported small business lending data is compiled on a county and a Metropolitan Statistical Area ("MSA") basis. OneWest has branches in the following counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura. MSA-based data is included in Section E of the Competition Supplement but does not vary significantly from county-based data.

22 HHIs in these counties range from 837 to 1964 (by either number or total dollar amount of loans).

Section D of Public Exhibit 9. Accordingly, the Transaction will have no adverse impact on competition for small business lending in the relevant markets.

3. Middle Market Lending.

Occasionally, the Board and the Department have also considered the competitive effect of a proposed transaction on middle market lending.[23] Although a significant focus of CIT's business is on middle market lending, the Transaction will have no meaningful impact on middle market lending in the relevant markets because (i) both CIT's and OneWest's market position in any possibly relevant geographic market is minimal; and (ii) the middle market lending markets in which CIT and OneWest participate have numerous, strong bank and non-bank competitors physically located both in and outside the relevant markets.

First, although no definitive data is available regarding the market for middle market lending, CIT's and OneWest's share of any such market must be de minimis based on the fact that each of CIT's and OneWest's share of the national C&I lending market (of which middle market lending is a subset) is extremely small. Specifically, CIT has a national market share in C&I loans of approximately 0.6%, and OneWest has only a minimal market share of 0.2%.[24] By comparison, other larger middle market competitors such as Wells Fargo and J.P. Morgan have national market shares in C&I loans of nearly 9.0% and 6.0%, respectively.

Second, CIT and OneWest are only relatively small competitors in a much larger market for middle market lending and with much larger competitors. Other competitors for middle market lending include (i) some of the largest banks in the country, with branch locations both in and outside the California market (e.g., Bank of America, Comerica, J.P. Morgan, U.S. Bank and Wells Fargo); (ii) larger regional California-based banks (e.g., Bank of the West and City National); (iii) other banks that compete in middle market lending on a national basis (e.g., BMO/Harris Bank, Fifth Third Bank, PNC, SunTrust and Webster Bank); and (iv) nonbanks that compete in middle market lending on a national basis (e.g., Ares Capital, GE Capital, Golub Capital, Jeffries, Madison Capital and Maranon Capital/Prudential).

As noted above, due to the complementary nature of the Transaction, the Applicants expect that, far from reducing competition, the Transaction will result in a combined organization that is better positioned, both operationally and in terms of funding, to compete in the middle market with these and other competitors.

---

[23] While there is no single definition of "middle market", middle market lending has often been defined as lending in the range of $1 million to $10 million to businesses with revenues ranging from $10 million to $100 million per year. Both CIT and OneWest tend to concentrate on loan amounts starting at $10 million and higher.

[24] See Federal Reserve, Assets and Liabilities of Commercial Banks in the United States (data as of June 30, 2014), available at http://www.federalreserve.gov/releases/h8/current/. Institution market shares calculated based on consolidated "Commercial & Industrial Loans" in domestic offices, reported on Form FR Y-9C.

4. Summary.

In summary, CIT and OneWest generally do not compete in the relevant deposit or small business lending markets. With respect to commercial lending, both are smaller competitors in the relevant lending market and face numerous, strong bank and non-bank competitors both in and out of market. Accordingly, the Transaction will have no significantly adverse impact on competition in any relevant market. Instead, as described above, the Transaction will have a positive effect on competition by strengthening the combined organization, thereby allowing it to compete more effectively with the larger institutions that compete in the markets in which CIT and OneWest operate today and in the markets in which the combined organization may seek to operate in the future. Thus, the Applicants believe the Transaction will promote competition in the relevant markets.

B. Financial and Managerial Resources

The Applicants respectfully submit that their financial and managerial resources fully support approval of the Application. CIT Group has, both today and on a pro forma basis, strong capital and liquidity positions, sound earnings and asset quality and an experienced and capable management team. The Transaction is designed to combine the already strong financial and managerial resources of CIT and OneWest to create an even stronger and more diversified financial services company that is greater than the sum of its parts. With a wider product range and more diverse and traditional funding base, the combined organization will be better able to serve its customers and to compete for additional business. With a more diversified balance sheet, the combined organization will be more resilient with reduced risk and will have enhanced earnings- and capital-generating capacity.

1. Capital Adequacy.

Each of CIT Group, CITB, IMB and OWB maintains capital ratios considerably in excess of the well capitalized standard and peer group ratios, and after the Transaction, on a pro forma basis, each of CIT Group and CITBNA will continue to have regulatory capital ratios considerably exceeding the well capitalized standard and peer group ratios.

Entity	**Tier 1 capital ratio (as of 06/30/2014)**	**Total capital ratio (as of 06/30/2014)**	**Leverage ratio (as of 06/30/2014)**
CIT Group	16.0%	16.7%	18.3%
CITB	15.2%	16.5%	15.4%
IMB	24.9%	25.7%	12.1%
OWB	23.8%	24.7%	11.6%
CIT Group Peer Group Average[25]	10.6%	12.0%	8.0%

[25] As of March 31, 2014, both CIT and IMB fall within the Board's "Peer Group 1" (generally, bank holding companies with assets exceeding $10 billion) for purposes of bank holding company performance reporting. See CIT Group Bank Holding Company Performance Report March 31, 2014.

CIT recognizes that its capital ratios will decline somewhat as a result of the payment of the cash portion of the Transaction merger consideration, however, the resultant organization will still maintain capital ratios in excess of required amounts, above its peer group and will be appropriately capitalized for its asset risk profile. Moreover, the evaluation of the capital and liquidity position of the combined organization would presumably take into account the positive impact of the diversification of funding sources and products resulting from the Transaction.

Please see Confidential Exhibit 4 for information regarding the combined organization's pro forma capital position.

2. Liquidity.

In addition to strong capital, the combined organization will also have a strong liquidity position. CIT and OneWest each believes it currently has a LCR well in excess of regulatory guidelines and that the combined organization also will have a LCR well in excess of regulatory guidelines.[26] Indeed, the Transaction is expected to result in enhanced liquidity at the combined organization. Given the funding profile of the combined organization, the Transaction is expected to provide liquidity benefits by allowing CIT to hold less of its liquid assets in cash compared to CIT today.

3. Earnings.

Each of CIT and OneWest currently has satisfactory earnings, and the Transaction will enhance the earnings of the combined organization without undue reliance on expense reduction.

In the six months ended June 30, 2014 and year ended December 31, 2013, CIT Group earned $364.1 million and $675.7 million, and from continuing operations had returns on assets ("ROA") of 1.4% and 1.5% and returns on equity ("ROE") of 7.1% and 7.8% (which are depressed by CIT's high capital levels). In the same periods, OneWest earned $60.6 million and $305 million, producing ROAs of 0.6% and 1.2% and ROEs of 3.9% and 7.6% (which are likewise depressed by OneWest's high capital levels).

The Transaction is expected to enhance CIT's earnings potential, primarily through the greater opportunity for deployment of OneWest's deposit funding into lending. More generally, the complementary nature of CIT's and OneWest's businesses will enable CIT to offer a broader set of more competitive products, with lower funding costs, to the combined organization's existing and potential customers. In addition, CIT anticipates that the Transaction

---

[26] In considering current and pro forma LCRs, CIT and OneWest have taken guidance from the proposed rule issued by the Federal Reserve and other banking agencies in October 2013 that, if adopted, would implement a quantitative liquidity requirement consistent with the liquidity coverage ratio standard established by the Basel Committee on Banking Supervision. 78 Fed. Reg. 71818 (Nov. 29, 2013). The proposed rule defines LCR to mean the ratio of high-quality liquid assets to total net cash outflows.

will create the opportunity for approximately $20 million of after-tax annual cost savings (on a fully phased-in basis). The Transaction will also allow CIT to accelerate the rate at which it can utilize its outstanding net operating losses (NOLs) by offsetting them against OneWest's operating profitability. Please see Confidential Exhibit 4 for additional information.

4. Asset Quality.

The Transaction also will result in an organization with strong asset quality. This is reflective of the strong credit teams at both organizations. Please see Confidential Exhibit 4 for pro forma asset quality information.

5. Management.

Each of CIT and OneWest benefits from a senior management team with extensive experience in the banking and financial services sector that will allow their respective organizations to complete successfully the integration of the two institutions. The Transaction will augment CIT's already strong board and senior management based on the addition of diverse banking expertise and the complementary nature of the two organizations' board and management teams.

The combined management team of CIT and OneWest (further described below) has the necessary skill and experience to operate the combined organization in a safe and sound manner. Perhaps the most convincing evidence of this conclusion is provided by the actual record of performance. Over the last several years, each of CIT's and OneWest's senior management has led the transformation of a business that failed during the financial crisis into a strong and thriving banking organization today.

CIT Group expects that the members of its board and senior management will remain as directors and officers of CIT Group following the Transaction and will be augmented at all levels by OneWest. CIT Group will add two individuals from OneWest to its already strong board of 13 directors: Steven T. Mnuchin, currently the Chairman and CEO of IMB and Chairman of OWB, and Alan Frank, currently an independent director of OWB. CIT will also expand the depth and experience of its senior management team with Mr. Mnuchin becoming the Vice Chairman of CIT Group and Chairman of CITBNA (both are executive officer positions) and with Joseph Otting, currently the President of IMB and President and CEO of OWB, who will become a Co-President of CIT Group and the President and CEO of CITBNA.

A list of the proposed directors and senior executive officers of the combined CIT Group, along with relevant biographical information, is included in Public Exhibit 10.

In addition, CIT will benefit from the strength and customer-focused culture of OneWest's broader management team which aligns with and will complement that of CIT. Additional members of OneWest's management team will be incorporated with CIT Group's and CITBNA's management teams following consummation of the Transaction. The composition of the board of directors and senior management of CITBNA is currently being considered. The Applicants will provide such information in a supplemental submission once it has been finalized.

With respect to integration, the management of both CIT and OneWest have experience completing mergers and other business combinations both in their current roles at CIT and OneWest and in prior roles at other institutions. Furthermore, both CIT and OneWest have demonstrated, as organizations, their ability to complete acquisitions and successfully integrate acquired businesses. For example, CIT recently completed the acquisition of Direct Capital Corporation in August 2014 and the acquisition of Nacco SAS in January 2014, and, as noted above, OneWest's management team has completed three acquisitions since 2009. An integration management office is being established to facilitate and manage the integration planning process in connection with the Transaction. A cross-functional integration team, drawn from both CIT and OneWest personnel, will be comprised of key executives covering the Risk, Finance, Operations, Treasury, Credit, Compliance and Controller areas. Please see Confidential Exhibit 2 for additional information.

As demonstrated above, the management teams of CIT and OneWest are well equipped to complete the Transaction and related integration activities successfully. Moreover, given the strong and diverse records and experience of both management teams, the combined organization will have greater financial and managerial resources than those available to CIT and OneWest as separate institutions.

6. Risk Management.

CIT and OneWest each has effective risk management governance, policies and procedures. CIT will maintain its practice of improvement to its already strong risk management and governance model, including with the addition of certain OneWest risk professionals. CIT is committed to ensuring that its enterprise-wide risk management program is commensurate with the size and operations of the combined entity. Further information regarding CIT's risk management program, personnel and plans to integrate the risk management frameworks of CIT and OneWest is provided in Confidential Exhibit 5.

7. SIFI Status.

Consummation of the Transaction will cause CIT Group to exceed $50 billion in total consolidated assets and, as a result, CIT will become subject to the additional requirements under the Board's heightened risk management and prudential standards framework pursuant to Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). CIT believes, however, that it already has in place the overall management expertise, risk management controls, processes and policies to manage a SIFI successfully and in accordance with these heightened regulatory requirements and expectations. CIT had anticipated that it would surpass $50 billion in total consolidated assets within the next two years from organic growth alone. Thus, the Transaction merely accelerates by about one year a transition for which CIT has been preparing. For example, CIT Group already has in place an independent risk committee of the board of directors, which is dedicated solely to risk management oversight, an experienced chief risk officer and a current capital plan based on Comprehensive Capital Analysis and Review standards. Indeed, CIT views the integration process for the Transaction as inherently linked to CIT's ongoing workstreams for "SIFI-readiness".

Please see Confidential Exhibit 5 for additional information on CIT's approach to ensuring its risk management program is commensurate with the size and operations of the combined entity and that CIT's risk management framework will be designed to ensure compliance with the Board's enhanced prudential standards.

C. Anti-Money Laundering Compliance

CIT Group has a substantive, written Bank Secrecy Act/Anti-Money Laundering ("BSA/AML") and Office of Foreign Assets Control ("OFAC") compliance framework that is designed to comply with all applicable laws and regulations and to meet all four pillars of an effective BSA/AML compliance program. CIT Group also has a sound framework in place to address sanctions compliance. CIT Group has internal policies, procedures and controls, implements extensive training programs, employs a separate designated BSA/AML/OFAC compliance officer at both the CIT Group and CITB levels and has independent testing and review of its framework. The internal policies, procedures and controls include, among other things, board-approved global policies, a centralized client onboarding team, automated risk scoring of customers, comprehensive monitoring, an internal do-not-do-business-with list and an automated process for separate BSA/AML and OFAC and sanctions risk assessments. CIT also has Actimize watch list filtering enterprise-wide, automated transaction monitoring for Suspicious Activity Monitoring reporting. CIT has a dedicated office of 17 BSA/AML professionals and one support personnel for BSA/AML and OFAC compliance, in addition to compliance professionals which support the BSA/AML program by conducting independent testing and ensuring international/business AML compliance.

OneWest also has a substantive BSA/AML and OFAC compliance program, consisting of sound policies that are designed to ensure compliance with all applicable laws and regulations. As discussed above, CIT expects that before the completion of integration, the existing OWB operations will run OWB's back-end systems and policies, including OWB's current BSA/AML and OFAC sanctions compliance program, subject to close oversight by the combined bank's staff.

CIT intends to integrate CIT and OWB's AML/BSA and sanctions programs following consummation of the Transaction by considering the strongest aspects of both programs for future program enhancements. CIT will also seek to integrate the organizational structures and maintain staff dedicated to bank BSA/AML, OFAC and sanctions oversight. Data and system integration will also be reviewed and considered to optimize BSA/AML, OFAC and sanctions screening.

Please see Confidential Exhibit 6 for more information and for a copy of CIT's and OneWest's respective BSA/AML program document.

D. Financial Stability

Pursuant to Section 3(c)(7) of the BHC Act, as added by Section 604(d) of the Dodd-Frank Act, the Board must "take into consideration", as one of the many factors for consideration of an acquisition under Section 3(a) of the BHC Act, the extent to which the

Transaction would result in "greater or more concentrated risks" to the stability of the U.S. banking or financial system ("USFS") (the "Financial Stability Factor").

The Board's recent Section 3 approval orders[27] have delineated five factors through which the Board has addressed the Financial Stability Factor: (1) the size of the resulting firm; (2) availability of substitute providers for any critical products and services offered by the resulting firm; (3) interconnectedness of the resulting firm with the banking or financial system; (4) the extent to which the resulting firm contributes to the complexity of the financial system; and (5) the extent of the cross-border activities of the resulting firm. In addition to these largely quantitative measures, the Board has considered qualitative factors, such as the opaqueness and complexity of an institution's internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. The Board also has stated that it reviews the foregoing factors individually and in combination.

Based on an analysis of the foregoing factors, including Board precedent, the Applicants believe the Transaction will not result in "greater or more concentrated risks" to the stability of the USFS. To the contrary, the Applicants submit that the Transaction will have the opposite effect by decreasing such risks based on the creation of a more diversified and stable institution.

1. Size

As the Board has noted, the size of the resulting organization is an important aspect in analyzing the Financial Stability Factor.[28] While the resulting organization will be larger and have more than $50 billion in assets, based on multiple metrics, the size of CIT Group post-Transaction does not raise questions under the Financial Stability Factor.

First, Congress has imposed a 10% nationwide deposit limit and a 10% nationwide liabilities limit on potential combinations by banking organizations.[29] On a consolidated, pro forma basis, the combined organization would be only a tiny fraction of these limits, estimated at 0.3% and less than 0.4%, respectively.

Second, the combined organization would be far below the size of the transactions that the Board previously has approved under the Financial Stability Factor. It would only be

---

27 See, e.g., Board Order Approving the Merger of Bank Holding Companies, the Merger of Banks, and the Establishment of Branches, Cullen/Frost Bankers, Inc. (May 14, 2014); Order Approving the Acquisition of a Bank Holding Company, Umpqua Holdings Corporation (April 1, 2014); and Order Approving the Merger of Bank Holding Companies, Old Nation Bancorp (April 7, 2014). Each of these Section 3 orders cite to the Board's Order approving Capital One Financial Corporation's acquisition of ING Direct fsb (February 14, 2012) (the "Capital One Order") as representing the Board's fulsome analysis of the Financial Stability Factor. See also Board Order Approving Acquisition of a State Member Bank, PNC Bancorp, Inc. (December 23, 2011).

28 Capital One Order at 31.

29 12 U.S.C. §§ 1843(i)(8) and 1852.

about one-fourth the size of PNC and Capital One after their respective acquisitions of RBC Bank (USA) and ING-Direct, respectively, and only about one-third the size of Capital One and one-fourth the size of PNC even before the acquisitions.

Third, although as a result of the Transaction the combined organization will exceed $50 billion in total consolidated assets and therefore become a SIFI, the optical significance of this threshold is diminished in this case for two reasons. First, as noted above, CIT (with consolidated assets of approximately $44.15 billion today) has expected it would exceed the $50 billion threshold organically within two years. Second, there has been increasing recognition that the "real" threshold for a SIFI should be at least $100 billion in total consolidated assets.[30] Following the consummation of the Transaction, CIT would have well under $100 billion in assets (only approximately $70 billion).

Fourth, following the Transaction, CIT would be only the 37th largest bank holding company in the United States (up from 40th) by assets, with 21 banking organizations having at least double the consolidated assets of CIT and six banking organizations having at least ten times the consolidated assets of CIT. Likewise, CITBNA would be only the 41st largest U.S. bank by deposits. By way of comparison, the Board approved the Capital One-ING Direct transaction by which Capital One would become between the 14th and 20th largest depository organization by assets and the fifth largest depository organization in the country by deposits.[31] On a pro forma basis, the combined company's assets would represent only 0.5% of all banking assets in the United States.

Accordingly, the combined organization will not pose any significant risk to the financial stability of the USFS based on its size, and, indeed, the larger, but more diversified, organization, in terms of assets, liabilities and revenues, should actually decrease any such risks in the event that CIT Group experienced serious financial distress.

2. Substitutability

Neither CIT nor OneWest engages in any activities that are critical to the functioning of the USFS. Indeed, there are numerous competitors and substitutes for the activities, products and services in which CIT Group would engage.

---

30 Board Governor Daniel Tarullo has suggested that the line for certain additional requirements and enhanced prudential standards "might better be drawn at a higher asset level—$100 billion." Governor Tarullo added that "[r]equirements such as resolution planning and the quite elaborate requirements of our supervisory stress testing process do not seem to me to be necessary for banks between $50 billion and $100 billion in assets." (Daniel K. Tarullo, Rethinking the Aims of Prudential Regulation, May 8, 2014, available at http://www.federalreserve.gov/newsevents/speech/tarullo20140508a.htm.). In April 2014, the Bipartisan Policy Center recommended that regulators be focused on institutions that pose the greatest risk, and, accordingly, that the asset threshold for bank holding companies to be subject to enhanced supervision due to their systemic importance be raised from $50 billion to $250 billion. Bipartisan Policy Center, Dodd-Frank's Missed Opportunity: A Road Map for a More Effective Regulatory Architecture, April 2014, available at http://bipartisanpolicy.org/sites/default/files/BPC%20Dodd-Frank%20Missed%20Opportunity.pdf.

31 Capital One Order at 32.

CIT primarily offers secured loans to small and mid-size market companies and air, rail and maritime leases. CIT's retail operations are limited to online-only savings products. OneWest primarily offers branch-based banking services to retail and mid-size business customers, with an emphasis on commercial loans and jumbo mortgage lending. These activities take place in a highly competitive environment with many banks and other financial institutions providing the same services both in local and regional markets and on a national basis. A partial list of these competitors is included in the table below. Accordingly, following the consummation of the Transaction, CIT's market share of any activity would not be substantial enough to cause significant disruption in the activity if CIT were to experience distress, due to the availability of substitute providers that could assume CIT's business.

Activity	**Principal Competitors**
Middle Market Commercial Lending	Ares Capital, Bank of America, Bank of Ireland, Bank of the West, BMO/Harris Bank, City National Bank, Comerica Bank, Fifth Third Bank, GE Capital, Golub Capital (Private), Jeffries, JP Morgan, Madison Capital, Maranon Capital/Prudential, PNC, SunTrust, U.S. Bancorp, Webster Bank, Wells Fargo
Air, Rail and Maritime Leasing	Aercap/ILFC, Ansett Worldwide Aviation Services, Aviation Capital Group, Bank of China Aviation, GE Capital Aviation Services (Commercial Air) 1st Source Bank, Bank of America, BB&T Bank, PNC Bank, Royal Bank of Scotland (Business Air) First Union Rail, General American Transportation Corp., General Electric, Union Tank/Procor, Trinity Industries, Inc. (Rail) ABN Amro, DNB Nor, DVB Bank, Industrial and Commercial Bank of China, Ocean Yield (Maritime)
Mortgage Lending	Chase Private Bank, Citibank, City National, First Republic, HSBC, MUFG Union Bank, Wells Fargo
Commercial Real Estate	Ariel Bank, Bank United, Peoples United, Santander Bank, Webster Bank

As discussed in Section V(A) above, CIT and OneWest have almost no competitive overlap in any relevant market, with the only area of potential overlap being commercial lending, which has numerous competitors. Because of the distinct nature of CIT's and OneWest's businesses, the Transaction does not have any meaningful effect on the market share of CIT or OneWest in any relevant market and, importantly, does not affect the ability of customers to obtain similar financial products and services from other market participants. By way of comparison, the Board approved Capital One's acquisition of ING Bank, fsb even though Capital One was the nation's fifth largest provider of credit cards and held a much larger share of the national deposit market than CIT and OneWest combined. Neither CIT nor OneWest has a market share in any line of business approaching the levels analyzed in the Capital One Order.[32]

3. *Interconnectedness*

As was similarly found in the Capital One Order, CIT "does not engage currently and as a result of this transaction would not engage in business activities or participate in markets to a degree that would pose significant risk to other institutions in the event of financial distress of the combined entity."[33] Analysis of each of six indicia of interconnectedness drawn from the Board's financial stability analyses in recent transactions (wholesale funding use, exposures to a single counterparty, intra-financial system assets, intra-financial system liabilities, outstanding securities and derivatives use) demonstrates the absence of any meaningful level of interconnectedness. Analysis of each of these indicia is included in Confidential Exhibit 7.

Based on the combined entity's very limited use of wholesale funding, minimal exposure to any single counterparty and limited intra-financial system assets and liabilities, securities outstanding and notional derivatives, CIT and OneWest, overall, have a limited degree of interconnectedness, both currently and on a pro forma basis.[34]

4. *Complexity*

The low level of complexity of the combined entity's operations would not hinder its timely and efficient resolution in the event it were to experience financial distress. CIT and OneWest both maintain relatively simple business models that are focused on C&I lending, leasing and factoring, in the case of CIT, and personalized, relationship-based banking and offering lending and deposit products to consumer and business customers, in the case of OneWest. Neither CIT nor OneWest engages in complex activities, such as proprietary or derivatives trading or acting as a clearing and settlement organization for critical financial markets. Thus, the combined organization will not contribute to the overall complexity of the USFS.

In addition, the vast majority of the combined entity's revenue is expected to be derived from net interest income, and the vast majority of assets will be made up of loans to consumers and businesses and commercial leases. CIT and OneWest each maintain a limited number of securities available for sale and/or held for trading. The combined organization's pro forma limited securities portfolio would be made up of diversified, liquid securities such as U.S. treasuries and residential mortgage-backed securities. Based on the foregoing, it is clear that,

---

[32] In the Capital One Order, the applicant had a 7.7% share of the outstanding credit card balances in the U.S., which was expected to increase to 11.8% as a result of the acquisition of credit card assets from HSBC Holdings plc in another transaction, which the Board assumed to be consummated for purposes of its analysis. Capital One Order at 33. The largest market share CIT has in any line of business is 2.3% in the leasing business, which is both national and international, and which would not be increased at all by the Transaction.

[33] Capital One Order at 34.

[34] See Capital One Order at 34.

particularly compared to its peers, resolving the combined organization would not involve a level of cost, time or difficulty such that it would cause a significant increase in risk to the stability of the USFS. Moreover, because of the relatively straightforward business model, the combined organization would not be so complicated or so opaque as to hinder resolvability.

Please see Confidential Exhibit 8 for additional information regarding the combined entity's pro forma balances in various financial products and markets.

5. Cross-Border Activity

The Board has previously considered whether an applicant's cross-border activities would create difficulties in coordinating any resolution and, thereby, significantly increase the risk to the stability of the USFS. OneWest has no operations, activities, assets or liabilities outside the United States except for a very limited number of relationship-based non-U.S. borrowers and depositors. Thus, the Transaction will have no impact on CIT's existing cross-border activities.

Moreover, the majority of CIT's foreign operations and assets are concentrated in the air, rail and maritime leasing businesses. These operations and assets are similar to those of CIT's operations in the United States and, thus, do not add any substantial complexity to CIT's operations. Moreover, as noted above, OneWest does not have any foreign operations, and the combined organization is not expected to engage in any additional activities outside the United States as a result of the Transaction. Accordingly, the Transaction will not increase the difficulty in coordinating any resolution of CIT and, thus, will not result in any increased risks to the stability of the USFS.

6. Financial Stability Factors in Combination.

An assessment of the foregoing five factors in combination leads to the conclusion that the interaction of the five factors would not exacerbate the very low level of risk suggested by analyzing the factors individually. Indeed, certain factors, such as the combined entity's lack of interconnectedness, complexity and cross-border deposit-taking, demonstrate that the resolvability of the institution would not be affected by the Transaction and, thus, should mitigate any concerns over the combined entity's surpassing $50 billion in total consolidated assets (which, in any event, should not raise concern based on prior Board consideration of size under the Financial Stability Factor). Moreover, the stabilizing effects of a stronger, more diverse balance sheet and enhanced earnings capacity should also mitigate any potential concerns regarding risks posed by the combined institution to the stability of the USFS.

E. Interstate Banking Analysis

Section 3(d) of the BHC Act, as revised by the Riegle-Neal Act and the Dodd-Frank Act, provides that the Board may authorize a bank holding company that is "well capitalized and well managed" to acquire control of a bank located in a state other than the home state of such bank holding company, notwithstanding contrary state law.[35] For purposes of this provision, the home state of CIT Group is Utah and the home state of OWB is California.

CIT's and OneWest's respective risk-adjusted capital ratios and leverage capital ratios exceed applicable regulatory standards for being "well capitalized," as defined in 12 C.F.R. § 225.2(r). After the Transaction, CIT Group and CITBNA will continue to be "well capitalized." Please see Confidential Exhibit 4 for current and pro forma regulatory capital information. Furthermore, CIT believes it has a strong management team, the quality and competence of which is directly reflected in CIT's strong capital ratios and overall sound financial condition.

As set forth below, the Transaction also meets the other requirements of Section 3(d) relating to the age of the target bank, deposit concentration limits and CRA compliance. Furthermore, as required by the Riegle-Neal Act, the Applicants will comply with any applicable state law filing requirements.

1. The Age of the Target Bank.

Under Section 3(d) of the BHC Act, the Board may not approve a proposed interstate acquisition if the effect of such acquisition would be to permit an out-of-state bank holding company "to acquire a bank in a host State that has not been in existence for the minimum period of time, if any, specified in the statutory law of the host State."[36] Because OWB has been in existence for more than five years, the Board is authorized under Section 3(d)(1)(B)(ii) of the BHC Act to approve the BHC Merger regardless of any state law age requirements.

2. Concentration Limits.

Under Section 3(d) of the BHC Act, there are both nationwide and statewide concentration limits for interstate acquisitions. In addition, Section 3(d) of the BHC Act requires compliance with state law deposit concentration limits.[37] The Transaction fits within all applicable concentration limits.

Nationwide Concentration Limit. Section 3(d) of the BHC Act provides that an acquisition may not be approved if, upon consummation, the applicant would control "more than 10 percent of the total amount of deposits of insured depository institutions in the United States."[38] Upon consummation of the Transaction, CIT Group will hold approximately 0.3% of total insured depository institution deposits nationwide. Thus, the Transaction will comply with the 10% nationwide concentration limit.

35 12 U.S.C. § 1842(d)(1)(A).

36 12 U.S.C. § 1842(d)(1)(B)(i).

37 12 U.S.C. § 1842(d)(2).

38 12 U.S.C. § 1842(d)(2)(A).

Statewide Concentration Limit. Section 3(d) provides that an acquisition may not be approved, if, upon consummation, the applicant would directly, or through a subsidiary depository institution, control "30 percent or more of the total amount of deposits of insured depository institutions" in any home state or host state of the target bank. OWB's home state is California, and, because OWB has no branches in any state other than California, it has no host state.

The statewide concentration limit provision applies, however, only if immediately before the consummation of the acquisition, the applicant (including any insured depository institution affiliate of the applicant) controls any insured depository institution or any branch of an insured depository institution in the home state or host state of the target bank.

Because CIT Group does not control any insured depository institution or any branch of an insured depository institution in California, this provision does not apply to the Transaction. Even if it did apply, however, CIT Group's ownership of OWB would result in the combined organization's controlling approximately 1.6% of the deposits of all insured depository institutions in California, well under the 30% limit.

State Law Deposit Concentration Limits. Section 3(d) of the BHC Act provides that deposit concentration limits under state law remain otherwise unaffected by the statewide concentration limits specified in Section 3(d). California state law does not impose a limit on deposit concentration within the state. Thus, there are no state law deposit concentration limits that are applicable to the BHC Merger.

3. Record of Community Reinvestment.

Section 3(d) of the BHC Act requires the Board to consider an applicant's record of community reinvestment when reviewing an acquisition application. As discussed in Section V(F) below, CIT and OneWest both have strong records in this regard.

F. Compliance with the CRA; Convenience and Needs of the Community; Public Benefits

CIT and OneWest have a strong commitment and record of serving their communities, in particular low- and moderate-income communities, as demonstrated by their respective records under the CRA. Each of CITB and OWB received a rating of "Satisfactory" in its most recent CRA examination, with OneWest receiving a "high" satisfactory in both the lending and service test.

CITB received an overall CRA rating of "Satisfactory" from the FDIC on its March 18, 2013 performance evaluation[39] (see Public Exhibit 11). The FDIC concluded that

[39] CITB was evaluated as a limited purpose institution ("LPI") with respect to its qualified community development activities. CITB was approved as a designated LPI in accordance with the definition in 12 C.F.R. § 345.12(n) effective July 30, 2001. On August 6, 2012, the FDIC determined, in light of certain changes in CITB's business strategy and the composition of its loan portfolio, that CITB no longer met the definition of a LPI. However, under the applicable FDIC regulations, CIT Bank remained eligible for evaluation as a LPI for one year from the date of notice.

CITB adequately addressed the community development needs of its assessment area, Salt Lake City, Utah. In the performance evaluation, the FDIC noted that CITB (i) had an adequate level of community development loans, community development services and qualified investments, (ii) occasionally used innovative or complex qualified investments, community development loans or community development services and (iii) exhibited adequate responsiveness to the credit and community economic development needs in its assessment area. The FDIC also found that there was no evidence of discriminatory or other illegal credit practices that would be inconsistent with meeting the credit needs of the Salt Lake City, Utah community.

Since the 2013 performance evaluation, CITB has implemented its CRA Plan covering 2013-2017, which is included in Confidential Exhibit 9. The CRA Plan focused on meeting needs in six core areas identified in the performance context: affordable housing, poverty assistance, homelessness, unemployment, foreclosure counseling and community development. CITB has structured its CRA strategy to address these needs through its service, grant, investment and community development lending programs. In 2013, CITB's community development service hours and its average assets consisting of qualifying investments, grants and community development loans comfortably exceeded the plan's targets for an "Outstanding" rating.

OWB has a strong CRA compliance program and has developed a CRA plan, included in Confidential Exhibit 9, that evidences its commitment to providing banking services to the broad spectrum of consumers and households in the communities where it conducts business. In OWB's February 6, 2012 performance evaluation, OWB achieved a "high satisfactory" in both the lending and service tests (see Public Exhibit 12). Highlights from the CRA performance evaluation include: (i) OWB's distribution of home purchase and home refinance lending by income level of geography were both excellent, (ii) OWB made significant use of flexible and innovative loan products with the U.S. Treasury's Home Affordable Mortgage Program (HAMP) and several other loan modification programs, (iii) OWB had a relatively high level of community development services that incorporate fundraising and financial education for community development organizations and (iv) OWB had a good community development lending performance score as its lending addressed several identified community development needs, including the origination of $18.5 million in community development loans in the Los Angeles-Long Beach-Glendale Metropolitan Division and $5.4 million in community development loans in the Riverside-San Bernardino-Ontario MSA.

Since the last CRA exam, OWB has increased community development lending activity, increased low-income housing tax credits investments and opened three full-service ATMs in low- and moderate-income areas. In addition, OWB is in the process of rolling out a program at the Northridge, CA branch office with Operation HOPE, which is a nonprofit that teaches financial literacy, to offer small business counseling to the local community.

CIT is committed to meeting the needs of the communities it serves and its obligations under the CRA. In order to integrate OWB's and CITB's current approaches to CRA compliance, after closing of the Transaction, CITBNA will create and operate under a new CRA plan, which it will develop subject to regulatory review, that will be tailored to the structure of the combined bank and will allow CITBNA to continue to satisfy its obligations to meet the needs of low- and moderate-income communities. Following the consummation of the

Transaction, and with the strength of OWB's existing CRA plans and program, CIT will be well-positioned to enhance services to the communities currently served by CITB and OWB and to meet its obligations under the CRA.

After the Transaction, CIT and CITBNA will continue their strong commitment to serving their customers and to satisfying their obligations to meeting the needs of low- and moderate-income communities. The Transaction is expected to provide additional benefits to the public, as the communities and customers that are currently served by CIT and OneWest will be even better served as a result of the Transaction. This will occur for the following reasons:

i. The resulting institution will have enhanced financial strength and stability and thereby have greater capacity to serve its customers irrespective of prevailing economic conditions.

ii. OneWest's small business and middle market customers will have access to a wider suite of financing products from CIT (including lending products and factoring and leasing products, which OneWest does not offer).

iii. OneWest's retail customers will continue to be able to use their current branches, as no branch closures are anticipated in connection with the Transaction.

iv. CIT's customers and potential customers will have access to CIT's enhanced loan capacity resulting from its lower funding costs.

v. CIT's customers will gain access to OWB's cash management services, and CIT's smaller business customers, in particular, will have access to additional products and services from OWB's lending platform.

vi. The customers of both organizations will benefit from the strong management expertise of the combined organization and the deliberate integration plan.

Accordingly, the Transaction will advance the convenience and needs of customers and communities, and the public benefits of the Transaction will outweigh any possible adverse effects.

Credit Availability. As noted above, the Applicants expect that the combined organization's greater financial strength, lower funding costs and efficiencies of scale will permit the combined organization to expand operations and enhance its capacity to lend to consumers and small and middle market businesses, as compared to CIT and OneWest separately.

Financial Products and Services. Because of the distinct and complementary nature of the businesses of CIT and OneWest, the Applicants anticipate that the current suite of products and services offered by CIT and OneWest will continue to be available following the closing of the Transaction. In addition, the Transaction will immediately expand the products and services available to current and prospective customers of CIT and OneWest, respectively (i.e., OneWest customers will have greater access to CIT products and services and vice versa).[40] Moreover, the Applicants expect that the combined organization will be better positioned to expand the availability of products and to offer new, innovative products and services, based on its enhanced financial and managerial strength following closing of the Transaction.

Customer Access. Because CIT has no plans to close any branches in connection with the Transaction, customers of OneWest will continue to have access to the branches and other facilities operated by OneWest prior to consummation of the Transaction. CITB's operations are conducted primarily telephonically or electronically. Thus, the Transaction will not affect customers' access to financial products and services offered by CITB.

Competition. As discussed above, the Applicants believe that, as a result of the Transaction, CIT will be able to leverage its enhanced financial and managerial resources to compete more effectively with larger financial institutions in the relevant markets. To the extent that the combined organization will be a more effective competitor, the Applicants anticipate there will be greater competition for pricing, service quality and new product development, which will benefit current and potential customers in the markets served by CIT and OneWest.

VI. PUBLICATION CRITERIA

Notices under the BHC Act and Regulation Y required in connection with the Application will be published in the following newspapers:

1. *New York Post*
   New York, New York (serving the location of CIT Group's principal executive offices)

2. *The Star Ledger*
   Newark, New Jersey (serving the location of CIT Group's headquarters office)

3. *The Salt Lake Tribune*
   Salt Lake City, Utah (serving the location of CITB's head office)

4. *Los Angeles Times*
   Los Angeles, California (serving the location of IMB's head office)

5. *Orange County Register*
   Santa Ana, California (serving the location of IMB's head office)

[40] For example, following the Transaction, CIT will be able to provide commercial banking services currently provided by OneWest, such as cash management and commercial deposit services, to CIT's core commercial clients.

A copy of the form of notice to be published is included as Public Exhibit 13. Affidavits of publication for each of the above notices will be submitted once they are received from each of the newspapers.

VII. CONCLUSION

The Applicants believe that the foregoing discussion, together with the information contained in the Application and the Exhibits hereto amply demonstrate that the Transaction satisfies all applicable statutory standards and would produce substantial benefits for the two banking organizations, and their employees, customers and communities. Therefore, the Applicants submit that the Board has the authority to approve the Application and respectfully request the Board to do so.

FR Y-3
OMB Number 7100-0121
Approval expires September 30, 2014

Board of Governors of the Federal Reserve System

Application to Become a Bank Holding Company and/or Acquire an Additional Bank or Bank Holding Company—FR Y-3

CIT Group Inc.
Corporate Title of Applicant

One CIT Drive
Street Address

Livingston	New Jersey	07039
City	State	Zip Code

Corporation
(Type of organization, such as corporation, partnership, business trust, association, or trust)

Hereby applies to the Board pursuant to:

☐ (1) Section 3(a)(1) of the Bank Holding Company Act of 1956, as amended, ("BHC Act"—12 U.S.C. §1842), under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y;
☒ (2) Section 3(a)(3) of the BHC Act, under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y; or
☒ (3) Section 3(a)(5) of the BHC Act, under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y.

for prior approval of the acquisition of direct or indirect ownership, control, or power to vote at least * (Number) 100% (Percent) of a class of voting shares or otherwise to control:

IMB Holdco LLC
Corporate Title of Bank or Bank Holding Company

888 East Walnut Street
Street Address

Pasadena	California	91101
City	State	Zip Code

Does Applicant request confidential treatment for any portion of this submission?

☒ Yes

☒ As required by the General Instructions, a letter justifying the request for confidential treatment is included.

☒ The information for which confidential treatment is being sought is separately bound and labeled "CONFIDENTIAL."

☐ No

*16,160,812.78 shares as of July 21, 2014. Actual number of shares outstanding will differ upon closing.

Name, title, address, telephone number, and facsimile number of person(s) to whom inquiries concerning this application may be directed:

Robert J. Ingato
Name

Executive Vice President, General Counsel and Secretary
Title

CIT Group Inc.
Company Name

One CIT Drive
Street Address

Livingston	**NJ**	**07039**
City	State	Zip Code

(973) 740-5664
Area Code / Phone Number

(973) 740-5264
Area Code / Fax Number

Joint Regulatory Counsel
to CIT and IMB Holdco LLC

H. Rodgin Cohen / Camille L. Orme
Name

Senior Chairman / Partner
Title

Sullivan & Cromwell LLP
Company Name

125 Broad Street
Street Address

New York	**NY**	**10004**
City	State	Zip Code

(212) 558-3534 / (212) 558-3373
Area Code / Phone Number

(212) 291-9028 / (212) 291-9108
Area Code / Fax Number

Counsel to CIT

Richard K. Kim
Name

Partner
Title

Wachtell, Lipton, Rosen & Katz
Company Name

51 West 52nd Street
Street Address

New York	**NY**	**10019**
City	State	Zip Code

(212) 403-1354
Area Code / Phone Number

(212) 403-2354
Area Code / Fax Number

Certification

I certify that the information contained in this application has been examined carefully by me and is true, correct, and complete, and is current as of the date of this submission to the best of my knowledge and belief. I acknowledge that any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 U.S.C. §1001 and §1007.

I also certify, with respect to any information pertaining to an individual and submitted to the Board in (or in connection with) this application, that the applicant has the authority, on behalf of the individual, to provide such information to the Board and to consent or to object to public release of such information. I certify that the applicant and the involved individual consent to public release of any such information, except to the extent set forth in a written request by the applicant or the individual, submitted in accordance with the Instructions to this form and the Board's Rules Regarding Availability of Information (12 C.F.R. Part 261), requesting confidential treatment for the information.

I acknowledge that approval of this application is in the discretion of the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Actions or communications, whether oral, written, or electronic, by the Federal Reserve or its employees in connection with this filing, including approval if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, the United States or any other entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of the Federal Reserve to exercise its supervisory, regulatory, or examination powers under applicable laws and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agency of the Federal Reserve or of the United States.

Signed this 20th day of August, 2014
Day / Month / Year

Signature of Chief Executive Officer or Designee

Robert J. Ingato
Print or Type Name

Executive Vice President, General Counsel and Secretary
Title

FR Y-3
OMB Number 7100-0121
Approval expires September 30, 2014

Board of Governors of the Federal Reserve System

Application to Become a Bank Holding Company and/or Acquire an Additional Bank or Bank Holding Company—FR Y-3

Carbon Merger Sub LLC
Corporate Title of Applicant

11 West 42nd Street
Street Address

New York	New York	10036
City	State	Zip Code

Limited liability company
(Type of organization, such as corporation, partnership, business trust, association, or trust)

Hereby applies to the Board pursuant to:

☒ (1) Section 3(a)(1) of the Bank Holding Company Act of 1956, as amended, ("BHC Act"—12 U.S.C. §1842), under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y;

☒ (2) Section 3(a)(3) of the BHC Act, under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y; or

☒ (3) Section 3(a)(5) of the BHC Act, under "Procedures for other bank acquisition proposals" as described in section 225.15 of Regulation Y.

for prior approval of the acquisition of direct or indirect ownership, control, or power to vote at least * (Number) 100% (Percent) of a class of voting shares or otherwise to control:

IMB Holdco LLC
Corporate Title of Bank or Bank Holding Company

888 East Walnut Street
Street Address

Pasadena	California	91101
City	State	Zip Code

Does Applicant request confidential treatment for any portion of this submission?

☒ Yes

☒ As required by the General Instructions, a letter justifying the request for confidential treatment is included.

☒ The information for which confidential treatment is being sought is separately bound and labeled "CONFIDENTIAL."

☐ No

*16,160,812.78 shares as of July 21, 2014. Actual number of shares outstanding will differ upon closing.

Name, title, address, telephone number, and facsimile number of person(s) to whom inquiries concerning this application may be directed:

Robert J. Ingato
Name

Secretary
Title

Carbon Merger Sub LLC
Company Name

11 West 42nd Street
Street Address

New York	**NY**	**10036**
City	State	Zip Code

(973) 740-5664
Area Code / Phone Number

(973) 740-5264
Area Code / Fax Number

Joint Regulatory Counsel
to CIT and IMB Holdco LLC

H. Rodgin Cohen / Camille L. Orme
Name

Senior Chairman / Partner
Title

Sullivan & Cromwell LLP
Company Name

125 Broad Street
Street Address

New York	**NY**	**10004**
City	State	Zip Code

(212) 558-3534 / (212) 558-3373
Area Code / Phone Number

(212) 291-9028 / (212) 291-9108
Area Code / Fax Number

Counsel to CIT

Richard K. Kim
Name

Partner
Title

Wachtell, Lipton, Rosen & Katz
Company Name

51 West 52nd Street
Street Address

New York	**NY**	**10019**
City	State	Zip Code

(212) 403-1354
Area Code / Phone Number

(212) 403-2354
Area Code / Fax Number

Certification

I certify that the information contained in this application has been examined carefully by me and is true, correct, and complete, and is current as of the date of this submission to the best of my knowledge and belief. I acknowledge that any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 U.S.C. §1001 and §1007.

I also certify, with respect to any information pertaining to an individual and submitted to the Board in (or in connection with) this application, that the applicant has the authority, on behalf of the individual, to provide such information to the Board and to consent or to object to public release of such information. I certify that the applicant and the involved individual consent to public release of any such information, except to the extent set forth in a written request by the applicant or the individual, submitted in accordance with the Instructions to this form and the Board's Rules Regarding Availability of Information (12 C.F.R. Part 261), requesting confidential treatment for the information.

I acknowledge that approval of this application is in the discretion of the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Actions or communications, whether oral, written, or electronic, by the Federal Reserve or its employees in connection with this filing, including approval if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, the United States or any other entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of the Federal Reserve to exercise its supervisory, regulatory, or examination powers under applicable laws and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agency of the Federal Reserve or of the United States.

Signed this 20th day of August, 2014
Day Month Year

Signature of Chief Executive Officer or Designee

Robert J. Ingato — Secretary
Print or Type Name — Title

APPLICATION ON FORM FR Y-3

I. PROPOSED TRANSACTION

Item 1. Provide the following with respect to the Bank/Bank Holding Company to be acquired:

a. Total number of shares of each class of stock outstanding;

IMB

IMB is a limited liability company. The IMB limited liability company operating agreement authorizes IMB to issue an unlimited number of Common Interests. Common Interests have voting and consent rights.

As of July 21, 2014, there were 16,160,812.78 IMB Common Interests outstanding.

In addition to the Common Interests, as of July 21, 2014, IMB had outstanding 492,532.01 "Converted Common Interests". Converted Common Interests have the same rights as Common Interests, except (1) for purposes of voting and consent rights, the Converted Common Interests are held in a voting trust and voted in the same proportion as the Common Interests (other than Converted Common Interests), (2) the Converted Common Interests have certain limitations on distributions and (3) the Converted Common Interests are subject to vesting based on a set schedule and may also be subject to forfeiture.

The IMB LLC Agreement has also established a pool of "Profits Interests" equal to 5% of the excess of the fair market value above certain thresholds outlined in the grant agreements. As of July 21, 2014, IMB had 4.7% Profits Interests outstanding. Each Profits Interest is subject to a hurdle equal to the fair market value of IMB at the time of the grant, adjusted on a dollar-for-dollar basis by the amounts distributed to holders of Common Interests.

Prior to consummation of the Transaction, and pursuant to the terms of the Merger Agreement, IMB will convert all Converted Common Interests and Profits Interests into Common Interests. As a result, at the time of the BHC Merger, the Applicants expect IMB to have outstanding approximately 18,074,516.98 Common Interests.[1]

[1] The holders of over 90% of IMB's Common Interests have executed, and delivered to IMB, written consents irrevocably approving the Transaction.

OWB

OWB has 10,000,000 shares of common stock outstanding. All of the outstanding shares of stock of OWB are currently held by OWBG and, prior to the BHC Merger, will be owned directly by IMB. (Please see Section II(A) of the Preliminary Statement for additional information).

b. Number of shares of each class now owned or under option by Applicant, by subsidiaries of Applicant, by principals of Applicant,[2] by trustees for the benefit of Applicant, its subsidiaries, shareholders, and employees as a class, or by an escrow arrangement instituted by Applicant;

The Applicants and its subsidiaries do not own or have an option over any Common Interests of IMB or OWB. To the best of the Applicants' knowledge, no principal or trustee for the benefit of the Applicants, its subsidiaries, shareholders or employees as a class owns any shares of, or has an option with respect to, any class of stock of IMB or OWB.

c. Number of shares of each class to be acquired by cash purchase, the amount to be paid, per share and in total, and the source of funds to be applied to the purchase;

Please see the response to Item 1.d below.

d. Number of shares of each class to be acquired by exchange of stock, the exchange ratio, and the number and description of each class of Applicant's shares to be exchanged; and

Under the terms of the Merger Agreement, each IMB Common Interest outstanding at the effective time of the BHC Merger will be converted into the right to receive a certain number of shares of CIT Group common stock and a certain amount of cash (the "Merger Consideration"), based on formulae specified in the Merger Agreement. The Merger Consideration will consist of approximately 59% cash and 41% stock. At the effective time of the BHC Merger, each of the 325,405.68 outstanding options to acquire an IMB Common Interest will be cancelled and the holder will be entitled to receive the same Merger Consideration per Common Interest into which the option could be converted at the effective time of the BHC Merger.

---

[2] The term principal as used herein means any individual or corporation that (1) owns, directly or indirectly, 10% or more of the outstanding shares of any class; (2) is a director, trustee, partner, or executive officer; or (3) with or without ownership interest, participates, or has the authority to participate in major policy-making functions, whether or not the individual has an official title or is serving without compensation. If Applicant believes that any such individual should not be regarded as a principal, Applicant should so indicate and give reasons for such opinion.

As of July 21, 2014, subject to adjustment in accordance with the Merger Agreement, the aggregate amount of Merger Consideration to be paid to holders of Common Interests and option holders was approximately $3.4 billion, consisting of approximately $2.0 billion in cash and approximately 31.3 million shares of CIT Group common stock (valued as of that date at approximately $1.4 billion).

e. A brief description of any unusual contractual terms, especially those terms not disclosed elsewhere in the application. Also, provide the expiration dates of any contractual arrangement between the parties involved in this application. As an alternative to developing the foregoing information, provide a copy of the purchase, operating, or other agreements associated with the proposed transaction.

A copy of the Merger Agreement and related agreements is included in Public Exhibit 1 and Confidential Exhibit 1.

The Merger Agreement contains a holdback provision, whereby an aggregate of $116 million of the Merger Consideration will be retained by CIT Group as a holdback for certain potential liabilities. Please refer to Section 6.17 of the Merger Agreement.

CIT's obligations under the Merger Agreement are subject to, among other conditions, the receipt of a consent or non-objection in respect of certain specified agreements including agreements with the FDIC, Fannie Mae and Freddie Mac, and that such agreements remain in full force and effect with no material breach by OneWest at the closing of the Subsidiary Merger.[3]

As is customary for agreements of its type, the Merger Agreement may be terminated by CIT Group or IMB upon the occurrence of certain circumstances, which are set forth therein. Among other things, each of CIT Group and IMB may terminate the Merger Agreement without the consent of the other if the BHC Merger has not been consummated on or prior to July 21, 2015 (the one-year anniversary of the execution of the Merger Agreement). For additional details regarding the other circumstances under which the Merger Agreement may be terminated, please refer to Section 8.1 of the Merger Agreement.

Item 2. If the proposed transaction is an acquisition of assets and assumption of liabilities […].

Not applicable.

Item 3. If the proposed transaction involves the acquisition of an unaffiliated banking operation or otherwise represents a change in ownership of established banking operations, describe briefly the due diligence review conducted on the target operations by Applicant. Indicate the scope of and

[3] See Sections 7.2(d)–(e) of the Merger Agreement.

resources committed to the review, explain any significant adverse findings, and describe the corrective action(s) to be taken to address those weaknesses.

Please see Confidential Exhibit 3 for a response to this Item.

Item 4. **For applications filed pursuant to section 3(a)(1) of the BHC Act, if the proposed transaction would result in an organization other than a shell one-bank holding company, submit a pro forma organization chart showing Applicant's percentage of ownership of all banks and companies, both domestic and foreign, in which it directly or indirectly will own or control more than 5 percent of the outstanding voting shares.**

Not applicable.

As a result of the BHC Merger, Merger Sub will become a bank holding company, for which the Applicants are requesting the Board's approval under Section 3(a)(1) of the BHC Act; however, Merger Sub will be only an interim, shell one-bank holding company. It has, and will have, no assets or operations, other than holding shares of OWB as part of the BHC Merger and a cash deposit balance that will be acquired from IMB as a result of the Subsidiary Merger.

II. FINANCIAL AND MANAGERIAL INFORMATION

Item 5.

a. **For Applicant that is not or would not be subject to consolidated capital standards following consummation of the proposed transaction […];**

Not applicable.

b. **For an applicant that is or would be subject to consolidated capital standards following consummation of the proposed transaction,[4] provide parent company and consolidated balance sheets as of the end of the most recent fiscal quarter, showing separately each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed transaction; and the resulting pro forma balance sheets; and**

The balance sheets provided in response to a and b should be in sufficient detail to reflect any:

- **Common equity and preferred stock;**

[4] This type of Applicant includes a company or similar organization that on a pro forma basis would not be subject to Board's Small Bank Holding Company Policy Statement.

- **Trust preferred securities and other qualifying capital;**
- **Long —and short–term debt;**
- **Goodwill and all other types of intangible assets, as well as any relevant amortization period(s);**
- **Material changes between the date of the balance sheet and the date of the application (explained by footnotes).**

Please see Confidential Exhibit 4 for a response to this Item.

c. **For an Applicant that is or would be subject to consolidated capital standards following consummation of the proposed transaction, provide a breakdown of the organization's existing and pro forma risk-adjusted assets as of the end of the most recent fiscal quarter, showing each principal group of on- and off-balance sheet assets and the relevant risk-weight. Also, identify the existing and pro forma components of tier 1, tier 2, and tier 3 (if any) capital pursuant to the risk-based capital guidelines as of the end of the most recent fiscal quarter, and provide calculations of Applicant's existing and pro forma tier 1 and total capital ratios pursuant to the risk-based guidelines and the related leverage ratios.**

Please see Confidential Exhibit 4 for a response to this Item.

Item 6. Provide for Applicant and any other Bank(s)/Bank Holding Company(ies) that would result from the proposal:

a. **A description of any plans (in connection with the proposed transaction, or otherwise) to issue, incur, or assume additional common equity, preferred stock, trust preferred securities, other qualifying capital, and/or debt. As relevant, specify the amount, purpose, name and location of the issuer and/or lender; provide a copy of any loan agreement, loan commitment letter from the lender, or other underlying agreement which provides the interest rate, maturity, collateral, and proposed amortization schedule; and discuss what resources would be used to service any debt or capital instruments arising from the proposed transaction; and**

The Transaction purchase price will be paid in the form of cash and equity. For the cash consideration component, the company anticipates raising approximately $1.5 to $2.0 billion of Senior Unsecured Notes, which will be issued under CIT Group's Form S-3 filed with the Securities and Exchange Commission on March 9, 2012.

b. Cash flow projections under the following limited circumstances;

(i) For an Applicant that is or would be subject to consolidated capital standards following consummation of the proposed transaction and that would incur or assume any debt or trust preferred securities in the proposal such that parent company long-term debt would exceed 30 percent of parent company equity capital, provide cash flow projections for the parent company for each of the next three years, along with supporting schedules for each material cash receipt and disbursement. If Applicant projects that dividends or other payments from subsidiary banks will be used to service parent company debt and/or trust preferred securities, provide projections of subsidiary bank(s) assets, tier 1 and total capital ratios pursuant to the risk-based capital guidelines, leverage ratio, earnings, and dividends. (If the combined assets of the subsidiary banks exceed $500 million, subsidiary bank data may be shown on an aggregate basis.);

Please see Confidential Exhibit 4 for a response to this Item.

(ii) For an Applicant that is not or would not be subject to consolidated capital standards following consummation of the proposed transaction […].

Not applicable.

(iii) For an Applicant that is not or would not be subject to consolidated capital standards following consummation of the proposed transaction […].

Not applicable.

Item 7. For applications filed pursuant to section 3(a)(1) of the BHC Act, provide for Applicant and Bank a list of principals (including changes or additions to this list to reflect consummation of the transaction), providing information with respect to each as follows:

a. Name and address (City and State/Country). If the principal's country of citizenship is different from his or her country of residence, then state the country of citizenship;

b. Title or positions with Applicant and Bank;

c. Number and percentage of each class of shares of Applicant and Bank owned, controlled, or held with power to vote by this individual;

d. Principal occupation if other than with Applicant or Bank; and

e. **Percentage of direct or indirect ownership, if such ownership represents 10 percent or more of any class of shares, or positions held in any other depository institution or depository institution holding company.[5] Give the name and location of such other depository institution or depository institution holding company. (Information that has been collected or updated within the past 12 months may be submitted, unless Applicant has reason to believe that such information is incorrect.)**

f. **For any principal that would own 10 percent or more of the equity of Applicant, provide an Interagency Biographical and Financial Report. If the principal is a corporation or partnership, provide financial statements (balance sheets and income statements) for the two most recent fiscal years and the most recent quarter end. Discuss any negative trends in the financial statements.**

Please see Public Exhibit 14 for a response to Items 7a.–f.

Item 8. **For applications filed pursuant to sections 3(a)(3) or 3(a)(5) of the BHC Act, list any changes in management or other principal relationships for Applicant and any other Bank(s)/Bank Holding Company(ies) that would result from the proposal. For any existing or proposed principal of Applicant or Bank/Bank Holding Company that is also a principal of any other depository institution or depository institution holding company, provide the following information:**

a. **Name, address, and title or position with Applicant, Bank/Bank Holding Company, and the other depository institution or depository institution holding company (give the name and location of the other depository institution or depository institution holding company);**

b. **Number and percentage of each class of shares of Applicant and Bank/Bank Holding Company owned, controlled, or held with power to vote by this individual;**

c. **Principal occupation if other than with Applicant or Bank/Bank Holding Company; and**

d. **Percentage of direct or indirect ownership held in the other depository institution or depository institution holding company if such ownership represents 10 percent of more of any class of shares. (Information that has been collected or updated within the past 12**

5 For purposes of this application, a "depository institution" is defined as a commercial bank (including a private bank), a savings bank, a trust company, a savings and loan association, a homestead association, a cooperative bank, an industrial bank, or a credit union.

months may be submitted, unless Applicant has reason to believe that such information is incorrect.)

As discussed in Section V(B) of the Preliminary Statement (Financial and Managerial Resources), CIT expects that its board of directors and management largely will remain the same following consummation of the Transaction with the addition of two new members to the board of directors, Steven Mnuchin and Alan Frank, and two members of OneWest senior management to senior management of CIT. Steven Mnuchin will be appointed as Vice Chairman of CIT and Chairman of CITBNA. Joseph Otting will be appointed Co-President of CIT Group and the President and CEO of CITBNA. Biographies for each of the members of the board of directors and for senior executive officers of CIT Group are attached as Public Exhibit 10. Information regarding the directors and senior executive officers of CITBNA will be provided in a supplemental submission. Please see Confidential Exhibit 10 for additional information.

Item 9. **Discuss any material change in the financial condition of Bank/Bank Holding Company since the most recent examination/inspection. Indicate the amount of any dividend payment by Bank/Bank Holding Company since the date of the most recent report of condition and report of income and dividends. Also, indicate the amount of any Bank/Bank Holding Company dividends that are planned prior to consummation.**

Please see Confidential Exhibit 11.

For applications filed pursuant to section 3(a)(1) of the BHC Act, provide for Bank a copy of all schedules from the most recent report of condition and report of income and dividends as filed with a Federal supervisory authority.

A copy of OWB's most recent call report is included as Public Exhibit 8.

Item 10. **If the consolidated assets of the resulting organization are less than $500 million […].**

Not applicable.

III. COMPETITION

Item 11. **Discuss the effects of the proposed transaction on competition considering the structural criteria specified in the Board's Rules Regarding Delegation of Authority (section 265.11c(11)(v)). Applicant may be required to provide additional information if Federal Reserve staff determines that the proposal exceeds existing competitive guidelines. Also, if divestiture of all or any portion of any bank or nonbanking company constitutes part of this proposal, discuss in detail the specifics and timing of such divestiture.**

Please see the discussion in Section V(A) of the Preliminary Statement (Competition Analysis).

<u>Item 12</u>. If the proposal involves the acquisition of nonbank operations under sections 4(c)(8) and 4(j) of the Bank Holding Company Act […].

Not applicable.

<u>Item 13</u>. In an application in which any principal of Applicant or Bank/Bank Holding Company is also a principal of any other insured depository institution or depository institution holding company, give the name and location of each office of such other institution that is located within the relevant banking market of Bank/ Bank Holding Company, and give the approximate road miles by the most accessible and traveled route between those offices and each of the offices of Bank/Bank Holding Company.

Please see <u>Confidential Exhibit 10</u>.

IV. CONVENIENCE AND NEEDS

<u>Item 14</u>.

a. Describe how the proposal would meet the convenience and needs of the target Bank's community(ies). List any significant changes in services or products that would result from the consummation of the transaction. If any services or products would be discontinued, describe and explain the reasons.

Please see the discussion in <u>Section V(F)</u> of the Preliminary Statement (Compliance with the CRA; Convenience and Needs of the Community; Public Benefits).

b. Discuss the programs, products, and activities of the depository subsidiaries of Applicant or the target Bank that would meet the existing or anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) regulation, including the needs of low- and moderate-income geographies and individuals. For a subsidiary of Applicant or target Bank that has received a CRA composite rating of "needs to improve" or "substantial noncompliance" institution-wide or, where applicable, in a state or multi-state MSA, or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which Applicant is expanding as a result of the transaction, describe the specific actions, if any, that have been taken to address the deficiencies in the institution's CRA performance record since the rating.

Please see the discussion in <u>Section V(F)</u> of the Preliminary Statement (Compliance with the CRA; Convenience and Needs of the Community; Public Benefits). Each of CITB and OWB received a rating of "Satisfactory" in its most recent CRA performance evaluation.

PUBLIC EXHIBITS

TO THE

APPLICATION

TO THE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

RELATING TO THE PROPOSED ACQUISITION OF

IMB HOLDCO LLC

BY

CIT GROUP INC.

AND

CARBON MERGER SUB LLC

August 20, 2014

TABLE OF PUBLIC EXHIBITS

PUBLIC EXHIBIT 1

Agreement and Plan of Merger, dated July 21, 2014, between CIT Group Inc., IMB Holdco LLC and JCF III Holdco I L.P.; Stockholders Agreement, dated as of July 21, 2014, by and among CIT Group Inc. and the parties thereto; and Related Agreements

STRICTLY CONFIDENTIAL
EXECUTION

AGREEMENT AND PLAN OF MERGER

by and among

IMB HOLDCO LLC,

CIT GROUP INC.,

CARBON MERGER SUB LLC

and

THE HOLDERS' REPRESENTATIVE NAMED HEREIN

DATED AS OF JULY 21, 2014

STRICTLY CONFIDENTIAL
EXECUTION

TABLE OF CONTENTS

ARTICLE I

THE MERGER

ARTICLE II

EXCHANGE OF EQUITY INTERESTS

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF OXYGEN

STRICTLY CONFIDENTIAL
EXECUTION

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of July 21, 2014 (this "Agreement"), by and among IMB HoldCo LLC, a Delaware limited liability company ("Oxygen"), CIT Group Inc., a Delaware corporation ("Carbon"), Carbon Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of Carbon ("Merger Sub") and JCF III HoldCo I L.P., a Cayman entity, solely in its capacity as the Holders' Representative.

W I T N E S S E T H:

WHEREAS, the Boards of Directors of Carbon, Oxygen and Merger Sub have determined that it is in the best interests of their respective companies and their shareholders and members, as applicable, to consummate the strategic business combination transaction provided for herein, pursuant to which Oxygen will, subject to the terms and conditions set forth herein, merge with and into Merger Sub (the "Merger"), with Merger Sub as the Surviving Company (hereinafter sometimes referred to in such capacity as the "Surviving Company") in the Merger;

WHEREAS, concurrently with the execution of this Agreement, holders of greater than 90% of the aggregate Oxygen Common Interests have executed, and delivered to Oxygen, written consents irrevocably approving the Merger and the transactions contemplated hereby and Oxygen has Made Available such written consents to Carbon;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement is intended to be and is adopted as a plan of reorganization for purposes of Sections 354 and 361 of the Code;

WHEREAS, concurrently with the execution of this Agreement and as a condition and inducement to Carbon's willingness to enter into this Agreement, Carbon has entered into retention arrangements with Steven Mnuchin and Joseph Otting (the "Retention Agreements");

WHEREAS, concurrently with the execution of this Agreement and as a condition and inducement to Carbon's willingness to enter into this Agreement, Carbon has entered into Selling Interestholder Restrictive Covenant Agreements with each of Joseph Otting and Steven Mnuchin (the "Selling Interestholder Restrictive Covenant Agreements");

WHEREAS, concurrently with the execution of this Agreement and as a condition and inducement to Carbon's willingness to enter into this Agreement, Carbon has entered into a Stockholders Agreement with certain of the holders of Oxygen Common Interests (the "Stockholders Agreement"); and

WHEREAS, the parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger.

(a) Subject to the terms and conditions of this Agreement, in accordance with the Delaware Limited Liability Company Act (the "DLLCA"), at the Effective Time, Oxygen shall merge with and into Merger Sub. Merger Sub shall be the Surviving Company in the Merger, and shall continue its limited liability company existence under the Laws of the State of Delaware. Upon consummation of the Merger, the separate limited liability company existence of Oxygen shall terminate.

(b) Subject to the consent of Oxygen, authorized by its Board of Directors, which consent shall not be unreasonably withheld or delayed, Carbon may at any time change the method of effecting the combination of Oxygen and Carbon if and to the extent that Carbon deems such change to be desirable; provided that no such change shall (i) alter or change the amount, kind or allocation of the Net Merger Consideration provided for in this Agreement, (ii) adversely affect the Tax treatment of the holders of Oxygen Common Interests, Oxygen Converted Common Interests, Oxygen Profits Interests or Oxygen Options (each an "Oxygen Holder" and collectively, the "Oxygen Holders") as a result of receiving their portion of the Net Merger Consideration or the Tax treatment of either party pursuant to this Agreement, (iii) materially impede or delay the receipt of any consents or approvals of or complete any filings or registrations with any Governmental Entity in connection with the transactions contemplated by this Agreement (including the receipt of FDIC Consents, FDIC Non-Objections, GSE Consents and GSE Non-Objections) or (iv) materially impede or delay consummation of the transactions contemplated by this Agreement.

1.2 Effective Time. The Merger shall become effective as set forth in the certificate of merger to be filed with the Secretary of State of the State of Delaware on the Closing Date (the "Certificate of Merger"). The term "Effective Time" shall be the date and time when the Merger becomes effective, as set forth in the Certificate of Merger.

1.3 Effects of the Merger. At and after the Effective Time, the Merger shall have the effects set forth in the applicable provisions of the DLLCA.

1.4 Conversion of Interests. At the Effective Time, by virtue of the Merger and without any action on the part of Carbon, Oxygen, Merger Sub or the holder of any of the following securities:

(a) Subject to Section 2.2(f), each Oxygen Common Interest that is issued and outstanding immediately prior to the Effective Time (other than Cancelled Interests or any Oxygen Interest Award) shall be converted into the right to receive (i) a number of shares of Carbon Common Stock equal to the Per Interest Stock Consideration and (ii) an amount of cash equal to the Per Interest Cash Consideration, in each case as determined pursuant to Section 1.7 (the consideration referred to in clauses (i) and (ii) being collectively referred to as the "Per Common Interest Merger Consideration"; provided that each Oxygen Common Interest (other than any Oxygen Interest Award) that is owned by a Non-Accredited Investor immediately prior to the Effective Time shall instead be converted into the right to receive an amount of cash, without interest, equal to the Merger Consideration Per Fully Diluted Interest (the "Non-Accredited Investor Common Interest Consideration") and the right to receive a contingent payment from the Holdback Amount and the Holder Expense Fund pursuant to and subject to the terms and conditions of Section 6.17 and Section 6.18, respectively.

(b) At the Effective Time, each award of Oxygen Common Interests that is issued and outstanding but unvested as of immediately prior to the Effective Time (an "Oxygen Interest Award"), subject to receipt of a duly executed Holder Acknowledgement and Investor Questionnaire, shall be converted into an award (a "Carbon Stock Award") with respect to a number of unvested restricted shares of Carbon Common Stock (rounded to the nearest whole share) that is equal to the product of (i) the number of Oxygen Common Interests subject to such Oxygen Interest Award, multiplied by (ii) the quotient of (A) the Merger Consideration Per Fully Diluted Interest, divided by (B) the Carbon Signing Price; provided that each Oxygen Interest Award that is held by a Non-Accredited Investor and is issued and outstanding but unvested as of immediately prior to the Effective Time shall be converted into an award (a "Carbon Cash Award") with respect to an amount of cash, without interest, equal to the Merger Consideration Per Fully Diluted Interest. The vesting schedule and all other material terms of each Carbon Stock Award and Carbon Cash Award shall otherwise remain substantially the same as those that were applicable to the corresponding Oxygen Interest Award (to the extent relevant following the Effective Time) and shall have such other terms applicable to awards in respect of Carbon Common Stock as are consistent with the terms of the Carbon Long-Term Incentive Plan, as in effect from time to time.

(c) At the Effective Time, all Oxygen Common Interests that are owned, directly or indirectly, by Oxygen or any of its wholly owned Subsidiaries (the "Cancelled Interests") shall be cancelled and shall cease to exist and no Carbon Common Stock or other consideration shall be delivered in exchange therefor.

(d) All of the Oxygen Common Interests converted into the right to receive the Per Common Interest Merger Consideration or the Non-Accredited Investor Common Interest Consideration pursuant to this Article I shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Effective Time, and shall thereafter represent only the right to receive (x) the Per Common Interest Merger Consideration and cash in lieu of fractional shares or the Non-Accredited Investor Common Interest Consideration, as applicable, which the Oxygen Common Interests have been converted into the right to receive pursuant to this Section 1.4 and Section 2.2(f), without any interest thereon, and (y) a contingent payment from the Holdback Amount and the Holder Expense Fund pursuant to and subject to the terms and conditions of Section 6.17 and Section 6.18, respectively. All of the awards of Oxygen Common Interests converted into Carbon Stock Awards or Carbon Cash Awards, as applicable, pursuant to this Article I shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Effective Time, and shall thereafter represent only the right to receive a Carbon Stock Award or Carbon Cash Award, as applicable, and the right to receive a contingent payment from the Holdback Amount and the Holder Expense Fund pursuant to and subject to the terms and conditions of Section 6.17 and Section 6.18, respectively; provided that any such amounts that are attributable to Oxygen Interest Awards shall only be paid when (and if) the corresponding Carbon Stock Award vests, and shall be forfeited if the corresponding Carbon Stock Award is forfeited. In the event any amounts attributable to Oxygen Interests Awards are forfeited, such amounts shall be distributed reasonably promptly thereafter to the former holders of vested Oxygen Common Interests, Oxygen Interest Awards and In-the-Money Oxygen Options, based upon such holder's then-applicable Holdback Percentage.

(e) Each limited liability company interest of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one limited liability company interest of the Surviving Company.

(f) At or prior to the Effective Time, Oxygen, the Board of Directors of Oxygen and its compensation committee, as applicable, shall adopt any resolutions and take any actions that are reasonably necessary to effectuate the provisions of Section 1.4(b) and to ensure that, notwithstanding anything to the contrary, following the Effective Time, no service provider of Oxygen and its Subsidiaries shall have any right to acquire any securities of Oxygen, Carbon or any Subsidiary thereof or to receive any payment, right or benefit with respect to any award previously granted in respect of securities of Oxygen, except the right to receive the consideration as provided in Sections 1.4(b) or Section 1.6 in their capacity as Oxygen Holders.

(g) Notwithstanding anything to the contrary set forth in Section 1.6 of the Merger Agreement or any other provision of the Merger Agreement, nothing in this Merger Agreement is intended to, or shall, terminate or otherwise affect the rights of any holder of options to purchase Common Interests listed on Section 3.2(a)(i) of the Oxygen Disclosure Schedules to receive (i) any Dividend Equivalent Payments as set forth on Section 3.11(a) of the Oxygen Disclosure Schedules or (ii) any payments or benefits under Section 5.07 of the Oxygen LLC Agreement, in each case, with respect to such holder's options to purchase Common Interests listed on Section 3.2(a)(i) of the Oxygen Disclosure Schedules, provided that, for the avoidance of doubt, in no event will there be any payments or benefits due under Section 5.07 of the Oxygen LLC Agreement in respect of the contingent payment from the Holdback Amount or the Holder Expense Fund.

1.5 Carbon Common Stock. At and after the Effective Time, each share of Carbon Common Stock issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of Carbon Common Stock and shall not be affected by the Merger.

1.6 Oxygen Options.

(a) At the Effective Time, each Oxygen Option other than an Out-of-the-Money Oxygen Option, whether or not vested, shall be cancelled and shall entitle the holder thereof to the right to receive, (i) a number of shares of Carbon Common Stock equal to the Per Option Stock Consideration and (ii) an amount of cash equal to the Per Option Cash Consideration, in each case as determined pursuant to Section 1.7 (the consideration referred to in clause (i) and (ii) being collectively referred to as the "Per Option Merger Consideration"); provided that in lieu of receiving the Per Option Merger Consideration, any holder of an Oxygen Option who is a Non-Accredited Investor shall instead receive an amount of cash, without interest, equal to the Option Consideration in respect of each such Oxygen Option (the "Non-Accredited Investor Option Consideration"); provided, further that if a holder of an Oxygen Option who is not a Non-Accredited Investor (an "Option Holder") timely makes a Gross Settlement Election in respect of some or all of such Option Holder's Oxygen Options (such Oxygen Options as are covered by the Gross Settlement Election, the "Electing Options"), then such Option Holder shall, immediately prior to the Effective Time, pay to Oxygen the full exercise price required to be paid to exercise such Electing Options and at the Effective Time, such Option Holder shall not be entitled to receive the Per Option Merger Consideration in respect of such Electing Options but shall instead be entitled to receive, in respect of such Electing Options, (i) a number of shares of Carbon Common Stock equal to the product of (A) the Per Interest Stock Consideration multiplied by (B) the number of Common Interests issuable upon exercise in full of such Electing Options, and (ii) an amount of cash equal to the product of (A) the Per Interest Cash Consideration multiplied by (B) the number of Common Interests issuable upon exercise in full of such Electing Options, in each case as determined pursuant to Section 1.7. At the Effective Time, each Oxygen Option with an exercise price equal to or greater than the Merger Consideration Per Fully Diluted Interest (each, an "Out-of-the-Money Oxygen Option"), whether or not vested, shall be cancelled for no consideration.

(b) At least twenty (20) Business Days prior to the Effective Time, Oxygen shall provide each Option Holder with notice of the proposed Closing of the transactions contemplated by this Agreement and the opportunity for such Option Holder to elect, in writing as of no later than ten (10) Business Days prior to the Effective Time, to pay to Oxygen in cash in immediately available funds the full exercise price in respect of some or all of such Option Holder's Oxygen Option, which amount shall be paid in immediately available funds, and evidence of payment of which shall be provided to Carbon, no later than three (3) Business Days prior to the Effective Time (such election, a "Gross Settlement Election"). To extent such funds are not timely paid in accordance with the foregoing, the Gross Settlement Election shall be null and void.

(c) Immediately prior to the Effective Time, Oxygen, the Board of Directors of Oxygen and its compensation committee, as applicable, shall adopt any resolutions and take any actions that are reasonably necessary to effectuate the provisions of this Section 1.6 (including without limitation amending the terms of any outstanding Oxygen Options) and to ensure that, notwithstanding anything to the contrary, following the Effective Time, no service provider of Oxygen and its Subsidiaries shall have any right to acquire any securities of Oxygen, Carbon or any Subsidiary thereof or to receive any payment, right or benefit with respect to any award previously granted in respect of securities of Oxygen except the right to receive the consideration as provided in this Section 1.6 or in Section 1.4(a) or 1.4(b) in their capacity as Oxygen Holders.

1.7 Allocation of Merger Consideration.

(a) The Net Merger Consideration shall be allocated among the holders of the Oxygen Common Interests and Oxygen Options as set forth in Section 1.4, Section 1.6 and Section 1.7(b). An illustrative calculation of the allocation is set forth on Annex B.

(b) For purposes of this Agreement:

(i) "Aggregate Cash Percentage" means fifty-nine percent (59%).

(ii) "Aggregate Fully Diluted Common Interests" means (A) the number of Oxygen Common Interests outstanding immediately prior to the Effective Time (whether vested or unvested) plus (B) the number of Oxygen Common Interests that would be issuable upon the exercise in full of all In-the-Money Oxygen Options immediately prior to the Effective Time.

(iii) "Aggregate In-The-Money Exercise Price" means the sum of the exercise prices that would be payable upon exercise in full immediately prior to the Effective Time of all In-the-Money Oxygen Options, including the exercise prices paid by Option Holders in connection with a Gross Settlement Election.

(iv) "Aggregate Stock Percentage" means forty-one percent (41%).

(v) "Carbon Signing Price" means $44.33; provided that if, prior to the Effective Time, the outstanding shares of Carbon Common Stock shall have been increased or decreased as a result of a stock dividend, stock split, reverse stock split or other similar change in capitalization (which, for the avoidance of doubt, shall not include a share repurchase), or if there has been any extraordinary dividend or distribution (other than regular quarterly cash dividends), an appropriate and proportionate adjustment shall be made to the Carbon Signing Price.

(vi) "Cash Consideration Amount" means (A) the product of (x) the Aggregate Cash Percentage multiplied by (y) the Net Merger Consideration minus (B) the Holdback Amount minus (C) the Holder Expense Fund minus (D) the aggregate Non-Accredited Investor Common Interest Consideration; minus (E) the aggregate Non-Accredited Investor Option Consideration minus (F) the aggregate Carbon Cash Award.

(vii) "Holdback Amount" shall mean $116,000,000.

(viii) "In-the-Money Oxygen Options" means the Oxygen Options that, immediately prior to the Effective Time, have an exercise price that is less than the Merger Consideration Per Fully Diluted Interest.

(ix) "Merger Consideration Per Fully Diluted Interest" means the quotient of (A) the sum of (w) the Net Merger Consideration minus (x) the Holdback Amount minus (y) the Holder Expense Fund plus (z) the Aggregate In-The-Money Exercise Price divided by (B) the Aggregate Fully Diluted Common Interests.

(x) "Net Merger Consideration" means (A) the Final Gross Merger Consideration minus (B) Tax Effected Transaction Expenses minus (C) the Retention Amount.

(xi) "Option Consideration" means for each Oxygen Option, the excess, if any, of (A) the product of (x) the Merger Consideration Per Fully Diluted Interest, multiplied by (y) the aggregate number of Common Interests issuable upon exercise in full of such Oxygen Option minus (B) the exercise price payable upon exercise in full of such Oxygen Option.

(xii) "Per Interest Cash Consideration" means (A) the Merger Consideration Per Fully Diluted Interest multiplied by (B) a fraction, the numerator of which is the Cash Consideration Amount and the denominator of which is the sum of (x) the Cash Consideration Amount plus (y) the Stock Consideration Amount.

(xiii) "Per Interest Stock Consideration" means a number of shares of Carbon Common Stock equal to (A) the Merger Consideration Per Fully Diluted Interest multiplied by (B) a fraction, the numerator of which is the Stock Consideration Amount and the denominator of which is the sum of (x) the Cash Consideration Amount plus (y) the Stock Consideration Amount divided by (C) the Carbon Signing Price.

(xiv) "Per Option Cash Consideration" means (A) the Option Consideration multiplied by (B) a fraction, the numerator of which is the Cash Consideration Amount and the denominator of which is the sum of (x) the Cash Consideration Amount plus (y) the Stock Consideration Amount.

(xv) "Per Option Stock Consideration" means a number of shares of Carbon Common Stock equal to (A) the Option Consideration multiplied by (B) a fraction, the numerator of which is the Stock Consideration Amount and the denominator of which is the sum of (x) the Cash Consideration Amount plus (y) the Stock Consideration Amount divided by (C) the Carbon Signing Price.

(xvi) "Rolled Equity Award Amount" means (A) the number of Oxygen Interest Awards outstanding immediately prior to the Effective Time that are not held by Non-Accredited Investors multiplied by (B) the Merger Consideration Per Fully Diluted Interest.

(xvii) "Stock Consideration Amount" means (A) the product of (x) the Aggregate Stock Percentage multiplied by (y) the Net Merger Consideration minus (B) the Rolled Equity Award Amount.

(c) Oxygen Audited Financial Statements

(i) As promptly as practicable following the date hereof (and in any event by December 31, 2014, Oxygen shall deliver to Carbon (i) an audited consolidated balance sheet of Oxygen as of June 30, 2014 (the "Oxygen Audited Interim Balance Sheet") and (ii) the related audited consolidated statements of income of Oxygen for the six (6) months ended June 30, 2014, including accompanying notes thereto ((i) and (ii), the "Oxygen Audited Interim Financial Statements") which financial statements shall be accompanied by (A) an unqualified opinion of PricewaterhouseCoopers LLP regarding such consolidated financial statements, (B) a certificate from an executive officer of Oxygen (x) affirming the compliance of such financial statements with the covenant set forth in Section 1.7(c)(ii), (y) setting forth the calculation of the Gross Merger Consideration derived from the Oxygen Audited Interim Financial Statements (including the calculation of Tangible Common Equity, Tangible Assets, Required Capital, Excess Capital and the Excluded Amount) and (z) certifying that the Gross Merger Consideration is derived from the Oxygen Audited Interim Financial Statements and was calculated in a manner consistent with this Agreement and the derivation of the Preliminary Gross Merger Consideration from the Oxygen Unaudited Financial Statements and (C) such documents and information used by Oxygen in its calculation of Gross Merger Consideration (including the calculation of Tangible Common Equity, Tangible Assets, Required Capital, Excess Capital and the Excluded Amount) as are reasonably necessary for Carbon to review and verify such calculations.

(ii) The Oxygen Audited Interim Financial Statements (including the related notes, where applicable) (A) will be prepared from, and will be in accordance with, the books and records of Oxygen and its Subsidiaries, (B) will fairly present in all material respects the consolidated results of operations and consolidated financial position of Oxygen and its Subsidiaries for the six (6) months ended June 30, 2014 or as of June 30, 2014, as applicable, (C) will be prepared in accordance with GAAP consistently applied during the periods involved and (D) will be prepared on a basis consistent with the audited consolidated balance sheet and related audited consolidated statements of income included in the Oxygen Audited Financial Statements.

(iii) In the event that Carbon disputes the correctness of the calculation of Gross Merger Consideration derived from the Oxygen Audited Interim Financial Statements (including, to the extent permitted by the last sentence of this clause (iii), any amounts set forth on the Oxygen Audited Interim Financial Statements), Carbon shall notify Oxygen in writing of its objections as soon as practicable but in no event more than the earlier of (x) seventy-five (75) Business Days after receipt of the calculation from Oxygen (a "Notice of Disagreement") and (y) 40 Business Days prior to the anticipated Closing Date and during such period Carbon and Oxygen will consult on a periodic basis with respect to Carbon's possible bases for such objections and any errors discovered by Oxygen with respect to the calculation of Gross Merger Consideration or any amounts set forth on the Oxygen Audited Interim Financial Statements. If Carbon does not deliver a Notice of Disagreement prior to the deadline set forth in the preceding sentence, Oxygen's calculation of Gross Merger Consideration shall be final and binding on the parties. During the ten (10) Business Days immediately following the delivery of any Notice of Disagreement from Carbon, Carbon and Oxygen shall seek in good faith to resolve any differences that they may have with respect to any matters raised in the Notice of Disagreement. The matters set forth in any written resolution executed by Carbon and Oxygen shall be final and binding on the parties on the date of such written resolution. If, at the end of such ten (10)

Business Day period, Carbon and Oxygen have not been able to resolve in writing all differences that they have with respect to the matters raised in the Notice of Disagreement, Carbon and Oxygen shall submit to Deloitte & Touche (the "Accounting Firm") for review and resolution of any and all matters in the Notice of Disagreement that remain in dispute, and the Accounting Firm shall reach a final, binding resolution of all such matters that remain in dispute and a final determination of Gross Merger Consideration, which final resolution shall not be subject to collateral attack for any reason (other than fraud) and shall be (i) in writing and signed by the Accounting Firm, (ii) within the range of the amounts contested by Carbon and Oxygen, (iii) furnished to Carbon and Oxygen as soon as practicable after the items in dispute have been referred to the Accounting Firm, which shall not be more than thirty (30) Business Days after such referral, (iv) made in accordance with the terms of this Agreement and (v) conclusive and binding upon Carbon and Oxygen on the date of delivery of such written resolution (other than in the case of fraud). Carbon and Oxygen agree to cooperate with the Accounting Firm and to promptly provide all documents and information reasonably requested by the Accounting Firm so as to enable it to make its determination as quickly and as accurately as possible. The fees and expenses of the Accounting Firm shall be borne by Oxygen and Carbon in the same proportion that Oxygen's position, on the one hand, and Carbon's position, on the other hand, initially presented to the Accounting Firm (based on the aggregate of all differences taken as a whole) bear to the final resolution as determined by the Accounting Firm; provided that any fees and expenses borne by Oxygen shall be Transaction Expenses. Carbon shall only be entitled to dispute (i) the calculation of the Gross Merger Consideration (including the calculation of Tangible Common Equity, Tangible Assets, Required Capital, Excess Capital and the Excluded Amount) and (ii) with respect to amounts set forth on the Oxygen Audited Interim Financial Statements, (a) mathematical errors, (b) errors discovered by Oxygen (including if such error would be addressed by including an adjustment in its financial statements for a subsequent period) and (c) that the Oxygen Audited Interim Financial Statements (including the related notes, where applicable), (1) were not prepared from, and are not in accordance with, the books and records of Oxygen and its Subsidiaries, (2) were not prepared in accordance with GAAP consistently applied during the periods involved and (3) were not prepared on a basis consistent with the audited consolidated balance sheet and related audited consolidated statements of income included in the Oxygen Audited Financial Statements as of, and for the period ended December 31, 2013. Notwithstanding the foregoing, changes in underlying assumptions or models (including with respect to valuation of assets) shall not be a basis for dispute under the foregoing clause (3) so long as such changes were not inconsistent with the standards set forth in clauses (iii) and (iv) of Section 3.8(b).

(iv) Gross Merger Consideration as finally determined pursuant to Section 1.7(c)(iii) shall be the "Final Gross Merger Consideration."

1.8 Organizational Documents of the Surviving Company. At the Effective Time, the certificate of formation of Merger Sub as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Company until thereafter amended in accordance with applicable Law. The limited liability company agreement of Merger Sub, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Company until thereafter amended in accordance with applicable Law.

1.9 Directors and Officers of the Surviving Company. The directors of Merger Sub shall, from and after the Effective Time, become the initial directors of the Surviving Company until their successors shall have been duly elected or appointed and qualified, or their earlier death, resignation or removal. The officers of Merger Sub shall from and after the Effective Time, become the initial officers of the Surviving Company until their successors shall have been duly elected or appointed and qualified, or their earlier death, resignation or removal.

1.10 Certificate of Incorporation and Bylaws of Carbon. The certificate of incorporation of Carbon as in effect immediately prior to the Effective Time shall be the certificate of incorporation of Carbon until amended in accordance with applicable Law. At the Effective Time, the bylaws of Carbon, as in effect immediately prior to the Effective Time, shall be the bylaws of Carbon until thereafter amended in accordance with applicable Law.

1.11 Directors and Officers of Carbon.

(a) Except as set forth in this Section 1.11, at and immediately after the Effective Time, the officers of Carbon shall consist of the officers of Carbon in office immediately prior to the Effective Time, in each case until their respective successors are duly elected or appointed and qualified, or their earlier death, resignation or removal.

(b) Carbon's Board of Directors shall take all appropriate action so that at and after the Effective Time Steven Mnuchin shall hold the office of Vice Chairman of Carbon and Joseph Otting shall hold the office of Co-President of Carbon. Each of the foregoing officers shall serve until their successors have been duly elected or appointed and qualified, or their earlier death, resignation or removal.

(c) At or prior to the Effective Time, Carbon's Board of Directors shall take all appropriate action to increase the number of directors by two (2). The two (2) vacancies shall be filled by (i) Steven Mnuchin and (ii) Alan Frank. Each of the foregoing directors shall serve until his or her successor has been duly elected or appointed and qualified, or his or her earlier death, resignation or removal. If prior to the Effective Time, any Person designated to fill any such vacancy is unable or unwilling to serve in such position, the Board of Directors of Oxygen and the Board of Directors of Carbon shall mutually agree on a replacement.

1.12 Bank Merger.

(a) On the Closing Date and simultaneously with the Merger, CIT Bank, a Utah state-chartered bank and a wholly owned Subsidiary of Carbon ("Carbon Bank"), will merge (the "Bank Merger") with and into OneWest Bank N.A., a national bank and a wholly owned Subsidiary of Oxygen ("Oxygen Bank"); provided that without limiting any of the obligations of Carbon or Oxygen set forth herein with respect to the Bank Merger or any of the conditions set forth in Section 7.1, 7.2 or 7.3 relating to the Bank Merger, if the parties agree that operational issues relating to the Bank Merger would preclude the ability of the parties to consummate the Bank Merger simultaneously with the Merger, Carbon and Oxygen shall act reasonably and in good faith to mutually determine whether to proceed with the Merger prior to the Bank Merger. Oxygen Bank shall be the surviving entity in the Bank Merger (the "Surviving Bank") and, following the Bank Merger, the separate corporate existence of Carbon Bank shall cease.

(b) The Bank Merger shall be implemented pursuant to an agreement and plan of merger, in a form to be specified by Carbon and reasonably acceptable to Oxygen (the "Bank Merger Agreement"). In order to obtain the necessary regulatory approvals for the Bank Merger, the parties hereto shall cause the following to be accomplished prior to the filing of applications with any Governmental Entity for regulatory approval of the Bank Merger: (i) Oxygen shall cause Oxygen Bank to adopt the Bank Merger Agreement, Oxygen, as the sole shareholder of Oxygen Bank, shall approve the Bank Merger Agreement, and Oxygen shall cause the Bank Merger Agreement to be duly executed by Oxygen Bank and delivered to Carbon Bank and (ii) Carbon shall cause Carbon Bank to adopt the Bank Merger Agreement, Carbon, as the sole shareholder of Carbon Bank, shall approve the Bank Merger Agreement and Carbon shall cause the Bank Merger Agreement to be duly executed by Carbon Bank and delivered to Oxygen Bank. Oxygen shall cause Oxygen Bank, and Carbon shall cause Carbon Bank, to execute such certificates of merger and articles of combination and such other documents and certificates as are necessary to make the Bank Merger effective ("Bank Merger Certificates") at the appropriate time as determined pursuant to the first sentence of Section 1.12. The time that the Bank Merger occurs becomes effective pursuant to the foregoing sentence shall be the "Bank Merger Effective Time").

(c) The directors of the Surviving Bank shall, from and after the Bank Merger Effective Time consist of (i) the members of the Carbon Board of Directors at the Effective Time (or if the Bank Merger Effective Time occurs following the Effective Time, the members of the Carbon Board of Directors at such time), (ii) Nelson Chai and (iii) Joseph Otting, in each case, until their successors shall have been duly elected or appointed and qualified, or their earlier death, resignation or removal. Oxygen Bank's Board of Directors shall take all appropriate action so that at and after the Bank Merger Effective Time, Steven Mnuchin shall hold the office of Chairman of the Surviving Bank (which, for the avoidance of doubt, is not the Chairman of the Surviving Bank Board of Directors) and Joseph Otting shall hold the office of Chief Executive Officer and President of the Surviving Bank.

1.13 Tax Consequences. It is intended that the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that this Agreement is intended to be and is adopted as a "plan of reorganization" for the purposes of Sections 354 and 361 of the Code.

ARTICLE II

EXCHANGE OF EQUITY INTERESTS

2.1 Carbon to Make Shares and Cash Available. At or prior to the Effective Time, Carbon shall deposit, or shall cause to be deposited, with a bank or trust company designated by Carbon (the "Exchange Agent"), (i) for the benefit of the holders of vested Oxygen Common Interests, (A) Certificates representing the aggregate Per Interest Stock Consideration and (B) cash representing the sum of (1) the aggregate Per Interest Cash Consideration, (2) the aggregate Non-Accredited Investor Common Interest Consideration and (3) the aggregate amount of cash payable to such holders in lieu of fractional shares and (ii) for the benefit of holders of In-the-Money Oxygen Options, (A) Certificates representing the aggregate Per Option Stock Consideration and (B) cash representing the sum of (1) the aggregate Per Option Cash Consideration, (2) the aggregate Non-Accredited Investor Option Consideration and (3) the aggregate amount of cash payable to such holders in lieu of fractional shares (such cash and Certificates for shares of Carbon Common Stock, together with any dividends or distributions with respect thereto, being hereinafter referred to as the "Exchange Fund"), in each case for exchange in accordance with this Article II; provided that Carbon may deliver the cash portion of any consideration payable to a holder of Oxygen Options through its ordinary payroll systems in lieu of depositing such funds to the Exchange Agent as part of the Exchange Fund; provided, further that to effectuate the payment provisions set forth in Section 1.6, Electing Options will be treated as vested Common Interests for purposes of this Section 2.1, except that Carbon may pay the cash portion of any consideration payable to an Electing Option through its ordinary payroll systems in lieu of depositing such funds to the Exchange Agent as part of the Exchange Fund.

2.2 Exchange of Equity Interests.

(a) Between thirty (30) and sixty (60) days prior to the anticipated Closing Date, Carbon shall (A) mail or deliver to each holder of record of one or more Oxygen Common Interests as of the Business Day immediately prior to the date of such mailing or delivery that will be vested as of the anticipated Closing Date, (1) a letter of transmittal in a form reasonably satisfactory to Oxygen (which, among other things, shall specify that delivery shall be effected, and risk of loss and title to the Oxygen Common Interests shall pass, only upon proper delivery of the letter of transmittal to the Exchange Agent and include an agreement by such holder to the treatment of the Oxygen Common Interests pursuant to this Agreement and a release of claims against Oxygen and Carbon relating thereto, but shall not provide for any representations or warranties on the part of a Holder of Common Interests other than with respect to title to the Common Interests delivered and due authorization, execution and delivery of the Letter of Transmittal) (the "Letter of Transmittal"), (2) instructions for use in effecting the surrender of the Oxygen Common Interests in exchange for the Per Common Interest Merger Consideration or the Non-Accredited Common Interest Consideration, as applicable, and (3) an Investor Questionnaire and (B) mail or deliver to each holder of an Oxygen Option and each holder of an Oxygen Interest Award as of the Business Day immediately prior to the date of such mailing or delivery, (1) a Holder Acknowledgement (which, among other things, shall include an agreement by such holder to agree to the treatment of the Oxygen Options and Oxygen Interest Awards pursuant to this Agreement and a release of claims against Oxygen and Carbon relating thereto) and (2) an Investor Questionnaire. As soon as reasonably practicable after the Effective Time, the Exchange Agent or Carbon shall mail or deliver the appropriate documents referred to in the preceding sentence to any Holder who has not previously returned such materials to the Exchange Agent.

(b) Upon the later of (i) the Effective Time and (ii) delivery of a properly completed, duly executed Letter of Transmittal and a properly completed, duly executed Investor Questionnaire, or in the case of the holder of an In-the-Money Oxygen Option, a properly completed, duly executed Holder Acknowledgement and a properly completed, duly executed Investor Questionnaire, (A) the holder of vested Oxygen Common Interests shall be entitled to receive in exchange therefor, as applicable, promptly following the Effective Time (1) a Certificate representing that number of whole shares of Carbon Common Stock to which such holder of vested Oxygen Common Interests shall have become entitled pursuant to the provisions of Article I, if any, and (2) an amount of cash, including any cash in lieu of fractional shares which such holder has the right to receive pursuant to the provisions of Article I and this Article II and (B) the holder of such In-the-Money Oxygen Option shall be entitled to receive, promptly following the Effective Time (1) a Certificate representing that number of whole shares of Carbon Common Stock to which such holder of such In-the-Money Oxygen Option shall have become entitled pursuant to the provisions of Article I, if any, and (2) an amount of cash, including any cash in lieu of fractional shares which such holder has the right to receive in respect of such In-the-Money Oxygen Option pursuant to the provisions of Article I and this Article II, if any; provided that any cash due to a holder of Oxygen Common Interests or In-the-Money Oxygen Options shall be paid (x) if such amount is greater than or equal to $100,000, at the holder's election, by check or wire transfer and (y) if such amount is less than $100,000, by check; provided further that Carbon may deliver the cash portion of any consideration payable to a holder of an In-the-Money Oxygen Option through its ordinary payroll systems in lieu of delivery of a check or wire transfer. No interest will be paid or accrued on any cash to be paid to holders of Oxygen Common Interests or Oxygen Options, or cash in lieu of fractional shares.

(c) No dividends or other distributions declared with respect to Carbon Common Stock shall be paid to any holder who has not delivered in accordance with this Article II a properly completed, duly executed Letter of Transmittal and a properly completed, duly executed Investor Questionnaire, or in the case of the holder of an In-the-Money Oxygen Option, a properly completed, duly executed Holder Acknowledgement and a properly completed, duly executed Investor Questionnaire. After the delivery of such materials in accordance with this Article II, the record holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to the whole shares of Carbon Common Stock which the Oxygen Common Interests or Oxygen Options, as applicable, have been converted into the right to receive.

(d) If any Certificate representing shares of Carbon Common Stock is to be issued in, or cash is to be paid to, a name other than that in which the Oxygen Common Interests surrendered in exchange therefor is or are recorded, it shall be a condition of the issuance thereof that the Letter of Transmittal delivered with respect to such Oxygen Common Interests shall be accompanied by an appropriate instrument of transfer, and that the Person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other similar Taxes required by reason of the issuance of a Certificate representing shares of Carbon Common Stock in any name other than that of the record holder of the Oxygen Common Interests surrendered, or required for any other reason, or shall establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(e) After the Effective Time, there shall be no transfers on the books of Oxygen of Oxygen Common Interests that were issued and outstanding immediately prior to the Effective Time.

(f) Notwithstanding anything to the contrary contained herein, no Certificates representing fractional shares of Carbon Common Stock shall be issued in exchange for Oxygen Common Interests or in exchange for Oxygen Options, no dividend or distribution with respect to Carbon Common Stock shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a shareholder of Carbon. In lieu of the issuance of any such fractional share, Carbon shall pay to each former holder of vested Oxygen Common Interests or In-the-Money Oxygen Options who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the Carbon Closing Price by (ii) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of Carbon Common Stock which such holder would otherwise be entitled to receive pursuant to Section 1.4.

(g) Any portion of the Exchange Fund that remains unclaimed by the former holders of vested Oxygen Common Interest and In-the-Money Oxygen Options for twelve (12) months after the Effective Time shall be paid to Carbon; provided that if at any time prior to such date, any portion of the Exchange Fund that remains unclaimed would have to be delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws, the Exchange Agent shall first notify Carbon and, at Carbon’s option, such portion shall instead be paid to Carbon. Any former holder of vested Oxygen Common Interests or In-the-Money Oxygen Options who has not theretofore complied with this Article II shall thereafter look only to Carbon for payment of the Per Common Interest Merger Consideration, Per Option Merger Consideration, Non-Accredited Investor Common Interest Consideration, or Non-Accredited Investor Option Consideration, as applicable, and any unpaid dividends and distributions on the Carbon Common Stock deliverable in respect of each former Oxygen Common Interest or Oxygen Option such holder holds as determined pursuant to this Agreement, in each case, without any interest thereon. Notwithstanding the foregoing, none of Carbon, Oxygen, the Exchange Agent or any other Person shall be liable to any former holder of Oxygen Common Interests or Oxygen Options for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar Laws.

(h) Carbon shall be entitled to deduct and withhold, or cause the Exchange Agent to deduct and withhold, from the consideration otherwise payable pursuant to this Agreement to any holder of vested Oxygen Common Interests or In-the-Money Oxygen Options such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld by Carbon or the Exchange Agent, as the case may be, and paid over to the appropriate Governmental Entity, the withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Oxygen Common Interests or Oxygen Options in respect of which the deduction and withholding was made by Carbon or the Exchange

Agent, as the case may be. For purposes of this provision, all Taxes required to be withheld or deducted under the Code or any provision of state, local or foreign Tax Law in respect of a holder's In-the-Money Oxygen Options (including the Electing Options) (the "Option Withholding Amount") shall first be reduced from the aggregate Per Option Cash Consideration payable in respect of such In-the-Money Oxygen Options (the "Option Cash Amount") (or the Per Interest Cash Consideration in respect of an Electing Option if the holder of such Electing Option does not separately pay the Withholding Amount in cash). If the Option Withholding Amount exceeds the Option Cash Amount or Per Interest Cash Consideration, as applicable, the amount of the shortfall shall then reduce the Per Option Stock Consideration or Per Interest Stock Consideration, as applicable, to be received in respect of such Oxygen Options, with the value of such Per Option Stock Consideration or Per Interest Stock Consideration, as applicable, based on the closing-sale price of Carbon Common Stock on the NYSE as reported by The Wall Street Journal on the Closing Date.

(i) All shares of Carbon Common Stock received in the Merger shall bear a legend or legends (and appropriate comparable notations or other arrangements will be made with respect to any uncertificated shares) referencing restrictions on transfer of such shares of Carbon Common Stock under the Securities Act which legend shall state in substance:

> "The securities evidenced by this certificate have been issued and sold without registration under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States (a "State Act") in reliance upon certain exemptions from registration under said acts. The securities evidenced by this certificate cannot be sold, assigned or otherwise transferred within the United States unless such sale, assignment or other transfer is (i) made pursuant to an effective registration statement under the Securities Act and in accordance with each applicable State Act or (ii) exempt from, or not subject to, the Securities Act and each applicable State Act."

(j) Notwithstanding Section 2.2(i), the holder of any Certificate(s) for such shares of Carbon Common Stock shall be entitled to receive from Carbon new Certificates for a like number of shares not bearing such legend (or the elimination or termination of such notations or arrangements) upon the request of such holder at (i) such time as such restrictions are no longer applicable, and (ii) if required by Carbon, delivery of an opinion of counsel to such holder, which opinion is reasonably satisfactory in form and substance to Carbon, that the restriction referenced in such legend (or such notations or arrangements) is no longer required in order to ensure compliance with the Securities Act.

2.3 Holder Expense Fund. On the Closing Date, Carbon shall pay to the Holders' Representative or to such other persons (and in such amounts) as may be designated by the Holders' Representative, by wire transfer to an account or accounts designated by the Holders' Representative in writing prior to the Closing Date, immediately available funds in the amount of the Holder Expense Fund.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF OXYGEN

Except as Previously Disclosed by Oxygen, Oxygen hereby represents and warrants to Carbon and Merger Sub as follows:

3.1 Corporate Organization.

(a) Oxygen is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware, and is a bank holding company duly registered under the BHC Act. Oxygen has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted. Oxygen is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Oxygen. True and complete copies of the Organizational Documents of Oxygen, as amended through the date hereof have previously been Made Available by Oxygen to Carbon. The Oxygen Organizational Documents are in full force and effect and Oxygen is not in violation of any of their provisions.

(b) Each Oxygen Subsidiary (i) is duly organized and validly existing under the Laws of its jurisdiction of organization, (ii) is duly qualified to do business and, where such concept is recognized under applicable Law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be so qualified would reasonably be expected to have a Material Adverse Effect on Oxygen and (iii) has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of any Oxygen Subsidiary to pay dividends or distributions except, in the case of a Subsidiary that is a regulated entity, for restrictions on dividends or distributions generally applicable to all such regulated entities. The deposit accounts of each Subsidiary of Oxygen that is an insured depository institution are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by applicable Law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or threatened. Section 3.1(b) of the Oxygen Disclosure Schedule sets forth a true and complete list of all Subsidiaries of Oxygen and any joint ventures, partnerships or similar arrangements in which Oxygen or its Subsidiaries has a limited liability, partnership or other equity interest (and the amount and percentage of any such interest). True and complete copies of the Organizational Documents of each Oxygen Subsidiary, as amended through the date hereof, have previously been Made Available by Oxygen to Carbon. All such Organizational Documents are in full force and effect and Oxygen and its Subsidiaries are not in violation of any of their provisions.

3.2 Capitalization.

(a) As of the date of this Agreement, the authorized limited liability company interests of Oxygen consist of Oxygen Common Interests, Oxygen Converted Common Interests and Oxygen Profits Interests. As of immediately prior to the Effective Time and subject to the adoption of the amendment to the Oxygen LLC Agreement as contemplated by Section 6.5 (the "Amended Oxygen LLC Agreement"), the authorized limited liability company interests of Oxygen issued and outstanding will only consist of Oxygen Common Interests. As of the date of this Agreement, Oxygen has no limited liability company interests issued and outstanding, other than 16,160,812.78 Oxygen Common Interests issued and outstanding, 492,532.01 Oxygen Converted Common Interests and 4.7286% Oxygen Profits Interests. As of the date hereof, there are outstanding 325,405.68 options to purchase Common Interests, which if exercised in full would result in the issuance of 325,405.68 Oxygen Common Interests. Section 3.2(a)(i) of the Oxygen Disclosure Schedule sets forth a true, correct and complete list, as of the date hereof, of each Oxygen Holder, and the corresponding amount, of Oxygen Common Interests, options to purchase Common Interests, Oxygen Converted Common Interests and Oxygen Profits Interests held by such Oxygen Holder and if applicable, the exercise price, the number of Oxygen Common Interests issuable upon exercise thereof, the Profits Interest Percentage, the Threshold Value (as such terms are defined in the Oxygen LLC Agreement) and the vesting dates (and the amount subject to such vesting dates). Section 3.2(a)(ii) of the Oxygen Disclosure Schedule sets forth a pro forma version of the list referred to in the immediately preceding sentence that gives effect to Section 6.5(b) of this Agreement as if the conversions described therein were completed on the date hereof. All of the issued and outstanding Oxygen Common Interests, Oxygen Converted Common Interests, options to purchase Common Interests and Oxygen Profits Interests have been duly authorized and validly issued and are fully paid (to the extent required under the Oxygen LLC Agreement), nonassessable (except as such nonassessability may be affected by Sections 18-607 and 18-804 of the DLLCA and the Oxygen LLC Agreement) and free of preemptive rights. Other than options to purchase Common Interests set forth on Section 3.2(a)(i) of the Oxygen Disclosure Schedule, there are no outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements of any character relating to the issued or unissued limited liability company interests or other securities of Oxygen, or otherwise obligating Oxygen to issue, transfer, sell, purchase, redeem or otherwise acquire, any such limited liability company interests or other securities. There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which holders of limited liability company interests of Oxygen may vote and there are no contractual obligations of Oxygen or its Subsidiaries pursuant to which Oxygen or its Subsidiaries is or could be required to register any of the limited liability company interests or other equity ownership interests of Oxygen or its Subsidiaries or any other securities under the Securities Act.

(b) Oxygen owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity ownership interests of each of its Subsidiaries, free and clear of any Liens, and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal Liability attaching to the ownership thereof. No Oxygen Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

(c) Oxygen has received accredited investor questionnaires in the form set forth on Section 3.2(c)(i) of the Oxygen Disclosure Schedules from each Oxygen Holder set forth on Section 3.2(c)(ii) of the Oxygen Disclosure Schedule.

3.3 Authority; No Violation.

(a) Oxygen has full limited liability company power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, subject to the authorization of the Amended Oxygen LLC Agreement and the approval of the Bank Merger Agreement by the board of directors of Oxygen Bank. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, have been duly and validly approved by the Board of Directors of Oxygen and the requisite Oxygen Holders as required under Oxygen's Organizational Documents and the DLLCA, subject to the authorization of the Amended Oxygen LLC Agreement, and no other limited liability company proceedings on the part of Oxygen are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Oxygen and (assuming due authorization, execution and delivery by Carbon and Merger Sub) constitutes a valid and binding obligation of Oxygen, enforceable against Oxygen in accordance with its terms, except as may be limited by the Enforceability Exceptions.

(b) Neither the execution and delivery of this Agreement by Oxygen nor the consummation by Oxygen of the transactions contemplated hereby, nor compliance by Oxygen with any of the terms or provisions hereof, will (i) violate any provision of Oxygen's Organizational Documents or (ii) assuming that the consents and approvals referred to in Section 3.4 are duly obtained, (x) violate any Law applicable to Oxygen or any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Oxygen or any of its Subsidiaries under, any of the terms, conditions or provisions of any Contract or other instrument or obligation to which Oxygen or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (ii)(y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Oxygen. Without limitation of the foregoing, the allocation of the Net Merger Consideration set forth in Article I as well as the treatment of each of the Oxygen Common Interests (including Oxygen Interest Awards), Oxygen Converted Common Interests, Oxygen Profits Interests and options to purchase Common Interests set forth in this Agreement (including as a result of the Merger) complies in all respects with applicable Law, Oxygen's Organizational Documents, the applicable terms of any such securities and any Contracts with the Holders of any such securities.

3.4 Consents and Approvals. Except for (i) the filing of applications and notices, as applicable, with the NYSE, (ii) the filing of any required applications, filings and notices, as applicable, with (1) the Federal Reserve Board under the BHC Act, (2) the OCC, and approval of the foregoing applications, filings and notices, (iii) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware pursuant to the DLLCA, (iv) the filing of the Bank Merger Certificates, and (v) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" Laws of various states in connection with the issuance of the shares of Carbon Common Stock pursuant to this Agreement, no consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with (A) the execution and delivery by Oxygen of this Agreement or (B) the consummation by Oxygen of the Merger, the Bank Merger and the other transactions contemplated hereby.

3.5 Reports. Oxygen and each of its Subsidiaries have timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file since January 1, 2011 with (i) any state regulatory authority, (ii) the SEC, (iii) the Federal Reserve Board, (iv) the FDIC, (v) the OCC, (vi) the Office of Thrift Supervision, (vii) the CFPB, (viii) any foreign regulatory authority and (ix) any SRO ((i) – (ix), collectively "Regulatory Agencies"), including, without limitation, any report, registration or statement required to be filed pursuant to the Laws of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency in the ordinary course of the business of Oxygen and its Subsidiaries, no Regulatory Agency has initiated or has pending any Proceeding or, to the Knowledge of Oxygen, investigation into the business or operations of Oxygen or any of its Subsidiaries since January 1, 2011. There (x) is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Oxygen or any of its Subsidiaries and (y) has been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency with respect to the business, operations, policies or procedures of Oxygen or any of its Subsidiaries since January 1, 2011.

3.6 Financial Statements.

(a) Oxygen has previously Made Available to Carbon accurate and complete copies of (a) (i) Oxygen's audited consolidated balance sheet as of December 31, 2013, 2012, and 2011 and (ii) the related audited consolidated statements of income, equity and cash flows for the fiscal years ended December 31, 2013, 2012 and 2011 ((i) and (ii), the "Oxygen Audited Financial Statements") and (b) (i) Oxygen's unaudited consolidated balance sheet as of June 30, 2014 and the related (ii) unaudited consolidated statements of income, equity for the six (6) months ended June 30, 2014 ((i) and (ii), the "Oxygen Unaudited Financial Statements" and collectively with the Oxygen Audited Financial Statements, the "Oxygen Financial Statements"). The Oxygen Financial Statements (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Oxygen and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of Oxygen and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to recurring year-end audit adjustments normal in nature and amount) and (iii) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of Oxygen and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions. As of the date hereof, PricewaterhouseCoopers LLP has not resigned (or informed Oxygen that it intends to resign) or been dismissed as independent public accountants of Oxygen as a result of or in connection with any disagreements with Oxygen on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Neither Oxygen nor any of its Subsidiaries have any material Liability except for Liabilities (i) to the extent reflected or reserved against on the consolidated balance sheet of Oxygen as of June 30, 2014 (including any notes thereto) included in the Oxygen Financial Statements, (ii) incurred in the ordinary course of business consistent with past practice since June 30, 2014, (iii) incurred in connection with this Agreement and the transactions contemplated hereby or (iv) incurred pursuant to obligations arising under Oxygen Contracts, other than arising out of or resulting from a breach or default under such Oxygen Contracts. None of Oxygen or any of its Subsidiaries is a party to any material "off-balance sheet arrangements" as defined in Item 303(a)(4) of Regulation S-K. Section 3.6(b) of the Oxygen Disclosure Schedule sets forth a true and correct list of the reserves set forth therein as of June 30, 2014.

(c) The records, systems, controls, data and information of Oxygen and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Oxygen or its Subsidiaries or accountants (including all means of access thereto and therefrom) except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Oxygen's system of internal controls over financial reporting. Oxygen (x) has implemented and maintains disclosure controls and procedures (in accordance with the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA")) to ensure that material information relating to Oxygen, including its Subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer of Oxygen by others within those entities, and (y) has disclosed, based on its most recent evaluation prior to the date hereof, to Oxygen's outside auditors and the audit committee of Oxygen's Board of Directors (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (in accordance with FDICIA) which are reasonably likely to adversely affect Oxygen's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Oxygen's internal controls over financial reporting. These disclosures were made in writing by management to Oxygen's auditors and audit committee and a copy has previously been Made Available to Carbon.

(d) Since January 1, 2011, (i) neither Oxygen nor any of its Subsidiaries, nor, to the Knowledge of Oxygen, any director, officer, auditor, accountant or representative of it or any of its Subsidiaries, have received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Oxygen or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that Oxygen or any of its Subsidiaries has engaged in questionable accounting or auditing practices, procedures, or methodologies (including with respect to loan loss and other reserves, write-downs, charge-offs and accruals), and (ii) to the Knowledge of Oxygen, no attorney representing Oxygen or any of its Subsidiaries, whether or not employed by Oxygen or any of its Subsidiaries, has reported evidence of a material violation of applicable securities Laws, breach of fiduciary duty or similar violation by Oxygen or any of its officers, directors, employees or agents to the Board of Directors of Oxygen or any committee thereof or to any director or officer of Oxygen.

3.7 Broker's Fees. With the exception of the engagement of Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, neither Oxygen nor any Oxygen Subsidiary nor any of their respective officers or directors have employed any broker, finder or financial advisor or incurred any Liability for any broker's fees, commissions or finder's fees in connection with the Merger or other transactions contemplated by this Agreement. Oxygen has Made Available to Carbon a true, correct and complete copy of any engagement letter or other Contract between Oxygen and Goldman, Sachs & Co., and between Oxygen and Merrill Lynch, Pierce, Fenner & Smith, Incorporated relating to the Merger and the other transactions contemplated by this Agreement.

3.8 Absence of Certain Changes or Events.

(a) Since December 31, 2013 through the date hereof, no fact, change, event, occurrence, condition or development has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Oxygen.

(b) Since December 31, 2013 through the date hereof, (i) Oxygen and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course consistent with past practice, (ii) neither Oxygen nor its Subsidiaries has taken any action that would if taken after the date of this Agreement require Carbon's consent pursuant to Section 5.2(b), (c), (d), (f), (g), (i), (j), (k), (l), (m), (q), (s) or (t), (iii) neither Oxygen nor its Subsidiaries has engaged in any transaction or transactions (a "Prohibited Transaction") that were not contemplated in the Oxygen Budget with the intent to artificially accelerate earnings recognition, artificially increase the carrying value of an asset or artificially decrease the carrying value of a liability and (iv) neither Oxygen nor its Subsidiaries has changed any practices, methodologies, policies or assumptions (any such change a "Prohibited Practice") with the intent to artificially accelerate earnings recognition, artificially increase the carrying value of an asset or artificially decrease the carrying value of a liability.

3.9 Legal Proceedings.

(a) Neither Oxygen nor any of its Subsidiaries is a party to any, and there are no pending or, to Oxygen's Knowledge, threatened, material Proceedings against Oxygen or any of its Subsidiaries or any of their current or former directors or executive officers (whether or not such Proceedings are currently being tolled).

(b) There is no material injunction, order, judgment, decree, or regulatory restriction imposed upon Oxygen, any of its Subsidiaries or the assets of Oxygen or any of its Subsidiaries (or that, upon consummation of the Merger or the Bank Merger, would apply to Carbon or any of its Subsidiaries).

3.10 Taxes and Tax Returns.

(a) Each of Oxygen and its Subsidiaries has duly and timely filed (including all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects. Neither Oxygen nor any of its Subsidiaries is the beneficiary of any extension of time within which to file any material Tax Return (other than extensions to file Tax Returns obtained in the ordinary course). All material Taxes of Oxygen and its Subsidiaries (whether or not shown as due on any Tax Returns) have been fully and timely paid. Each of Oxygen and its Subsidiaries has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor, shareholder, independent contractor or other third party. The federal income Tax Returns of Oxygen and its Subsidiaries for all years to and including 2008 have been examined by the IRS or are Tax Returns with respect to which the applicable period for assessment under applicable Law, after giving effect to extensions or waivers, has expired. Neither Oxygen nor any of its Subsidiaries has received written notice of assessment or proposed assessment in connection with any material amount of Taxes, and there are no threatened in writing or pending disputes, claims, audits, examinations or other proceedings regarding any material Tax of Oxygen and its Subsidiaries or the assets of Oxygen and its Subsidiaries. Oxygen has Made Available to Carbon true and complete copies of any private letter ruling requests, opinions, closing agreements or gain recognition agreements with respect to Taxes requested or executed in the last six (6) years. Neither Oxygen nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Oxygen and its Subsidiaries, or any such agreement entered into in the ordinary course of business and that does not relate primarily to Taxes). Neither Oxygen nor any of its Subsidiaries (A) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was Oxygen) or (B) has any Liability for the Taxes of any Person (other than Oxygen or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of applicable state, local or foreign Law), as a transferee or successor, by Contract or otherwise. Neither Oxygen nor any of its Subsidiaries has been, within the past two years or otherwise as part of a "plan (or series of related transactions)" within the meaning of Section 355(e) of the Code of which the Merger is also a part, a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intending to qualify for tax-free treatment under Section 355 of the Code. Neither Oxygen nor any of its Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4(b)(2). At no time during the past five years has Oxygen been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code. Each of OneWest Bank Group LLC and OneWest Asset Management LLC is, and since the date of its formation has been, treated as an entity disregarded as separate from its owner pursuant to Treasury Regulation Section 301.7701-3 (and any similar provision of state or local Law).

3.11 Employee Benefit Matters.

(a) Section 3.11(a) of the Oxygen Disclosure Schedule lists all material Oxygen Benefit Plans. For purposes of this Agreement, the "Oxygen Benefit Plans" shall mean all employee benefit plans (as defined in Section 3(3) of ERISA), whether or not subject to ERISA, and all bonus, equity option, equity purchase, restricted equity, incentive, deferred compensation, welfare, retiree welfare, retirement supplemental retirement, termination, severance, retention, change-in-control, employment or other benefit plans, programs, contracts, agreements or arrangements to or with respect to which Oxygen or any Subsidiary or any trade or business of Oxygen or any of its Subsidiaries, whether or not incorporated, all of which together with Oxygen would be deemed a "single employer" within the meaning of Section 4001 of ERISA (a "Oxygen ERISA Affiliate"), is a party or has any current or future obligation or that are maintained, contributed to or sponsored by Oxygen or any of its Subsidiaries or any of their respective Oxygen ERISA Affiliates, in each case for the benefit of any current or former employee, officer, director or independent contractor of Oxygen or any of its Subsidiaries or any of their respective Oxygen ERISA Affiliates, but excluding any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

(b) Oxygen has heretofore Made Available to Carbon true and complete copies, as applicable, of (i) each material Oxygen Benefit Plan or, in the case of any material unwritten Oxygen Benefit Plan, a description of the material terms thereof, (ii) any trust agreements, insurance contracts or documents of any other funding arrangements related to any material Oxygen Benefit Plan, and such copies are true, correct and complete as of the date hereof, (iii) the Annual Reports (Form 5500 Series) and accompanying schedules for the each of the last two plan years, (iv) the current summary plan description and any modifications thereto for each material Oxygen Benefit Plan, (v) the annual financial and/or actuarial reports for each of the last two years, (vi) the most recent determination letter from the IRS, and (vii) all material correspondences with a Governmental Entity.

(c) Each Oxygen Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and the requirements of all applicable Laws, including ERISA and the Code. No Proceedings with respect to any Oxygen Benefit Plan is pending or, to the Knowledge of Oxygen, threatened, other than routine claims for benefits incurred in the ordinary course of business, and, to the Knowledge of Oxygen, no set of circumstances exists that may give rise to any such Proceedings against the Oxygen Benefit Plans, any fiduciaries thereof with respect to their duties to the Oxygen Benefit Plans or the assets of any of the trusts under any of the Oxygen Benefit Plans. Neither Oxygen nor any of its Subsidiaries has taken any corrective action or made any filings under any voluntary correction program of the IRS, Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity with respect to any Oxygen Benefit Plan, and, to the Knowledge of Oxygen, no circumstances exist that would qualify for such corrective action. None of the Oxygen Benefit Plans is under audit or investigation by the IRS, the Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity.

(d) Section 3.11(d) of the Oxygen Disclosure Schedule identifies each Oxygen Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the "Oxygen Qualified Plans"). The IRS has issued a favorable determination letter with respect to each Oxygen Qualified Plan and the related trust, which letter has not been revoked (nor has revocation been threatened), and, to the Knowledge of Oxygen, there are no existing circumstances and, no events have occurred that could adversely affect the qualified status of any Oxygen Qualified Plan or the related trust or increase the costs relating thereto. No trust funding any Oxygen Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the Code.

(e) Each Oxygen Benefit Plan that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) and any award thereunder, in each case that is subject to Section 409A of the Code, has (i) since March 19, 2009, been maintained and operated, in all material respects, in good faith compliance with Section 409A of the Code and IRS Notice 2005-1 and (ii) since March 19, 2009, been, in all material respects, in documentary and operational compliance with Section 409A of the Code. All options to purchase Common Interests have been granted with a per share exercise or reference price at least equal to the fair market value of the underlying equity on the date of grant, within the meaning of Section 409A of the Code.

(f) None of Oxygen and its Subsidiaries nor any of their respective Oxygen ERISA Affiliates has ever maintained, sponsored, contributed to or been obligated to contribute to (i) any plan that is subject to Title IV or Section 302 of ERISA or Section 412, 430 or 4971 of the Code , (ii) any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA (a "Multiemployer Plan"), (iii) any plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA (a "Multiple Employer Plan") or (iv) any plan that provides for post-retirement medical, life insurance or other welfare-type benefits (other than as required by Section 4980B of the Code). None of Oxygen and its Subsidiaries nor any of their respective Oxygen ERISA Affiliates has incurred, nor do any circumstances exist that could result in, any liability (i) under Title IV or Section 302 of ERISA, (ii) under Sections 412, 430 or 4971 of the Code, (iii) as a result of a complete or partial withdrawal (as those terms are defined in Part I of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan, (iv) as a result of a failure to comply with the continuation coverage requirements of Section 601 *et seq*. of ERISA and Section 4980B of the Code, or (v) under corresponding or similar provisions of foreign laws.

(g) All contributions required to be made to any Oxygen Benefit Plan under applicable Law or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Oxygen Benefit Plan, for any period through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Oxygen in accordance with GAAP.

(h) None of Oxygen and its Subsidiaries nor any of their respective ERISA Affiliates nor any other person, including any fiduciary, has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) that could subject any of the Oxygen Benefit Plans or their related trusts, Oxygen, any of its Subsidiaries, any of their respective ERISA Affiliates or any person that Oxygen or any of its Subsidiaries has an obligation to indemnify, to any material tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA.

(i) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the vesting, exercisability or delivery of, or increase in the amount or value of, any payment, right or other benefit to any current or former employee, officer, director or other service provider of Oxygen or any of its Subsidiaries, or result in any limitation on the right of Oxygen or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Oxygen Benefit Plan or related trust. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by Oxygen or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code. Neither Oxygen nor any of its Subsidiaries maintains or contributes to a rabbi trust or similar funding vehicle, and the transactions contemplated by this Agreement will not cause or require Oxygen or any of its affiliates to establish or make any contribution to a rabbi trust or similar funding vehicle. No Oxygen Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 4999 or 409A of the Code, or otherwise.

(j) Since January 1, 2011, there has been no pending or, to Oxygen's Knowledge, threatened material labor grievances or material unfair labor practice claims or charges against Oxygen or any of its Subsidiaries, or any strikes or other material labor disputes against Oxygen or any of its Subsidiaries. As of the date hereof, neither Oxygen nor any of its Subsidiaries are party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to employees of Oxygen or any of its Subsidiaries and, to the Knowledge of Oxygen, there are no organizing efforts by any union or other group seeking to represent any employees of Oxygen or any of its Subsidiaries.

(k) Oxygen and its Subsidiaries have complied in all material respects with all applicable Laws regarding (i) employment, including employment practices, employee classification, labor relations, health and safety, wages, hours and terms and conditions of employment and fair labor standards and (ii) the payment and withholding of Taxes and other amounts in respect of their employment of current and former employees, officers, directors or other service providers of Oxygen and its Subsidiaries, and none of Oxygen or any of its Subsidiaries is liable for arrears of wages, taxes, penalties or other sums for failure to comply with such applicable Laws.

3.12 Compliance with Applicable Law.

(a) Oxygen and each of its Subsidiaries hold, and have at all times since January 1, 2011, held, all material licenses, franchises, permits and authorizations ("Permits") necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), and, to the Knowledge of Oxygen, no suspension or cancellation of any such Permit is threatened. Since January 1, 2011 Oxygen and each of its Subsidiaries have complied in all material respects with and are not in material default or violation under any applicable Law relating to Oxygen or any of its Subsidiaries, including without limitation all Laws related to data protection or privacy, the USA PATRIOT Act, the

Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other Law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act.

(b) Without limitation, since January 1, 2011, none of Oxygen, or its Subsidiaries, or any director, officer, employee, agent or other Person acting on behalf of Oxygen or any of its Subsidiaries has, directly or indirectly, (i) used any funds of Oxygen or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity; (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Oxygen or any of its Subsidiaries; (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar Law; (iv) established or maintained any unlawful fund of monies or other assets of Oxygen or any of its Subsidiaries; (v) made any fraudulent entry on the books or records of Oxygen or any of its Subsidiaries; (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for Oxygen or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Oxygen or any of its Subsidiaries or (vii) to the Knowledge of Oxygen, is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(c) Since January 1, 2011, Oxygen and each of its Subsidiaries has properly administered all accounts for which Oxygen or any of its Subsidiaries acts as a fiduciary, including accounts for which Oxygen or any of its Subsidiaries serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment adviser, in accordance with the terms of the governing documents and applicable Law in all material respects, and none of Oxygen or any of its Subsidiaries has received written notice of any failure to properly administer any accounts for which it acts as a fiduciary. Since January 1, 2011, none of Oxygen or any of its Subsidiaries, or any director, officer, or employee of Oxygen or its Subsidiaries, has committed any breach of trust with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account.

(d) As of December 31, 2013, Oxygen and each insured depositary Subsidiary of Oxygen is “well-capitalized” (as that term is defined in the relevant regulation of the institution’s primary federal bank regulator), and the institution’s rating under the Community Reinvestment Act of 1997 is no less than “satisfactory.”

3.13 Certain Contracts.

(a) Except as set forth in Section 3.13(a) of the Oxygen Disclosure Schedule, as of the date hereof, neither Oxygen nor any of its Subsidiaries is a party to or bound by any Contract:

(i) with respect to the employment of any directors, officers or employees, other than in the ordinary course of business consistent with past practice;

(ii) which, upon the execution or delivery of this Agreement or the consummation of the transactions contemplated by this Agreement will result in any payment (whether of severance pay or otherwise) becoming due from Carbon, Oxygen, or any of their respective Subsidiaries to any officer or employee thereof;

(iii) that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(iv) that contains a non-compete or client or customer non-solicit requirement that restricts the conduct of Oxygen or any of its Subsidiaries or following the Closing will restrict the conduct of Carbon or any of its Subsidiaries;

(v) that obligates Oxygen or its Subsidiaries, or following the Closing, Carbon or any of its Subsidiaries, to conduct business with any third party on a preferential or exclusive basis or which contains "most favored nation" or similar covenants (other than any such Contracts that will not obligate Carbon or any of its Subsidiaries following the Closing (other than Oxygen and its Subsidiaries) or which are terminable by Oxygen or any of its Subsidiaries on sixty (60) days or less notice without any material required payment or other material conditions, other than the condition of notice);

(vi) with or to a labor union or guild (including any collective bargaining agreement);

(vii) that relates to the incurrence of indebtedness by Oxygen or any of its Subsidiaries in the principal amount of $1,000,000 or more, including any sale and leaseback transactions, capitalized leases and other similar financing transactions;

(viii) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of Oxygen or its Subsidiaries;

(ix) that relates to the acquisition or disposition of any assets or business with a book value or purchase price in excess of $10,000,000 (whether by merger, sale of stock, sale of assets or otherwise), excluding the acquisition or disposition of loans (which, for the avoidance of doubt, are addressed solely in Section 3.13(a)(x));

(x) that relates to the acquisition or disposition of any loan with a book value or purchase price in excess of $10,000,000, which acquisition or disposition is pending or is otherwise not reflected on the Oxygen Interim Unaudited Financial Statements;

(xi) that is a loss share agreement with the FDIC (a "Loss Share Agreement") or any other Contract with the FDIC with rights or Liabilities that are material in respect of the transactions between Oxygen and its Subsidiaries, on the one hand, and the FDIC, on the other hand, in respect of (1) IndyMac Bank F.S.B., (2) La Jolla Bank, FSB or (3) First Federal Bank of California, F.S.B. (collectively with the Loss Share Agreements, the "FDIC Agreements");

(xii) that is a Contract with Fannie Mae or Freddie Mac that is material in respect of the relationship between Oxygen and its Subsidiaries, on the one hand, and Fannie Mae or Freddie Mac, on the other hand (collectively, the "GSE Agreements");

(xiii) that is a Contract with Ginnie Mae, HUD, the USDA, the VA or any other federal or state Governmental Entity that insures or guarantees residential mortgage Loans and/or residential mortgage backed securities (each a "Governmental Insurer");

(xiv) with respect to the performance by Oxygen or its Subsidiaries of Loan servicing with any outstanding obligations that are material to Oxygen and its Subsidiaries (the "Servicing Agreements");

(xv) that obligates Oxygen or any of its Subsidiaries to indemnify or hold harmless any director or executive officer of Oxygen or any of its Subsidiaries (other than the organizational documents of Oxygen or its Subsidiaries);

(xvi) that involved the payment of more than $1,000,000 by Oxygen and its Subsidiaries in the twelve month period ending July 30, 2014 or that is expected to in the twelve month period ending December 31, 2014 (other than any such Contracts which are terminable by Oxygen or any of its Subsidiaries on sixty (60) days or less notice without any required payment or other material conditions, other than the condition of notice);

(xvii) that is a settlement agreement other than (A) releases immaterial in nature or amount entered into in the ordinary course of business with the former employees of Oxygen or its Subsidiaries or independent contractors in connection with the routine cessation of such employee's or independent contractor's employment or (B) agreements the performance of which does not involve any payment after June 30, 2014 and does not impose any injunctive or other similar restrictions on Oxygen or its Subsidiaries;

(xviii) that (A) grants Oxygen or one of its Subsidiaries any right to use any material Intellectual Property (other than "shrink-wrap," "click-wrap" or "web-wrap" licenses in respect of commercially available software), (B) permits any third person to use, enforce or register any material Intellectual Property owned by Oxygen or its Subsidiaries (other than non-exclusive licenses to end-users or customers in the ordinary course of business) or (C) restricts the right of Oxygen or one of its Subsidiaries to use or register any material Intellectual Property owned by Oxygen or its Subsidiaries; or

(xix) that relates to a material joint venture, partnership, limited liability company agreement or other similar agreement or arrangement with any third party, or the formation, creation or operation, management or control of any material partnership or joint venture with any third party.

Each Contract of the type described in this Section 3.13(a), whether or not set forth in the Oxygen Disclosure Schedule, is referred to herein as an "Oxygen Contract." Oxygen has Made Available to Carbon prior to the date of this Agreement a complete and correct copy of each Oxygen Contract, including all amendments, modifications and supplements thereto as in effect on the date of this Agreement.

(b) Each Oxygen Contract is in full force and effect and is valid and binding on Oxygen or one of its Subsidiaries, as applicable, and to Oxygen's Knowledge the other parties thereto, enforceable against Oxygen and its subsidiaries and, to Oxygen's Knowledge, the other parties thereto in accordance with its terms, except as may be limited by the Enforceability Exceptions. Neither Oxygen nor any of its Subsidiaries is, nor, to Oxygen's Knowledge, is any other party, in breach, default or violation (and no event has occurred or not occurred through Oxygen's or any of its Subsidiaries' action or inaction or, to Oxygen's Knowledge, through the action or inaction of any third party, that with notice or the lapse of time or both would constitute a breach, default or violation) of any term, condition or provision of any Oxygen Contract. There are no disputes pending or, to Oxygen's Knowledge, threatened with respect to any Oxygen Contract and neither Oxygen nor any of its Subsidiaries has received any written notice of the intention of any other party to an Oxygen Contract to terminate for default, convenience or otherwise any Oxygen Contract, nor to Oxygen's Knowledge, is any such party threatening to do so.

3.14 Agreements with Regulatory Agencies.

(a) Except for (a) the Consent Order for Oxygen, dated March 21, 2014, (b) the Consent Order for Oxygen Bank, dated March 6, 2014 and (c) the related Consent Orders for Oxygen and Oxygen Bank dated April 13, 2011 (the "Consent Orders"), neither Oxygen nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been since January 1, 2011, a recipient of any supervisory letter from, or since January 1, 2011, has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Oxygen Disclosure Schedule, an "Oxygen Regulatory Agreement"), nor has Oxygen or any of its Subsidiaries been advised since January 1, 2011, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Oxygen Regulatory Agreement. Except as set forth on Section 3.14 of the Oxygen Disclosure Schedule, as of the date of this Agreement, Oxygen and its Subsidiaries have completed all actions (other than the completion of internal audits) required under the Consent Orders.

(b) Except as set forth in Section 3.14(b) of the Oxygen Disclosure Schedule, neither Oxygen nor any of its Subsidiaries has been ordered to pay any civil monetary penalty by any Regulatory Agency or other Governmental Entity, nor have Oxygen or any of its Subsidiaries been advised by any Regulatory Agency or other Governmental Entity that it is considering ordering any civil monetary penalty.

3.15 Risk Management Instruments. All interest rate swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative transactions, whether entered into for the account of Oxygen, any of its Subsidiaries or for the account of a customer of Oxygen or one of its Subsidiaries, were entered into in the ordinary course of business and, in all material respects, in accordance with applicable rules, regulations and policies of any Regulatory Agency with competent jurisdiction and with counterparties believed to be financially responsible at the time and are legal, valid and binding obligations of Oxygen or one of its Subsidiaries enforceable in accordance with their terms except as may be limited by the Enforceability Exceptions, and are in full force and effect. Oxygen and each of its Subsidiaries have duly performed in all material respects all of their material obligations thereunder to the extent that such obligations to perform have accrued, and, to Oxygen's Knowledge, there are no material breaches, violations or defaults or allegations or assertions of such by any party thereunder.

3.16 Environmental Liability.

(a) Except as has not had and would not, individually or in the aggregate, reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole, (i) Oxygen and its Subsidiaries are in compliance with, and since January 1, 2011 have complied with, all applicable Environmental Laws; (ii) there are no Proceedings seeking to impose, or that could reasonably result in the imposition, on Oxygen or any of its Subsidiaries of any Liability or obligation arising under any Environmental Law, or to the Knowledge of Oxygen, pending or threatened against Oxygen; (iii) Oxygen is not subject to any agreement, order, judgment, decree, by or with any court, governmental authority, regulatory agency or third party imposing any Liability or obligation with respect to Environmental Laws; (iv) to the Knowledge of Oxygen, no Hazardous Substance is present at, on, in or under any property currently or formerly owned or leased by Oxygen or its Subsidiaries that could reasonably result in the imposition, on Oxygen or any of its Subsidiaries of any Liability or obligation arising under any applicable Environmental Law; and (v) neither Oxygen nor any of its Subsidiaries has assumed by contract, undertaken or provided an indemnity with respect to or otherwise become subject to any Liability of any other Person specifically relating to any Environmental Law or concerning Hazardous Substances.

(b) Oxygen has Made Available to Carbon copies of all environmental reports, studies and assessments prepared within the past five years that are in the possession or under the reasonable control of Oxygen or its Subsidiaries pertaining to Releases or compliance with, or Liabilities under, Environmental Laws, in each case with respect to Owned Real Property or real property leased pursuant to a Real Property Lease and that individually, or in the aggregate, would reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole.

3.17 Investment Securities and Commodities.

(a) Each of Oxygen and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements), free and clear of any Lien (other than Permitted Encumbrances) except to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of Oxygen or its Subsidiaries.

(b) Oxygen and its Subsidiaries and their respective businesses employ investment, securities, commodities, risk management and other policies, practices and procedures that Oxygen believes are prudent and reasonable in the context of such businesses.

3.18 Property.

(a) Oxygen has good, valid, and marketable title to, or in the case of leased personal property assets, valid leasehold interests in, all material tangible personal property currently used in the operation of the business of Oxygen and its Subsidiaries free and clear of any Liens, except Permitted Encumbrances. The material tangible personal property currently used in the operation of the business of Oxygen and its Subsidiaries is in good working order (reasonable wear and tear excepted).

(b) Section 3.18(b) of the Oxygen Disclosure Schedule sets forth a list of all real properties that are the subject of a Real Property Lease as of the date hereof. Each of the lease agreements for real property to which Oxygen or any of its Subsidiaries is bound or which relates to real property operated or utilized by Oxygen or any of its Subsidiaries (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, individually, a "Real Property Lease") are in full force and effect and, to Oxygen's Knowledge, are enforceable against the landlord which is party thereto in accordance with its terms (except as enforcement may be limited by the Enforceability Exceptions), and there are no material defaults or events of default (or any event that with notice or lapse of time or both would become a material default or event of default) on the part of Oxygen or any of its Subsidiaries, and to Oxygen's Knowledge, by any other party, under such lease agreements. Oxygen's or its Subsidiaries' possession and quiet enjoyment of the leased real property under such Real Property Lease has not been disturbed, and to Oxygen's Knowledge, there are no disputes with respect to any such Real Property Lease, except for such disturbances or disputes that, individually or in the aggregate, would not reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole.

(c) Section 3.18(c) of the Oxygen Disclosure Schedule sets forth a list of all real property owned by Oxygen and its Subsidiaries ("Owned Real Property"). Oxygen or one of its Subsidiaries has valid and marketable title to the Owned Real Property, including all appurtenances thereto and fixtures thereon, free and clear of any and all Liens except Permitted Encumbrances. There is no purchase right, purchase option, right of first refusal or right of first offer with respect to the Owned Real Property or any portion thereof. There are no pending or, to Oxygen's Knowledge, threatened condemnation proceedings against any Owned Real Property.

3.19 Intellectual Property.

(a) Section 3.19(a) of the Oxygen Disclosure Schedule sets forth, in each case as of the date hereof, an accurate and complete list of all: United States and foreign issued Patents, pending Patent applications, registered Marks, pending applications for registration of Marks, registered Copyrights, and Internet domain names owned by Oxygen or any of its Subsidiaries (the foregoing being, collectively, the "Oxygen Registered Intellectual Property"). No registrations or applications for material Oxygen Registered Intellectual Property have expired or been canceled or abandoned except in accordance with the expiration of the term of such rights or in the ordinary course of business.

(b) Except as set forth on Section 3.19(b) of the Oxygen Disclosure Schedule, Oxygen and its Subsidiaries own all right, title, and interest to, or otherwise have a valid and enforceable right to use all Intellectual Property necessary for or used in the conduct of the business of Oxygen and its Subsidiaries as currently conducted, except as would not reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole. All material Intellectual Property owned by Oxygen and its Subsidiaries is owned free and clear of all Liens (except for Permitted Encumbrances).

(c) The conduct of the business of Oxygen and its Subsidiaries as currently conducted does not infringe, violate or constitute misappropriation of any Intellectual Property of any third Person except for such infringements, violations and misappropriations that, individually or in the aggregate, would not reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole.

(d) To the Knowledge of Oxygen, no third Person is infringing, violating, or misappropriating any material Intellectual Property owned by Oxygen or its Subsidiaries. There is no (i) pending claim or (ii) asserted claim in writing (including any "cease and desist" letters and invitations to license) that Oxygen or any Subsidiary has infringed, violated or misappropriated, or is infringing or violating any Intellectual Property rights of any third Person, except for such claims that, if adversely determined, would not reasonably be expected to be material to Oxygen and its Subsidiaries, taken as a whole.

(e) Oxygen and its Subsidiaries have taken commercially reasonable measures to protect the confidentiality of the material Trade Secrets of Oxygen and its Subsidiaries and third party confidential information provided to Oxygen or any Subsidiary that Oxygen or such Subsidiary is obligated to maintain in confidence.

3.20 Related Party Transactions. Except as set forth in Section 3.20 of the Oxygen Disclosure Schedule, there are no transactions or series of related transactions, Contracts, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions, between Oxygen or any of its Subsidiaries, on the one hand, and any current or former director or "executive officer" (as defined in Rule 3b-7 under the Exchange Act) of Oxygen or any of its Subsidiaries or any Oxygen Holder (or any of such Person's immediate family members or Affiliates) on the other hand, except those of a type available to employees of Oxygen or its Subsidiaries generally.

3.21 State Takeover Laws. The Board of Directors of Oxygen has taken all actions that may be required to render inapplicable to this Agreement and the transactions contemplated hereby any "moratorium," "control share," "fair price," "takeover" or "interested shareholder" Law (any such Laws, "Takeover Statutes"). No Takeover Statutes will prohibit, restrict or impair the performance of Oxygen's obligations under this Agreement.

3.22 Oxygen Information. The information relating to Oxygen and its Subsidiaries which is provided by Oxygen or its representatives for inclusion in any document filed with any Governmental Entity in connection with the transactions contemplated by this Agreement, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

3.23 Loan Matters.

(a) Each Oxygen Loan originated by Oxygen and its Subsidiaries and, to the Knowledge of Oxygen, each other Oxygen Loan has been solicited and originated and, during the period of time such Oxygen Loan was originated, held or serviced by Oxygen or its Subsidiaries, was administered and serviced, and the relevant loan files were maintained, in all material respects in accordance with the relevant Loan documents, the underwriting standards of the originating bank and, in the case of such Oxygen Loans held for resale to investors, the underwriting standards, if any, of the applicable investors and with all applicable requirements of Law, applicable GSE Requirements, Governmental Insurer Requirements and Investor/Insurer Requirements.

(b) Except as set forth in Section 3.23(a)(i) of the Oxygen Disclosure Schedule, Oxygen is not bound by an agreement pursuant to which Loans or pools of Loans or participations in Loans have been sold that contains any obligation of Oxygen or any of its Subsidiaries to repurchase such Loans or interests therein solely on account of a payment default by the obligor on any such Loan. Section 3.23(b) of the Oxygen Disclosure Schedule sets forth a true and correct report as regarding the current status of (A) repurchase requests received by Oxygen or any of its Subsidiaries to repurchase any Loan or interests therein serviced by Financial Freedom, and (B) Oxygen's and its Subsidiaries' reserves in respect of potential repurchase requests to repurchase any Loan or interests therein, in each case by any GSE, Governmental Insurer, private mortgage insurer or investor.

(c) Each of Oxygen and its Subsidiaries, as applicable, is approved by and is in good standing: (i) as a supervised mortgagee by HUD to originate and service Title I FHA mortgage Loans; (ii) by the VA to originate and service VA Loans; (iii) as a seller/servicer by Fannie Mae and Freddie Mac and (iv) by Ginnie Mae to issue mortgage backed securities.

(d) None of Oxygen or any of its Subsidiaries is now nor has been since January 1, 2011 subject to any material fine, suspension, settlement or other agreement or other administrative agreement or sanction by, or any reduction in any Loan purchase commitment from, any GSE or Governmental Insurer relating to the origination, sale or servicing of mortgage or consumer Loans. Oxygen has not received any written notice, nor does it have any reason to believe, that any GSE proposes to limit or terminate the underwriting authority of Oxygen and its Subsidiaries or to increase the guarantee fees payable to any GSE or Governmental Insurer.

(e) Since March 19, 2009, except as would not reasonably be expected to be, individually or in the aggregate, material to Oxygen or its Subsidiaries, taken as a whole, each of Oxygen and its Subsidiaries has been in compliance with all applicable federal, state and local Laws, rules and regulations and related regulatory guidance, including the Truth-In-Lending Act and Regulation Z, the Equal Credit Opportunity Act and Regulation B, the Real Estate Settlement Procedures Act and Regulation X, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act and all GSE Requirements, Governmental Insurer Requirements and Investor/Insurer Requirements.

(f) Each Loan included in a pool of Loans originated, securitized or, to the Knowledge of Oxygen, acquired by Oxygen or any of its Subsidiaries (a "Pool") meets all eligibility requirements (including all applicable requirements for obtaining mortgage insurance certificates and Loan guaranty certificates) for inclusion in such Pool. All such Pools have been finally certified or, if required, recertified in accordance with all applicable Laws, rules and regulations, except where the time for certification or recertification has not yet expired. No Pools have been improperly certified, and no Loan has been bought out of a Pool without all required approvals of the applicable investors.

(g) Each Oxygen Loan that is a mortgage Loan or reverse mortgage Loan is evidenced by a mortgage note or other valid and enforceable documentation and is duly secured by a valid first lien or subordinate lien on the related mortgaged property, in each case, on such forms and with terms that comply with applicable Law. Each such mortgage note and the related mortgage is genuine and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms, except as may be limited by the Enforceability Exceptions.

(h) The Advances, net of reserves, are valid and subsisting amounts owing to Oxygen and its applicable Subsidiary and are carried on the books of Oxygen or the applicable Subsidiary at values determined in accordance with GAAP, and are not subject to setoffs or claims arising from acts or omissions of Oxygen or any of its Subsidiaries. No GSE, Governmental Insurer, private mortgage insurer or investor has claimed any defense, offset or counterclaim to repayment of any Advance that is pending.

3.24 Loan Portfolio.

(a) As of December 31, 2013, none of Oxygen or its Subsidiaries is a party to a Loan, including any Loan guaranty, with any director, executive officer or 5% Oxygen Holder or any Affiliate of any of the foregoing other than as disclosed on 3.24(a) of the Oxygen Disclosure Schedule. All Loans that have been made by Oxygen or its Subsidiaries that are subject to Section 22(h) of the Federal Reserve Act, as amended, or to Regulation O of the Federal Reserve Board (12 C.F.R. Part 215) comply therewith.

(b) Section 3.24(b) of the Oxygen Disclosure Schedule sets forth a listing, as of December 31, 2013, by account (and specifying for any such Loan the Loss Share Agreement, if any, to which it is subject) of: (A) all Oxygen Loans (including participations) with an unpaid principal balance of $10 million or more that have been accelerated by Oxygen or its Subsidiaries during the past twelve months; (B) all Loan commitments or lines of credit of Oxygen and its Subsidiaries in an amount of $10 million or more that have been terminated by Oxygen or its Subsidiaries during the past twelve months by reason of a default or adverse developments in the condition of the borrower or other events or circumstances affecting the credit of the borrower; (C) each borrower, customer or other party which has notified Oxygen or its Subsidiaries during the past twelve months of, or has asserted against Oxygen, in each case in writing, any "lender liability" or similar claim, and, to the Knowledge of Oxygen, each borrower, customer or other party which has given Oxygen or its Subsidiaries any oral notification of, or orally asserted to or against Oxygen or any of its Subsidiaries, any such claim; (D) all Oxygen Loans, (1) that are contractually past due ninety (90) days or more in the payment of principal and/or interest, (2) that are on non-accrual status, (3) that are classified as "Other Loans Specially Mentioned," "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Watch list" or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the identity of the obligor thereunder or (4) where a specific reserve allocation exists in connection therewith; and (E) all assets classified by Oxygen and its Subsidiaries as real estate acquired through foreclosure or in lieu of foreclosure, including in-substance foreclosures, and all other assets currently held that were acquired through foreclosure or in lieu of foreclosure.

(c) Section 3.24(c) of the Oxygen Disclosure Schedule sets forth a listing, as of the dates set forth therein, by account (and specifying for any such Loan the Loss Share Agreement, if any, to which it is subject) of all Oxygen Loans where the interest rate terms have been reduced and/or the maturity dates have been extended subsequent to the agreement under which the Loan was originally created due to concerns regarding the borrower's ability to pay in accordance with such initial terms.

(d) Oxygen has previously Made Available to Carbon, certain files on which information regarding the Oxygen Loans is recorded (the "Tapes"). The information contained in the Tapes is true and accurate in all material respects as of the date specified therein.

(e) Oxygen has previously Made Available to Carbon a copy of the Oxygen Bank N.A. SFR Asset Management March 2013 Loss Share Review Report dated June 27, 2014 (the "Loss Share Review"). The information contained in the Loss Share Review is true and accurate in all material respects as of June 27, 2014. To the Knowledge of Oxygen, neither

Oxygen nor any of its Subsidiaries has been underpaid or overpaid any amounts under the Loss Share Agreements that have not otherwise been corrected. Section 3.24(e) of the Oxygen Disclosure Schedule set forth a true and correct report regarding the status as of June 30, 2014 of all claims for indemnification or, in the case of the FDIC Agreements, reimbursement that have been submitted by Oxygen or its Subsidiaries pursuant to any of the FDIC Agreements (other than the Loss Share Agreements) or GSE Agreements that have not been paid in full in the ordinary course, including the corresponding dollar amount of each such claim.

3.25 Insurance. Section 3.25 of the Oxygen Disclosure Schedule lists each material insurance policy maintained by or on behalf of Oxygen and its Subsidiaries as of the date hereof and a true and complete copy of each such policy has been Made Available to Carbon prior to the date hereof. All premiums due in respect of such insurance policies have been paid in full. All of such insurance policies are in full force and effect, and neither Oxygen nor any Subsidiary is in material default with respect to any of its obligations under any of such insurance policies. To the Knowledge of Oxygen, as of the date of this Agreement, (i) there is no threatened termination of, or threatened material premium increase with respect to, any of such policies other than increases in connection with Oxygen's annual renewal process and (ii) there is no material claim pending regarding Oxygen or any of its Subsidiaries under any of such policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies.

3.26 Reorganization. Oxygen has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CARBON AND MERGER SUB

Except (i) as Previously Disclosed by Carbon or (ii) as disclosed in any Carbon Reports publicly filed under Sections 13(a), 14(a) or 15(d) of the Exchange Act by Carbon with the SEC since December 31, 2013, and prior to the date hereof (but disregarding risk factor disclosures contained under the heading "Risk Factors," or disclosures of risks set forth in any "forward-looking statements" disclaimer or any other statements that are similarly non-specific or cautionary, predictive or forward-looking in nature), Carbon and Merger Sub hereby represent and warrant to Oxygen as follows:

4.1 Corporate Organization.

(a) Carbon is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and is a bank holding company and financial holding company duly registered under the BHC Act and meets applicable requirements for qualification as such. Carbon has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted. Carbon is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Carbon.

(b) Merger Sub is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Merger Sub has not conducted any business prior to the date of this Agreement and has no, and prior to the Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Merger and the other transactions contemplated by this Agreement.

4.2 Capitalization.

(a) The authorized capital stock of Carbon consists of 600,000,000 shares of Carbon Common Stock (par value $0.01 per share) and 100,000,000 shares of preferred stock (par value $0.01 per share). As of June 30, 2014 there are (a) no shares of preferred stock issued or outstanding, (b) 203,092,918 shares of Carbon Common Stock issued and outstanding, which number includes 2,965,280 restricted shares of Carbon Common Stock granted under a Carbon Stock Plan (a "Carbon Restricted Stock Award"), (c) 17,447,692 shares of Carbon Common Stock held in treasury, (d) 59,095 shares of Carbon Common Stock reserved for issuance upon the exercise of options granted by Carbon to purchase shares of Carbon Common Stock under a Carbon Stock Plan (as defined below) ("Carbon Stock Options"), (e) 2,338,561 shares of Carbon Common Stock reserved for issuance upon the vesting of restricted stock units or performance share units granted under a Carbon Stock Plan ("Carbon Restricted Stock Units"), assuming in the case of performance share units that performance goals are satisfied at target levels and (f) no other shares of capital stock or other voting securities of Carbon issued, reserved for issuance or outstanding. For purposes of this Agreement, the "Carbon Stock Plans" means the Carbon Amended and Restated Long-Term Incentive Plan. All of the issued and outstanding shares of Carbon Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal Liability attaching to the ownership thereof.

(b) The Stock Consideration Amount has been duly authorized. At the Effective Time, the Stock Consideration Amount will be validly issued, fully paid, nonassessable and free of preemptive rights, with no personal Liability attaching to the ownership thereof.

4.3 Authority; No Violation.

(a) Each of Carbon and Merger Sub has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, subject to the approval of the Bank Merger Agreement by the board of directors of Carbon Bank. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly approved by the Board of Directors of Carbon and Merger Sub, as applicable. Carbon, as the sole stockholder of Merger Sub, has approved this Agreement and the transactions contemplated by this Agreement. No other corporate proceedings on the part of Carbon or Merger Sub are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Carbon and Merger Sub and (assuming due authorization, execution and delivery by Oxygen) constitutes a valid and binding obligation of Carbon and Merger Sub, enforceable against Carbon and Merger Sub in accordance with its terms, except as may be limited by the Enforceability Exceptions.

(b) Neither the execution and delivery of this Agreement by Carbon or Merger Sub, nor the consummation by Carbon or Merger Sub of the transactions contemplated hereby, nor compliance by Carbon or Merger Sub with any of the terms or provisions hereof, will (i) violate any provision of the Certificate of Incorporation of Carbon or Bylaws or Merger Sub's Certificate of Formation or Limited Liability Company Agreement or (ii) assuming that the consents and approvals referred to in Section 4.4 are duly obtained, (x) violate any Law applicable to Carbon, any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Carbon or any of its Subsidiaries under, any of the terms, conditions or provisions of any Contract or other instrument or obligation to which Carbon or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (ii)(y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Carbon.

4.4 Consents and Approvals. Except for (i) the filing of applications and notices, as applicable, with the NYSE, (ii) the filing of any required applications, filings and notices, as applicable, with (1) the Federal Reserve Board under the BHC Act, (2) the FDIC under the Bank Merger Act, (3) the OCC, and approval of the foregoing applications, filings and notices, (iii) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware pursuant to the DLLCA, (iv) the filing of the Bank Merger Certificates, and (v) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" Laws of various states in connection with the issuance of the shares of Carbon Common Stock pursuant to this Agreement, no consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with (A) the execution and delivery by Carbon and Merger Sub of this Agreement or (B) the consummation by Carbon and Merger Sub of the Merger, the Bank Merger and the other transactions contemplated hereby.

4.5 Reports. Carbon and each of its Subsidiaries have timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file since January 1, 2011 with any Regulatory Agencies, including, without limitation, any report, registration or statement required to be filed pursuant to the Laws of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency in the ordinary course of the business of Carbon and its Subsidiaries, no Regulatory Agency has initiated or has pending any Proceeding or, to the Knowledge of Carbon, investigation into the business or operations of Carbon or any of its Subsidiaries since January 1, 2011. There (i) is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Carbon or any of its Subsidiaries and (ii) has been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency with respect to the business, operations, policies or procedures of Carbon or any of its Subsidiaries since January 1, 2011.

4.6 Financial Statements.

(a) The financial statements of Carbon and its Subsidiaries included (or incorporated by reference) in the Carbon Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Carbon and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of Carbon and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to recurring year-end audit adjustments normal in nature and amount) and (iii) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of Carbon and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions. As of the date hereof, PricewaterhouseCoopers LLP has not resigned (or informed Carbon that it intends to resign) or been dismissed as independent public accountants of Carbon as a result of or in connection with any disagreements with Carbon on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Neither Carbon nor any of its Subsidiaries have any material Liability, except for (i) those Liabilities that are fully reflected or reserved against on the consolidated balance sheet of Carbon included in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (including any notes thereto), (ii) Liabilities incurred in the ordinary course of business consistent with past practice since March 31, 2014, or (iii) Liabilities incurred in connection with this Agreement and the transactions contemplated hereby. None of Carbon or any of its Subsidiaries is a party to any material "off-balance sheet arrangements" as defined in Item 303(a)(4) of Regulation S-K.

(c) The records, systems, controls, data and information of Carbon and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Carbon or its Subsidiaries or accountants (including all means of access thereto and therefrom) except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Carbon's system of internal controls over financial reporting. Carbon (x) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to Carbon, including its Subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer of Carbon by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, and (y) has disclosed, based on its most recent evaluation prior to the date hereof, to Carbon's outside auditors and the audit committee of Carbon's Board of Directors (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Carbon's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Carbon's internal controls over financial reporting. These disclosures were made in writing by management to Carbon's auditors and audit committee and a copy has previously been made available to Oxygen.

(d) Since January 1, 2011, (i) neither Carbon nor any of its Subsidiaries, nor, to the Knowledge of Carbon, any director, officer, auditor, accountant or representative of it or any of its Subsidiaries, have received or otherwise had or obtained Knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Carbon or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that Carbon or any of its Subsidiaries has engaged in questionable accounting or auditing practices, procedures, or methodologies (including with respect to loan loss and other reserves, write-downs, charge-offs and accruals), and (ii) to the Knowledge of Carbon, no attorney representing Carbon or any of its Subsidiaries, whether or not employed by Carbon or any of its Subsidiaries, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by Carbon or any of its officers, directors, employees or agents to the Board of Directors of Carbon or any committee thereof or to any director or officer of Carbon.

4.7 Broker's Fees. With the exception of the engagement of J.P. Morgan Securities LLC, neither Carbon nor any of its Subsidiaries nor any of their respective officers or directors have employed any broker, finder or financial advisor or incurred any Liability for any broker's fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

4.8 Absence of Certain Changes or Events.

(a) Since December 31, 2013 through the date hereof, no fact, change, event, occurrence, condition or development has occurred that have had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Carbon.

(b) Since December 31, 2013 through the date hereof, Carbon and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course.

4.9 Legal Proceedings.

(a) Neither Carbon nor any of its Subsidiaries is a party to any, and there are no pending or, to Carbon's Knowledge, threatened, material Proceedings against Carbon or any of its Subsidiaries or any of their current or former directors or executive officers (whether or not such Proceedings are currently being tolled).

(b) There is no material injunction, order, judgment, decree, or regulatory restriction imposed upon Carbon, any of its Subsidiaries or the assets of Carbon or any of its

Subsidiaries (or that, upon consummation of the Merger or the Bank Merger, would apply to Carbon or any of its Subsidiaries).

4.10 Compliance with Applicable Law.

(a) Carbon and each of its Subsidiaries hold, and have at all times since January 1, 2011, held, all material Permits necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), and, to the Knowledge of Carbon, no suspension or cancellation of any such Permit is threatened. Since January 1, 2011, Carbon and each of its Subsidiaries have complied in all material respects with and are not in material default or violation under any applicable Law relating to Carbon or any of its Subsidiaries, including without limitation all Laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other Law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act.

(b) Without limitation, since January 1, 2011, none of Carbon, or its Subsidiaries, or any director, officer, employee, agent or other Person acting on behalf of Carbon or any of its Subsidiaries has, directly or indirectly, (i) used any funds of Carbon or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity; (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Carbon or any of its Subsidiaries; (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar Law; (iv) established or maintained any unlawful fund of monies or other assets of Carbon or any of its Subsidiaries; (v) made any fraudulent entry on the books or records of Carbon or any of its Subsidiaries; (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for Carbon or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Carbon or any of its Subsidiaries or (vii) to the Knowledge of Carbon, is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

(c) Since January 1, 2011, Carbon and each of its Subsidiaries has properly administered all accounts for which Carbon or any of its Subsidiaries acts as a fiduciary, including accounts for which Carbon or any of its Subsidiaries serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment adviser, in accordance with the terms of the governing documents and applicable Law in all material respects, and none of Carbon or any of its Subsidiaries has received notice of any failure to properly administer any accounts for which it acts as a fiduciary. Since January 1, 2011, none of Carbon or any of its Subsidiaries, or any director, officer, or employee of Carbon or its Subsidiaries, has committed any breach of trust with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account.

(d) As of December 31, 2013, Carbon and each insured depositary Subsidiary of Carbon is "well-capitalized" (as that term is defined in the relevant regulation of the institution's primary federal bank regulator), and the institution's rating under the Community Reinvestment Act of 1997 is no less than "satisfactory."

4.11 Agreements with Regulatory Agencies.

(a) Neither Carbon nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil monetary penalty by, or has been since January 1, 2011, a recipient of any supervisory letter from, or since January 1, 2011, has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Carbon Disclosure Schedule, a "Carbon Regulatory Agreement"), nor has Carbon or any of its Subsidiaries been advised since January 1, 2011, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering or requesting any such Carbon Regulatory Agreement.

(b) Except as set forth in Section 4.11(b) of the Carbon Disclosure Schedule, neither Carbon nor any of its Subsidiaries has been ordered to pay any civil monetary penalty by any Regulatory Agency or other Governmental Entity, nor have Carbon or any of its Subsidiaries been advised by any Regulatory Agency or other Governmental Entity that it is considering ordering any civil monetary penalty

4.12 Available Funds. As of the Closing, Carbon will have sufficient funds available to it to deliver the Aggregate Cash Consideration.

4.13 Reorganization. Carbon has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.

4.14 Carbon Information. The information relating to Carbon and its Subsidiaries which is provided by Carbon or its representatives for inclusion in any document filed with any Governmental Entity in connection with the transactions contemplated by this Agreement, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

ARTICLE V

COVENANTS RELATING TO CONDUCT OF BUSINESS

5.1 Conduct of Business Prior to the Effective Time. During the period from the date of this Agreement to the Effective Time, except as expressly required or permitted by this Agreement, or as required by applicable Law, or with the prior written consent of Carbon, Oxygen shall, and shall cause each of its Subsidiaries to, (a) conduct its business in the ordinary course and (b) use reasonable best efforts to maintain and preserve intact its business organization, assets, employees and relationships with regulators, customers, suppliers, employees, licensors and licensees and other third parties. Subject to the terms and conditions of this Agreement, including Section 6.1, during the period from the date of this Agreement to the Effective Time, Oxygen and Carbon shall use their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on their respective parts under this Agreement and applicable Laws to consummate and make effective the Merger and the other transactions contemplated by this Agreement as soon as reasonably practicable and, except as expressly required or permitted by this Agreement, or as required by applicable Law, or with the prior written consent of the other party, Oxygen and Carbon shall, and shall cause each of its Subsidiaries to take no action that is intended to or would reasonably be expected to result in the failure of any of the conditions set forth in Article VII.

5.2 Oxygen Forbearances. During the period from the date of this Agreement to the Effective Time, except (x) as required by applicable Law, (y) as expressly required or permitted by this Agreement or (z) as set forth in Section 5.2 of the Oxygen Disclosure Schedule, Oxygen shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Carbon (which, other than in the case of clauses (b), (c) (solely as such clause (c) relates to assets under the IndyMac Bank, F.S.B. Loss Share Agreement), (d), (e) (solely as such clause (e) relates to FDIC Agreements and GSE Agreements), (f), (g), (i), (j), (k), (l), (m), (n), (p), (q), (r) (s), (t) or, solely in respect of each of the foregoing, (u) below, shall not be unreasonably withheld or delayed):

(a) other than in the ordinary course of business consistent with past practice, incur any indebtedness, for borrowed money (other than indebtedness of Oxygen or any of its wholly owned Subsidiaries to Oxygen or any of its Subsidiaries), assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person (other than Oxygen or any of its Subsidiaries);

(b) (i) adjust, split, combine or reclassify any limited liability company interests or other equity interests;

(i) make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any of its limited liability company interests, other equity interests, or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any of its limited liability company interests or other equity interests except any dividends paid by any of the Subsidiaries of Oxygen to Oxygen or any of its wholly owned Subsidiaries;

(ii) (A) issue, grant, sell or otherwise permit to become outstanding, or authorize the issuance of, any additional limited liability company interests or other equity interests or securities convertible or exchangeable into, or exercisable for, any limited liability company interests or other equity interests or any equity-based awards or interests or other rights of any kind to acquire any limited liability company interests or other equity interests, except pursuant to the exercise or settlement of options to purchase Common Interests, Oxygen Converted Common Interests or Oxygen Profits Interests outstanding as of the date hereof, in each case in accordance with their terms or Section 6.5(b), or (B) enter into any Contract, understanding or arrangement with respect to the sale or voting of its limited liability company interests, other equity interests or other securities;

(c) sell, transfer, pledge, lease grant, license, mortgage, assign, encumber or otherwise dispose of (including by merger) any of its material properties or assets (other than any assets subject to the IndyMac Bank, F.S.B. Loss Share Agreement) to any Person other than a wholly owned Subsidiary, in each case except in the ordinary course of business consistent with past practice (including non-exclusive licenses to end-users or customers), or for Permitted Liens, or cancel, release or assign any material indebtedness to any such Person or any claims held by any such Person;

(d) acquire (whether by merger or consolidation, acquisition of stock or assets or by formation of a joint venture or otherwise, but excluding by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice) any other Person, other than a wholly owned subsidiary of Oxygen, or make any material investment in (either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets) any other Person or property or assets of any other Person, in each case other than a wholly owned Subsidiary of Oxygen;

(e) terminate any Oxygen Contract or amend, waive, or fail to use reasonable best efforts to enforce any material provision of, any Oxygen Contract, in each case except in the ordinary course of business consistent with past practice (other than a FDIC Agreement or GSE Agreement), or enter into any Contract that would constitute an Oxygen Contract if it were in effect on the date of this Agreement or renew any Oxygen Contract other than any Contract which is terminable by Oxygen or its Subsidiaries on sixty (60) days or less notice without any required material payment or other conditions, other than the condition of notice; provided that this Section 5.2(e) shall not restrict the entry into any Oxygen Contract (other than a FDIC Agreement or GSE Agreement) that relates to (i) the incurrence of indebtedness permitted to be incurred pursuant to Section 5.2(a) or (ii) any settlement of a Proceeding permitted pursuant to Section 5.2(g);

(f) except as required by an Oxygen Benefit Plan as in effect on the date hereof or as required by applicable Law or this Agreement, (i) become a party to, enter into (other than entry into offer letters in the ordinary course of business consistent with past practice that does not conflict with any other provision of this Section 5.2(f) (for the avoidance of doubt, including providing rights to severance or change-in-control compensation or benefits)), adopt, materially amend or terminate (or commit to become a party to, enter into, adopt, materially amend or terminate) any Oxygen Benefit Plan (or arrangement that had it existed as of the date hereof, would have been an Oxygen Benefit Plan), (ii) increase in any manner the compensation or benefits payable to any current or former director, employee or other service provider of Oxygen or any of its Subsidiaries or pay any amounts to any such individual not otherwise due, other than increases in the ordinary course of business consistent with past practice (A) of 2% or less in the aggregate base salaries (and corresponding increases in target bonuses occurring solely as a result of such increases in base salaries) payable to current employees of Oxygen or its Subsidiaries whose annual target compensation is less than $500,000 or (B) of 5% or less in annual base salary (and corresponding increases in target bonuses occurring solely as a result of such increases in base salaries) payable to any current employee of Oxygen or its Subsidiaries whose annual target compensation is less than $500,000 in connection with the promotion of such employee in the ordinary course of business consistent with past practice and provided that such increase does not raise such employee's annual target compensation above $500,000, (iii) pay or award, or commit to pay or award, any bonuses or incentive compensation, other than the determination and payment of annual bonuses in respect of Oxygen's 2014 fiscal year in the ordinary course consistent with past practice and the terms of the applicable bonus programs with the aggregate amount of such bonuses not to exceed an annualized amount calculated at the same accrual rate for such bonuses reflected in the Oxygen Audited Interim Financial Statements, which amount is set forth on Section 5.2(f)(iii) of the Oxygen Disclosure Schedule and which accrual is determined in the ordinary course of business consistent with past practice, (iv) grant or accelerate the vesting of any compensation or benefits for the benefit of any current or former employee, officer, director or other service provider of Oxygen or any of its Subsidiaries, (v) enter into any collective bargaining agreement or similar labor agreement, (vi) provide any funding for any rabbi trust or similar arrangement, or take any action to fund or in any other way secure the payment of any compensation or benefits, or (vii) hire or terminate (other than for cause) the employment of any individual with annual target compensation in excess of $500,000;

(g) commence, settle or compromise any Proceeding, except for (i) any settlement (A) involving only monetary remedies with a value not in excess of $1 million, with respect to any individual Proceeding or $5 million, in the aggregate (in excess of, in each case, any settlement payments that are actually recovered from trusts or other third parties or reserves in respect thereof to the extent reflected in the Oxygen Unaudited Financial Statements), subject to prior consultation with Carbon and (B) that is not otherwise reasonably likely to be material to Oxygen and its Subsidiaries (or following the Closing, Carbon and its Subsidiaries) and (ii) the commencement of any Proceeding in the ordinary course of business consistent with past practice;

(h) waive or release any rights or claims material to Oxygen and its Subsidiaries or agree or consent to the issuance of any injunction, decree, order or judgment restricting or adversely affecting its business or operations in any material respect;

(i) amend its Organizational Documents, or enter into a plan of consolidation, merger, share exchange, reorganization or similar business combination (other than with respect to consolidations, mergers, share exchanges, reorganizations or similar business combinations solely involving its wholly owned Subsidiaries);

(j) except as contemplated by the forecast Made Available to Carbon, restructure or make any material change to its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported, in a manner that is not consistent with Oxygen's existing investment policy previously Made Available to Carbon;

(k) implement or adopt any material change in its accounting principles, practices or methods, including reserving methodologies, other than as may be required by GAAP;

(l) enter into any new line of business or change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating, securitization and servicing policies or expand its SBA 7A program, except, in each case, as required by applicable Law or as requested by any Governmental Entity;

(m) make any material changes in its policies and practices with respect to (i) underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service, Loans or (ii) its hedging practices and policies, except, in each case, as required by applicable Law or as requested by any Governmental Entity;

(n) (i) except for Loans or commitments for Loans that have been approved by Carbon prior to the date of this Agreement, without prior consultation with Carbon, (1) make or acquire any individual Loan or issue a commitment (or renew or extend an existing commitment) for any individual Loan if under Oxygen's credit policies previously Made Available to Carbon such Loan or commitment would require the approval of the Oxygen Board of Directors or (ii) without prior consultation with Carbon, enter into agreements relating to, or consummate purchases or sales of, whole individual Loans if under Oxygen's credit policies previously Made Available to Carbon such action would require the approval of the Oxygen Board of Directors;

(o) make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility of it or its Subsidiaries or acquire or sell or agree to acquire or sell, any branch office or any deposit liabilities;

(p) make any capital expenditure in excess of $2,500,000 individually or $10,000,000 in the aggregate;

(q) materially reduce the amount of insurance coverage or fail to renew or replace any material existing insurance policies;

(r) terminate or allow to lapse any Permit or amend a Permit in a manner that materially adversely impacts the ability to conduct its business;

(s) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

(t) take any action or knowingly fail to take any action that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code; or

(u) agree to take, make any commitment to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by this Section 5.2.

5.3 Carbon Forbearances. During the period from the date of this Agreement to the Effective Time, except as required by applicable Law, and, except as expressly required or permitted by this Agreement, Carbon shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Oxygen:

(a) amend its Organizational Documents in a manner that would adversely affect in any material respect Oxygen, the Oxygen Holders or the transactions contemplated by this Agreement;

(b) take any action or knowingly fail to take any action that could reasonably be expected to prevent the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code; or

(c) agree to take, make any commitment to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by this Section 5.3.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 Regulatory Matters; Third Party Consents.

(a) The parties hereto shall cooperate with each other and use their respective reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities which are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger and the Bank Merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such Governmental Entities, it being agreed that, within thirty (30) days after the date hereof, the parties will file any application, notice or report required to be filed by such party with any Governmental Entity with respect to a Requisite Regulatory Approval; provided that this Section 6.1(a) shall not govern the parties' respective obligations regarding the FDIC Consents, FDIC Non-Objections, GSE Consents and GSE Non-Objections. Each of the parties hereto shall have the right to review in advance, and, to the extent practicable, each will consult the other on, in each case subject to applicable Laws relating to the exchange of information, all the non-confidential information relating to Oxygen or Carbon, as the case may be, and any of their respective Subsidiaries, which appear in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto shall act reasonably and as promptly as practicable. The parties hereto agree that they will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein, including promptly furnishing the other with copies of any material notices or other communications received by such party or, to the Knowledge of such party, its Representatives from any third party and/or Governmental Entity with respect to the transactions contemplated by this Agreement, in each case to the extent permitted by applicable Law. Each of the parties shall, upon request, furnish each other with all information concerning themselves, their Subsidiaries, directors, officers, and shareholders (or members) and such other matters as may be reasonably necessary or advisable in connection with any filing, notice, statement or application made by or on behalf of Carbon, Oxygen or any of their respective Subsidiaries to any Governmental Entity in connection with the Merger, the Bank Merger and the other transactions contemplated by this Agreement.

(b) Promptly following the date hereof, Oxygen shall provide a mutually agreed written notice of the proposed transactions contemplated by this Agreement (including the Merger and the Bank Merger) to the FDIC requesting, with respect to each of the FDIC Agreements, either (i) the written consent of the FDIC to the transactions contemplated by this Agreement (including the Merger and the Bank Merger) (a "FDIC Consent") or (ii) a written acknowledgement from the FDIC that its consent is not required (a "FDIC Non-Objection"). The written notice will state with respect to certain specified FDIC Agreements that Oxygen believes that consent from the FDIC to the transactions contemplated by this Agreement (including the Merger and the Bank Merger) is not required. Oxygen will use reasonable best efforts to obtain, with respect to each of the FDIC Agreements, either a FDIC Consent or a FDIC Non-Objection, in each case, without payment to the FDIC, termination or modification, waiver or amendment adverse to, additional liability to, or loss of any benefits by, Carbon or Oxygen or their Subsidiaries with respect to any such FDIC Agreements; provided that if required by the FDIC as a condition to granting such FDIC Consent or FDIC Non-Objection, Oxygen and its Subsidiaries shall be obligated to (A) make one or more payments to the FDIC and/or (B) amend, modify, waive, or agree to forebear from enforcing, the terms of, or terminate, any FDIC Agreements (any of the foregoing in clause (B), a "FDIC Modification"), in each case that is conditioned on completion of the Merger; provided that (x) the aggregate present value of any such payment and (y) the aggregate present value of the benefits foregone by, and additional Liabilities to, Carbon, Oxygen and their Subsidiaries as a result of, arising out of, or relating to any such FDIC Modifications as compared to the terms of the FDIC Agreements had they remained in effect without such FDIC Modifications net of (z) the aggregate present value of any benefits received by Oxygen, or of any Liabilities with respect to which Oxygen is released, as a result of, arising out of, or relating to any such FDIC Modifications as compared to the terms of the FDIC Agreements had they remained in effect without such FDIC Modifications ((x) and (y), net of (z), a "FDIC Payment") is, in the aggregate, a reasonable amount.

(c) Promptly following the date hereof, Oxygen shall provide a mutually agreed written notice of the proposed transactions contemplated by this Agreement (including the Merger and the Bank Merger) to each GSE requesting, with respect to each of the GSE Agreements, (i) the written consent of the applicable GSE to the transactions contemplated by this Agreement (including the Merger and the Bank Merger) (a "GSE Consent") or (ii) a written acknowledgement from the applicable GSE that its consent is not required (a "GSE Non-Objection"). The written notice will state with respect to certain specified GSE Agreements that Oxygen believes that consent from the applicable GSE to the transactions contemplated by this Agreement (including the Merger and the Bank Merger) is not required. Oxygen will use reasonable best efforts to obtain, with respect to each of the GSE Agreements, either a GSE Consent or a GSE Non-Objection, in each case, without payment to any GSE or termination or modification, waiver or amendment adverse to, any additional Liability to, or loss of any benefit by, Carbon or Oxygen or their Subsidiaries with respect to any such GSE Agreements; provided that if required by any GSE as a condition to granting such GSE Consent or GSE Non-Objection, Oxygen and its Subsidiaries shall be obligated, to (A) make one or more payments to any GSE and/or (B) amend, modify, waive, or agree to forebear from enforcing, the terms of, or terminate, any GSE Agreements (any of the foregoing in clause (B), a "GSE Modification"), in each case that is conditioned on completion of the Merger; provided that (x) the aggregate present value of any such payment and (y) the aggregate present value of the benefits foregone by, and additional Liabilities to, Carbon, Oxygen and their Subsidiaries as a result of, arising out of, or relating to any such GSE Modifications as compared to the terms of the GSE Agreements had they remained in effect without such GSE Modifications net of (z) the aggregate present value of any benefits received by Oxygen, or of any Liabilities with respect to which Oxygen is released, as a result of, arising out of, or relating to any such GSE Modifications as compared to the terms of the GSE Agreements had they remained in effect without such GSE Modifications ((x) and (y), net of (z), a "GSE Payment") is, in the aggregate, a reasonable amount.

(d) Oxygen and Carbon shall cooperate with each other in connection with obtaining each FDIC Consent or FDIC Non-Objection and each GSE Consent or GSE Non-Objection. Neither Oxygen nor Carbon may participate or agree to participate in any substantive in-person meeting, telephone call or discussion with the FDIC or any GSE (other than unscheduled calls received from, or unscheduled discussions initiated by, the FDIC or any GSE) relating to the transactions contemplated by this Agreement (including any FDIC Consent, FDIC Non-Objection, GSE Consent or GSE Non-Objection) unless it consults with the other party in advance and provides the other with the opportunity to participate in such meeting, call or discussion (other than unscheduled calls received from, or unscheduled discussions initiated by, the FDIC or any GSE). Carbon and Oxygen shall have the right to review in advance, and, to the extent practicable, each will consult the other on all correspondence or information that will be provided to the FDIC and the GSEs relating to the FDIC Consents, the FDIC Non-Objections, the GSE Consents or GSE Non-Objections or otherwise relating to the transactions contemplated by this Agreement.

(e) Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to require (i) Carbon or its Subsidiaries to (and without the prior written consent of Carbon, Oxygen and its Subsidiaries shall not) (A) take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the foregoing permits, consents, approvals and authorizations of Governmental Entities that would reasonably be expected to have, individually or in the aggregate, a material adverse effect (measured on a scale relative to Oxygen and its Subsidiaries, taken as a whole) on Carbon and its Subsidiaries after giving effect to the transactions contemplated hereby or (B) make or incur or commit to make or incur any FDIC Payment that is, in the aggregate, not a reasonable amount in the context of Section 6.1(b) of this Agreement or GSE Payment in an amount that is, in the aggregate, not a reasonable amount in the context of Section 6.1(c) of this Agreement or (ii) Oxygen or its Subsidiaries to (and without the prior written consent of Oxygen, Carbon and its Subsidiaries shall not) make or incur or commit to make or incur any FDIC Payment or GSE Payment that is, in the aggregate, not a reasonable amount in the context of Section 6.1(b) of this Agreement or GSE Payment in an amount that is, in the aggregate, not a reasonable amount in the context of Section 6.1(c) of this Agreement ((i) or (ii) a "Burdensome Condition"). Fifty percent (50%) of any FDIC Payment or GSE Payment that Oxygen, Carbon or their respective Subsidiaries make, incur or commit to make or incur that does not constitute a Burdensome Condition shall be fully reflected as a Transaction Expense in the calculation of the Net Merger Consideration in an amount reasonably satisfactory to Carbon and Oxygen (or finally determined pursuant Section 9.14).

6.2 Access to Information.

(a) Upon reasonable notice and subject to applicable Laws, each party shall, and shall cause each of its Subsidiaries to, afford to the officers, employees, accountants, counsel, advisors and other representatives of the other party, access, during normal business hours during the period prior to the Effective Time, to its properties, books, employees, Contracts, commitments and records, and, during such period, shall, and shall cause its Subsidiaries to, make available to the other party (i) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities Laws or federal or state banking Laws (other than reports or documents which Oxygen is not permitted to disclose under applicable Law), and (ii) all other information concerning its business, properties and personnel as may reasonably be requested. Neither party, nor any of its Subsidiaries, shall be required to provide access to or to disclose information where such access or disclosure jeopardize the attorney-client privilege of the institution in possession or control of such information or violates any applicable Law or Contract; provided that such party will use reasonable best efforts to make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) Each party shall hold all information furnished by or on behalf of the other party or any of its Subsidiaries or representatives pursuant to Section 6.2(a) in confidence to the extent required by, and in accordance with, the provisions of the Confidentiality Agreement.

(c) Prior to the Closing, Oxygen shall, and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause its Representatives to, provide all cooperation that is necessary, customary or advisable and reasonably requested by Carbon to assist Carbon in the arrangement of (i) any third party debt or equity financing for the purpose of financing the Net Merger Consideration, any Stock Repurchase or any repayment or refinancing of debt contemplated by this Agreement or required in connection with the transactions contemplated hereby and any other amounts required to be paid in connection with the consummation of the transactions contemplated hereby and all related fees and expenses of Carbon and its Subsidiaries (the "Financing") (it being understood that the receipt of such Financing is not a condition to the Merger) or (ii) any repurchase of Carbon Common Stock by Carbon (a "Stock Repurchase"); provided that nothing herein shall require such cooperation to the extent it would (A) unreasonably disrupt the conduct of the business or operations of Oxygen or its Subsidiaries, (B) require Oxygen or any of its Subsidiaries to agree to pay any fees, reimburse any expenses or otherwise incur any liability or give any indemnities prior to the Closing for which it is not promptly reimbursed or simultaneously indemnified or (C) require Oxygen or any of its Subsidiaries to take any action that would reasonably be expected to result in any violation of, or default under its Organization Documents, any applicable Laws or any Contract.

(d) Such cooperation required by Section 6.2(c) shall include, without limitation, as promptly as reasonably practical following a request from Carbon for such information, furnishing Carbon and any of its financing sources, if applicable, with (i) the Oxygen Financial Statements (and once available pursuant to Section 1.7(c), the Oxygen Audited Interim Financial Statements), (ii) unaudited consolidated balance sheets and related statements of operations and comprehensive income and cash flows for Oxygen and its Subsidiaries for each fiscal quarter following the quarter ended June 30, 2014 that ends on a date that is not a fiscal year end, (iii) audited consolidated balance sheets and related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for the fiscal year ended December 31, 2014, in each case prepared in accordance with GAAP, and providing such other financial and (iv) and such other information and data regarding Oxygen and its Subsidiaries as Carbon may reasonably request in connection with such Financing or Stock Repurchase, in each case of (i) through (iv) which may be included in documents filed with the SEC in connection with such Financing or Stock Repurchase. Carbon shall promptly, upon request by Oxygen, reimburse Oxygen for all reasonable costs and expenses (including reasonable attorneys' fees, but excluding for the avoidance of doubt, the costs of Oxygen's preparation of its annual and quarterly financial statements) incurred by Oxygen or any of its Subsidiaries or their respective Representatives in connection with the Financing or a Stock Repurchase, including the cooperation of Oxygen and its Subsidiaries and Representatives contemplated by this Section 6.2(d), and shall indemnify and hold harmless Oxygen, its Subsidiaries and their respective Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the arrangement of the Financing, a Stock Repurchase and any information used in connection therewith, except with respect to (a) any information expressly provided by Oxygen or its Subsidiaries in writing for use in connection with the Financing or a Stock Repurchase or (b) any fraud or intentional misrepresentation or willful misconduct by any such persons.

(e) No investigation by either of the parties or their respective representatives shall affect or be deemed to modify or waive the representations and warranties of the other set forth herein.

6.3 Employee Benefit Plans.

(a) Following the Effective Time, Carbon shall provide each individual who is an employee of Oxygen and its Subsidiaries at the Effective Time (any such person, a "Continuing Employee" and, collectively, the "Continuing Employees"), while employed by

Carbon or its Subsidiaries, with compensation opportunities and employee benefits that are substantially comparable in the aggregate (excluding any benefits accelerated or payable as a result of the transactions contemplated by this Agreement) to the compensation opportunities and employee benefits provided to similarly situated employees of Carbon and its Subsidiaries; provided, that for purposes of the foregoing sentence the compensation opportunities and employee benefit plans generally provided to employees of Oxygen as of immediately prior to the Effective Time shall be deemed to be substantially comparable, on an aggregate basis, to those provided to similarly situated employees of Carbon and its Subsidiaries for purposes of this sentence, it being understood that the Continuing Employees may commence participation in Carbon's benefit plans on different dates following the Effective Time with respect to different benefit plans. Any Continuing Employee whose employment is terminated within the one-year period following the Effective Time under circumstances that would entitle such Continuing Employee to severance benefits under the severance plan of Carbon and its Subsidiaries that is applicable to similarly situated employees of Carbon and its Subsidiaries, shall be entitled to severance benefits under such severance plan. Nothing contained in this Section 6.3(a) shall be deemed to grant any Continuing Employee any right to continued employment after the Closing Date.

(b) With respect to any employee benefit plans of Carbon or its Subsidiaries providing benefits to any Continuing Employee after the Effective Time (a "New Benefit Plan"), Carbon shall: (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such employees and their eligible dependents under any New Benefit Plans that provide health care benefits in which such employees first become eligible to participate after the Effective Time, except to the extent such pre-existing conditions, exclusions or waiting periods would apply under the analogous Oxygen Benefit Plan; (ii) to the extent allowed by the provider of any New Benefit Plan that provides health care benefits, provide each such employee and their eligible dependents with credit for any co-payments and deductibles paid prior to the Effective Time under an Oxygen Benefit Plan that provided health care benefits (to the same extent that such credit was given under the analogous Oxygen Benefit Plan prior to the Effective Time) in satisfying any applicable deductible or out-of-pocket requirements under any such New Benefit Plans in the plan year in which such employees first become eligible to participate after the Effective Time; and (iii) recognize all service of such Continuing Employees with Oxygen and its Subsidiaries as well as actual service by such Continuing Employees with any predecessors to Oxygen and its Subsidiaries, including any entities the stock or assets of were acquired by Oxygen and its Subsidiaries, for all purposes in any New Benefit Plan in which such employees first become eligible to participate after the Effective Time to the same extent that such service was taken into account under the analogous Oxygen Benefit Plan prior to the Effective Time and for purposes of any severance plan of Carbon or its Subsidiaries in which such Continuing Employee participates; provided that the foregoing service recognition shall not apply (A) to the extent it would result in duplication of benefits for the same period of services, (B) for purposes of any defined benefit retirement plan or benefit plan that provides retiree welfare benefits or (C) to any benefit plan that is a frozen plan or provides grandfathered benefits.

(c) If requested by Carbon in writing delivered to Oxygen not less than ten (10) Business Days before the Closing Date, the Board of Directors of Oxygen (or the appropriate committee thereof) shall adopt resolutions and take such corporate action as is necessary to terminate Oxygen's 401(k) plans (collectively, the "Oxygen 401(k) Plan"), effective as of immediately prior to the Closing Date. Following the Effective Time and as soon as practicable following receipt of a favorable determination letter from the IRS on the termination of the Oxygen 401(k) Plan, the assets thereof shall be distributed to the participants, and Carbon shall, to the extent permitted by applicable Law, permit the Continuing Employees who are then actively employed to make rollover contributions of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code, inclusive of loans to the extent permitted by Carbon's applicable 401(k) plan), in the form of cash, in an amount equal to the full account balance (including loans to the extent permitted by Carbon's applicable 401(k) plan) distributed to such Continuing Employee from the Oxygen 401(k) Plan to Carbon's applicable 401(k) plan. The parties will cooperate in good faith to arrange for the repayment of participant loans prior to the Effective Time or to facilitate the continuation of such loans following the Effective Time to the extent practical and commercially reasonable.

(d) Nothing in this Agreement shall confer upon any employee, officer, director or consultant of Carbon or Oxygen or any of their Subsidiaries or affiliates any right to continue in the employ or service of Oxygen, Carbon or any Subsidiary or affiliate thereof, or shall interfere with or restrict in any way the rights of Oxygen, Carbon or any Subsidiary or affiliate thereof to discharge or terminate the services of any employee, officer, director or consultant of Carbon or Oxygen or any of their Subsidiaries or affiliates at any time for any reason whatsoever, with or without cause. Nothing in this Agreement shall be deemed to (i) establish, amend, or modify any Oxygen Benefit Plan, New Benefit Plan or any other benefit or employment plan, program, agreement or arrangement, or (ii) alter or limit the ability of Carbon or any of its Subsidiaries or affiliates to amend, modify or terminate any particular Oxygen Benefit Plan, New Benefit Plan or any other benefit or employment plan, program, agreement or arrangement after the Effective Time. Without limiting the generality of the final sentence of Section 9.11, nothing in this Agreement, express or implied, is intended to or shall confer upon any person, including without limitation any current or former employee, officer, director or consultant of Carbon or Oxygen or any of their Subsidiaries or affiliates, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6.4 Indemnification; Directors' and Officers' Insurance.

(a) From and after the Effective Time, Carbon shall cause the Surviving Company and its Subsidiaries, to (i) indemnify and hold harmless each of its present and former directors and officers (collectively, the "Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any Proceedings, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, including the transactions contemplated by this Agreement and actions relating to the enforcement of this Section 6.4, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that Oxygen or such Subsidiary, as the case may be, would have been permitted under its respective organizational documents in effect on the date of this Agreement or agreements in existence as of the date hereof and set forth on Section 6.4(a) of the Oxygen Disclosure Schedule providing for indemnification between Oxygen or any of its Subsidiaries and any Indemnified Party, subject to limitations imposed by applicable Law (including the advancing of expenses as incurred to the fullest extent permitted under applicable Law); provided, the Person to whom such expenses are advanced provides an undertaking to the Surviving Company to repay such advances if it is ultimately determined that such Person is not entitled to indemnification).

(b) For six (6) years after the Effective Time, Carbon shall cause the Surviving Company to maintain in effect, at its own expense, directors' and officers' liability and fiduciary liability insurance covering those Persons who are currently covered by Oxygen's directors' and officers' liability and fiduciary liability insurance policies (true, correct and complete copies of which have been heretofore delivered to Carbon) either through continuation of the current policy or substitution by Carbon of another policy therefor on terms, including with respect to coverage and insurance limits (with no retention), with an insurer or insurers that have at the time such coverage is written the same or higher A.M. Best rating as Carbon's current primary insurer for such type of insurance, not materially less favorable than the terms of such current insurance coverage with respect to claims arising from or related to facts or events which occurred at or prior to the Effective Time (including the transactions contemplated by this Agreement); provided that in complying with its obligations pursuant to the terms of this Section 6.4(b), Carbon shall not be required to expend annually in the aggregate an amount in excess of 250% of the annual premium currently paid by Oxygen (which current amount is set forth on Section 6.4(b) of the Oxygen Disclosure Schedule) (the "Premium Cap") and if Carbon cannot obtain such insurance coverage without paying in excess of the Premium Cap, Carbon shall purchase such insurance with the maximum aggregate coverage available for the Premium Cap. In lieu of the foregoing insurance coverage and in satisfaction of its obligations under this Section 6.4(b), Carbon may direct Oxygen to purchase, at Carbon's expense, a six (6) year prepaid "tail policy" that provides the coverage in this Section 6.4(b); provided, further that if the premium for such "tail coverage" exceeds the Premium Cap, then Carbon may, at its sole cost, direct Oxygen to obtain "tail coverage" with the maximum aggregate coverage available for the Premium Cap applied over the term of such policy.

(c) In the event that, after the Effective Time, Carbon or the Surviving Company or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a substantial portion of its properties and other assets to any person, then, and in each case, Carbon or the Surviving Company, as applicable, shall cause proper provision to be made so that such successors and assigns shall expressly assume the obligations set forth in this Section 6.4.

(d) The provisions of this Section 6.4 are intended for the benefit of, and will be enforceable by, each Indemnified Party, his or her heirs and his or her representatives and are in addition to, are not in substitution for, any other rights to indemnification or contribution that any such person may have from Carbon, the Surviving Company, or any of their Subsidiaries or any other person by contract or otherwise except as expressly provided herein. The obligations of Carbon under this Section 6.4 shall not be terminated or modified in such a manner as to adversely affect the rights of any Indemnified Party to whom this Section 6.4 applies unless (x) such termination or modification is required by applicable Law or (y) the affected Indemnified Party has consented in writing to such termination or modification.

6.5 Certain Oxygen Actions.

(a) Prior to the Closing, Oxygen shall take such actions and obtain such consents, approvals and waivers, in each case, as are necessary, required or advisable to dissolve and wind-up the affairs of OneWest Bank Group LLC and OneWest Asset Management LLC in accordance with the organizational documents of OneWest Bank Group LLC and OneWest Asset Management LLC and the DLLCA. Such dissolution shall be effected with no cost or Liability to Carbon or its Subsidiaries or Oxygen or any of its Subsidiaries (other than any cost that is fully reflected as a Transaction Expense).

(b) Prior to the Closing, Oxygen shall take such actions and obtain such consents, approvals and waivers, in each case as are necessary, required or advisable to (i) convert all outstanding Oxygen Profits Interests into Oxygen Common Interests and (ii) convert all outstanding Oxygen Converted Common Interests into Oxygen Common Interests, in each case in accordance with the terms of the Oxygen LLC Agreement, any applicable Grant Schedules (as defined in the Oxygen LLC Agreement), the terms of the Oxygen Profits Interests and Oxygen Converted Common Interests and the DLLCA.

(c) Prior to Closing, Oxygen shall take reasonable steps within the meaning of Rule 506(c) of Regulation D of the Securities Act to verify whether as of the Effective Time, each Oxygen Holder is an “accredited investor” as defined in Rule 501(a) of Regulation D of the Securities Act and shall keep Carbon informed with respect to such verification process, including the results thereof.

(d) Between the date hereof and the Closing Date, Oxygen shall submit to a vote of the interestholders of Oxygen or any applicable affiliate for their determination all payments or benefits that in the absence of such a vote could reasonably be viewed as “parachute payments” (within the meaning of Section 280G of the Code and the regulations thereunder), including the Retention Agreements, made to any individuals who are “disqualified individuals” (within the meaning of Section 280G(c) of the Code and the regulations thereunder). Such interestholder vote shall, in the reasonable determination of Oxygen based on the advice of counsel, meet the requirements of Section 280G(b)(5)(B) of the Code and the regulations thereunder, including using reasonable best efforts to obtain any necessary waivers. Any materials prepared in connection with such interestholder vote (including disclosures and waiver materials) shall be subject to the review and reasonable comment of Carbon.

6.6 Additional Agreements. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement (including, without limitation, any merger between a Subsidiary of Carbon, on the one hand, and a Subsidiary of Oxygen, on the other) or to vest the Surviving Company with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Merger, the proper officers and directors of each party to this Agreement and their respective Subsidiaries shall take all such necessary action as may be reasonably requested by Carbon.

6.7 Advice of Changes.

(a) Carbon and Oxygen shall each promptly advise the other party of any fact, change, event or circumstance that has had or is reasonably likely to have a Material Adverse Effect on it or which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained herein; provided that any failure to give notice in accordance with the foregoing with respect to any breach shall not be deemed to constitute a violation of this Section 6.7 or the failure of any condition set forth in Section 7.2 or 7.3 to be satisfied, or otherwise constitute a breach of this Agreement by the party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set forth in Section 7.2 or 7.3 to be satisfied.

(b) Carbon and Oxygen shall each promptly advise the other party of (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement or (ii) upon receiving any communication from any Governmental Entity or third party whose consent or approval is required for consummation of the transactions contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that any such consent or approval will not be obtained or that the receipt of any such consent or approval will be materially delayed. Oxygen shall notify Carbon as promptly as practicable of any notice or other communication from any party to any Oxygen Contract to the effect that such party has terminated or intends to terminate or otherwise materially adversely modify its relationship with Oxygen or any of its Subsidiaries as a result of the transactions contemplated by this Agreement

6.8 Public Announcements. Oxygen and Carbon agree that the initial press release to be issued with respect to the execution and delivery of this Agreement shall be in a form agreed to by the parties and that the parties shall consult with each other before issuing any press release or making any public announcement with respect to this Agreement and the transactions contemplated hereby and shall not issue any such press release or make any such public announcement without the prior consent of the other party (which shall not be unreasonably withheld, delayed or conditioned); provided that a party may, without the prior consent of the other party (but after prior consultation, to the extent practicable in the circumstances) issue such press release or make such public statement to the extent required by applicable Law or the applicable rules of any stock exchange. Without limiting the reach of the preceding sentence, Oxygen and Carbon shall cooperate to develop all public announcement materials and make appropriate management available at presentations related to the transactions contemplated by this Agreement as reasonably requested by the other party.

6.9 Takeover Statutes. Oxygen and its Subsidiaries shall not take any action that would cause the transactions contemplated by this Agreement to be subject to requirements imposed by any Takeover Statute. If any Takeover Statute may become, or may purport to be, applicable to the transactions contemplated hereby and thereby, each of Carbon and Oxygen and the members of their respective Boards of Directors shall grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of any Takeover Statute on any of the transactions contemplated by this Agreement.

6.10 No Solicitation of Alternative Transactions.

(a) Prior to the Closing Date, or until this Agreement is terminated in accordance with its terms, Oxygen shall not, and shall cause its Affiliates and its and their directors, officers, employees, accountants, financial advisors, attorneys and other advisors or representatives ("Representatives") not to, directly or indirectly, solicit or initiate discussions or engage in negotiations with, or provide information (other than publicly available information) to, or authorize any Representative or other Person to solicit or initiate discussions or engage in negotiations with, or provide information to, any Person (other than Carbon or its Representatives) concerning any potential sale of equity interests of (including through an initial public offering), or merger, consolidation, combination, sale of assets, reorganization or other similar transaction involving Oxygen or any of its Subsidiaries.

(b) Oxygen shall and shall cause its Affiliates and Representatives to immediately terminate any existing discussions or negotiations with any Person (other than Carbon) conducted heretofore with respect to any of the potential transactions described in Section 6.10(a), and promptly following the date hereof shall use reasonable best efforts to cause all persons other than Carbon, if any, who have been furnished confidential information regarding Oxygen in connection with the solicitation of or discussions regarding any of the transactions described in Section 6.10(a) within the twelve (12) months prior to the date hereof promptly to return or destroy such information. Oxygen agree not to, and to cause its Affiliates and Representatives not to, release any third party from the confidentiality, standstill, employee non-solicit or other provisions of any agreement with respect to the transactions described in Section 6.10(a) and shall immediately take all steps necessary to terminate any approval that may have been heretofore given under any such provisions authorizing any Person to engage in any transaction described in Section 6.10(a).

6.11 NYSE Listing. Carbon shall cause the shares of Carbon Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Effective Time.

6.12 Termination of Affiliate Arrangements. At or prior to the Closing, (i) Oxygen shall, and shall cause each of its Subsidiaries to, terminate the Contracts between Oxygen and its Subsidiaries, on the one hand, and the Oxygen Holders or their Affiliates, on the other hand, other than (A) the Oxygen LLC Agreement, (B) those Contracts listed in Section 6.12 of the Oxygen Disclosure Schedule, (C) Contracts between or among Oxygen or any Subsidiary of Oxygen, on the one hand, and one or more Subsidiaries of Oxygen, on the other hand, and (D) any Oxygen Benefit Plan or any other employment, retention, bonus, severance, consulting, non-disclosure or similar agreement entered into between Oxygen or one of its Subsidiaries, on one hand, and any current or former officer, director or employee of Oxygen or one of its Subsidiaries, on the other hand, in each case, without payment or incurrence of further Liability thereunder and (ii) Oxygen will deliver to Carbon evidence of the termination of such Contracts required to be terminated pursuant to this Section 6.12, which evidence shall be reasonably acceptable to Carbon.

6.13 Rule 144. Following the Closing, Carbon agrees that it will use reasonable best efforts to satisfy the information requirements in Rule 144(c) under the

Securities Act which are necessary to enable former Oxygen Holders to transfer the shares of Carbon Common Stock they receive in the Merger from time to time pursuant to the exemptions provided by Rule 144 under the Securities Act.

6.14 Transaction Expenses.

(a) On or prior to the twentieth (20th) Business Day before the Closing Date, Oxygen will provide to Carbon its good faith list of the estimated Transaction Expenses which list shall include a description of each such amount and the corresponding estimated dollar amount for each expense. Carbon shall instruct KPMG LLP to review the schedule of estimated Transaction Expenses and perform its good faith analysis of any Tax benefits (reduced by any Tax cost) that have been or will be actually realized by Oxygen and its Subsidiaries in cash, credit or a reduction in Taxes otherwise payable in each case during the taxable period ending on or prior to the Closing Date as a result of (and to the extent of) the payment and proper current deduction of such Transaction Expenses in, and the proper allocation of such Transaction Expenses and Retention Amounts to, such period (the "Estimated Transaction Expense Tax Benefits") and deliver to Carbon and Oxygen, at least twenty (20) Business Days prior to the Closing Date, a written report setting forth its good faith estimate of the amount of the Estimated Transaction Expense Tax Benefits, including a reasonably detailed explanation of the reasons for such determination (the "Transaction Tax Analysis"), which analysis shall (i) take into account such information (to the extent relevant) as may be supplied by Oxygen to KPMG LLP (ii) use an assumed combined federal and state tax rate for Oxygen of forty percent (40%) (including for purposes of the estimates referenced in clause (iv)), (iii) be computed on a "with and without" basis (subject to clause (iv)) and (iv) give effect to any deduction for any potential payments to be made pursuant to Section 5.07 of the Oxygen LLC Agreement (based on an estimate of such payments, which estimate shall be determined assuming the highest marginal federal, state and local tax rates apply to each holder of In-the-Money Oxygen Options (the "Unitholder Assumptions")) and any Compensation Deduction Benefit (as defined in the Oxygen LLC Agreement and based on an estimate of such amount, which estimate shall be determined based on the Unitholder Assumptions) (and any such deductions shall be treated as having been utilized before any deduction or tax benefit described in this Section 6.14). Oxygen may cause PricewaterhouseCoopers LLP to review and analyze the Transaction Tax Analysis, and, if Oxygen delivers to Carbon a good faith written objection to all or any part of the Transaction Tax Analysis based on PricewaterhouseCoopers LLP's review and analysis thereof (the "Tax Analysis Objections"), Carbon and Oxygen shall meet and discuss the Tax Analysis Objections and use reasonable good faith efforts to resolve any disagreement of the parties in respect of the Tax Analysis Objections prior to the Closing Date. If notwithstanding their respective reasonable good faith efforts Carbon and Oxygen are unable to resolve any disagreement of the parties in respect of the Tax Analysis Objections, the determination of the Estimated Transaction Expense Tax Benefits set forth in the Transaction Tax Analysis delivered by KPMG LLP to Carbon and Oxygen (as modified by agreement of Carbon and Oxygen) will be binding on the parties for the purpose of this Section 6.14 (such final and binding analysis, the "Final Transaction Tax Analysis").

(b) On or prior to the 5th Business Day before the Closing Date, Oxygen will provide to Carbon a true, correct and complete list of the final Transaction Expenses, which list shall include a description of each amount and the corresponding dollar amount thereof. Carbon shall apply the Final Transaction Tax Analysis to the Transaction Expenses to determine in good faith the amount of any Tax benefits (reduced by any Tax cost) that have been or will be actually realized by Oxygen and its Subsidiaries in cash, credit or a reduction in Taxes otherwise payable in each case during the taxable period ending on or prior to the Closing Date as a result of (and to the extent of) the payment and proper current deduction of such Transaction Expenses in, and the proper allocation of such Transaction Expenses to, such period. Notwithstanding the foregoing, such benefits shall not include any Tax benefit reflected in the Oxygen Audited Interim Financial Statements or otherwise already included in the calculation of Gross Merger Consideration.

6.15 Oxygen Dividends. Following the date hereof, (i) Oxygen and Carbon shall, and shall cause their Subsidiaries to, cooperate and use reasonable best efforts to obtain the necessary approvals of the Governmental Entities that are required for the dividend in cash prior to Closing from Oxygen Bank to Oxygen of the maximum amount of capital permitted by the Governmental Entities and (ii) Oxygen shall cause Oxygen Bank to dividend, in cash such amount approved by the necessary Governmental Entities (the "Approved Oxygen Bank Dividend") prior to the Closing.

6.16 Section 16 Matters. Prior to the Effective Time, Carbon shall take all such steps as may be required to cause any dispositions of acquisitions of shares of Carbon Common Stock (including derivative securities with respect to Carbon Common Stock) resulting from the transactions contemplated by this Agreement by each individual who will become subject to such reporting requirements with respect to Carbon, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

6.17 Holdback Amount. The parties agree to the terms and procedures specified on Exhibit A in respect of the Holdback Amount.

6.18 Holders' Representative.

(a) The parties have designated JCF III HoldCo I L.P. as the initial Holders' Representative for certain limited purposes set forth herein and JCF III HoldCo I L.P. hereby agrees to act in such capacity effective as of the Effective Time. By virtue of duly executing and delivering a Letter of Transmittal or Holder Acknowledgement, as the case may be, which contains (i) the irrevocable agreement of an Oxygen Holder to be bound by this Section 6.18 and to appoint JCF III HoldCo I L.P. as the initial Holders' Representative and (ii) an irrevocable power of attorney granted to the Holders' Representative for the Holders' Representative to take the actions contemplated by this Section 6.18, such Oxygen Holder (an "Electing Oxygen Holder") shall have the benefit of the Holders' Representative exercising the rights set forth herein with respect to such Electing Oxygen Holder. Following the Effective Time, the Holders' Representative may be changed at any time by approval of Electing Oxygen Holders that collectively would be entitled to more than 60% of any subsequent Released Holdback Amount ("Requisite Holders"); provided that such Holders' Representative shall be reasonably acceptable to Carbon. In the event that the Holders' Representative has resigned or been removed, a new Holders' Representative shall be appointed by a vote of the Requisite Holders, such appointment to become effective upon the written acceptance thereof by the new Holders' Representative.

(b) The Holders' Representative shall have such powers and authority as are necessary to carry out the functions assigned to it under this Agreement; provided that the Holders' Representative shall have no power or authority to act on behalf of any Oxygen Holder who is not an Electing Oxygen Holder. Without limiting the generality of the foregoing, from and after the Effective Time, the Holders' Representative shall have full power, authority and discretion to act on behalf of an Electing Oxygen Holder's in connection with the transactions contemplated by Section 6.17 of this Agreement, including executing documents, making all elections and decisions to be made by such Electing Oxygen Holder in connection with the transactions contemplated by Section 6.17 of this Agreement, giving and receiving notices on behalf of such Electing Oxygen Holder and receiving the Holdback Reports and disputing the matters contained therein pursuant to Section 6.17, and exercising the rights set forth in Section 9.11 with respect to the Electing Oxygen Holders. A decision, action, consent, instruction or omission of the Holders' Representative (acting in its capacity as the Holders' Representative) shall constitute a decision, action, consent, instruction or omission of each Electing Oxygen Holder and shall be final, binding and conclusive upon each Electing Oxygen Holder.

(c) The Holders' Representative shall at all times be entitled to rely on any directions received from the Requisite Holders and shall be entitled to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its function hereunder and (in the absence of bad faith on the part of the Holders' Representative) shall be entitled to conclusively rely on the opinions and advice of such Persons. No bond shall be required of the Holders' Representative, and the Holders' Representative shall not receive compensation for its services. The Holders' Representative shall be entitled to reimbursement from the Electing Oxygen Holders for all reasonable expenses, disbursements and advances (including fees and disbursements of its counsel, experts and other agents and consultants) incurred by the Holders' Representative in such capacity, and shall be entitled to indemnification by the Electing Oxygen Holders against any loss, liability or expenses arising out of actions taken or omitted to be taken in its capacity as the Holders' Representative (except for those arising out of the Holders' Representatives' gross negligence or willful misconduct), including the costs and expenses of investigation and defense of claims; provided that the Holders' Representative shall first recover such expenses, disbursements, losses, liabilities and advances from the Holder Expense Fund.

(d) Carbon and its Affiliates shall be entitled to rely upon any decision, action, consent, instruction or omission of the Holders' Representative relating to the transactions contemplated in Section 6.17 as being the decision, action, consent, instruction or omission of each Electing Oxygen Holder. Notwithstanding anything to the contrary, each Electing Oxygen Holder, on behalf of itself and its Affiliates, representatives, agents, successors and assigns, voluntarily, irrevocably, unconditionally and completely waives and releases, acquits and forever discharges Carbon and its Subsidiaries, and each of their respective present and future Affiliates and their respective directors, officers, shareholders, partners, members, agents and representatives, and the predecessors, successors and assigns of each of the foregoing other than the Holders' Representative (each such persons collectively, the "Released Parties") from any and all claims, demands, rights, promises, causes of actions, suits, expenses, damages, Liabilities and obligations of any nature whatsoever (whether based on any Law, known or unknown, suspected or claimed, fixed or contingent, matured or unmatured, determined or determinable, at law or in equity) (each a "Claim") in any way arising out of or based on any action or omission of the Holders' Representative, the appointment of the Holders' Representative, any obligations of the Holders' Representative under this Agreement or any documents or instruments delivered in connection herewith, or any actions or omissions of any Released Party taken in reliance upon any decision, action, consent, instruction or omission of the Holders' Representative, in each case pursuant to or in accordance with this Section 6.18.

(e) The Holders' Representative hereby represents and warrants to Carbon, Oxygen and Merger Sub as follow: (i) The Holders' Representative has all requisite power and authority to execute and deliver this Agreement, (ii) the execution and delivery by the Holders' Representative of this Agreement and the performance by the Holders' Representative of its obligations hereunder do not and will not conflict with, violate any provision of, any applicable Law or Contract applicable to the Holders' Representative, and (iii) this Agreement has been duly and validly executed and delivered by the Holders' Representative and constitutes a valid and binding agreement of the Holders' Representative; enforceable against the Holders' Representative in accordance with its terms, except as may be limited by the Enforceability Exceptions.

(f) In the event that the Holders' Representative determines, in its sole and absolute discretion, that the amount of the Holder Expense Fund exceeds the expenses incurred by the Holders' Representative in such capacity, prior to the final release of any funds payable to the Oxygen Holders, the Holder Representative shall transfer such excess amount to Carbon solely for disbursement (or otherwise cause such excess amount to be disbursed) to the Oxygen Holders as though such amounts were Released Holdback Amounts being distributed pursuant to 6.17(f); provided, however, that notwithstanding anything to the contrary in this Agreement, in no event shall such excess amount become part of the Holdback Amount or otherwise become payable to Carbon.

ARTICLE VII

CONDITIONS PRECEDENT

7.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of the parties to effect the Merger shall be subject to the satisfaction (or, to the extent permitted by applicable Law, the waiver by Carbon and Oxygen) at or prior to the Effective Time of the following conditions:

(a) NYSE Listing. The shares of Carbon Common Stock to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice of issuance.

(b) Regulatory Approvals. All Requisite Regulatory Approvals shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired.

(c) No Burdensome Condition. The consummation of the Merger, the Bank Merger and the other transactions contemplated by this Agreement shall not result in any Burdensome Condition.

(d) No Injunctions or Restraints; Illegality. No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger, the Bank Merger or any of the other transactions contemplated by this Agreement shall be in effect. No Law shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits or makes illegal consummation of the Merger, the Bank Merger or any of the other transactions contemplated by this Agreement.

7.2 Conditions to Obligations of Carbon and Merger Sub. The obligation of Carbon and Merger Sub to effect the Merger is also subject to the satisfaction, or waiver by Carbon, at or prior to the Effective Time, of the following conditions:

(a) Representations and Warranties. The representations and warranties of Oxygen set forth in (i) Sections 3.2(a), 3.2(b) (with respect to Oxygen Bank only) and 3.8(a) shall be true and correct in all respects (other than, in the case of Section 3.2(a) and 3.2(b) (with respect to Oxygen Bank only), such failures to be true and correct as are *de minimis* in effect in the context of Section 3.2(a) and 3.2(b) (with respect to Oxygen Bank only)), in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), and (ii) Sections 3.1 (first two sentences only), 3.2(b) (other than with respect to Oxygen Bank), 3.3(a), 3.3(b)(i), 3.3(b) (last sentence only), 3.7, 3.13(a) (solely with respect to the FDIC Agreements and GSE Agreements) and 3.21 (in each case, read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date). All other representations and warranties of Oxygen set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties and, in the case of the representation and warranties in Section 3.23(a) and Section 3.23(f), read without giving effect to any Knowledge qualification in such representations or warranties) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); provided that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on Oxygen. Carbon shall have received a certificate signed on behalf of Oxygen by an executive officer of Oxygen to the foregoing effect.

(b) Performance of Obligations of Oxygen. Oxygen shall have performed in all material respects the obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Carbon shall have received a certificate signed on behalf of Oxygen by an executive officer of Oxygen to such effect.

(c) Material Adverse Effect. Since the date of this Agreement, no fact, change, event, occurrence, condition or development has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Oxygen.

(d) FDIC Agreements. (1) A FDIC Consent or FDIC Non-Objection with respect to each of the FDIC Agreements shall have been received and shall remain in full force and effect, (2) all FDIC Agreements shall remain in full force and effect without any modification, waiver or amendment adverse to, loss of any benefit by, payment in respect of, or any additional Liability to, Carbon or Oxygen or their Subsidiaries with respect to any such FDIC Agreements other than any FDIC Modification or FDIC Payment that would not constitute a Burdensome Condition and is in compliance in all respects with Section 6.1(b) and (3) no event or condition shall exist which would reasonably be expected to constitute, or with notice or lapse of time or both would reasonably be expected to constitute, a material breach of Oxygen or any of its Subsidiaries under any FDIC Agreements.

(e) GSE Agreements. (1) A GSE Consent or GSE Non-Objection with respect to each of the GSE Agreements shall have been received and shall remain in full force and effect, (2) all GSE Agreements shall remain in full force and effect without any modification, waiver or amendment adverse to, loss of any benefit by, payment in respect of, or any additional Liability to, Carbon or Oxygen or their Subsidiaries with respect to any such GSE Agreements following the date hereof other than any GSE Modification or GSE Payment that would not constitute a Burdensome Condition and is in compliance in all respects with Section 6.1(c) and (3) no event or condition shall exist which would reasonably be expected to constitute, or with notice or lapse of time or both would reasonably be expected to constitute, a material breach of Oxygen or any of its Subsidiaries under any GSE Agreements.

(f) Retention Agreements. (1) Each Retention Agreement shall remain in full force and effect other than as a result of death or permanent disability, (2) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute a material breach of any employee under any such Retention Agreement and (3) Joseph Otting shall remain employed by Oxygen in good standing other than as a result of death or permanent disability.

(g) Selling Interestholder Restrictive Covenant Agreement. (1) Each Selling Interestholder Restrictive Covenant Agreement shall remain in full force and effect and (2) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute a material breach of any Oxygen Holder under a Selling Interestholder Restrictive Covenant Agreement.

(h) Stockholders Agreement. (1) The Stockholders Agreement shall remain in full force and effect and (2) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute a material breach of any Oxygen Holder under the Stockholders Agreement.

(i) Carbon Stock Repurchase. The Requisite Regulatory Approvals shall expressly contemplate Carbon having the ability to return $500 million in capital to its shareholders through one or more Stock Repurchases following the date of this Agreement and prior to or promptly following the Closing.

(j) Approved Oxygen Bank Dividend. Oxygen Bank shall have paid the Approved Oxygen Bank Dividend in full.

(k) Federal Tax Opinion. Carbon shall have received the opinion of Wachtell, Lipton, Rosen & Katz, in form and substance reasonably satisfactory to Carbon, dated as of the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the Merger shall qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In rendering such opinion, counsel may require and rely upon representations contained in certificates of officers of Carbon, reasonably satisfactory in form and substance to such counsel.

7.3 Conditions to Obligations of Oxygen. The obligation of Oxygen to effect the Merger is also subject to the satisfaction or waiver by Oxygen at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of Carbon set forth in (i) Sections 4.2(a) and 4.8(a) shall be true and correct in all respects (other than, in the case of Section 4.2(a), such failures to be true and correct as are *de minimis* in effect in the context of Section 4.2(a)), in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), and (ii) Sections 4.1 (first two sentences only), 4.2(b), 4.3(a), 4.3(b)(i) and 4.7 (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date). All other representations and warranties of Carbon set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); provided that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on Carbon. Oxygen shall have received a certificate signed on behalf of Carbon by an executive officer of Carbon to the foregoing effect.

(b) Performance of Obligations of Carbon. Carbon and Merger Sub shall have performed in all material respects the obligations required to be performed by it under this

Agreement at or prior to the Closing Date, and Oxygen shall have received a certificate signed on behalf of Carbon by an executive officer of Carbon to such effect.

(c) Material Adverse Effect. Since the date of this Agreement, no fact, change, event, occurrence, condition or development has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Carbon.

(d) Federal Tax Opinion. Oxygen shall have received the opinion of Cleary Gottlieb Steen & Hamilton LLP, in form and substance reasonably satisfactory to Oxygen, dated as of the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In rendering such opinion, counsel may require and rely upon representations contained in certificates of officers of Oxygen, reasonably satisfactory in form and substance to such counsel.

ARTICLE VIII

TERMINATION AND AMENDMENT

8.1 Termination. This Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual consent of Carbon and Oxygen in a written instrument authorized by the Board of Directors of each;

(b) by either Carbon or Oxygen if any Governmental Entity that must grant a Requisite Regulatory Approval has denied approval of the consummation of the transactions contemplated by this Agreement, including the Merger or Bank Merger, and such denial has become final and nonappealable or any Governmental Entity of competent jurisdiction shall have issued a final nonappealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement, including the Merger or Bank Merger;

(c) by either Carbon or Oxygen if the Merger shall not have been consummated on or before the first anniversary of the date of this Agreement (the "Termination Date"); or

(d) (i) by either Carbon or Oxygen if there shall have been a breach of any of the covenants or agreements or any of the representations or warranties set forth in this Agreement by the other party, which breach, either individually or in the aggregate with all other breaches by such party, would constitute, if occurring or continuing on the Closing Date, the failure of any of the conditions set forth in Section 7.1, Section 7.2 (in the case of a termination by Carbon) or Section 7.3 (in the case of a termination by Oxygen), and which is not cured within the earlier of (A) the Termination Date or (B) the date that is thirty (30) days following written notice to the party committing such breach, or by its nature or timing cannot be cured during such period or (ii) by Carbon if there is a fact, change, event, occurrence, condition or development that has caused the failure of the condition set forth in Section 7.2(c) to be satisfied and such failure is not cured within the earlier of (A) the Termination Date or (B) the date that is sixty (60) days following written notice to Oxygen of the failure to satisfy the condition set forth in Section 7.2(c) or (iii) by Oxygen if there is a fact, change, event, occurrence, condition or development that has caused the failure of the condition set forth in Section 7.3(c) to be satisfied and such failure is not cured within the earlier of (A) the Termination Date or (B) the date that is sixty (60) days following written notice to Carbon of the failure to satisfy the condition set forth in Section7.3(c);

provided, that the party desiring to terminate this Agreement pursuant to clause (b), (c) or (d) of this Section 8.1, is not then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement and that the failure of the Closing to occur did not arise out of, or result from, a material breach by the terminating party of any representation, warranty, covenant or agreement. The terminating party shall give written notice of such termination to the other party in accordance with Section 9.4, specifying the provision or provisions hereof pursuant to which such termination is effected and confirm that the Board of Directors of such terminating party has authorized such termination.

8.2 Effect of Termination. In the event of termination of this Agreement by either Carbon or Oxygen as provided in Section 8.1, this Agreement shall forthwith become void and have no effect, and none of Carbon, Oxygen, any of their respective Subsidiaries or any of the officers or directors of any of them shall have any Liability of any nature whatsoever hereunder, or in connection with the transactions contemplated hereby, except that (i) Sections 6.2(c) and 8.2 and Article IX (other than Section 9.1) and the Confidentiality Agreement shall survive any termination of this Agreement, and (ii) notwithstanding anything to the contrary contained in this Agreement, neither Carbon nor Oxygen shall be relieved or released from any Liabilities arising out of its willful and material breach of any provision of this Agreement prior to termination.

8.3 Amendment. Subject to compliance with applicable Law and Section 1.1(b), this Agreement may be amended (a) prior to the Effective Time, by an instrument in writing signed on behalf of Oxygen and Carbon, by action taken or authorized by their respective Boards of Directors (provided that any such amendment that would adversely affect the rights or obligations of the Holder's Representative shall also be signed on behalf of the Holder's Representative) and (b) following the Effective Time, by an instrument in writing signed on behalf of Carbon and each of the parties hereto.

8.4 Extension; Waiver. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Board of Directors, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or satisfaction of any conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

ARTICLE IX

GENERAL PROVISIONS

9.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place at 10:00 a.m. New York City time at the offices of Wachtell, Lipton, Rosen & Katz, on a date which shall be no later than three (3) Business Days after the satisfaction or waiver (subject to applicable Law) of the latest to occur of the conditions set forth in Article VII hereof (other than those conditions that by their nature can only be satisfied at the Closing, but subject to the satisfaction or waiver thereof), unless extended by mutual agreement of the parties (the "Closing Date").

9.2 Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for Section 6.3(a) and for those other covenants and agreements contained herein and therein which by their terms apply or are to be performed in whole or in part after the Effective Time.

9.3 Expenses. Except as otherwise set forth herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense.

9.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Oxygen, to:

IMB HoldCo LLC
888 East Walnut Street
Pasadena, California 91101-7211
Attention: Steven Mnuchin

With a copy (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin
Benet J. O'Reilly
Facsimile: (212) 225-3999

and

(b) if to Carbon or Merger Sub, to:

CIT Group Inc.
1 CIT Drive
Livingston, NJ 07039
Attention: General Counsel
Facsimile: (973) 740-5264

With a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Edward D. Herlihy
David C. Karp
Facsimile: (212) 403-2000

(c) if to the Holders' Representative, to:

JCF III HoldCo I L.P.
c/o JC Flowers & Co.
717 Fifth Avenue, 26th Floor
New York, NY 10022
Attention: Sally Rocker
John Oros

9.5 Interpretation; Definitions.

(a) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The Oxygen Disclosure Schedule and the Carbon Disclosure Schedule, as well as all other schedules and all exhibits hereto, shall be deemed part of this Agreement and included in any reference to this Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "Law," "Laws" or to a particular statute or Law shall mean such Law or statute as amended, modified or supplemented from time to time up to the Closing and shall be deemed also to include any and all rules and regulation promulgated thereunder.

(c) As used in this Agreement, the following terms have the meanings ascribed thereto below.

"Accounting Firm" shall have the meaning set forth in Section 1.7(c)(iii).

"Advances" means, with respect to Oxygen, any of its Subsidiaries or any Servicing Agreements, the moneys that have been advanced by Oxygen or any of its Subsidiaries on or before the Closing Date from its funds in connection with its servicing of any Loans.

"Affiliate" means, with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, such specified Person; for purposes of this definition, "*control*" (including, with correlative meanings, the terms "*controlled by*" or "*under common control with*"), as applied to any person, means the possession, directly or indirectly, of (i) ownership, control or power to vote 25% or more of the outstanding shares of any class of voting securities of such person, (ii) control, in any manner, over the election of a majority of the directors, trustees or general partners (or individuals exercising similar functions) of such person or (iii) the power to exercise a controlling influence over the management or policies of such person as determined by the Federal Reserve; *provided*, *however*, no portfolio company of any investment fund, vehicle or account advised, managed or sponsored by any Oxygen Holder or its Affiliates shall be deemed an Affiliate of Oxygen, any of its Subsidiaries or any Oxygen Holder for purposes of this Agreement other than Sections 3.20, 3.24(a) and 6.12.

"Aggregate Cash Percentage" shall have the meaning set forth in Section 1.7.

"Aggregate Fully Diluted Common Interests" shall have the meaning set forth in Section 1.7.

"Aggregate In-The-Money Exercise Price" shall have the meaning set forth in Section 1.7.

"Aggregate Stock Percentage" shall have the meaning set forth in Section 1.7.

"Agreement" shall have the meaning set forth in the Preamble.

"Amended Oxygen LLC Agreement" shall have the meaning set forth in Section 3.2(a).

"Approved Oxygen Bank Dividend" shall have the meaning set forth in Section 6.15.

"Bank Merger" shall have the meaning set forth in Section 1.12.

"Bank Merger Agreement" shall have the meaning set forth in Section 1.12.

"Bank Merger Certificates" shall have the meaning set forth in Section 1.12.

"Bank Merger Effective Time" shall have the meaning set forth in Section 1.12.

"BHC Act" means the Bank Holding Company Act of 1956, as amended.

"Burdensome Condition" shall have the meaning set forth in Section 6.1(e).

"Business Day" means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by Law to close.

"Cancelled Interests" shall have the meaning set forth in Section 1.4(c).

"Carbon" shall have the meaning set forth in the Preamble.

"Carbon Bank" shall have the meaning set forth in Section 1.12(a).

"Carbon Cash Award" shall have the meaning set forth in Section 1.4(b).

"Carbon Closing Price" means the average, rounded to the nearest one ten thousandth, of the closing-sale prices of Carbon Common Stock on the NYSE as reported by The Wall Street Journal for the five full trading days ending on (and including) the day preceding the Closing Date.

"Carbon Disclosure Schedule" shall have the meaning set forth in Section 9.6(a).

"Carbon Regulatory Agreement" shall have the meaning set forth in Section 4.11(a).

"Carbon Reports" means each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC since January 1, 2014 by Carbon pursuant to the Securities Act or the Exchange Act.

"Carbon Restricted Stock Award" shall have the meaning set forth in Section 4.2(a).

"Carbon Restricted Stock Units" shall have the meaning set forth in Section 4.2(a).

"Carbon Signing Price" shall have the meaning set forth in Section 1.7.

"Carbon Stock Award" shall have the meaning set forth in Section 1.4(b).

"Carbon Stock Options" shall have the meaning set forth in Section 4.2(a).

"Carbon Stock Plans" shall have the meaning set forth in Section 4.2(a).

"Cash Consideration Amount" shall have the meaning set forth in Section 1.7.

"Certificate" means a certificate or book-entry account statement, as applicable.

"Certificate of Merger" shall have the meaning set forth in Section 1.2.

"CFPB" means the Consumer Financial Protection Bureau.

"Claim" shall have the meaning set forth in Section 6.18(d).

"Closing" shall have the meaning set forth in Section 9.1.

"Closing Date" shall have the meaning set forth in Section 9.1.

"Code" shall have the meaning set forth in the Recitals.

"Common Equity" means the amount set forth in the line item "total members equity" on the Oxygen Audited Interim Balance Sheet, which amount as reflected in the balance sheet included in the Oxygen Unaudited Financial Statements was $2,914,268,110.

"Confidentiality Agreement" means the confidentiality agreement, dated January 2, 2013, between Carbon and Oxygen, as amended on February 6, 2014.

"Consent Orders" shall have the meaning set forth in Section 3.14(a).

"Continuing Employees" shall have the meaning set forth in Section 6.3(a).

"Contract" means any written contract, agreement, license, note, lease, mortgage, indenture, commitment, understanding or other legally binding agreement.

"Copyrights" shall have the meaning set forth in the definition of Intellectual Property.

"Delaware Courts" shall have the meaning set forth in Section 9.9(b).

"DLLCA" shall have the meaning set forth in Section 1.1(a).

"Effective Time" shall have the meaning set forth in Section 1.2.

"Electing Options" shall have the meaning set forth in Section 1.6(a).

"Electing Oxygen Holder" shall have the meaning set forth in Section 6.18(a).

"Enforceability Exceptions" means bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies.

"Environmental Laws" means all Laws relating to: (i) the protection or restoration of the environment (including, without limitation, air, surface water, groundwater, drinking water supply, surface land, subsurface land), health and safety as it relates to hazardous substance exposure or natural resources; (ii) the handling, use, presence, disposal, release or threatened release of, or exposure to, any Hazardous Substance; or (iii) noise, odor, wetlands, indoor air, pollution, contamination or any injury to persons or property from exposure to any Hazardous Substance.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Estimated Transaction Expense and Retention Amounts Tax Benefits" shall have the meaning set forth in Section 6.14(a).

"Excess Capital" means the amount of Tangible Common Equity reflected on the Oxygen Audited Interim Balance Sheet minus the Required Capital.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Agent" shall have the meaning set forth in Section 2.1.

"Exchange Fund" shall have the meaning set forth in Section 2.1.

"Excluded Amount" means the aggregate increase to clauses (i) and (ii) of the definition of "Gross Merger Consideration" resulting, directly or indirectly, from the Prohibited Transactions and Prohibited Practices, if any.

"Fannie Mae" means the Federal National Mortgage Association.

"FDIC" means the Federal Deposit Insurance Corporation.

"FDIC Agreements" shall have the meaning set forth in Section 3.13(a)(xi).

"FDIC Consent" shall have the meaning set forth in Section 6.1(b).

"FDIC Modification" shall have the meaning set forth in Section 6.1(b).

"FDIC Non-Objection" shall have the meaning set forth in Section 6.1(b).

"FDIC Payment" shall have the meaning set forth in Section 6.1(b).

"FDICIA" shall have the meaning set forth in Section 3.6(c).

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System.

"Final Gross Merger Consideration" has the meaning set forth in Section 1.7(c)(iv).

"Final Offer" shall have the meaning set forth in Section 9.14.

"Final Resolution" means with respect to a Proceeding, (i) a final and non-appealable decision, judgment or award by a Governmental Entity of competent jurisdiction with respect to such Proceeding, (ii) a binding settlement agreement entered into by Carbon or its Subsidiaries with a third party with respect to such Proceeding or (iii) the written agreement of Carbon and the Holders' Representative with respect to the final resolution of such Proceeding.

"Final Transaction Tax Analysis" shall have the meaning set forth in Section 6.14(a).

"Financial Freedom" means the third-party reverse mortgage servicing business conducted by Oxygen and its Subsidiaries (or following Closing, by Carbon and its Subsidiaries).

"Financing" shall have the meaning set forth in Section 6.2(c).

"Freddie Mac" means the Federal Home Loan Mortgage Corporation.

"GAAP" means generally accepted accounting principles in the United States, consistently applied.

"Ginnie Mae" means the Government National Mortgage Association.

"Goodwill and Intangibles" means the amount set forth in the line item "goodwill and other intangible assets" on the Oxygen Audited Interim Balance Sheet, which amount as reflected in the balance sheet included in the Oxygen Unaudited Financial Statements was $109,708,298.

"Governmental Entity" means any federal, state, local or foreign government, any transnational governmental organization or any court of competent jurisdiction, arbitral, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, or any national securities exchange or any SRO.

"Governmental Insurer" shall have the meaning set forth in Section 3.13(a)(xiii).

"Governmental Insurer Requirements" means the requirements of any Governmental Insurer as such requirements are available and updated or amended from time to time electronically or in writing in guides, bulletins, handbooks, industry letters, mortgagee letters, circulars or other similar communications from the respective governmental insurer or in written agreements between the respective governmental insurer and Oxygen or one of its Subsidiaries.

"Gross Merger Consideration" means an amount equal to the sum of (i) the product of (A) 1.3 multiplied by (B) Required Capital plus (ii) Excess Capital minus (iii) any Excluded Amounts.

"Gross Settlement Election" shall have the meaning set forth in Section 1.6(b).

"GSE Agreements" shall have the meaning set forth in Section 3.13(a)(xii).

"GSEs" means Fannie Mae and Freddie Mac (each individually, a "GSE").

"GSE Consent" shall have the meaning set forth in Section 6.1(c).

"GSE Modification" shall have the meaning set forth in Section 6.1(c).

"GSE Non-Objection" shall have the meaning set forth in Section 6.1(c).

"GSE Payment" shall have the meaning set forth in Section 6.1(c).

"GSE Requirements" means the requirements of any GSE as such requirements are available and updated or amended from time to time electronically or in writing in handbooks, guides, guidelines, manuals, mortgagee letters, circulars, bulletins, industry letters or other similar communications from the respective GSE (or its conservator) or in written agreements between the GSE and Oxygen or one of its Subsidiaries..

"Hazardous Substance" means any substance listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or by quantity, including any substance containing any such substance as a component, and including, without limitation, any hazardous waste, toxic waste, pollutant, contaminant, hazardous substance, toxic substance, petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos-containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl.

"Holdback Amount" has the meaning set forth in Section 1.7.

"Holdback Percentage" means a fraction, the numerator of which is the sum of (i) the vested Oxygen Common Interests plus (ii) the Oxygen Common Interests issuable upon exercise of In-the Money Oxygen Options plus (iii) the Oxygen Interest Awards, in each case held by such Oxygen Holder immediately prior to the Effective Time, and the denominator of which, is the sum of (i) all vested Oxygen Common Interests plus (ii) all Common Interests issuable upon exercise of In-the Money Oxygen Options plus (iii) all Oxygen Interest Awards, in each case outstanding immediately prior to the Effective Time.

"Holdback Reports" shall have the meaning set forth in Exhibit A.

"Holder Acknowledgment" means a holder acknowledgement.

"Holder Expense Fund" means $2,000,000.

"Holders' Representative" shall have the meaning set forth in the Recitals.

"HUD" means the United States Department of Housing and Urban Development.

"Indemnified Parties" shall have the meaning set forth in Section 6.4(a).

"Independent Valuation Firm" shall have the meaning set forth in Section 9.14.

"Intellectual Property" means all intellectual property rights existing anywhere in the world associated with all: (i) patents and patent applications, including continuations, divisionals, continuations-in-part, reissues or reexaminations and patents issuing thereon (collectively, "Patents"), (ii) trademarks, service marks, trade dress, logos, corporate names, trade names and Internet domain names, together with the goodwill associated with any of the foregoing, and all applications and registrations therefor (collectively, "Marks"), (iii) copyrights and registrations and applications therefor, works of authorship and moral rights (collectively, "Copyrights"), (iv) Software, and (v) trade secrets, discoveries, concepts, ideas, research and development, algorithms, know-how, formulae, inventions (whether or not patentable), processes, techniques, technical data, designs, drawings, specifications, in each case excluding any rights in respect of any of the foregoing that comprise or are protected by Patents (collectively, "Trade Secrets").

"In-the-Money Oxygen Options" shall have the meaning set forth in Section 1.7.

"Investor/Insurer Requirements" means the applicable rules, regulations, announcements, notices, directives, instructions, servicing guidelines, and mortgage letters of the investor and/or private mortgage insurer of the Loan, including the applicable provisions of any pooling and servicing agreement or any other agreements with investors and private mortgage insurers pursuant to which Oxygen is the servicer of the Loan, all as may be amended from time to time.

"Investor Questionnaire" means an investor questionnaire in the form attached as Annex A.

"IRS" means the Internal Revenue Service.

"Knowledge" means (i) with respect to Oxygen, the actual knowledge of any of the officers of Oxygen listed on Section 9.5(a) of the Oxygen Disclosure Schedule, after reasonable investigation, and (ii) with respect to Carbon, the actual knowledge of any of the officers of Carbon listed on Section 9.5 of the Carbon Disclosure Schedule, after reasonable investigation.

"Law" means any law (including common law), treaty, statute, ordinance, code, rule, regulation, judgment, decree, order, writ, award, injunction, decree, directive, authorization or determination enacted, entered, promulgated, enforced or issued by any Governmental Entity.

"Letter of Transmittal" shall have the meaning set forth in Section 2.2.

"Liability" means any and all debts, liabilities and obligations, whether fixed, contingent or absolute, matured or unmatured, accrued or not accrued, determined or determinable, secured or unsecured, disputed or undisputed, subordinated or unsubordinated, or otherwise.

"Liens" means any security interest, pledge, hypothecation, mortgage, deed of trust, lien (including environmental and Tax liens), assignment, charge, encumbrance, restriction, reservation, declaration, easement, right of way, lease, agreement to lease, encroachment, severance of oil, gas or mineral rights, license, or other security interest of any kind or nature whatsoever (including those created by, arising under or evidenced by any conditional sale or other title retention agreement), the interest of a lessor under a capital lease, conditional or installment sales contract, contract for deed, any financing lease or any agreement to provide any of the foregoing or any other similar restriction on ownership or, with respect to any real or personal property, any defect in or cloud on title to such asset or contractual restriction on the ownership or use of such asset, land use or zoning ordinance or regulation, or sale of or limitation of air or development rights.

"Loan" shall mean, as applicable, any extension of credit or commitment to extend credit.

"Loss" means any and all losses, claims, damages, Liabilities, obligations, costs and expenses, whether or not reserved (including, without limitation, as a result of any notices, Proceedings, demands, assessments, judgments, awards, costs, penalties, Taxes and reasonable expenses, including reasonable attorneys' and other professionals' fees and disbursements).

"Loss Share Agreement" shall have the meaning set forth in Section 3.13(a)(xi).

"Loss Share Review" shall have the meaning set forth in Section3.24(e).

"Made Available" means made available to Carbon at the offices of Cleary Gottlieb Steen & Hamilton LLP or in the Project Driver online dataroom prior to the date hereof.

"Marks" shall have the meaning set forth in the definition of Intellectual Property.

"Material Adverse Effect" means, with respect to Oxygen or Carbon, as the case may be, any fact, change, event, occurrence, condition or development which (i) has, or would reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, results of operations or financial condition of such party and its Subsidiaries taken as a whole (provided that, with respect to this clause (i), Material Adverse Effect shall not be deemed to include the impact of (A) changes after the date hereof in GAAP, (B) changes after the date hereof in Laws of general applicability to companies in the industries in which such party and its Subsidiaries operate, (C) changes after the date hereof in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market conditions affecting other companies in the industries in which such part and its Subsidiaries operate (including changes in interest rates), (D) the announcement of this Agreement, including the impact thereof on relationships with customers, employees and counterparts, (E) volcanoes, tsunamis, pandemics, earthquakes, floods, storms, hurricanes, tornadoes or other natural disasters, (F) actions or omissions of Carbon or Oxygen taken at the written request of the other party, or (G) a decline in the trading price of a party's common stock or the failure, in and of itself, to meet earnings projections, but not, in either case, including the underlying causes thereof; except, with respect to clauses (A), (B), (C) or (E), to the extent that the effects of such change are disproportionately adverse to the business, properties, assets, liabilities, results of operations or financial condition of such party and its Subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its Subsidiaries operate) or (ii) prevents or materially impairs the ability of such party to timely consummate the transactions contemplated hereby. In addition, in the case of Oxygen, Material Adverse Effect shall not be deemed to include the impact of any fact, change, event, occurrence, condition or development to the extent the impact is reflected in the calculation of Final Gross Merger Consideration or to the extent Carbon will be compensated in respect of the impact from the Holdback Amount.

"Merger" shall have the meaning set forth in the Recitals.

"Merger Consideration Per Fully Diluted Interest" shall have the meaning set forth in Section 1.7.

"Merger Sub" shall have the meaning set forth in the Preamble.

"Multiemployer Plan" shall have the meaning set forth in Section 3.11(f).

"Multiple Employer Plan" shall have the meaning set forth in Section 3.11(f).

"Net Merger Consideration" shall have the meaning set forth in Section 1.7.

"New Benefit Plan" shall have the meaning set forth in Section 6.3(b).

"Non-Accredited Investor" means any holder of Oxygen Common Interests (including Oxygen Interest Awards) or Oxygen Options who Carbon is unable to verify to its reasonable satisfaction is an "accredited investor" (as such term is defined in Rule 501(a) under the Securities Act) as of the Effective Time (it being understood that Carbon may deem any Oxygen Holder who does not complete and deliver an Investor Questionnaire to the Exchange Agent prior to the fifth Business Day prior to the Closing Date as a Non-Accredited Investor).

"Non-Accredited Investor Common Interest Consideration" shall have the meaning set forth in Section 1.6(a).

"Non-Accredited Investor Option Consideration" shall have the meaning set forth in Section 1.6(a).

"Notice of Disagreement" shall have the meaning set forth in Section 1.7(c)(iii).

"NYSE" means the New York Stock Exchange.

"OCC" means the Office of the Comptroller of the Currency.

"Option Cash Amount" shall have the meaning set forth in Section 2.2(h).

"Option Consideration" shall have the meaning set forth in Section 1.7.

"Option Holder" shall have the meaning set forth in Section 1.6(a).

"Option Withholding Amount" shall have the meaning set forth in Section 2.2(h).

"Organizational Documents" means a Person's charter, articles of organization, certificate of incorporation, certificate of formation, limited liability company agreement, trust documents, partnership agreement, by-laws or other similar organizational documents, as applicable, and including in the case of Oxygen, the Oxygen LLC Agreement.

"Out-of-the-Money Oxygen Option" shall have the meaning set forth in Section 1.6(a).

"Owned Real Property" shall have the meaning set forth in Section 3.18(c).

"Oxygen" shall have the meaning set forth in the Preamble.

"Oxygen Audited Financial Statements" shall have the meaning set forth in Section 3.6(a).

"Oxygen Audited Interim Balance Sheet" shall have the meaning set forth in Section 1.7(c).

"Oxygen Audited Interim Financial Statements" shall have the meaning set forth in Section 1.7(c).

"Oxygen Bank" shall have the meaning set forth in Section 1.12(a).

"Oxygen Benefit Plans" shall have the meaning set forth in Section 3.11(a).

"Oxygen Budget" means the 2014 Draft Forecast (with Haircuts ID 407).

"Oxygen Common Interest" means any "Common Interest" of Oxygen as such term is defined in the Oxygen LLC Agreement; provided that for purposes of this Agreement, Oxygen Common Interest shall not include any Oxygen Converted Common Interest.

"Oxygen Contract" shall have the meaning set forth in Section 3.13(a).

"Oxygen Converted Common Interest" means any "Converted Common Interest" of Oxygen as such term is defined in the Oxygen LLC Agreement.

"Oxygen Disclosure Schedule" shall have the meaning set forth in Section 9.6(a).

"Oxygen ERISA Affiliate" shall have the meaning set forth in Section 3.11(a).

"Oxygen Financial Statements" shall have the meaning set forth in Section 3.6(a).

"Oxygen Holder" and "Oxygen Holders" shall have the meaning set forth in Section 1.1(b).

"Oxygen Interest Award" shall have the meaning set forth in Section 1.4(b).

"Oxygen LLC Agreement" shall mean the Third Amended and Restated Limited Liability Company Agreement of Oxygen.

"Oxygen Loan" means (i) any Loan owned in whole or in part by Oxygen or any of its Subsidiaries, including a Loan that has closed but has not funded, and (ii) any Loan that, as of any time, Oxygen or any of its Subsidiaries owned and subsequently sold, transferred conveyed or assigned.

"Oxygen Option" means an option granted by Oxygen to purchase Oxygen Common Interests that is outstanding and unexercised immediately prior to the Effective Time.

"Oxygen Profits Interest" means any "Profits Interest" of Oxygen as such term is defined in the Oxygen LLC Agreement.

"Oxygen Qualified Plans" shall have the meaning set forth in Section 3.11(d).

"Oxygen Registered Intellectual Property" shall have the meaning set forth in Section 3.19(a).

"Oxygen Regulatory Agreement" shall have the meaning set forth in Section 3.14.

"Oxygen Unaudited Financial Statements" shall have the meaning set forth in Section 3.6(a).

"Patents" shall have the meaning set forth in the definition of Intellectual Property.

"Per Common Interest Merger Consideration" shall have the meaning set forth in Section 1.4(a).

"Per Interest Cash Consideration" shall have the meaning set forth in Section 1.7.

"Per Interest Stock Consideration" shall have the meaning set forth in Section 1.7.

"Per Option Cash Consideration" shall have the meaning set forth in Section 1.7.

"Per Option Merger Consideration" shall have the meaning set forth in Section 1.6.

"Per Option Stock Consideration" shall have the meaning set forth in Section 1.7.

"Permits" shall have the meaning set forth in Section 3.12(a).

"Permitted Encumbrances" means (a) mechanics', materialmen's, warehousemen's, carriers', workers', landlord's or repairmen's liens or other similar common law or statutory Liens arising or incurred in the ordinary course of business, (b) Liens for Taxes, assessments and other governmental charges not yet due and payable, due but not delinquent, or being contested in good faith by appropriate proceedings for which adequate reserves have been established and are reflected on the most recent balance sheet included in the Oxygen Financial Statements, in each case in accordance with GAAP, (c) nonmonetary Liens (other than leases or other occupancy agreements) that would not impair or restrict in any material respect the use, value or free transferability of the real or tangible property in question based on the current use of such property, (d) Liens disclosed on the Oxygen Financial Statements, or notes thereto, (e) Liens arising or incurred in connection with any advance made by any Federal Home Loan Bank permitted by the terms of this Agreement that are consistent in all material respects with the Liens disclosed on the Oxygen Financial Statements, or notes thereto for such type of advances, (f) non-exclusive licenses or other similar grants of rights to Intellectual Property to end-users or customers granted in the ordinary course of business and (g) such other Liens or imperfections of title that do not, in any material respect, detract from the value or interfere with the present use of the property subject thereto or affected thereby.

"Person" means any individual, corporation (including not-for-profit), savings association, bank, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature.

"Pool" shall have the meaning set forth in Section 3.23(f).

"Preliminary Gross Merger Consideration" means $3,410,894,310.

"Premium Cap" shall have the meaning set forth in Section 6.4(b).

"Previously Disclosed" means information set forth by Oxygen or Carbon in the Oxygen Disclosure Schedule or Carbon Disclosure Schedule, as applicable; provided that disclosure in any section of such schedule shall apply only to the corresponding Section of this Agreement except to the extent that it is reasonably apparent on the face of such disclosure that such disclosure is relevant to another Section of this Agreement.

"Proceeding" means any legal, administrative, arbitral or other proceeding, claim, actions or governmental or regulatory investigation of any nature.

"Prohibited Practice" shall have the meaning set forth in Section 3.8(b).

"Prohibited Transaction" shall have the meaning set forth in Section 3.8(b).

"Real Property Lease" shall have the meaning set forth in Section 3.18(b).

"Regulatory Agencies" shall have the meaning set forth in Section 3.5.

"Released Holdback Amount" shall have the meaning set forth in Exhibit A.

"Released Parties" shall have the meaning set forth in Section 6.18(d).

"Representatives" shall have the meaning set forth in Section 6.10(a).

"Required Capital" means the amount of Tangible Common Equity reflected on the Oxygen Audited Interim Balance Sheet up to the amount which results in a 9% TCE/TA Ratio calculated based on the Tangible Common Equity and Tangible Assets reflected on the Oxygen Audited Interim Balance Sheet.

"Requisite Holders" shall have the meaning set forth in Section 6.18(a).

"Requisite Regulatory Approvals" means the approval of the Federal Reserve and the OCC, in each case required to consummate the transactions contemplated by this Agreement, including the Merger and the Bank Merger.

"Retention Agreement" shall have the meaning set forth in the Recitals.

"Retention Amount" shall mean $10,810,000.

"Rolled Equity Award Amount" shall have the meaning set forth in Section 1.7.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Interestholder Restrictive Covenant Agreements" shall have the meaning set forth in the Recitals.

"Servicing Agreements" shall have the meaning set forth in Section 3.13(a)(xiv).

"Software" means (A) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (B) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (C) all documentation, including user manuals and other training documentation, related to any of the foregoing.

"SRO" means (i) any "self-regulatory organization" as defined in Section 3(a)(26) of the Exchange Act and (ii) any other United States or foreign securities exchange, futures exchange, commodities exchange or contract market.

"State Act" shall have the meaning set forth in Section 2.2(i).

"Stock Consideration Amount" has the meaning set forth in Section 1.7.

"Stock Repurchase" shall have the meaning set forth in Section 6.2(c).

"Stockholders Agreement" shall have the meaning set forth in the Recitals.

"Subsidiary" means, in respect of any Person, any entity of which (i) such Person directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions or (ii) such Person is or directly or indirectly has the power to appoint a general partner, manager or managing member.

"Surviving Bank" shall have the meaning set forth in Section 1.12.

"Surviving Company" shall have the meaning set forth in the Recitals.

"Takeover Statutes" shall have the meaning set forth in Section 3.21.

"Tangible Assets" means Total Assets minus Goodwill and Intangibles.

"Tangible Common Equity" means Common Equity minus Goodwill and Intangibles.

"Tapes" shall have the meaning set forth in Section 3.24(d).

"Tax" or "Taxes" means all federal, state, local, and foreign income, excise, gross receipts, ad valorem, profits, gains, property, capital, sales, transfer, use, license, payroll, employment, social security, severance, unemployment, withholding, duties, excise, windfall profits, intangibles, franchise, backup withholding, value added, alternative or add-on minimum, estimated and other taxes, charges, levies or like assessments together with all penalties and additions to tax and interest thereon.

"Tax Analysis" shall have the meaning set forth in Section 6.14(a).

"Tax Analysis Objection" shall have the meaning set forth in Section 6.14(a).

"Tax Effected Transaction Expenses" means (i) the Transaction Expenses less (ii) the Tax benefits in respect thereof determined in accordance with Section 6.14.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, supplied or required to be supplied to a Governmental Entity.

"TCE/TA Ratio" means Tangible Common Equity divided by Tangible Assets.

"Termination Date" shall have the meaning set forth in Section 8.1(c).

"Total Assets" means the amount set forth in the line item "total assets" on the Oxygen Audited Interim Balance Sheet, which amount as reflected in the balance sheet included in the Oxygen Unaudited Financial Statements was $22,566,541,567.

"Trade Secrets" shall have the meaning set forth in the definition of Intellectual Property.

"Transaction Expenses" means the aggregate amount of (i) fifty percent (50%) of the amount of the FDIC Payments that Oxygen, Carbon or their respective Subsidiaries make, incur or commit to make or incur that do not constitute a Burdensome Condition, if any, (ii) fifty percent (50%) of the amount of the GSE Payments that Oxygen, Carbon or their respective Subsidiaries make, incur or commit to make or incur that do not constitute a Burdensome Condition, if any, (iii) fees or other payments (other than payment of the Net Merger Consideration) to any Oxygen Holder or their Affiliates in connection with this Agreement or the transactions contemplated by this Agreement, if any, (iv) bonuses paid to employees of Oxygen or its Subsidiaries in connection with this Agreement or the transactions contemplated by this Agreement, if any, (v) severance paid to Oxygen employees following the date hereof (excluding any severance (1) paid in amounts and on terms consistent with Oxygen's past practice as set forth on Section 9.5(c) of the Oxygen Disclosure Schedule, (2) paid pursuant to the agreements set forth on Section 9.5(c) of the Oxygen Disclosure Schedule or (3) that is mutually agreed in writing with Carbon), (vi) fees or other payments to financial advisors, attorneys, accountants or other third party advisors or representatives in connection with this Agreement or the transactions contemplated by this Agreement and (vii) the fees set forth on Section 9.5(d) of the Oxygen Disclosure Schedule, in the case of (iii) through (vi) that are incurred by Oxygen or any of its Subsidiaries at or prior to the Closing, whether payable before, at or after the Closing; provided that "Transaction Expenses" shall not include any amounts incurred solely as a result of any change effected pursuant to Section 1.1(b), provided further that, for the avoidance of doubt, "Transaction Expenses" shall not include any amounts to the extent reflected as a liability on the Oxygen Audited Interim Financial Statements or to the extent incurred and paid prior to June 30, 2014; and, provided further that, for purposes of clarification, "Transaction Expenses" shall not include any payments made pursuant to Section 5.07 of the Oxygen LLC Agreement.

"Transaction Tax Analysis" shall have the meaning set forth in Section 6.14(a).

"USDA" means the United States Department of Agriculture.

"VA" means the United States Department of Veteran Affairs.

9.6 Disclosure Schedule.

(a) Before entry into this Agreement, Oxygen delivered to Carbon a schedule (a "Oxygen Disclosure Schedule") and Carbon delivered to Oxygen a schedule a ("Carbon Disclosure Schedule"), each of which sets forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in Article III or Article IV, respectively, or to one or more covenants contained herein; provided that notwithstanding anything in this Agreement to the contrary, (i) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect and (ii) the mere inclusion of an item as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had or would be reasonably likely to have a Material Adverse Effect.

9.7 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

9.8 Entire Agreement. This Agreement (including the documents and the instruments referred to herein) together with the Confidentiality Agreement constitutes the entire agreement among the parties and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

9.9 Governing Law; Jurisdiction.

(a) This Agreement shall be governed and construed in accordance with the Laws of the State of Delaware, without regard to any applicable conflicts of Law.

(b) Each party agrees that it will bring any Proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the Delaware Chancery Court, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Proceeding, in the United States District Court for the District of Delaware (such courts, the "Delaware Courts"), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Delaware Courts, (ii) waives any objection to laying venue in any such Proceeding in the Delaware Courts, (iii) waives any objection that the Delaware Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such Proceeding will be effective if notice is given in accordance with Section 9.4.

9.10 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives, to the extent permitted by applicable Law at the time of institution of the applicable litigation, any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement. Each party certifies and acknowledges that: (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver; (ii) each party understands and has considered the implications of this waiver; (iii) each party makes this waiver voluntarily; and (iv) each party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.10.

9.11 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other party. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Except (a) as otherwise specifically provided in Section 6.3(a) and (b) if the Effective Time occurs, the exclusive right of the Holder's Representative to enforce the provisions of Section 6.17 on behalf of the Oxygen Holders who have irrevocably agreed to be bound by Section 6.18, this Agreement (including the documents and instruments referred to herein) is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

9.12 Specific Performance. Each party hereto agrees that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof (including the parties' obligation to consummate the Merger and the Bank Merger) in the Delaware Courts, without bond or other security being required, this being in addition to any other right, remedy or cause of action to which such party is entitled at law or in equity.

9.13 Delivery by Facsimile or Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a ".pdf" format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a ".pdf" format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a ".pdf" format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

9.14 Valuation Dispute. If Oxygen and Carbon are not initially in agreement with respect to the amount of an FDIC Payment or GSE Payment that would be reflected as a Transaction Expense in the calculation of Net Merger Consideration assuming such FDIC Payment or GSE Payment were paid by Oxygen as contemplated by Section 6.1(b) or 6.1(c), the parties shall seek in good faith to resolve their differences and agree on an amount within ten (10) Business Days. If, at the end of such ten (10) Business Day period, such amount or amounts still remain in dispute, then within two (2) Business Days following the end of such period, Carbon and Oxygen shall each submit in writing to a nationally recognized independent valuation firm reasonably agreed by Oxygen and Carbon (the "Independent Valuation Firm") an amount that shall be its best and final offer as to the amount of such FDIC Payment or GSE Payment, as applicable (as to each, its "Final Offer"). The Independent Valuation Firm shall be instructed to select the Final Offer that is closest to the value of the FDIC Payment or GSE Payment, as the case may be, as determined by the Independent Valuation Firm in accordance with the terms of this Agreement. The Final Offer selected by the Independent Valuation Firm shall serve as the final, binding resolution of the amount of the FDIC Payment or GSE Payment, as applicable, that would be reflected as a Transaction Expense if paid by Oxygen and such selection of a Final Offer by the Independent Valuation Firm shall be (i) in writing and signed by the Independent Valuation Firm, (ii) furnished to Carbon and Oxygen as soon as practicable after the items in dispute have been referred to the Independent Valuation Firm, which shall not be more than twenty (20) Business Days after such referral, and (iii) conclusive and binding upon Carbon and Oxygen on the date of delivery of such written resolution (other than in the case of fraud). Carbon and Oxygen agree to cooperate with the Independent Valuation Firm and to promptly provide all documents and information reasonably requested by the Independent Valuation Firm so as to enable it to make its determination as quickly and as accurately as possible. The fees and expenses of the Independent Valuation Firm shall be borne by the party whose Final Offer is not selected by the Independent Valuation Firm; provided that any fees and expenses borne by Oxygen shall be Transaction Expenses.

[Signature Page Follows]

IN WITNESS WHEREOF, Carbon, Oxygen, Merger Sub and the Holders' Representative have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

CIT GROUP INC.

By: /s/ John A. Thain
Name: John A. Thain
Title: Chairman and Chief Executive Officer

CARBON MERGER SUB LLC

By: /s/ John A. Thain
Name: John A. Thain
Title: Chief Executive Officer

IMB HOLDCO LLC

By: /s/ Steven T. Mnuchin
Name: Steven T. Mnuchin
Title: Chief Executive Officer

JCF III HOLDCO I L.P., as Holders' Representative

By: JCF III AIV I GP L.P., its general partner

By: JCF III AIV I GP Ltd., its general partner

By: /s/ Sally Rocker
Name: Sally Rocker
Title: Authorized Person

Execution Version

STOCKHOLDERS AGREEMENT

by and among

CIT GROUP INC.

and

the parties listed on the signature pages hereto

DATED AS OF JULY 21, 2014

TABLE OF CONTENTS

STOCKHOLDERS AGREEMENT

STOCKHOLDERS AGREEMENT, dated as of July 21, 2014 (this "Agreement"), by and among the parties listed on the signature pages hereto (each, a "Seller," and collectively, the "Sellers"), and CIT Group Inc., a Delaware corporation (the "Company").

RECITALS

WHEREAS, on the date hereof, IMB HoldCo LLC ("Oxygen"), the Company, and Carbon Merger Sub LLC have entered into an Agreement and Plan of Merger (as it may be amended from time to time, the "Merger Agreement") pursuant to which Oxygen will merge with and into Carbon Merger Sub LLC (the "Merger"), with Carbon Merger Sub LLC surviving the Merger as a wholly-owned Subsidiary of the Company;

WHEREAS, Sellers will receive cash and shares of Common Stock in the Merger (such shares received in the Merger, the "Shares"); and

WHEREAS, each of the parties hereto desires to set forth in this Agreement certain terms and conditions regarding the Sellers' ownership of the Shares.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Capitalized terms used but not defined herein shall have the meanings set forth in the Merger Agreement. As used in and for purposes of this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, such specified Person; provided, however, that other than for purposes of Section 2.02, no portfolio company of any investment fund, vehicle or account advised, managed or sponsored by any Oxygen Holder or its Affiliates shall be deemed an Affiliate of Oxygen, any of its Subsidiaries or any Oxygen Holder for purposes of this Agreement.

"Agreement" has the meaning set forth in the Preamble.

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

"beneficial owner" and words of similar import have the meaning assigned to such terms in Rule 13d-3 promulgated under the Exchange Act as in effect on the date of this Agreement; provided, however, that for purposes of this Agreement, a Person shall be deemed to be the beneficial owner of (i) any securities which may be acquired by such Person upon the exercise of any rights (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any condition, the occurrence of any event or any combination of the foregoing) and (ii) any securities which are the subject of any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such Person is a Receiving Party. The term "beneficially own" has a meaning correlative to the foregoing.

"Business Day" means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by Law to close.

"Closing" means the closing of the transactions contemplated by the Merger Agreement.

"Closing Date" means the date on which the Closing occurs.

"Common Stock" means, collectively, the common stock, par value $0.01 per share, of the Company.

"Company" has the meaning set forth in the Preamble.

"control" means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Controlled Affiliate" means any Affiliate of the specified Person that is, directly or indirectly, controlled by or under common control with the specified Person.

"Delaware Courts" has the meaning set forth in Section 5.09(b).

"Demand Notice" has the meaning set forth in Section 3.01(b)(i).

"Demand Registration" has the meaning set forth in Section 3.01(b)(i).

"Demand Shareholders" has the meaning set forth in Section 3.01(b)(i).

"Derivatives Contract" means a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to produce economic benefits and risks to the Receiving Party and/or voting rights that correspond substantially to the ownership by the Receiving Party of a number of securities specified or referenced in such contract, regardless of whether obligations under such contract are required or permitted to be settled through delivery of cash, securities or other property.

"Equity Interests" means the shares of Common Stock or other equity interests, as the case may be, of the Company, and any securities into which such shares of Common Stock or other equity interests shall have been changed or any securities resulting from any reclassification or recapitalization of such shares of Common Stock or other equity interests.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Governmental Entity" means any federal, state, local or foreign government, any transnational governmental organization or any court of competent jurisdiction, arbitral, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, or any national securities exchange or any SRO.

"Group" has the meaning assigned to such term in Section 13(d)(3) of the Exchange Act.

"Indemnified Party" has the meaning set forth in Section 3.09(c).

"Indemnified Persons" has the meaning set forth in Section 3.09(a).

"Indemnifying Party" has the meaning set forth in Section 3.09(c).

"Initial Takedown Shareholder" has the meaning set forth in Section 3.01(a)(ii).

"Inspectors" has the meaning set forth in Section 3.04(a)(x).

"Issuer FWP" has the meaning assigned to "issuer free writing prospectus" in Rule 433 under the Securities Act.

"Law" means any law (including common law), treaty, statute, ordinance, code, rule, regulation, judgment, decree, order, writ, award, injunction, decree, directive, authorization or determination enacted, entered, promulgated, enforced or issued by any Governmental Entity.

"Lockup Termination Date" has the meaning set forth in Section 2.01(b).

"Loss" means any and all losses, claims, damages, Liabilities, obligations, costs and expenses (including, without limitation, as a result of any notices, actions, suits, proceedings, claims, demands, assessments, judgments, awards, costs, penalties, Taxes and reasonable expenses, including reasonable attorneys' and other professionals' fees and disbursements).

"Merger Agreement" has the meaning set forth in the Recitals.

"NYSE" means the New York Stock Exchange.

"Oxygen" shall have the meaning set forth in the Recitals.

"Permitted Transferee" shall have the meaning set forth in Section 2.01(a).

"Person" means any individual, corporation (including not-for-profit), savings association, bank, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature.

"Piggyback Registration" has the meaning set forth in Section 3.02.

"Piggyback Shareholders" has the meaning set forth in Section 3.02.

"Prospectus" means the prospectus (including any preliminary prospectus and any final prospectus) included in any Registration Statement, as amended or supplemented by any free writing prospectus, whether or not required to be filed with the SEC, prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement and by all other amendments and supplements to the prospectus, and all material incorporated by reference in such prospectus.

"Records" has the meaning set forth in Section 3.04(a)(x).

"Registrable Securities" means (i) all Shares that are beneficially owned by a Shareholder at any time and (ii) all Equity Interests issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (i) by way of share dividend or share split or in connection with a consolidation or other reorganization; provided, however, that a Share shall cease to be a Registrable Security if and when (x) it has been effectively registered under the Securities Act and disposed of in accordance with an effective Registration Statement covering it or (y) it is distributed to the public pursuant to Rule 144.

"Registration Statement" means any registration statement of the Company that covers Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Representative" means, with respect to any Person, such Person's, or such Person's Subsidiaries', directors, officers, employees, accountants, investment bankers, commercial bank lenders, attorneys and other advisors or representatives (including the employees or attorneys of such accountants, investment bankers or attorneys).

"Rule 144" means Rule 144 promulgated under the Securities Act or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" and "Sellers" have the meanings set forth in the Preamble.

"Shareholder" means a Seller or Permitted Transferee thereof, for so long as such Seller or Permitted Transferee beneficially owns any Shares.

"Shares" has the meaning set forth in the Recitals hereto.

"SRO" means (i) any "self-regulatory organization" as defined in Section 3(a)(26) of the Exchange Act and (ii) any other United States or foreign securities exchange, futures exchange, commodities exchange or contract market.

"Subsidiary" means, with respect to a Person, an Affiliate directly or indirectly controlled by such Person.

"Suspension Period" has the meaning set forth in Section 3.06(a).

"Takedown Offering" means an offering pursuant to an Automatic Shelf Registration Statement.

"Takedown Request" has the meaning set forth in Section 3.01(a)(ii).

"Takedown Shareholders" has the meaning set forth in Section 3.01(a)(ii).

"Transfer" means (i) any direct or indirect sale, assignment, disposition or other transfer, either voluntary or involuntary, of any capital stock or interest in any capital stock or (ii) in respect of any capital stock or interest in any capital stock, to enter into any swap or any other agreement, transaction or series of transactions that hedges or transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of such capital stock or interest in capital stock, whether any such transaction, swap or series of transactions is to be settled by delivery of securities, in cash or otherwise.

"Transferring Seller" means a Seller that Transferred any of its Shares in accordance with Section 2.01(b) or Transferred Oxygen Common Interests, Oxygen Options, Oxygen Profits Interests or Oxygen Converted Common Interests in accordance with Section 2.01(a).

"Underwriter" means, with respect to any Underwritten Offering, a securities dealer who purchases any Registrable Securities as a principal in connection with a distribution of such Registrable Securities.

"Underwritten Offering" means a public offering of securities registered under the Securities Act in which an Underwriter participates in the distribution of such securities.

ARTICLE II

TRANSFER RESTRICTIONS AND RESTRICTED ACTIVITIES

Section 2.01. Transfer Restrictions.

(a) No Seller shall Transfer any Oxygen Common Interests, Oxygen Options, Oxygen Profits Interests or Oxygen Converted Common Interests (in each case other than through the exercise or conversion of any such securities pursuant to their terms or the terms of the Merger Agreement) between the date hereof and the Closing, other than Transfers to a Controlled Affiliate of such Person that agrees to be bound by the provisions of this Agreement as if it were a Seller hereunder (a "Permitted Transferee").

(b) No Seller or Permitted Transferee shall Transfer any of the Shares prior to the date that is 90 days after the Closing Date (the "Lockup Termination Date") and no Seller or Permitted Transferee shall Transfer more than half of its Shares prior to the date that is 180 days after the Closing Date, except in both cases other than (i) to a Permitted Transferee or (ii) to any Party or Parties not affiliated with the Seller who are acquiring majority control of the Company in a merger, tender offer or other transaction approved or recommended by the board of directors of the Company.

(c) In the event that following the date hereof any Permitted Transferee ceases to be a Controlled Affiliate of the applicable Transferring Seller, then any prior Transfer to such Person pursuant to such exception in Section 2.01(a) or Section 2.01(b) shall become null and void and ownership and title to any such securities so Transferred shall revert to such applicable Transferring Seller. A Seller shall promptly notify the Company following any Transfer to a Permitted Transferee.

(d) From and after the Lockup Termination Date, no Seller shall Transfer any Shares to any Person or Group who, to the Seller's Knowledge, after giving effect to such Transfer, would beneficially own 5% or more of the outstanding shares of Common Stock; provided that the restriction shall not apply to Transfers effected through a broadly distributed Underwritten Offering pursuant to an exercise of the registration rights provided for in this Agreement or to a Transfer to any Party or Parties not affiliated with the Seller who are acquiring majority control of the Company in a merger, tender offer or other transaction approved or recommended by the board of directors of the Company. For the purposes of determining Seller's "Knowledge", (x) in no event shall (i) the knowledge of Seller's broker be imputed to Seller or (ii) Seller have any obligation to make any inquiry or investigation as to the identity of the purchaser of any such Transfer and (y) if Seller has actual knowledge of the identity of the purchaser, Seller shall only be required to search the SEC's Edgar system to establish whether or not such purchaser beneficially owns 5% or more of the outstanding shares of Common Stock.

(e) The foregoing restrictions on Transfer may be waived by the Company in writing; provided that any such waiver shall be made on a pro rata basis across all Sellers and Permitted Transferees based on the number of Shares held by each such Person. The provisions in this Section 2.01 shall terminate with respect to each individual Seller (and its Permitted Transferees) on the first date when such Seller (and any such Permitted Transferees) beneficially own 20% or less of the Shares issued to such Seller pursuant to the Merger Agreement.

(f) Any Transfer or attempted Transfer of Shares in violation of this Section 2.01 shall, to the fullest extent permitted by applicable Law, be null and void *ab initio*, and the Company shall not, and shall instruct its transfer agent and other third parties not to, record or recognize any such purported transaction on the share register of the Company.

(g) Any certificates for Shares issued to the Sellers or any Permitted Transferee pursuant to the Merger Agreement shall bear a legend or legends (and appropriate comparable notations or other arrangements will be made with respect to any uncertificated shares) in addition to the legend contemplated by Section 2.2(i) of the Merger Agreement referencing restrictions on transfer of such Shares under this Agreement which legend shall state in substance:

"The securities evidenced by this certificate are subject to restrictions on transfer set forth in a Stockholders Agreement, dated July 21, 2014, among the Company and certain other parties thereto (a copy of which is on file with the Secretary of the Company)."

(h) Notwithstanding the foregoing, the holder of any certificate(s) for Shares shall be entitled to receive from the Company new certificates for a like number of Shares not bearing such legend (or the elimination or termination of such notations or arrangements) upon the request of such holder at such time as such restrictions are no longer applicable.

Section 2.02. Restricted Activities.

(a) Each Seller shall not and shall cause its Controlled Affiliates not to, directly or indirectly, without the Company's prior written consent:

(i) form, join or in any way participate in a Group with any other Seller (other than an Affiliate of such Seller), with respect to any voting securities of the Company;

(ii) otherwise act with any other Seller (other than an Affiliate of such Seller), to seek to control or influence the management or the policies of the Company; or

(iii) publicly disclose any intention, plan or arrangement prohibited by, or inconsistent with, the foregoing;

provided that this Section 2.02(a) shall in no way limit (i) the activities of any director of the Company taken in good faith solely in his or her capacity as a director of the Company or (ii) the right or ability of any Seller to vote Shares with respect to any matter; provided further that such Seller does not make any public announcement or public communication to another Seller (other than an Affiliate of such Seller) with respect to the manner in which such Seller intends to vote such Shares with respect to any matter.

(b) Each Seller further agrees, that such Seller shall not and shall cause its Affiliates not to, without the written consent of the Company, publicly request the Company to amend or waive any provision of this Section 2.02 (including this sentence) or do so in a manner that would require the Company to publicly disclose such request.

(c) The provisions in this Section 2.02 shall terminate with respect to each individual Seller (and its Permitted Transferees) on the first date when such Seller (and any such Permitted Transferees) beneficially own 20% or less of the Shares issued to such Seller pursuant to the Merger Agreement.

ARTICLE III

REGISTRATION RIGHTS

Section 3.01. Registration. (a) (i) Prior to the Lockup Termination Date, the Company will either (A) file an Automatic Shelf Registration Statement useable for the resale of Registrable Securities under the Securities Act from and after the Lockup Termination Date, in accordance with the methods of distribution elected by such Shareholders, (B) amend an existing Automatic Shelf Registration Statement so that it is useable for such resales or (C) file a Prospectus supplement that shall be deemed to be part of an existing Automatic Shelf Registration Statement in accordance with Rule 430B under the Securities Act that is useable for such resales. Such Automatic Shelf Registration Statement or Prospectus shall contain any intended method of distribution of the Shares specified in writing by any Shareholder. Until the earlier of (i) such time as all Registrable Securities cease to be Registrable Securities or (ii) the Company is no longer eligible to maintain an Automatic Shelf Registration Statement, the Company will keep current and effective an Automatic Shelf Registration Statement and file such supplements or amendments to such Automatic Shelf Registration Statement as may be necessary or appropriate in order to keep such Automatic Shelf Registration Statement continuously effective and useable for the resale of Registrable Securities under the Securities Act. In the event that the Company is no longer eligible to maintain an Automatic Shelf Registration Statement, the Company shall provide written notice to the Shareholders of such ineligibility within five (5) Business Days of the date on which the Company becomes aware of such ineligibility. The Company shall use reasonable best efforts to cause the Registrable Securities to, on or prior to the Lockup Termination Date, be qualified for trading on any securities exchange on which the Common Stock is listed or quoted.

(ii) Upon the receipt by the Company of a written request from any Shareholder (the "Initial Takedown Shareholder") that desires to sell Shares in an Underwritten Offering (an "Initial Takedown Request") following the Lockup Termination Date, the Company will give written notice of such Initial Takedown Request to all other Shareholders, which notice shall be given in any event within three (3) Business Days of the date on which the Company received the applicable Initial Takedown Request. Any other Shareholders that desire to sell Shares in a Takedown Offering shall give written notice to the Company within ten (10) Business Days after the date the Company gave such other Shareholders notice of the Initial Takedown Request specifying the number of Registrable Securities proposed by such Shareholder to be included in such Takedown Offering. If Shareholders holding a majority of the Shares then held by all Shareholders do not join in the Initial Takedown Request within such ten (10) Business Day period then the Company shall not be required to take any further action with respect to such Initial Takedown Request. If Shareholders holding a majority of the Shares then held by all Shareholders join in the Initial Takedown Request, then such Initial Takedown Request shall be deemed to be a "Takedown Request" and such joining Shareholders together with the Initial Takedown Shareholder, are referred to collectively, as the "Takedown Shareholders". Upon an Initial Takedown Request becoming a Takedown Request, the Company will cooperate with such Takedown Shareholders and any Underwriter in effecting a Takedown Offering pursuant to an Automatic Shelf Registration Statement as promptly as reasonably practicable following receipt of such Takedown Request; provided, however, that the Company shall not be obligated to effect more than one (1) Takedown Request pursuant to this Agreement; provided, further that such the Shareholders participating in such Takedown Offering must be in compliance with Section 2.01(b) of this Agreement. A Shareholder may change the number of Registrable Securities proposed to be offered in any Takedown Offering at any time prior to commencement of such offering so long as such change would not materially adversely affect the timing or success of the Takedown Offering;

provided further that the Company shall be entitled to reasonably delay a Takedown Offering to the extent resulting from such change.

(b) (i) If at any time after the Lockup Termination Date and prior to the Company effecting a Takedown Request, the Company is no longer eligible to use an Automatic Shelf Registration Statement, within 30 days after the written request of Shareholders holding a majority of the Shares then held by the Shareholders to register the resale of a specified amount of the Registrable Securities under the Securities Act (a "Demand Notice"), the Company will (A) give written notice of such request to all other Shareholders (which notice shall be given in any event within three (3) Business Days of the date on which the Company received the applicable Demand Notice) and will use its reasonable best efforts to register, in accordance with the provisions of this Agreement, all Registrable Securities that have been requested to be registered in the Demand Notice or by any other Shareholders by written notice to the Company given within ten (10) Business Days after the date the Company gave such other Shareholders notice of the Demand Notice (collectively, the "Demand Shareholders") and (B) will file a Registration Statement, on an appropriate form which the Company is then eligible to use, to register the resale of such Registrable Securities, which Registration Statement will (if specified in the Demand Notice) contemplate the ability of the Demand Shareholders to effect an Underwritten Offering (each such registration, a "Demand Registration"); provided, however, that the Company shall not be obligated to effect more than one (1) Demand Registration pursuant to this Agreement; provided, further that such the Shareholders participating in such Takedown Offering must be in compliance with Section 2.01(b) of this Agreement. Each Demand Notice will specify the number of Registrable Securities proposed to be offered for sale and the intended method of distribution thereof. The Demand Shareholders may change the number of Registrable Securities proposed to be offered pursuant to any Demand Registration at any time prior to commencement of the offering so long as such change would not materially adversely affect the timing or success of the offering. Subject to Section 3.03 and with the written consent of Shareholders holding a majority of the Shares included in the Demand Registration (such consent not to be unreasonably withheld), the Company may include in any registration effected pursuant to Section 3.01(a) or this Section 3.01(b) any securities for its own account or for the account of holders of Common Stock (other than the Shareholders).

(ii) The Company will use its reasonable best efforts to (A) cause any Registration Statement to be declared effective (unless it becomes effective automatically upon filing) as promptly as practicable after the filing thereof with the SEC and (B) keep such Registration Statement current and effective for a period of not less than 90 days, and in any event for so long as necessary for the completion of the resale of Registrable Securities registered thereon. The Company further agrees to supplement or make amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period referred to in clause (B) above, including (1) to respond to the comments of the SEC, if any, (2) as may be required by the registration form utilized by the Company for such Registration Statement or by the instructions to such registration form, (3) as may be required by the Securities Act, (4) as may be required in connection with a Takedown Offering or (5) as may be reasonably requested in writing by the Demand Shareholders or any Underwriter and reasonably acceptable to the Company.

(c) In the event an offering of Registrable Securities (including in connection with any Takedown Offering) under this Section 3.01 involves one or more Underwriters, the Takedown Shareholders or Demand Shareholders, on the one hand, and, the Company, on the other hand, shall each be entitled to select one internationally-recognized investment banking firm to serve as a lead Underwriter, with each of the two such lead Underwriters to be treated substantially the same in all respects (including underwriting discounts, fees and commissions) in respect of a takedown Offering or Demand Registration, and the Takedown Shareholders or Demand Shareholders, as applicable, shall have the right to select any additional Underwriters in connection with the offering; provided that any Underwriter must be reasonably acceptable to the Company. The Company shall reasonably assist such lead Underwriter or Underwriters in their efforts to sell Registrable Securities pursuant to such Registration Statement, including by taking the actions set forth in Section 3.04, and, if reasonably requested in connection with any Takedown Offering or Demand Registration that is an Underwritten Offering in which Shareholders intend to sell Registrable Securities shall make senior executives with appropriate seniority and expertise reasonably available for customary "road show" or other presentations during the marketing period for such Registrable Securities, in each case in connection with a maximum of one (1) Underwritten Offering pursuant to this Agreement (with an understanding that such Underwritten Offering shall be scheduled in a collaborative manner so as not to unreasonably interfere with the conduct of the business of the Company but that any delay of in excess of five (5) Business Days may only be made pursuant to the provisions of Section 3.06).

(d) A Shareholder will be permitted to rescind a Demand Registration or Takedown Request or request the removal of any Registrable Securities held by it from any Demand Registration or Takedown Request at any time without having to reimburse the Company for any expenses; provided that should Shareholders holding a majority of the Shares that previously made a Demand Registration or Takedown Request rescind such request, each such rescinding Shareholder shall promptly reimburse the Company for the reasonable out of pocket expenses incurred by the Company in connection with such Demand Registration or Takedown Request on a pro rata basis in accordance with the number of Shares that each such Shareholder originally intended to be offered in such Demand Registration or Takedown Request, and following such reimbursement such Demand Registration or Takedown Offering, as applicable, will not count as a Demand Registration or Takedown Offering for purposes of determining when future Demand Registrations or Takedown Offerings may be requested by Shareholders pursuant to Section 3.01(a) or Section 3.01(b).

Section 3.02. Piggyback Registration. If at any time after the Lockup Termination Date and regardless of whether there has been a Demand Registration or an effected Takedown Request, the Company proposes to file a registration statement under the Securities Act or consummate a Takedown Offering with respect to an offering of Equity Interests for (a) the Company's own account (other than a Registration Statement on Form S-4 or S-8 (or any substitute form that may be adopted by the SEC)) or (b) the account of any holder of Common Stock (other than a Shareholder), then the Company shall give written notice of such proposed filing or Takedown Offering to the Shareholders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date). Upon a written request given by any Shareholders to the Company within five (5) Business Days after delivery of any such notice by the Company (the "Piggyback Shareholders"), to include Registrable Securities in such registration or Takedown Offering, as applicable (which request shall specify the number of

Registrable Securities proposed to be included in such registration or Takedown Offering, as applicable), the Company shall, subject to Section 3.03, Section 2.01(b) of this Agreement and the following proviso, include all such requested Registrable Securities in such registration or Takedown Offering, as applicable, on the same terms and conditions as applicable to the Company's or such holder's shares of Common Stock (a "Piggyback Registration"); provided, however, that if at any time after giving written notice of such proposed filing or Takedown Offering, as applicable, and prior to the effective date of the Registration Statement filed in connection with such registration, or the consummation of such Takedown Offering, as applicable, the Company shall determine for any reason not to proceed with the proposed registration or disposition, as applicable, of the Equity Interests, then the Company may, at its election, give written notice of such determination to the Piggyback Shareholders and, thereupon, will be relieved of its obligation to register any Registrable Securities in connection with such registration, or dispose of any Registrable Securities in connection with such Takedown Offering, as applicable. The Piggyback Shareholders shall, subject to Section 3.04(b), enter into a customary underwriting agreement with the Underwriter or Underwriters selected by the Company with respect to any Shares sold by the Piggyback Shareholders pursuant to this Section 3.02. No registration of Registrable Securities effected pursuant to a request under this Section 3.02 shall relieve the Company of its obligations under Section 3.01 or this Section 3.02.

Section 3.03. Reduction of Size of Underwritten Offering. Notwithstanding anything to the contrary contained herein, if the lead Underwriter(s) of an Underwritten Offering advises the Company in writing that, in its reasonable opinion the number of shares of Common Stock (including any Registrable Securities) that the Company, Shareholders and any other Persons intend to include in any Registration Statement or dispose of pursuant to any Takedown Offering exceeds the number that can be sold without materially and adversely affecting the price at which the securities can be sold, then the number of shares of Common Stock to be included in the Registration Statement, or disposed of pursuant to such Takedown Offering, as applicable, for the account of the Company, Shareholders and any other Persons will be reduced to the extent necessary to reduce the total number of securities to be included in any such Registration Statement or disposed of pursuant to such Takedown Offering, as applicable, to the number recommended by such lead Underwriter(s); provided, however, that such reduction shall be made in accordance with the following priorities:

(a) priority in the case of a Takedown Offering or Demand Registration pursuant to Section 3.01(a) or Section 3.01(b) will be (i) first, all Registrable Securities requested to be included in the Registration Statement, or disposed of pursuant to the Takedown Offering, as applicable, for the account of the Takedown Shareholders or Demand Shareholders, as applicable, pursuant to Section 3.01(a) or Section 3.01(b), pro rata on the basis of the aggregate number of Registrable Securities sought to be registered or disposed of by such Shareholders, (ii) second, any Common Stock proposed to be offered by the Company for its own account and (iii) third, pro rata among any other holders of shares of Common Stock requested to be registered, or disposed of, as applicable, so that the total number of shares of Common Stock to be included in any such offering for the account of all such Persons will not exceed the number recommended by such lead Underwriter;

(b) priority in the case of a registration statement or Takedown Offering initiated by the Company for its own account which gives rise to a Piggyback Registration pursuant to Section 3.02 will be (i) first, Common Stock proposed to be offered by the Company for its own account, (ii) second, the Registrable Securities requested to be included in the Registration Statement, or disposed of pursuant to the Takedown Offering, as applicable, for the account of the Piggyback Shareholders pursuant to their registration rights under Section 3.02, pro rata on the basis of the aggregate number of Registrable Securities sought to be registered or disposed of by such Shareholders, and (iii) third, pro rata among any other holders of shares of Common Stock requested to be registered, or disposed of, as applicable, so that the total number of shares of Common Stock to be included in any such offering for the account of all such Persons will not exceed the number recommended by such lead Underwriter; and

(c) priority in the case of a registration statement or Takedown Offering initiated by the Company for the account of holders of Common Stock other than the Shareholders pursuant to registration rights afforded to such holders pursuant to a contractual right with the Company which gives rise to a Piggyback Registration pursuant to Section 3.02 will be (i) first, pro rata among the holders of shares of Common Stock requesting the offering pursuant to such contractual right, (ii) second, Registrable Securities requested to be included in the Registration Statement, or disposed of, pursuant to the Takedown Offering, as applicable, for the account of the Piggyback Shareholders pursuant to their registration rights under Section 3.02, pro rata on the basis of the aggregate number of Registrable Securities sought to be registered or disposed of by such Shareholders, (iii) third, Common Stock or other Equity Interests offered by the Company for its own account and (iv) fourth, pro rata among any other holders of shares of Common Stock requested to be registered, or disposed of, as applicable, so that the total number of Common Stock to be included in any such offering for the account of all such Persons will not exceed the number recommended by such lead Underwriter.

Section 3.04. Registration Procedures. (a) Subject to the provisions of Section 3.01 or Section 3.02, in connection with the registration of the sale of Registrable Securities pursuant to a Demand Registration, any Takedown Offering or any Piggyback Registration hereunder, the Company will as promptly as reasonably practicable:

(i) but no less than five (5) Business Days prior to the initial filing of a Registration Statement, furnish to the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, prior to the filing of a Registration Statement, copies of such Registration Statement as it is proposed to be filed, and thereafter such copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto, including each preliminary Prospectus), copies of any and all transmittal letters or other correspondence with the SEC relating to such Registration Statement, any agreements with Underwriters related to such offering and such other documents in such quantities as such Shareholders may reasonably request from time to time in order to facilitate the disposition of such Registrable Securities (including in connection with any Takedown Offering), and give such Shareholders and their Representatives a reasonable opportunity to review and comment on the same prior to filing any such documents, it being understood that the Company will not file any such Registration Statement containing any statements with respect to the Shareholders or the “Plan of Distribution” to which the Shareholders shall reasonably object in writing;

(ii) cause the Company's Representatives to supply all information reasonably requested by the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, any Underwriter or their respective Representatives in connection with the Registration Statement or Takedown Offering that is customarily provided by issuers and their Representatives in connection with a registration statement or Takedown Offering;

(iii) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, reasonably request; provided, however, that the Company shall in no event be required to (w) qualify generally to do business in any jurisdiction where it is not then so qualified, (x) subject itself to taxation in any jurisdiction where it is not otherwise then so subject, (y) take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the securities covered by the Registration Statement or (z) consent to general service of process in any jurisdiction where it is not then so subject;

(iv) notify the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, at any time when a Prospectus relating to Registrable Securities is required to be delivered under the Securities Act, of the happening of any event as a result of which the Company becomes aware that the Prospectus included in a Registration Statement or the Registration Statement or amendment or supplement relating to such Registrable Securities contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Company will promptly prepare and file with the SEC a supplement or amendment to such Prospectus and Registration Statement so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus and Registration Statement will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) take reasonable best efforts to ensure that the information available to investors at the time of pricing includes all information required by applicable law (including the information required by Section 12(a)(2) and 17(a)(2) of the Securities Act);

(vi) advise the Underwriter(s), if any, and the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, promptly and, if requested by such Persons, confirm such advice in writing, of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes. If at any time the SEC shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Registrable Securities under state securities or "blue sky" laws, the Company shall use its reasonable best efforts to obtain the withdrawal or lifting of such order as promptly as practicable;

(vii) use its reasonable best efforts to cause such Registrable Securities to be registered with or approved by such other Governmental Entities as may be necessary by virtue of the business and operations of the Company to enable the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, to consummate the disposition of such Registrable Securities; provided, however, that the Company shall in no event be required to (w) qualify generally to do business in any jurisdiction where it is not then so qualified, (x) subject itself to taxation in any jurisdiction where it is not otherwise then so subject, (y) take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the securities covered by the Registration Statement or (z) consent to general service of process in any jurisdiction where it is not then so subject;

(viii) enter into customary agreements (including underwriting agreements) and use reasonable best efforts to take such other actions as are reasonably requested by the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, in order to expedite or facilitate the disposition of such Registrable Securities, including, subject to the provisions of Section 3.01(c) with respect to Underwritten Offerings, preparing for and participating in a road show and other customary selling efforts as the Underwriters, if any, or such Shareholders reasonably request in order to expedite or facilitate such disposition;

(ix) if requested by the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, or the Underwriter(s), if any, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such Shareholders and such Underwriter(s), if any, may reasonably request to have included therein, including information relating to the "Plan of Distribution" of the Registrable Securities, information with respect to the number of Registrable Securities being sold to such Underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering, and make all required filings of such Prospectus supplement or post-effective amendment as promptly as practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(x) except to the extent prohibited by applicable Law and subject to entry into a customary confidentiality agreement or arrangement, make available, after reasonable advance notice, for inspection by the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, any Underwriter participating in any disposition of such Registrable Securities and any Representative for such Shareholders and/or such Underwriter (collectively, the "Inspectors"), during business hours at the offices where such information is normally kept, any financial and other records and corporate documents of the Company (collectively, the "Records") as will be reasonably necessary to enable them to conduct reasonable and customary due diligence with respect to the Company and the related Registration Statement and Prospectus and request the Representatives of the Company and its Subsidiaries to supply all information reasonably requested by any such Inspector; provided, however, that Records and information obtained hereunder will be used by such Inspectors only for purposes of conducting such due diligence;

(xi) use reasonable best efforts to obtain and deliver to each Underwriter and each Takedown Shareholder, Demand Shareholder or Piggyback Shareholder, as applicable, a comfort letter from the independent registered public accounting firm for the Company (and additional comfort letters from the independent registered public accounting firm for any company acquired by the Company whose financial statements are included or incorporated by reference in the Registration Statement) in customary form and covering such matters as are customarily covered by comfort letters as such Underwriter and such Shareholders may reasonably request; provided, however, that if the Company fails to obtain such comfort letter and the relevant offering is abandoned, then such Demand Registration or Takedown Offering will not count as a Demand Registration or Takedown Offering, as applicable, for purposes of determining when future Demand Registrations or Takedown Offerings may be requested by Shareholders pursuant to Section 3.01(a) or Section 3.01(b);

(xii) use its reasonable best efforts to obtain and deliver to each Underwriter and each Takedown Shareholder, Demand Shareholder or Piggyback Shareholder, as applicable, a 10b-5 statement and legal opinion from the Company's external counsel in customary form and covering such matters as are customarily covered by 10b-5 statements and legal opinions delivered to Underwriters in Underwritten Offerings as such Underwriter and/or such Shareholders may reasonably request; provided, however, that if the Company fails to obtain such statement or opinion and the relevant offering is abandoned, then such Demand Registration or Takedown Offering will not count as a Demand Registration or Takedown Offering, as applicable, for purposes of determining when future Demand Registrations or Takedown Offerings may be requested by Shareholders pursuant to Section 3.01(a) or Section 3.01(b);

(xiii) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and make generally available to its security holders, within the required time period, an earnings statement covering a period of 12 months, beginning with the first fiscal quarter after the effective date of the Registration Statement relating to such Registrable Securities (as the term "effective date" is defined in Rule 158(c) under the Securities Act), which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder or any successor provisions thereto;

(xiv) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement not later than the effective date of such Registration Statement;

(xv) cooperate with the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, and the lead Underwriter or Underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold under the Registration Statement in a form eligible for deposit with The Depository Trust Company not bearing any restrictive legends and not subject to any stop transfer order with any transfer agent, and cause such Registrable Securities to be issued in such denominations and registered in such names as the lead Underwriter or Underwriters, if any, may request in writing or, if not an Underwritten Offering, in accordance with the instructions of such Shareholders, in each case in connection with the closing of any sale of Registrable Securities;

(xvi) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities;

(xvii) furnish to each Takedown Shareholder, Demand Shareholder or Piggyback Shareholder, as applicable, and each Underwriter, if any, without charge, as many conformed copies as such Takedown Shareholder, Demand Shareholder or Piggyback Shareholder, as applicable, or Underwriter may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(xviii) make representations and warranties to the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, and the Underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in secondary offerings;

(xix) use reasonable best efforts to cooperate with each Takedown Shareholder, Demand Shareholder or Piggyback Shareholder, as applicable, and each Underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xx) use reasonable best efforts to cause such Registrable Securities to be listed or quoted on the NYSE or, if Common Stock is not then listed on the NYSE, then on such other securities exchange or national quotation system on which the Common Stock is then listed or quoted; and

(xxi) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms hereof.

(b) In connection with the Registration Statement relating to such Registrable Securities covering an Underwritten Offering (including any Takedown Offering), the Company and the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, agree to enter into a written agreement with the Underwriters selected in the manner herein provided in such form and containing such provisions as are customary in the securities business for such an arrangement. In the event an Underwritten Offering is not consummated because any condition to the obligations under any related written agreement with such Underwriters is not met or waived in connection with a Demand Registration or Takedown

Offering, and such failure to be met or waived is not attributable to the fault of the Shareholders, such Demand Registration or Takedown Offering, as applicable, will not count as a Demand Registration or Takedown Offering for purposes of determining when future Demand Registrations or Takedown Offerings may be requested by Shareholders pursuant to Section 3.01(a) or Section 3.01(b).

Section 3.05. Conditions to Offerings. (a) The obligations of the Company to take the actions contemplated by Section 3.01, Section 3.02 and Section 3.04 with respect to an offering of Registrable Securities (including any Takedown Offering) will be subject to the following conditions:

(i) The Company may require the Takedown Shareholders, Demand Shareholders or Piggyback Shareholders, as applicable, to furnish to the Company such information regarding such Shareholders, the Registrable Securities or the distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, in each case to the extent reasonably required by the Securities Act and the rules and regulations promulgated thereunder, or under state securities or “blue sky” laws; and

(ii) in any Underwritten Offering pursuant to Section 3.01 or Section 3.02 hereof, the Takedown Shareholders, Demand or Piggyback Shareholders, as applicable, together with the Company and any other holders of the Company’s securities proposing to include securities in any Underwritten Offering, will enter into a customary underwriting agreement in accordance with Section 3.04(b) with the Underwriter or Underwriters selected for such underwriting, as well as such other documents customary in similar offerings.

(b) The Shareholders agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.04(a)(iv) or 3.04(a)(v) or a condition described in Section 3.06(a), the Shareholders will forthwith discontinue disposition of such Registrable Securities pursuant to the Registration Statement covering the sale of such Registrable Securities or Takedown Offering until the Shareholder’s receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3.04(a)(iv) or notice from the Company of the termination of the stop order or Suspension Period.

(c) Each Shareholder agrees that to the extent timely notified in writing by the Underwriters managing any Underwritten Offering by the Company of shares of Common Stock or any securities convertible into or exchangeable or exercisable for shares of Common Stock, each such Shareholder that is participating in such Underwritten Offering shall agree (the “Underwriter’s Lockup”) not to Transfer any Shares without the prior written consent of the Company or such Underwriters during the period beginning seven (7) days before and ending ninety (90) days (or, in either case, such lesser period as may be permitted for all Shareholders by the Company or such managing Underwriter or Underwriters) after the effective date of the Registration Statement filed in connection with such Underwritten Offering. The Underwriter’s Lockup shall provide that if all or a portion of the Shares of any Shareholder is released from an Underwriter's Lockup or all or a portion of the Shares of any other party who entered into a substantially similar agreement with the Underwriters in connection with such Underwritten

Offering is released from such agreement, then the same percentage of the shares of each Shareholder shall be released from the Underwriter's Lockup.

Section 3.06. Suspension Period.

(a) Notwithstanding anything to the contrary contained in this Agreement, the Company shall be entitled, from time to time, by providing prior written notice to the Shareholders, to require the Shareholders to suspend the use of the Prospectus included in any Automatic Shelf Registration Statement for resales of Registrable Securities pursuant to Section 3.01(a) or Section 3.02 or to postpone the filing or suspend the use of any Registration Statement pursuant to Section 3.01(b) or Section 3.02 for a reasonable period of time not to exceed forty-five (45) days in succession (or a longer period of time with the prior written consent of the Shareholders, which consent shall not be unreasonably withheld), ninety (90) days in the aggregate in any one-year period or two (2) times in any one-year period (a "Suspension Period") if (A) the chief executive officer or chief financial officer of the Company determines in good faith that effecting the registration (or permitting sales under an effective registration) would materially adversely affect an offering of securities of the Company, (B) the Company is in possession of material non-public information and the chief executive officer or chief financial officer of the Company determines in good faith that the disclosure of such information during the period specified in such notice would be materially detrimental to the Company or (C) the Company shall determine that it is required to disclose in any such Registration Statement a contemplated financing, acquisition, corporate reorganization or other similar material transaction or other material event or circumstance affecting the Company or its securities, and the chief executive officer or chief financial officer of the Company determines in good faith that the disclosure of such information at such time would be materially detrimental to the Company or the holders of its Common Stock. In the event of any such suspension pursuant to this Section 3.06(a), the Company shall furnish to the Shareholders a written notice setting forth the estimated length of the anticipated delay. The Company will use reasonable best efforts to limit the length of any Suspension Period and shall notify the Shareholders promptly upon the termination of the Suspension Period. Notice of the commencement of a Suspension Period shall simply specify such commencement and shall not contain any facts or circumstances relating to such commencement or any material non-public information. The Company shall respond promptly to reasonable inquiry by a Shareholder as to such facts and circumstances. Upon notice by the Company to the Shareholders of any determination to commence a Suspension Period, the Shareholders shall keep the fact of any such Suspension Period strictly confidential, and during any Suspension Period, promptly halt any offer, sale, trading or transfer of any Common Stock pursuant to such Prospectus for the duration of the Suspension Period until (x) the Suspension Period has expired or, if earlier (y) the Company has provided notice that the Suspension Period has been terminated. For the avoidance of doubt, nothing contained in this Section 3.06 shall relieve the Company of its obligations under Section 3.01.

(b) After the expiration of any Suspension Period and without any further request from a Shareholder, the Company shall as promptly as reasonably practicable prepare a Registration Statement or post-effective amendment or supplement to the applicable shelf Registration Statement or Prospectus, or any document incorporated therein by reference, or file any other required document so that, as thereafter delivered to purchasers of the Registrable

Securities included therein, if necessary so that the Prospectus will not include a material misstatement or omission or be not effective and useable for resale of Registrable Securities.

Section 3.07. Registration Expenses. Subject to Section 3.01(d), all fees and expenses incurred by the Company in effecting any registration pursuant to this Article III, including all fees and expenses incurred in complying with securities or "blue sky" laws, printing expenses, any registration or filing fees payable under any federal or state securities or "blue sky" laws, the fees and expenses incurred in connection with any listing or quoting of the securities to be registered on any national securities exchange or automated quotation system, fees of the Financial Industry Regulatory Authority, fees and disbursements of counsel for the Company and fees and expenses of the Company's independent registered certified public accounting firm, will be borne by the Company; provided, however, that the Shareholders will bear and pay any underwriting discounts, fees, commissions and related fees and out of pocket expenses of any Underwriters and such Underwriters' counsel and transfer taxes, fees and disbursements of counsel for any Shareholder and any expenses required by applicable Law to be paid by a selling stockholder, in each case with respect to Registrable Securities offered for its account pursuant to any Registration Statement (including in connection with any Takedown Offering).

Section 3.08. Rules 144 and 144A and Regulation S. The Company covenants that it will use reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder and it will use reasonable best efforts to take any such further action as reasonably requested, all to the extent required from time to time to enable the Shareholders to sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of a Shareholder, the Company will deliver to such Shareholder a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

Section 3.09. Indemnification; Contribution. (a) In connection with any registration of Registrable Securities or Takedown Offering pursuant to Section 3.01 or Section 3.02, the Company will indemnify, defend and hold harmless each Shareholder, its Affiliates, directors, officers and shareholders, employees and each Person who controls such Shareholders within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Indemnified Persons") from and against any and all Losses caused by any untrue or alleged untrue statement of material fact contained or incorporated by reference in any part of any Registration Statement or any Prospectus, including any amendment or supplement thereto, used in connection with the Registrable Securities, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus, in the light of the circumstances under which they were made) not misleading; provided, however, that the Company will not be required to indemnify any Indemnified Person for any such Loss arising out of or with respect to sales pursuant to the Registration Statement or Prospectus prior to 180 days subsequent to the Closing Date, based upon information in the Registration Statement or Prospectus that was represented by Oxygen as true and correct in the Merger Agreement, and with respect to which the Company would not have been reasonably expected to discover the failure of such information to be true and correct prior to the date of such sales.

(b) In connection with any Registration Statement or Prospectus, the Shareholders who sell Shares pursuant to such Registration Statement or Prospectus will severally but not jointly indemnify, defend and hold harmless the Company, its directors, its officers, its employees and each Person, if any, who controls the Company (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) to the same extent as the foregoing indemnity from the Company to the Shareholders, but only with respect to information arising out of or based upon information furnished in writing by such Shareholder or on such Shareholder's behalf (in each case, in its capacity as a Shareholder), in either case for use in any Registration Statement or any Prospectus, including any amendment or supplement thereto.

(c) In case any claim, action or proceeding (including any governmental investigation) is instituted involving any Person in respect of which indemnity may be sought pursuant to Section 3.09(a) or Section 3.09(b), such Person (the "Indemnified Party") will promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party shall be entitled to participate therein and, to the extent it shall wish, to assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party and will pay the fees and disbursements of such counsel related to such proceeding; provided, however, that the failure or delay to give such notice shall not relieve the Indemnifying Party of its obligations pursuant to this Agreement except to the extent that it shall be determined by a court of competent jurisdiction that such Indemnifying Party has been prejudiced by such failure or delay. In any such claim, action or proceeding, the Indemnified Party shall have the right, but not the obligation, to participate in any such defense and to retain its own counsel, but the fees and expenses of such counsel will be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party have mutually agreed to the retention of such counsel, (ii) the Indemnifying Party fails to assume the defense of the claim, action or proceeding within 15 Business Days following receipt of notice from the Indemnified Party or (iii) the Indemnified Party and the Indemnifying Party are both actual or potential defendants in, or targets of, any such action and the Indemnified Party has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential conflicting interests between them. It is understood that the Indemnifying Party will not, in connection with any claim, action or proceeding or related claims, actions or proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties and that all such reasonable fees and expenses will be reimbursed as they are incurred. In the case of the retention of any such separate firm for the Indemnified Parties, such firm will be designated in writing by the Indemnified Parties. The Indemnifying Party will not be liable for any settlement of any claim, action or proceeding effected without its written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if such claim, action or proceeding is settled with such consent or if there has been a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any Loss by reason of such settlement or judgment. No Indemnifying Party will, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any pending or threatened proceeding in respect of which any Indemnified Party is seeking indemnity hereunder, unless such settlement includes (i) an unconditional release of such Indemnified Party from all liability in connection with such proceeding, (ii) no finding or admission of any violation of Law or any violation of the rights of any Person by the Indemnified Party or any of its Affiliates can be made as the result of such action and (iii) the sole relief (if any) provided is monetary damages that are reimbursed in full by the Indemnifying Party.

(d) If the indemnification provided for in this Section 3.09 from the Indemnifying Party is unavailable to an Indemnified Party hereunder or is insufficient in respect of any Losses referred to in this Section 3.09, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, will contribute to the amount paid or payable by such Indemnified Party as a result of such Losses (i) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions that resulted in such Losses, as well as any other relevant equitable considerations, or (ii) if the allocation provided by clause (i) is not permitted by applicable Law, in such proportion as is appropriate to reflect not only the relative fault referred to in clause (i) but also the relative benefit of the Company, on the one hand, and such Shareholder, on the other, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party will be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of the Losses referred to above will be deemed to include, subject to the limitations set forth in Section 3.09(c), any reasonable legal or other out of pocket fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(e) The parties agree that it would not be just and equitable if contribution pursuant to Section 3.09(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in Section 3.09(d). No Person guilty of "fraudulent misrepresentation" (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In no event shall any Shareholder be obligated to provide indemnification or contribution in excess of the net aggregate proceeds received from the sale of Registrable Securities pursuant to the applicable Registration Statement or Prospectus.

Section 3.10. Termination. The provisions in this Article III shall terminate with respect to each individual Shareholder on the first date when such Shareholder no longer holds any Registrable Securities.

Section 3.11. Participating Shareholder. By written notice delivered to Carbon, any Shareholder (an "Opting-Out Shareholder") may elect to waive its right to be a Takedown Shareholder and participate in Underwritten Offerings and to be a Piggyback Shareholder and participate in a Piggyback Registration ("Section 3.11 Opt-Out"), until such time as the written notice is rescinded in writing. During such time as a Section 3.11 Opt-Out is in effect: (a) the Opting-Out Shareholder shall not receive notices of any proposed Underwritten

Offering or Piggyback Registration, (b) shall not be entitled to participate in any such Underwritten Offering pursuant to Section 3.01(a)(ii) or Piggyback Registration pursuant to Section 3.02, and (c) shall not be subject to Section 3.05(c).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Company. The Company represents and warrants to Sellers as of the date hereof that:

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the Laws of the State of Delaware and has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder.

(b) This Agreement has been duly and validly authorized by the Company and all necessary and appropriate action has been taken by the Company to execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Company and, assuming due authorization and valid execution and delivery by each of the Sellers, is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms subject to the Enforceability Exceptions.

(d) The execution and delivery by the Company of this Agreement, the performance by the Company of its obligations under this Agreement and the consummation of the transactions contemplated hereby (assuming that the consents, approvals and filings referred to in Section 4.4 of the Merger Agreement are duly obtained and/or made) do not and will not conflict with, violate any provision of, or require the consent or approval of any Person under, applicable Law, the organizational documents of the Company or any contract or agreement to which the Company is a party.

(e) The Company is a "well-known seasoned issuer" within the meaning of Rule 405 promulgated under the Securities Act.

Section 4.02. Representations and Warranties of Sellers. Each of the Sellers represent and warrant to the Company as of the date hereof that:

(a) Such Seller is the sole record and beneficial owner of the Oxygen Common Interests, Oxygen Options, Oxygen Profits Interests or Oxygen Converted Common Interests set forth on Annex A opposite such Seller's name and such securities constitute all of the securities of Oxygen owned of record or beneficially owned by such Seller.

(b) Such Seller has been duly formed, is validly existing and is in good standing under the Laws of its state of organization. Such Seller has all requisite power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(c) The execution and delivery by such Seller of this Agreement, the performance by such Seller of its obligations under this Agreement and the consummation of the transactions contemplated hereby (assuming that the consents, approvals and filings referred to in Section 3.4 of the Merger Agreement are duly obtained and/or made) do not and will not conflict with, violate any provision of, or require the consent or approval of any Person under, applicable Law, the organizational documents of such Seller or any contract or agreement to which such Seller is a party.

(d) The execution, delivery and performance of this Agreement by such Seller has been duly authorized by all necessary corporate action on the part of such Seller. This Agreement has been duly executed and delivered by such Seller and, assuming the due authorization, execution and delivery by each of the other parties hereto, constitutes a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to the Enforceability Exceptions.

(e) Such Seller: (i) is acquiring the Shares for its own account, solely for investment and not with a view toward, or for sale in connection with, any distribution thereof in violation of any federal or state securities or "blue sky" laws, or with any present intention of distributing or selling such Shares in violation of any such laws, (ii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of its investment in the Shares and of making an informed investment decision and (iii) is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act. Such Seller has requested, received, reviewed and considered all information that such Seller deems relevant in making an informed decision to invest in the Shares and has received and reviewed a copy of this Agreement, the Merger Agreement, the Retention Agreements and the Selling Interestholder Restrictive Covenant Agreements. Such Seller understands that the Company is relying on the statements contained herein to establish an exemption from registration under the Securities Act and under state securities laws and acknowledges that the Shares are not registered under the Securities Act or any other applicable Law and that such Shares may not be Transferred except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom.

ARTICLE V

GENERAL PROVISIONS

Section 5.01. Adjustments. References to numbers of shares contained herein will be adjusted to account for any reclassification, exchange, substitution, combination, stock split or reverse stock split of Common Stock.

Section 5.02. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Company, to:

CIT Group Inc.
1 CIT Drive
Livingston, NJ 07039
Attention: General Counsel
Facsimile: (973) 740-5264

With a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Edward D. Herlihy
David C. Karp
Facsimile: (212) 403-2000

(b) if to the Sellers or the Shareholders, to the addresses and other contact information set forth in Annex B.

(a) if to the Company, to:

CIT Group Inc.
1 CIT Drive
Livingston, NJ 07039
Attention: General Counsel
Facsimile: (973) 740-5264

With a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Edward D. Herlihy
David C. Karp
Facsimile: (212) 403-2000

(b) if to the Sellers or the Shareholders, to the addresses and other contact information set forth in Annex B.

Section 5.03. Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 5.04. Amendments; Waivers; Action by Shareholders. Any provision of this Agreement may be waived or amended if, and only if, such waiver or amendment is in writing and signed, in the case of a waiver, by the party against whom the waiver is to be effective, or in the case of an amendment, by the Company and Sellers holding 60% or more of the Shares held by all Sellers; provided that no such amendment may disproportionately affect any Seller without the written consent of such Seller. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. In this Agreement, with respect to any references to consent of Shareholders or action to be taken by Shareholders (in each case as a group), where no specific percentage of Shareholders is specified, such references shall be deemed to be references to consent of or action by Shareholders holding 60% or more of the Shares held by all Shareholders; provided, however, that with respect to any such Underwritten Offering pursuant to Section 3.01(a)(ii) or Piggyback Registration pursuant to Section 3.02 the Shares held by an Opting-Out Shareholder shall be excluded.

Section 5.05. Interpretation.

(a) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of or Exhibit or Schedule to this

Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "Law," "Laws" or to a particular statute or Law shall mean such Law or statute as amended, modified or supplemented from time to time and shall be deemed also to include any and all rules and regulation promulgated thereunder.

Section 5.06. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 5.07. Assignment; Third Party Beneficiaries. Except as expressly provided herein, neither this Agreement nor any of the rights, interests or obligations shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other party; provided that any Seller may assign its rights and interests under this Agreement to a Permitted Transferee upon written notice to the Company. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Except with respect to Indemnified Persons pursuant to Section 3.09, this Agreement (including the documents and instruments referred to herein) is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

Section 5.08. WAIVER OF JURY TRIAL. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives, to the extent permitted by Law at the time of institution of the applicable litigation, any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this

Agreement. Each party certifies and acknowledges that: (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver; (ii) each party understands and has considered the implications of this waiver; (iii) each party makes this waiver voluntarily; and (iv) each party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 5.08.

Section 5.09. Governing Law; Jurisdiction.

(a) This Agreement shall be governed and construed in accordance with the Laws of the State of Delaware, without regard to any applicable conflicts of Law.

(b) Each party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the Delaware Chancery Court, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such suit, action or proceeding, in the United States District Court for the District of Delaware (such courts, the "Delaware Courts"), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Delaware Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Delaware Courts, (iii) waives any objection that the Delaware Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 5.02.

Section 5.10. Specific Performance. Each party hereto agrees that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in the Delaware Courts, without bond or other security being required, this being in addition to any other right, remedy or cause of action to which such party is entitled at law or in equity.

Section 5.11. Effectiveness; Termination. This Agreement will be effective as of the date hereof and, except as otherwise set forth herein will continue in effect thereafter until the earlier of (a) the termination of the Merger Agreement pursuant to its terms or (b) its termination by consent of all parties hereto as of such time; provided, however, that the indemnity and contribution provisions contained in Section 3.09 and this Article V shall survive any termination of this Agreement or any provision thereof. Nothing in this Agreement shall be deemed to release any party from any liability for any willful and material breach of this Agreement occurring prior to any termination hereof.

Section 5.12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the parties hereto, or any of them, written or oral, with respect to the subject matter hereof.

Section 5.13. Maintenance of Member Indemnity. From and after the Effective Time, the Company shall cause Oxygen to indemnify and hold harmless each Seller and each Related Person of each Seller (as defined in Oxygen's limited liability agreement as in effect on the date of this Agreement) against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any legal proceedings, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, including (a) such Person's status as a member or Related Person of a member, and (b) the transactions contemplated by the Merger Agreement, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that Oxygen would have been permitted under Section 10.02 of Oxygen's limited liability agreement as in effect on the date of this Agreement, subject to limitations imposed by applicable Law; provided that such indemnification obligation shall not apply to any contractual claims asserted by the Company or its Subsidiaries and found by a court of competent jurisdiction in a final, enforceable judgment not subject to further appeal to constitute (i) a material breach of such Sellers' or Related Person's obligations or (ii) fraudulent acts of such Sellers or any Related Person, in each case under the Merger Agreement or Stockholders Agreement, as the case may be.

[Next page is a signature page.**]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CIT GROUP INC.

By: /s/ John A. Thain
Name: John A. Thain
Title: Chairman and Chief Executive Officer

JCF III HOLDCO I L.P.

By: JCF III AIV I GP L.P., its general partner

By: JCF III AIV I GP Ltd., its general partner

By: /s/ Sally Rocker
Name: Sally Rocker
Title: Authorized Person

JCF III CO-INVEST PARTNERS I L.P.

By: JCF III AIV I GP L.P., its general partner

By: JCF III AIV I GP Ltd., its general partner

By: /s/ Sally Rocker
Name: Sally Rocker
Title: Authorized Person

TRIDENT IV, L.P.

By: STONE POINT CAPITAL LLC, Manager

By: /s/ David Wermuth
Name: David Wermuth
Title: Senior Principal

[Signature Page to the Stockholders Agreement]

TRIDENT IV PROFESSIONALS FUND, L.P.

By: STONE POINT CAPITAL LLC, Manager

By: /s/ David Wermuth
Name: David Wermuth
Title: Senior Principal

MSD FINANCIAL INVESTMENTS, LLC

By: /s/ Marcello Liguori
Name: Marcello Liguori
Title: Vice President

PCRCo 3 L.P.

By: /s/ Michael Waldorf
Name: Michael Waldorf
Title: Authorized Signatory

QUANTUM STRATEGIC PARTNERS LTD.

By: /s/ Jay A. Schoenfarber
Name: Jay A. Schoenfarber
Title: Attorney-in-Fact

SPC ONEWEST LLC

By: STONE POINT CAPITAL LLC, Manager

By: /s/ David Wermuth
Name: David Wermuth
Title: Senior Principal

AMERICAN CAPITAL PARTNERS, LLC

By: /s/ Michael Karfunkel
Name: Michael Karfunkel
Title: Managing Member

IMB MANAGEMENT HOLDINGS LP

By: /s/ Steven T. Mnuchin
Name: Steven T. Mnuchin
Title: Chief Executive Officer

THE SHM 2009D TRUST

By: /s/ Virginia Mortara
Name: Virginia Mortara
Title: Trustee

By: /s/ Steven T. Mnuchin
Name: Steven T. Mnuchin

EXECUTION COPY

July 21, 2014

Steven Mnuchin
c/o CIT Group Inc.
One CIT Drive
Livingston, NJ 07039

Dear Steven,

This offer letter (this "Offer Letter") memorializes our discussions concerning your role at CIT Group Inc. ("CIT") following the consummation of the merger (the "Merger") contemplated by the Agreement and Plan of Merger among CIT, IMB Holdco LLC ("OneWest"), Carbon Merger Sub LLC and JCF III HoldCo I L.P., dated as of the date hereof (the "Merger Agreement"). We believe that your continued service through and following the consummation of the Merger will greatly contribute to the successful integration of CIT and OneWest and the future success of the combined enterprise.

Positions and Reporting. Following the Effective Time (as defined in the Merger Agreement), you will be appointed as the Vice Chairman of CIT and Chairman of the Surviving Bank (as defined in the Merger Agreement), a subsidiary of CIT (which position, for the avoidance of doubt, is not Chairman of the Board of Directors of the Surviving Bank), and a member of the Board of Directors of CIT (the "Board"), reporting directly to the Chief Executive Officer of CIT. In such positions, you will have such duties and responsibilities as are assigned to you by the Chief Executive Officer of CIT from time to time, *provided* such duties and responsibilities will not be inconsistent with such positions. While employed, you will dedicate substantially all of your business time and attention to your duties and responsibilities with CIT and its affiliates. Without limiting the generality of the foregoing, you will be permitted to continue in your role as Chairman and Chief Executive Officer of Dune Capital Management (and its controlled affiliates) and will be permitted to continue to manage outside investments, in each case, so long as such outside activities do not, in the reasonable determination of the General Counsel of CIT, (i) give rise to a conflict of interest with CIT or its affiliates, (ii) result in a breach of your fiduciary duties, including those related to corporate opportunity, to CIT and its affiliates or a breach of any restrictive covenant agreement between you and CIT or its affiliates or (iii) otherwise interfere with the performance of your duties to CIT and its affiliates. If you disagree with such determination, you may appeal to the Nominating and Governance Committee of the Board.

Total Target Opportunity. In respect of performance during each of the 2015, 2016 and 2017 fiscal years of CIT, you will have a total target annual compensation opportunity, currently consisting of annual base salary, target annual incentive opportunity and target long-term incentive opportunity, equal to $4,500,000 (the "Total Target Opportunity"). The actual payout of the incentive components of the Total Target Opportunity will be based on, among other things, your performance and CIT's results. The Total Target Opportunity will be allocated in the manner determined by the Compensation Committee of the Board (the "Committee") consistent with the allocations applicable to similarly situated executives of CIT and its affiliates (other than the Chief Executive Officer of CIT) (the "Peer Executives"), *provided* that in no event will your annual base salary (payable bi-weekly) be less than $750,000. Except as expressly provided herein, eligibility to receive incentive awards in respect of the Total Target Opportunity, as well as the terms and conditions under which they may be granted, may change from time to time at the sole discretion of the Committee. Except for the compensation described herein, you will not be entitled to any compensation for your services as a member of the Board or the board of directors of any of CIT's affiliates, including retainer fees and other amounts that might be paid to other members of any such boards and the committees thereof.

Severance Upon Certain Terminations of Employment. If during the three (3)-year period following the Effective Time (the "Term"), your employment is terminated without Cause (as defined below) or you resign for Good Reason (as defined below), you will be paid a lump sum amount (as soon as reasonably practicable after the date on which the Release (as defined below) becomes effective in accordance with its terms)) equal to (i)(A) the product of $375,000, multiplied by the number of full and partial months remaining in the Term, *minus* (B) the grant date fair value of any long-term incentive awards granted in respect of the Total Target Opportunity in the year of termination (not to exceed the amount equal to the portion of the Total Target Opportunity attributable to long-term incentive awards for such year), *plus* (ii) 102% of the medical premiums for the remainder of the Term; *provided*, *however*, if the cash severance amount that would be payable to you under the CIT Employee Severance Plan as in effect from time to time (the "Severance Plan"), based on participation at the Executive Management Committee level, is greater than the amount contemplated by the foregoing clause, you will instead be paid the amount payable under the Severance Plan but in accordance with the terms and conditions of this Offer Letter. Any severance payments will be contingent upon your execution and non-revocation of a release of claims in favor of CIT and its affiliates in the form customarily used by CIT under the Severance Plan (the "Release"), which Release must be signed by you and returned to CIT within thirty (30) days of your date of termination and become effective in accordance with its terms. The payments and benefits specified herein on a termination of employment without Cause or for Good Reason are the only benefits to which you are entitled upon a termination of employment without Cause or for Good Reason, except for any rights expressly set forth in any equity award agreements in respect of CIT common stock to which you are a party or any rights to vested benefits as of your date of termination pursuant to the terms of the CIT employee benefit plans in which you participate. Upon your termination of employment for any reason, you will promptly resign from all positions, including, any director positions, with CIT and its affiliates.

For purposes of this Offer Letter, "Cause" means: (i) the commission of a misdemeanor involving moral turpitude or a felony; (ii) your acts or omissions that cause or may reasonably be expected to cause material injury to CIT and its Affiliates (as defined in the CIT Amended and Restated Long-Term Incentive Plan) (the "CIT Group"), its vendors, customers, business partners or affiliates or that results or is intended to result in personal gain at the expense of the CIT Group, its vendors, customers, business partners or affiliates; (iii) your substantial and continuing neglect of your job responsibilities for the CIT Group (including excessive unauthorized absenteeism); (iv) your failure to comply with, or violation of, the CIT Group's Code of Business Conduct; (v) your acts or omissions, whether or not performed in the workplace, that preclude your employment with any member of the CIT Group by virtue of Section 19 of the Federal Deposit Insurance Act; or (vi) your violation of any federal or state securities or banking laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or exchange or association of which you or a member of the CIT Group is a member.

For purposes of this Offer Letter, "Good Reason" means, without your consent: (i) a material diminution of your annual base salary as set forth in this Offer Letter (except in the event of a compensation reduction applicable to you and other employees of comparable rank and/or status); (ii) a material diminution of your duties and responsibilities from those in effect as of immediately following the Effective Time; (iii) your reassignment to a work location that is more than fifty (50) miles from your immediately preceding work location and which increases the distance you have to commute to work by more than fifty (50) miles; or (iv) a material breach by CIT of this Offer Letter; *provided* that, a termination for Good Reason will not occur unless (A) you have provided CIT written notice specifying in detail the alleged condition of Good Reason within thirty (30) days of the occurrence of such condition; (B) CIT has failed to cure such alleged condition within ninety (90) days following CIT's receipt of such written notice; and (C) if the Committee (or its designee) has determined that CIT has failed to cure such alleged condition, your termination of employment occurs within five (5) days following the end of such 90-day cure period.

Employee Benefits. While employed during the Term, you will be eligible to participate in the employee benefit plans and perquisites provided to Peer Executives, other than participation in the Severance Plan; *provided* that, following the Term, you will be eligible to participate in the Severance Plan at the Executive Management Committee level. You will be eligible for twenty (20) vacation days per full calendar year. Based on your position, you may be required to comply with banking regulations regarding mandatory time away which, if applicable, must be taken as part of your eligible vacation time. In addition, you will be eligible for company paid holidays and personal days in accordance with CIT's time off policy. While employed during the Term, you will be entitled to be provided with security services similar to those provided by OneWest prior to the Effective Time.

Employment Policies. As part of your employment with CIT and its affiliates, you agree to abide by all of CIT's policies and procedures as they presently exist, and as they are amended from time to time, including, without limitation, any claw back or recoupment policies. Without limiting the generality of the foregoing, in your role, you will be subject to CIT's Executive Equity Ownership and Retention Policy as in effect from time to time (the "Retention Policy") and generally will be required to own the greater of (i) a minimum amount of "Stock" (as defined in the Retention Policy) based on a multiple of your base salary or (ii) a number of "Covered Shares" (as defined in the Retention Policy) currently equal to at least 50% of the vested, after-tax compensation-related equity awards granted to you by CIT. For the avoidance of doubt, shares of CIT common stock received by you after the Effective Time will be treated as "Covered Shares", but shares received in consideration for OneWest equity in connection with the Merger will not. To the extent there is any inconsistency between the description of the Retention Policy requirements herein and the actual terms of the policy, the language of the Retention Policy will govern.

Miscellaneous.

CIT's obligations under this Offer Letter will become effective upon the occurrence of the Effective Time subject to your continued employment with OneWest as of the Effective Time. CIT's obligations under this Offer Letter are contingent upon (i) you subjecting to a vote, in accordance with Q&A/ 6 and 7 of the regulations under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder, all payments and benefits that could reasonably be viewed as "parachute payments" (within the meaning of Section 280G of the Code and the regulations thereunder), including the payments and RSU awards contemplated by this Offer Letter, and using reasonable best efforts to cause OneWest to seek approval of such payments and awards in accordance with Q&A/6 and 7 of the regulations under Section 280G of the Code from the interest holders of OneWest or any applicable affiliate (the form of which vote and any required waiver will be reasonably satisfactory to CIT), prior to the Effective Time, and (ii) your execution of CIT's Non Competition, Non-Solicitation and Confidentiality

Agreement (the "Confidentiality Agreement"), a copy of which Confidentiality Agreement is enclosed for your signature simultaneous with your signing of this Offer Letter.

CIT and you intend that the benefits and payments described in this Offer Letter will comply with the requirements of Section 409A of the Code, and the regulations, guidance and other interpretative authority issued thereunder to the extent subject thereto, or an exemption to Section 409A of the Code, and that this Offer Letter will be interpreted and construed consistent with that intent. Any benefits or payments that qualify for the "short-term deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code will be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Offer Letter will be treated as a separate payment of compensation for purposes of applying the Section 409A of the Code deferral election rules and the exclusion under Section 409A of the Code for certain short-term deferral amounts. In no event may you, directly or indirectly, designate the calendar year of any payment under this Offer Letter.

This Offer Letter is governed by the law of the State of New York, without giving effect to any conflicts of laws provisions.

This Offer Letter and the Confidentiality Agreement set forth the terms of your employment with CIT and supersede any and all prior oral or written agreements, term sheets or communications made in connection with the negotiation of this Offer Letter. This Offer Letter and the Confidentiality Agreement do not supersede or amend in any way the Selling Interestholder Restrictive Covenant Agreement, dated as of the date hereof, and entered into by you in connection with the Merger Agreement in your capacity as a selling interestholder in the Merger, which covenants will be in addition to the covenants under the Confidentiality Agreement. Except for the Selling Interestholder Restrictive Covenant Agreement, the covenants contained in the Confidentiality Agreement will be the sole covenants to which you will be bound or be required to be party to (including with respect to compensation payable in satisfaction of the Total Target Opportunity during the Term) in connection with your employment during the Term. Notwithstanding the terms of the non-competition restriction in the Selling Interestholder Restrictive Covenant Agreement or the Confidentiality Agreement, following your termination of employment with CIT and its affiliates, it shall not be a violation of the non-competition restrictions set forth therein for you to provide services to a private equity firm, hedge fund or investment manager (or the controlled affiliates of any such entity) that has five (5)% or less of its assets (determined on an aggregate basis) invested in businesses that compete with those of CIT and its affiliates, *provided* that you do not advise any such entities with respect to CIT and its affiliates.

Notwithstanding anything contained in this Offer Letter, the nature of your employment remains "at-will". As a result, either you or CIT may terminate your employment relationship at any time for any reason, with or without cause and with or without notice. If your employment with CIT terminates at any time for any reason, the compensation outlined in this Offer Letter will cease to be in effect as of your last day of employment, except as expressly provided above in this Offer Letter with respect to certain terminations of employment during the Term or as expressly provided under any other equity award agreements or any rights to vested benefits as of your date of termination pursuant to the terms of the CIT employee benefit plans in which you participate.

Your signature below and on the Confidentiality Agreement indicate that you understand and agree to the terms set forth in this Offer Letter and the Confidentiality Agreement. No changes to the foregoing are valid unless authorized and signed by you and the Chief Executive Officer, the General Counsel and/or either of their designees. In addition, no one at CIT is authorized to vary the terms of this Offer Letter and the Confidentiality Agreement except the Chief Executive Officer, the General Counsel and/or either of their designees. An additional copy of this Offer Letter and the Confidentiality Agreement are enclosed for your records.

[*Signature Pages Follow*]

We are looking forward to your joining CIT during this period of growth and transformation.

Sincerely,

/s/ Robert J. Ingato
Name: Robert J. Ingato
Title: Executive Vice President,
General Counsel and Secretary

Agreed and accepted:

/s/ Steven Mnuchin | 7/21/14
Steven Mnuchin | Date

EXECUTION COPY

July 21, 2014

Joseph Otting
c/o CIT Group Inc.
One CIT Drive
Livingston, NJ 07039

Dear Joseph,

This offer letter (this "Offer Letter") memorializes our discussions concerning your role at CIT Group Inc. ("CIT") following the consummation of the merger (the "Merger") contemplated by the Agreement and Plan of Merger among CIT, IMB Holdco LLC ("OneWest"), Carbon Merger Sub LLC and JCF III HoldCo I L.P., dated as of the date hereof (the "Merger Agreement"). We believe that your continued service through and following the consummation of the Merger will greatly contribute to the successful integration of CIT and OneWest and the future success of the combined enterprise.

Positions and Reporting. Following the Effective Time (as defined in the Merger Agreement), you will be appointed as the Chief Executive Officer and President of the Surviving Bank (as defined in the Merger Agreement), a subsidiary of CIT, which will be the most senior position of the Surviving Bank (other than the Chairman of the Surviving Bank) and co-President of CIT, reporting directly to the Chief Executive Officer of CIT and the Board of Directors of the Surviving Bank. In such positions, you will have such duties and responsibilities as are assigned to you by the Chief Executive Officer of CIT and the Board of Directors of the Surviving Bank from time to time, *provided* such duties and responsibilities will not be inconsistent with such positions. While employed, you will dedicate substantially all of your business time and attention to your duties and responsibilities with CIT and its affiliates.

Total Target Opportunity. In respect of performance during each of the 2015, 2016 and 2017 fiscal years of CIT, you will have a total target annual compensation opportunity, currently consisting of annual base salary, target annual incentive opportunity and target long-term incentive opportunity, equal to $4,500,000 (the "Total Target Opportunity"). The actual payout of the incentive components of the Total Target Opportunity will be based on, among other things, your performance and CIT's results. The Total Target Opportunity will be allocated in the manner determined by the Compensation Committee of the Board of Directors of CIT (the "Committee") consistent with the allocations applicable to similarly situated executives of CIT and its affiliates (other than the Chief Executive Officer of CIT) (the "Peer Executives"), *provided* that in no event will your annual base salary (payable bi-weekly) be less than $750,000. Except as expressly provided herein, eligibility to receive incentive awards in respect of the Total Target Opportunity, as well as the terms and conditions under which they may be granted, may change from time to time at the sole discretion of the Committee.

Retention RSU Awards. On the date on which the Effective Time occurs, you will be granted two restricted stock unit awards with respect to CIT common stock, one with a grant date fair market value equal to $7,500,000 (the "Initial RSUs"), and the other with a grant date fair market value of $5,000,000 (the "Retention RSUs"). The number of shares of CIT common stock subject to the Initial RSUs and Retention RSUs will be determined based on the closing price of CIT's common stock on the New York Stock Exchange on the day on which the Effective Time occurs (or, if the Effective Time occurs during a securities trading blackout period during which awards may not be made as set forth in the CIT Equity Compensation Award Policy, on the business day following the end of the blackout period). The vesting, settlement and other terms of the Initial RSUs and Retention RSUs shall be as set forth in the Initial RSU Award Agreement attached hereto as Exhibit A and Retention RSU Award Agreement attached hereto as Exhibit B (together, the "RSU Award Agreements").

Severance Upon Certain Terminations of Employment. If during the three (3)-year period following the Effective Time (the "Term"), your employment is terminated without Cause (as defined in the RSU Award Agreements) or you resign for Good Reason (as defined in the RSU Award Agreements), you will be paid a lump sum amount (as soon as reasonably practicable after the date on which the Release (as defined below) becomes effective in accordance with its terms)) equal to (i)(A) the product of $375,000, multiplied by the number of full and partial months remaining in the Term, *minus* (B) the grant date fair value of any long-term incentive awards granted in respect of the Total Target Opportunity in the year of termination (not to exceed the amount equal to the portion of the Total Target Opportunity attributable to long-term incentive awards for such year), *plus* (ii) 102% of the medical premiums for the remainder of the Term; *provided*, *however*, if the cash severance amount that would be payable to you under the CIT Employee Severance Plan as in effect from time to time (the "Severance Plan"), based on participation at the Executive Management Committee level, is greater than the amount contemplated by the foregoing clause, you will instead be paid the amount payable under the Severance Plan but in accordance with the terms and conditions of this Offer Letter. Any severance payments or termination vesting of the Initial RSUs and Retention RSUs will be contingent upon your execution and non-revocation of a release of claims in favor of CIT and its affiliates in the form customarily used by CIT under the Severance Plan (the "Release"), which Release must be signed by you and returned to CIT within thirty (30) days of your date of termination and become effective in accordance with its terms. The payments and benefits specified herein on a termination of employment without Cause or for Good Reason are the only benefits to which you are entitled upon a termination of employment without Cause or for Good Reason, except for any rights expressly set forth in any equity award agreements in respect of CIT common stock to which you are a party, including the RSU Award Agreements or any rights to vested benefits as of your date of termination pursuant to the terms of the CIT employee benefit plans in which you participate. Upon your termination of employment for any reason, you will promptly resign from all positions, including, any director positions, with CIT and its affiliates.

Employee Benefits. While employed during the Term, you will be eligible to participate in the employee benefit plans and perquisites provided to Peer Executives, other than participation in the Severance Plan; *provided* that, following the Term, you will be eligible to participate in the Severance Plan at the Executive Management Committee level. You will be eligible for twenty (20) vacation days per full calendar year. Based on your position, you may be required to comply with banking regulations regarding mandatory time away which, if applicable, must be taken as part of your eligible vacation time. In addition, you will be eligible for company paid holidays and personal days in accordance with CIT's time off policy.

Employment Policies. As part of your employment with CIT and its affiliates, you agree to abide by all of CIT's policies and procedures as they presently exist, and as they are amended from time to time, including, without limitation, any claw back or recoupment policies. Without limiting the generality of the foregoing, in your role, you will be subject to CIT's Executive Equity Ownership and Retention Policy as in effect from time to time (the "Retention Policy") and generally will be required to own the greater of (i) a minimum amount of "Stock" (as defined in the Retention Policy) based on a multiple of your base salary or (ii) a number of "Covered Shares" (as defined in the Retention Policy) currently equal to at least 50% of the vested, after-tax compensation-related equity awards granted to you by CIT. For the avoidance of doubt, shares of CIT common stock received by you after the Effective Time, including, without limitation, any shares received in respect of the Initial RSUs and Retention RSUs (less any shares withheld to satisfy required tax withholding obligations and other shares excluded pursuant to the Retention Policy), will be treated as "Covered Shares", but shares received in consideration for OneWest equity in connection with the Merger will not. To the extent there is any inconsistency between the description of the Retention Policy requirements herein and the actual terms of the policy, the language of the Retention Policy will govern.

Miscellaneous.

CIT's obligations under this Offer Letter will become effective upon the occurrence of the Effective Time subject to your continued employment with OneWest as of the Effective Time. CIT's obligations under this Offer Letter are contingent upon (i) you subjecting to a vote, in accordance with Q&A/ 6 and 7 of the regulations under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder, all payments and benefits that could reasonably be viewed as "parachute payments" (within the meaning of Section 280G of the Code and the regulations thereunder), including the payments under this Offer Letter, the Initial RSUs and the Retention RSUs, and using reasonable best efforts to cause OneWest to seek approval of such payments in accordance with Q&A/6 and 7 of the regulations under Section 280G of the Code from the interest holders of OneWest or any applicable affiliate (the form of which vote and any required waiver will be reasonably satisfactory to CIT), prior to the Effective Time, and (ii) your execution of CIT's Non Competition, Non-Solicitation and Confidentiality Agreement (the "Confidentiality Agreement"), a copy of which Confidentiality Agreement is enclosed for your signature simultaneous with your signing of this Offer Letter.

CIT and you intend that the benefits and payments described in this Offer Letter will comply with the requirements of Section 409A of the Code, and the regulations, guidance and other interpretative authority issued thereunder to the extent subject thereto, or an exemption to Section 409A of the Code, and that this Offer Letter will be interpreted and construed consistent with that intent. Any benefits or payments that qualify for the "short-term deferral" exception, the "separation pay" exception or another exception under Section 409A of the Code will be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Offer Letter will be treated as a separate payment of compensation for purposes of applying the Section 409A of the Code deferral election rules and the exclusion under Section 409A of the Code for certain short-term deferral amounts. In no event may you, directly or indirectly, designate the calendar year of any payment under this Offer Letter.

This Offer Letter is governed by the law of the State of New York, without giving effect to any conflicts of laws provisions.

This Offer Letter and the Confidentiality Agreement set forth the terms of your employment with CIT and supersede any and all prior oral or written agreements, term sheets or communications made in connection with the negotiation of this Offer Letter, as well as, the employment agreement between you and OneWest, dated as of October 22, 2010. This Offer Letter and the Confidentiality Agreement do not supersede or amend in any way the Selling Interestholder Restrictive Covenant Agreement dated as of the date hereof and entered into by you in connection with the Merger Agreement in your capacity as a selling interestholder in the Merger, which covenants will be in addition to the covenants under the Confidentiality Agreement. Except for the

Selling Interestholder Restrictive Covenant Agreement, the covenants contained in the Confidentiality Agreement will be the sole covenants to which you will be bound or be required to be party to (including with respect to compensation payable in satisfaction of the Total Target Opportunity during the Term) in connection with your employment during the Term.

Notwithstanding anything contained in this Offer Letter, the nature of your employment remains “at-will”. As a result, either you or CIT may terminate your employment relationship at any time for any reason, with or without cause and with or without notice. If your employment with CIT terminates at any time for any reason, the compensation outlined in this Offer Letter will cease to be in effect as of your last day of employment, except as expressly provided above in this Offer Letter with respect to certain terminations of employment during the Term or as expressly provided under the RSU Award Agreements or any other equity award agreements or any rights to vested benefits as of your date of termination pursuant to the terms of the CIT employee benefit plans in which you participate.

Your signature below and on the Confidentiality Agreement indicate that you understand and agree to the terms set forth in this Offer Letter, the RSU Award Agreements and the Confidentiality Agreement. No changes to the foregoing are valid unless authorized and signed by you and the Chief Executive Officer, the General Counsel and/or either of their designees. In addition, no one at CIT is authorized to vary the terms of this Offer Letter, the RSU Award Agreements and the Confidentiality Agreement except the Chief Executive Officer, the General Counsel and/or either of their designees. An additional copy of this Offer Letter and the Confidentiality Agreement are enclosed for your records.

[*Signature Pages Follow*]

We are looking forward to your joining CIT during this period of growth and transformation.

Sincerely,

/s/ Robert J. Ingato______________________
Name: Robert J. Ingato
Title: Executive Vice President,
General Counsel and Secretary

Agreed and accepted:

/s/ Joseph Otting	7/21/14
Joseph Otting	Date

EXHIBIT A

CIT Group Inc.
Long-Term Incentive Plan
Initial Restricted Stock Unit Award Agreement (with Performance-Based Vesting)

"**Participant**":	Joseph Otting
"**Date of Award**":	[The closing date of the merger]
"**Number of RSUs Granted**":	[A number with a grant date value equal to $7.5 million]

Effective as of the Date of Award, this Award Agreement sets forth the grant of Restricted Stock Units (" **RSUs**") by CIT Group Inc., a Delaware corporation (the "**Company**"), to the Participant, pursuant to the provisions of the Amended and Restated CIT Group Inc. Long-Term Incentive Plan (the "**Plan**"). This Award Agreement memorializes the terms and conditions as approved by the Compensation Committee of the Board (the "**Committee**"). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

(A) **Grant of RSUs**. The Company hereby grants to the Participant the Number of RSUs Granted, effective as of the Date of Award and subject to the terms and conditions of the Plan and this Award Agreement. Each RSU represents the unsecured right to receive one Share in the future following the vesting of the RSU in accordance with this Award Agreement. The Participant shall not be required to pay any additional consideration for the issuance of the Shares upon settlement of the RSUs.

(B) **Vesting and Settlement of RSUs**.

(1) Subject to (A) the Participant's continued employment with the Company and/or its Affiliates (the "**Company Group**") from the Date of Award until the applicable Vesting Date (as defined below), (B) Section (B)(2) and (C) compliance with, and subject to, the terms and conditions of this Award Agreement, (i) one-third (33 1/3%) of the RSUs shall vest on the first anniversary of the Date of Award, (ii) one-third (33 1/3%) of the RSUs shall vest on the second anniversary of the Date of Award and (iii) one-third (33 1/3%) of the RSUs shall vest on the third anniversary of the Date of Award (each such date, a "**Vesting Date**").

(2) As promptly as practicable following the end of each fiscal year in the 2015 through 2017 "**Performance Period**" (each such fiscal year, a "**Measurement Year**"), the Committee shall determine whether the Company's cumulative Pre-Tax Income (as defined below) for the three fiscal years ending with the applicable Measurement Year was positive (the "**Performance Requirement**"). If the Performance Requirement was not met for that Measurement Year, the Committee may cancel all or a portion of the RSUs that otherwise would have vested, after taking into account such factors as (i) the magnitude of the negative, cumulative Pre-Tax Income (including positive or negative variance from plan), (ii) the Participant's degree of involvement (including the degree to which the Participant was involved in decisions that are determined to have contributed to a negative, cumulative Pre-Tax Income), (iii) the Participant's performance and (iv) such other factors as deemed appropriate. Any such determination will be in the sole discretion of the Committee and will be final and binding. "**Pre-Tax Income**" means, with respect to each fiscal year, the Company's aggregate consolidated net income adjusted to exclude debt redemption charges and deferred original issue discount deductions, as shown on the Company's consolidated financial statements for such fiscal year, but calculated excluding any special, unusual or non-recurring items as determined by the Committee in its sole discretion in accordance with applicable accounting rules.

(3) Each vested RSU shall be settled through the delivery of one Share within thirty (30) days following the applicable Vesting Date (a "**Settlement Date**"), provided that any fractional Share shall vest and be settled on the last Vesting Date and Settlement Date, respectively, and provided further that the Settlement Date may be delayed, in the sole discretion of the Committee and in accordance with applicable law (including Section 409A (as defined below)), if the Committee is considering whether Sections (B)(2) and/or (L) apply to the Participant.

(4) The Shares delivered to the Participant on the applicable Settlement Date (or such date determined in accordance with Section (C) or (D)) shall not be subject to transfer restrictions and shall be fully paid, non-assessable and registered in the Participant's name.

(5) If, after the Date of Award and prior to the applicable Vesting Date, dividends with respect to Shares are declared or paid by the Company, the Participant shall be credited with, and entitled to receive, dividend equivalents in an amount, without interest, equal to the cumulative dividends declared or paid on a Share, if any, during such period multiplied by the number of unvested RSUs. Unless otherwise determined by the Committee, dividend equivalents paid in cash shall not be reinvested in Shares and shall remain uninvested. The dividend equivalents credited in respect of vested RSUs shall be paid in cash or Shares, as applicable, on the Settlement Date.

(6) Except for Participants who are tax residents of Canada, in the sole discretion of the Committee and notwithstanding any other provision of this Award Agreement to the contrary, in lieu of the delivery of Shares, the RSUs and any dividend equivalents payable in Shares may be settled through a payment in cash equal to the Fair Market Value of the applicable number of Shares, determined on the applicable Vesting Date or, in the case of settlement in accordance with Section (C)(1) or (D), the date of the Participant's "**Separation from Service**" (within the meaning of the Committee's established methodology for determining "**Separation from Service**" for purposes of Section 409A) or the date of Disability, as applicable. Settlement under this Section (B)(6) shall be made at the time specified under Sections (B)(3), (B)(5), (C)(1), (C)(2) or (D), as applicable.

(C) **Separation from Service**.

(1) If, after the Date of Award and prior to the applicable Settlement Date, the Participant incurs a Disability (as defined below) or a Separation from Service from the Company Group due to death, each RSU, to the extent unvested, shall vest immediately and shall settle through the delivery of one Share within thirty (30) days following the Participant's Disability or death. The Participant (or the Participant's beneficiary or legal representative, if applicable) shall also be entitled to receive all credited and unpaid dividend equivalents at the time the RSUs are settled in accordance with this Section (C)(1). "**Disability**" shall have the same meaning as defined in the Company's applicable long-term disability plan or policy last in effect prior to the first date the Participant suffers from such Disability; provided, however, for a Participant that is a US taxpayer at any time during the period the RSUs vest and become settled hereunder and to the extent a "Disability" event does not also constitute a "Disability" as defined in Section 409A, such Disability event shall not constitute a Disability for purposes of this Section (C)(1).

(2) If, after the Date of Award and prior to an applicable Settlement Date, the Participant incurs a Separation from Service due to the Participant's Retirement (as defined below) or initiated by the Company without Cause (as defined below and including, for the avoidance of doubt, in connection with a sale of a business unit) or for Good Reason (as defined below), and, subject to the terms and conditions of the Plan and this Award Agreement, including Section (L) below, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested as of such Separation from Service, shall continue to vest and be settled on the applicable Vesting Date and Settlement Date in accordance with Sections (B)(1), (B)(2) and (B)(3) above, unless such continued vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation. "**Retirement**" is defined as the Participant's election to retire upon or after (A) attaining age 55 with at least 11 years of service with the Company Group, or (B) attaining age 65 with at least 5 years of service with the Company Group, in each case as determined in accordance with the Company Group's policies and procedures. "**Cause**" means any of the following: (i) the commission of a misdemeanor involving moral turpitude or a felony; (ii) the Participant's act or omission that causes or may reasonably be expected to cause material injury to the Company Group, its vendors, customers, business partners or affiliates or that results or is intended to result in personal gain at the expense of the Company Group, its vendors, customers, business partners or affiliates; (iii) the Participant's substantial and continuing neglect of his or her job responsibilities for the Company Group (including excessive unauthorized absenteeism); (iv) the Participant's failure to comply with, or violation of, the Company Group's Code of Business Conduct; (v) the Participant's act or omission, whether or not performed in the workplace, that precludes the Participant's employment with any member of the Company Group by virtue of Section 19 of the Federal Deposit Insurance Act; or (vi) the Participant's violation of any federal or state securities or banking laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or exchange or association of which the Participant or a member of the Company Group is a member. "**Good Reason**" means, without the Participant's consent, (i) the Participant incurs a material diminution of his annual base salary as set forth in the Offer Letter between the Company and the Participant, dated as of July 21, 2014 (the "**Offer Letter**") (except in the event of a compensation reduction applicable to the Participant and other employees of comparable rank and/or status); (ii) the Participant incurs a material diminution of his duties or responsibilities from those in effect as of immediately following the Effective Time (as defined in the Offer Letter); (iii) the Participant is reassigned to a work location that is more than fifty (50) miles from his immediately preceding work location and which increases the distance the Participant has to commute to work by more than fifty (50) miles; or (iv) a material breach by the Company of the Offer Letter. A Separation from Service for Good Reason shall not occur unless (A) the Participant has provided the Company written notice specifying in detail the alleged condition of Good Reason within thirty (30) days of the occurrence of such condition; (B) the Company has failed to cure such alleged condition within ninety (90) days following the Company's receipt of such written notice; and (C) if the Committee (or its designee) has determined that the Company has failed to cure such alleged condition, the Participant initiates a Separation from Service within five (5) days following the end of such ninety (90)-day cure period.

(3) If, prior to an applicable Vesting Date, the Participant's employment with the Company Group terminates for any reason other than as set forth in Section (C)(1), (C)(2) or (D), the unvested RSUs shall be cancelled immediately and the Participant shall immediately forfeit any rights to, and shall not be entitled to receive any payments with respect to, the RSUs including, without limitation, dividend equivalents pursuant to Section (B)(5).

(D) **Change of Control**.

(1) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if a Change of Control occurs before the last day of the Performance Period, the Performance Requirement in Section (B)(2) will not apply to the RSUs that will vest in accordance with this Award Agreement for any uncompleted fiscal years in the Performance Period.

(2) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if, prior to an applicable Settlement Date, a Change of Control occurs and within two (2) years of such Change of Control the Participant incurs a Separation from Service (i) due to the Participant's Retirement, (ii) initiated by the Company without Cause or (iii) initiated by the Participant for Good Reason, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested, shall vest upon such Separation from Service and be settled within thirty (30) days following such Separation from Service, unless such accelerated vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation.

(E) **Transferability**. The RSUs are not transferable other than by last will and testament, by the laws of descent and distribution pursuant to a domestic relations order, or as otherwise permitted under Section 12 of the Plan.

(F) **Incorporation of Plan**. The Plan includes terms and conditions governing all Awards granted thereunder and is incorporated into this Award Agreement by reference unless specifically stated herein. This Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time and as supplemented by this Award Agreement, and to such rules and regulations as the Committee may adopt under the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

(G) **No Entitlements**.

(1) Neither the Plan nor the Award Agreement confer on the Participant any right or entitlement to receive compensation, including, without limitation, any base salary or incentive compensation, in any specific amount for any future fiscal year (including, without limitation, any grants of future Awards under the Plan), nor impact in any way the Company Group's determination of the amount, if any, of the Participant's base salary or incentive compensation. This Award of RSUs made under this Award Agreement is completely independent of any other Awards or grants and is made at the sole discretion of the Company. The RSUs do not constitute salary, wages, regular compensation, recurrent compensation, pensionable compensation or contractual compensation for the year of grant or any prior or later years and shall not be included in, nor have any effect on or be deemed earned in any respect, in connection with the determination of employment-related rights or benefits under law or any employee benefit plan or similar arrangement provided by the Company Group (including, without limitation, severance, termination of employment and pension benefits), unless otherwise specifically provided for under the terms of such plan or arrangement or by the Company Group. The benefits provided pursuant to the RSUs are in no way secured, guaranteed or warranted by the Company Group.

(2) The RSUs are awarded to the Participant by virtue of the Participant's employment with, and services performed for, the Company Group. The Plan or the Award Agreement does not constitute an employment agreement. Nothing in the Plan or the Award Agreement shall modify the terms of the Participant's employment, including, without limitation, the Participant's status as an "at will" employee of the Company Group, if applicable.

(3) Subject to the terms of the Offer Letter, the Company reserves the right to change the terms and conditions of the Participant's employment, including the division, subsidiary or department in which the Participant is employed. None of the Plan or the Award Agreement, the grant of RSUs, nor any action taken or omitted to be taken under the Plan or the Award Agreement shall be deemed to create or confer on the Participant any right to be retained in the employ of the Company Group, or to interfere with or to limit in any way the right of the Company Group to terminate the Participant's employment at any time. Moreover, the Separation from Service provisions set forth in Section (C) or (D), as applicable, only apply to the treatment of the RSUs in the specified circumstances and shall not otherwise affect the Participant's employment relationship. By accepting this Award Agreement, the Participant waives any and all rights to compensation or damages in consequence of the termination of the Participant's office or employment for any reason whatsoever to the extent such rights arise or may arise from the Participant's ceasing to have rights under, or be entitled to receive payment in respect of, any unvested RSUs that are cancelled or forfeited as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, this Award Agreement or the provisions of any statute or law to taxation. This waiver applies whether or not such termination amounts to a wrongful discharge or unfair dismissal.

(H) **No Rights as a Stockholder**. The Participant will have no rights as a stockholder with respect to Shares covered by this Award Agreement (including voting rights) until the date the Participant or his nominee becomes the holder of record of such Shares on an applicable Settlement Date or as provided in Section (C) or (D), if applicable.

(I) **Securities Representation**. The grant of the RSUs and issuance of Shares upon vesting of the RSUs shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The Shares are being issued to the Participant and this Award Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(1) He or she has been advised that he or she may be an “affiliate” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “**Act**”), and in this connection the Company is relying in part on his or her representations set forth in this section (I)(1); and

(2) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such Shares and the Company is under no obligation to register the Shares (or to file a “re-offer prospectus”).

(3) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Shares of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

(J) **Notices**. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified mail, postage and fees prepaid, or internationally recognized express mail service, as follows:

If to the Company, to:

CIT Group Inc.
1 CIT Drive
Livingston, New Jersey 07039
Attention: Senior Vice President, Compensation and Benefits

If to the Participant, to the address on file with the Company Group.

(K) **Transfer of Personal Data**. In order to facilitate the administration of this Award, it will be necessary for the Company Group to collect, hold, and process certain personal information about the Participant. As a condition of accepting this Award, the Participant authorizes, agrees and unambiguously consents to the Company Group collecting, using, disclosing, holding and processing personal data and transferring such data to third parties (collectively, the “**Data Recipients**”) for the primary purpose of the Participant’s participation in, and the general administration of, the Plan and to the transmission by the Company Group of any personal data information related to the RSUs awarded under this Award Agreement, as required in connection with the Participant’s participation in the Plan (including, without limitation, the administration of the Plan) out of the Participant’s home country and including to countries with less data protection than the data protection provided by the Participant’s home country. This authorization and consent is freely given by the Participant. The Participant acknowledges that he/she has been informed that upon request, the Company will provide the name or title and contact information for an officer or employee of the Company Group who is able to answer questions about the collection, use and disclosure of personal data information.

(1) The Data Recipients will treat the Participant’s personal data as private and confidential and will not disclose such data for purposes other than the management and administration of this Award and will take reasonable measures to keep the Participant’s personal data private, confidential, accurate and current.

(2) Where the transfer is to a destination outside the country to which the Participant is employed, or outside the European Economic Area for Participants employed by the Company Group in the United Kingdom or Ireland, the Company shall take reasonable steps to ensure that the Participant’s personal data continues to be adequately protected and securely held. By accepting this Award, the Participant acknowledges that personal information about the Participant may be transferred to a country that does not offer the same level of data protection as the country in which the Participant is employed.

(L) **Cancellation; Recoupment; Related Matters.**

(1) In the event of a material restatement of the Company’s financial statements, the Committee (or its designee) shall review those facts and circumstances underlying the restatement that the Committee (or its designee) determines in its sole discretion as relevant (which may include, without limitation, the Participant’s status and responsibility within the organization, any potential wrongdoing by the Participant and whether the restatement was the result of negligence, intentional or gross misconduct or other conduct, including any acts or failures to act, detrimental to the Company insofar as it caused material financial or reputational harm to the Company or its business activities), and the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee’s determination.

(2) In the event that the Committee (or its designee), in its sole discretion, determines that this grant of RSUs was based, in whole or in part, on materially inaccurate financial or performance metrics for any period preceding the granting of this Award, whether or not a financial restatement is required and whether or not the Participant was responsible for the inaccuracy, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(3) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has failed to comply with the Company's risk policies or standards and/or failed to properly identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company or its business activities, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(4) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has breached any provisions relating to non-competition, non-solicitation, confidential information or inventions or proprietary property in any employment agreement or other agreement in effect between the Participant and the Company or an Affiliate (including, without limitation, the provisions of the Selling Interestholder Restrictive Covenant Agreement, dated as of July 21, 2014, by and between the Company and the Participant) during the Participant's employment or the period following the Participant's Separation from Service from the Company Group specified in the applicable agreement, then the Committee (or its designee), in its sole discretion, may direct the Company (a) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (b) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination and any credited and unpaid dividend equivalents with respect to such Shares to the Participant (and the Participant shall forfeit any rights to such Shares and any credited and unpaid dividend equivalents).

(5) In the event the Committee (or its designee), in its sole discretion, determines at any time that the Participant has engaged in "Detrimental Conduct" (as defined below) or violated any of the Company Policies (as defined below) during the Participant's employment, including if such determination is made following the Participant's termination of employment, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the 12 months immediately preceding the Committee's determination. **"Detrimental Conduct"** shall mean: (i) any conduct that would constitute "cause" under the Offer Letter, or if the Participant's employment has terminated and the Committee discovers thereafter that the Participant's employment could have or should have been terminated for Cause; or (ii) fraud, gross negligence, or other wrongdoing or malfeasance. "**Company Policies**" shall mean the Company policies and procedures in effect from time to time, including, without limitation, policies and procedures with respect to the Company's "**Regulatory Credit Classifications**" (as defined in the Company's Annual Report on Form 10-K filed with the Securities Exchange Commission on February 27, 2014 (the "**Form 10-K**")), and as amended from time to time, and any credit risk policies and procedures in effect from time to time.

(6) Notwithstanding anything contained in the Plan or this Award Agreement to the contrary, to the extent that the Company is required by law to include any additional recoupment, recovery or forfeiture provisions to outstanding Awards, then such additional provisions shall also apply to this Award Agreement as if they had been included as of the Date of Award and in the manner determined by the Committee in its sole discretion.

(7) The remedies provided for in this Award Agreement shall be cumulative and not exclusive, and the Participant agrees and acknowledges that the enforcement by the Company of its rights hereunder shall not in any manner impair, restrict or limit the right of the Company to seek injunctive and other equitable or legal relief under applicable law or the terms of any other agreement between the Company and the Participant.

(M) **Miscellaneous**.

(1) It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon the Participant.

(2) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or modify this Award Agreement at any time; provided, however, that, except as provided herein, no termination, amendment, modification or suspension shall materially and adversely alter or impair the rights of the Participant under this Award Agreement, without the Participant's written consent.

(3) This Award Agreement is intended to comply with, or be exempt from, Section 409A of the Code and the regulations and guidance promulgated thereunder ("**Section 409A**"), and accordingly, to the maximum extent permitted, this Award Agreement shall be interpreted in a manner intended to be in compliance therewith. In no event whatsoever shall the Company Group be liable for any additional tax, interest or penalty that may be imposed on the Participant by Section 409A or any damages for failing to comply with Section 409A. If any provision of the Plan or the Award Agreement would, in the sole discretion of the Committee, result or likely result in the imposition on the Participant, a beneficiary or any other person of additional taxes or a penalty tax under Section 409A, the Committee may modify the terms of the Plan or the Award Agreement, without the consent of the Participant, beneficiary or such other person, in the manner that the Committee, in its sole discretion, may determine to be necessary or advisable to avoid the imposition of such penalty tax. Notwithstanding anything to the contrary in the Plan or the Award Agreement, to the extent that the Participant is a "**Specified Employee**" (within the meaning of the Committee's established methodology for determining "**Specified Employees**" for purposes of Section 409A), payment or distribution of any amounts with respect to the RSUs that are subject to Section 409A will be made as soon as practicable following the first business day of the seventh month following the Participant's Separation from Service from the Company Group or, if earlier, the date of the Participant's death.

(4) Delivery of the Shares underlying the RSUs or payment in cash (if permitted pursuant to Section (B)(6)) upon settlement is subject to the Participant satisfying all applicable federal, state, provincial, local, domestic and foreign taxes and other statutory obligations (including, without limitation, the Participant's FICA obligation, National Insurance Contributions or Canada Pension Plan contributions, as applicable). The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the RSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount sufficient to satisfy any applicable taxes required by law. The Company may permit or require the Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the RSUs.

(5) The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Award Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Award Agreement in the possession of the Participant.

(6) This Award Agreement shall be subject to all applicable laws, rules, guidelines and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable, including but not limited to any applicable laws or the rules, codes or guidelines of any statutory or regulatory body in any jurisdiction relating to the remuneration of any Participant (in each case as may be in force from time to time). The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Award Agreement.

(7) Nothing in the Plan or this Agreement should be construed as providing the Participant with financial, tax, legal or other advice with respect to the RSUs. The Company recommends that the Participant consult with his or her financial, tax, legal and other advisors to provide advice in connection with the RSUs.

(8) All obligations of the Company under the Plan and this Award Agreement, with respect to the Awards, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(9) To the extent not preempted by federal law, this Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

(10) This Award Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(11) The Participant agrees that the Company may, to the extent permitted by applicable law and as provided for in Section 17(g) of the Plan, retain for itself securities or funds otherwise payable to the Participant pursuant to this Award Agreement, or any other Award Agreement under the Plan, to satisfy any obligation or debt that the Participant

owes the Company or its affiliates under any Award Agreement, the Plan or otherwise; provided that the Company may not retain such funds or securities and set off such obligations or liabilities until such time as they would otherwise be distributable to the Participant, and to the extent that Section 409A is applicable, such offset shall not exceed the maximum offset then permitted under Section 409A.

(12) The Participant acknowledges that if he or she moves to another country during the term of this Award Agreement, additional terms and conditions may apply and as provided for in Section 17(f) of the Plan and the Company reserves the right to impose other requirements to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Award Agreement. The Participant agrees to sign any additional agreements or undertaking that may be necessary to accomplish the foregoing.

(13) The Participant acknowledges that he or she has reviewed the Company Policies, understands the Company Policies and agrees to be subject to the Company Policies that are applicable to the Participant, including, without limitation, the Regulatory Credit Classifications and any credit risk policies in effect from time to time.

(14) The Participant acknowledges that the Company is subject to certain regulatory restrictions that may, under certain circumstances, prohibit the accelerated vesting and distribution of any unvested RSUs as a result of, or following, a Participant's Separation from Service.

(15) The Participant acknowledges that his or her participation in the Plan as a result of this Award Agreement is further good and valuable consideration for the Participant's obligations under any non-competition, non-solicitation, confidentiality or similar agreement between the Participant and the Company.

(16) Neither this Award Agreement or the Shares that may be awarded hereunder represent any right to the payment of earned wages, and the rights of the Participant with respect to any Shares remains fully contingent and subject to the vesting and other terms and conditions of this Award Agreement.

(17) Any cash payment made pursuant to Section (B)(5) or (B)(6) of this Award Agreement shall be calculated, where necessary, by reference to the prevailing U.S. dollar exchange rate on the proposed payment date (as determined by the Committee in its sole discretion).

(N) **Acceptance of Award**. By accepting this Award of RSUs, the Participant is agreeing to all of the terms contained in this Award Agreement. The Participant may accept this Award by indicating acceptance by e-mail or such other electronic means as the Company may designate in writing or by signing this Award Agreement if the Company does not require acceptance by email or such other electronic means. If the Participant desires to refuse the Award, the Participant must notify the Company in writing. Such notification should be sent to CIT Group Inc., Attention: Senior Vice President, Compensation and Benefits, 1 CIT Drive, Livingston, New Jersey 07039, no later than thirty (30) days after the Date of Award. If the Participant declines the Award, it will be cancelled as of the Date of Award.

IN WITNESS WHEREOF, this Award Agreement has been executed by the Company by one of its duly authorized officers as of the Date of Award.

CIT Group Inc.

[Name]
[Title]

ACCEPTED AND AGREED:

<<Electronic Signature>>
<<Acceptance Date>>

EXHIBIT B

CIT Group Inc.
Long-Term Incentive Plan
Retention Restricted Stock Unit Award Agreement (with Performance-Based Vesting)

"**Participant**":	Joseph Otting
"**Date of Award**":	[The closing date of the merger]
"**Number of RSUs Granted**":	[A number with a grant date value equal to $5 million]

Effective as of the Date of Award, this Award Agreement sets forth the grant of Restricted Stock Units (" **RSUs**") by CIT Group Inc., a Delaware corporation (the "**Company**"), to the Participant, pursuant to the provisions of the Amended and Restated CIT Group Inc. Long-Term Incentive Plan (the "**Plan**"). This Award Agreement memorializes the terms and conditions as approved by the Compensation Committee of the Board (the "**Committee**"). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

(A) **<u>Grant of RSUs</u>**. The Company hereby grants to the Participant the Number of RSUs Granted, effective as of the Date of Award and subject to the terms and conditions of the Plan and this Award Agreement. Each RSU represents the unsecured right to receive one Share in the future following the vesting of the RSU in accordance with this Award Agreement. The Participant shall not be required to pay any additional consideration for the issuance of the Shares upon settlement of the RSUs.

(B) **<u>Vesting and Settlement of RSUs</u>**.

(1) Subject to (A) the Participant's continued employment with the Company and/or its Affiliates (the "**Company Group**") from the Date of Award until the applicable Vesting Date (as defined below), (B) Section (B)(2) and (C) compliance with, and subject to, the terms and conditions of this Award Agreement, all of the RSUs granted hereunder shall vest in full on the third anniversary of the Date of Award (the "**Vesting Date**").

(2) As promptly as practicable following the end of each fiscal year in the 2015 through 2017 "**Performance Period**" (each such fiscal year, a "**Measurement Year**"), the Committee shall determine whether the Company's cumulative Pre-Tax Income (as defined below) for the three fiscal years ending with the applicable Measurement Year was positive (the "**Performance Requirement**"). If the Performance Requirement was not met for that Measurement Year, the Committee may cancel all or a portion of the RSUs that otherwise would have vested, after taking into account such factors as (i) the magnitude of the negative, cumulative Pre-Tax Income (including positive or negative variance from plan), (ii) the Participant's degree of involvement (including the degree to which the Participant was involved in decisions that are determined to have contributed to a negative, cumulative Pre-Tax Income), (iii) the Participant's performance and (iv) such other factors as deemed appropriate. Any such determination will be in the sole discretion of the Committee and will be final and binding. "**Pre-Tax Income**" means, with respect to each fiscal year, the Company's aggregate consolidated net income adjusted to exclude debt redemption charges and deferred original issue discount deductions, as shown on the Company's consolidated financial statements for such fiscal year, but calculated excluding any special, unusual or non-recurring items as determined by the Committee in its sole discretion in accordance with applicable accounting rules.

(3) Each vested RSU shall be settled through the delivery of one Share within thirty (30) days following the Vesting Date (the "**Settlement Date**"), provided that the Settlement Date may be delayed, in the sole discretion of the Committee and in accordance with applicable law (including Section 409A (as defined below)), if the Committee is considering whether Sections (B)(2) and/or (L) apply to the Participant.

(4) The Shares delivered to the Participant on the Settlement Date (or such date determined in accordance with Section (C) or (D)) shall not be subject to transfer restrictions and shall be fully paid, non-assessable and registered in the Participant's name.

(5) If, after the Date of Award and prior to the Vesting Date, dividends with respect to Shares are declared or paid by the Company, the Participant shall be credited with, and entitled to receive, dividend equivalents in an amount, without interest, equal to the cumulative dividends declared or paid on a Share, if any, during such period multiplied by the number of unvested RSUs. Unless otherwise determined by the Committee, dividend equivalents paid in cash shall not be reinvested in Shares and shall remain uninvested. The dividend equivalents credited in respect of vested RSUs shall be paid in cash or Shares, as applicable, on the Settlement Date.

(6) Except for Participants who are tax residents of Canada, in the sole discretion of the Committee and notwithstanding any other provision of this Award Agreement to the contrary, in lieu of the delivery of Shares, the RSUs and any dividend equivalents payable in Shares may be settled through a payment in cash equal to the Fair Market Value of the applicable number of Shares, determined on the Vesting Date or, in the case of settlement in accordance with Section (C)(1) or (D), the date of the Participant's "**Separation from Service**" (within the meaning of the Committee's established methodology for determining "**Separation from Service**" for purposes of Section 409A) or the date of Disability, as applicable. Settlement under this Section (B)(6) shall be made at the time specified under Sections (B)(3), (B)(5), (C)(1), (C)(2) or (D), as applicable.

(C) **Separation from Service**.

(1) If, after the Date of Award and prior to the Settlement Date, the Participant incurs a Disability (as defined below) or a Separation from Service from the Company Group due to death, each RSU, to the extent unvested, shall vest immediately and shall settle through the delivery of one Share within thirty (30) days following the Participant's Disability or death. The Participant (or the Participant's beneficiary or legal representative, if applicable) shall also be entitled to receive all credited and unpaid dividend equivalents at the time the RSUs are settled in accordance with this Section (C)(1). "**Disability**" shall have the same meaning as defined in the Company's applicable long-term disability plan or policy last in effect prior to the first date the Participant suffers from such Disability; provided, however, for a Participant that is a US taxpayer at any time during the period the RSUs vest and become settled hereunder and to the extent a "Disability" event does not also constitute a "Disability" as defined in Section 409A, such Disability event shall not constitute a Disability for purposes of this Section (C)(1).

(2) If, after the Date of Award and prior to an applicable Settlement Date, the Participant incurs a Separation from Service due to the Participant's Retirement (as defined below) or initiated by the Company without Cause (as defined below and including, for the avoidance of doubt, in connection with a sale of a business unit) or for Good Reason (as defined below), and, subject to the terms and conditions of the Plan and this Award Agreement, including Section (L) below, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested as of such Separation from Service, shall continue to vest and be settled on the Vesting Date and Settlement Date in accordance with Sections (B)(1), (B)(2) and (B)(3) above, unless such continued vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation. "**Retirement**" is defined as the Participant's election to retire upon or after (A) attaining age 55 with at least 11 years of service with the Company Group, or (B) attaining age 65 with at least 5 years of service with the Company Group, in each case as determined in accordance with the Company Group's policies and procedures. "**Cause**" means any of the following: (i) the commission of a misdemeanor involving moral turpitude or a felony; (ii) the Participant's act or omission that causes or may reasonably be expected to cause material injury to the Company Group, its vendors, customers, business partners or affiliates or that results or is intended to result in personal gain at the expense of the Company Group, its vendors, customers, business partners or affiliates; (iii) the Participant's substantial and continuing neglect of his or her job responsibilities for the Company Group (including excessive unauthorized absenteeism); (iv) the Participant's failure to comply with, or violation of, the Company Group's Code of Business Conduct; (v) the Participant's act or omission, whether or not performed in the workplace, that precludes the Participant's employment with any member of the Company Group by virtue of Section 19 of the Federal Deposit Insurance Act; or (vi) the Participant's violation of any federal or state securities or banking laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or exchange or association of which the Participant or a member of the Company Group is a member. "**Good Reason**" means, without the Participant's consent, (i) the Participant incurs a material diminution of his annual base salary as set forth in the Offer Letter between the Company and the Participant, dated as of July 21, 2014 (the "**Offer Letter**") (except in the event of a compensation reduction applicable to the Participant and other employees of comparable rank and/or status); (ii) the Participant incurs a material diminution of his duties or responsibilities from those in effect as of immediately following the Effective Time (as defined in the Offer Letter); (iii) the Participant is reassigned to a work location that is more than fifty (50) miles from his immediately preceding work location and which increases the distance the Participant has to commute to work by more than fifty (50) miles; or (iv) a material breach by the Company of the Offer Letter. A Separation from Service for Good Reason shall not occur unless (A) the Participant has provided the Company written notice specifying in detail the alleged condition of Good Reason within thirty (30) days of the occurrence of such condition; (B) the Company has failed to cure such alleged condition within ninety (90) days following the Company's receipt of such written notice; and (C) if the Committee (or its designee) has determined that the Company has failed to cure such alleged condition, the Participant initiates a Separation from Service within five (5) days following the end of such ninety (90)-day cure period.

(3) If, prior to the Vesting Date, the Participant's employment with the Company Group terminates for any reason other than as set forth in Section (C)(1), (C)(2) or (D), the unvested RSUs shall be cancelled immediately and the Participant shall immediately forfeit any rights to, and shall not be entitled to receive any payments with respect to, the RSUs including, without limitation, dividend equivalents pursuant to Section (B)(5).

(D) **Change of Control**.

(1) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if a Change of Control occurs before the last day of the Performance Period, the Performance Requirement in Section (B)(2) will not apply to the RSUs that will vest in accordance with this Award Agreement for any uncompleted fiscal years in the Performance Period.

(2) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if, prior to the Settlement Date, a Change of Control occurs and within two (2) years of such Change of Control the Participant incurs a Separation from Service (i) due to the Participant's Retirement, (ii) initiated by the Company without Cause or (iii) initiated by the Participant for Good Reason, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested, shall vest upon such Separation from Service and be settled within thirty (30) days following such Separation from Service, unless such accelerated vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation.

(E) **Transferability**. The RSUs are not transferable other than by last will and testament, by the laws of descent and distribution pursuant to a domestic relations order, or as otherwise permitted under Section 12 of the Plan.

(F) **Incorporation of Plan**. The Plan includes terms and conditions governing all Awards granted thereunder and is incorporated into this Award Agreement by reference unless specifically stated herein. This Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time and as supplemented by this Award Agreement, and to such rules and regulations as the Committee may adopt under the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

(G) **No Entitlements**.

(1) Neither the Plan nor the Award Agreement confer on the Participant any right or entitlement to receive compensation, including, without limitation, any base salary or incentive compensation, in any specific amount for any future fiscal year (including, without limitation, any grants of future Awards under the Plan), nor impact in any way the Company Group's determination of the amount, if any, of the Participant's base salary or incentive compensation. This Award of RSUs made under this Award Agreement is completely independent of any other Awards or grants and is made at the sole discretion of the Company. The RSUs do not constitute salary, wages, regular compensation, recurrent compensation, pensionable compensation or contractual compensation for the year of grant or any prior or later years and shall not be included in, nor have any effect on or be deemed earned in any respect, in connection with the determination of employment-related rights or benefits under law or any employee benefit plan or similar arrangement provided by the Company Group (including, without limitation, severance, termination of employment and pension benefits), unless otherwise specifically provided for under the terms of such plan or arrangement or by the Company Group. The benefits provided pursuant to the RSUs are in no way secured, guaranteed or warranted by the Company Group.

(2) The RSUs are awarded to the Participant by virtue of the Participant's employment with, and services performed for, the Company Group. The Plan or the Award Agreement does not constitute an employment agreement. Nothing in the Plan or the Award Agreement shall modify the terms of the Participant's employment, including, without limitation, the Participant's status as an "at will" employee of the Company Group, if applicable.

(3) Subject to the terms of the Offer Letter, the Company reserves the right to change the terms and conditions of the Participant's employment, including the division, subsidiary or department in which the Participant is employed. None of the Plan or the Award Agreement, the grant of RSUs, nor any action taken or omitted to be taken under the Plan or the Award Agreement shall be deemed to create or confer on the Participant any right to be retained in the employ of the Company Group, or to interfere with or to limit in any way the right of the Company Group to terminate the Participant's employment at any time. Moreover, the Separation from Service provisions set forth in Section (C) or (D), as applicable, only apply to the treatment of the RSUs in the specified circumstances and shall not otherwise affect the Participant's employment relationship. By accepting this Award Agreement, the Participant waives any and all rights to compensation or damages in consequence of the termination of the Participant's office or employment for any reason whatsoever to the extent such rights arise or may arise from the Participant's ceasing to have rights under, or be entitled to receive payment in respect of, any unvested RSUs that are cancelled or forfeited as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, this Award Agreement or the provisions of any statute or law to taxation. This waiver applies whether or not such termination amounts to a wrongful discharge or unfair dismissal.

(H) **No Rights as a Stockholder**. The Participant will have no rights as a stockholder with respect to Shares covered by this Award Agreement (including voting rights) until the date the Participant or his nominee becomes the holder of record of such Shares on the Settlement Date or as provided in Section (C) or (D), if applicable.

(I) **Securities Representation**. The grant of the RSUs and issuance of Shares upon vesting of the RSUs shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The Shares are being issued to the Participant and this Award Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(1) He or she has been advised that he or she may be an “affiliate” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “**Act**”), and in this connection the Company is relying in part on his or her representations set forth in this section (I)(1); and

(2) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such Shares and the Company is under no obligation to register the Shares (or to file a “re-offer prospectus”).

(3) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Shares of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

(J) **Notices**. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified mail, postage and fees prepaid, or internationally recognized express mail service, as follows:

If to the Company, to:

CIT Group Inc.
1 CIT Drive
Livingston, New Jersey 07039
Attention: Senior Vice President, Compensation and Benefits

If to the Participant, to the address on file with the Company Group.

(K) **Transfer of Personal Data**. In order to facilitate the administration of this Award, it will be necessary for the Company Group to collect, hold, and process certain personal information about the Participant. As a condition of accepting this Award, the Participant authorizes, agrees and unambiguously consents to the Company Group collecting, using, disclosing, holding and processing personal data and transferring such data to third parties (collectively, the “**Data Recipients**”) for the primary purpose of the Participant’s participation in, and the general administration of, the Plan and to the transmission by the Company Group of any personal data information related to the RSUs awarded under this Award Agreement, as required in connection with the Participant’s participation in the Plan (including, without limitation, the administration of the Plan) out of the Participant’s home country and including to countries with less data protection than the data protection provided by the Participant’s home country. This authorization and consent is freely given by the Participant. The Participant acknowledges that he/she has been informed that upon request, the Company will provide the name or title and contact information for an officer or employee of the Company Group who is able to answer questions about the collection, use and disclosure of personal data information.

(1) The Data Recipients will treat the Participant’s personal data as private and confidential and will not disclose such data for purposes other than the management and administration of this Award and will take reasonable measures to keep the Participant’s personal data private, confidential, accurate and current.

(2) Where the transfer is to a destination outside the country to which the Participant is employed, or outside the European Economic Area for Participants employed by the Company Group in the United Kingdom or Ireland, the Company shall take reasonable steps to ensure that the Participant’s personal data continues to be adequately protected and securely held. By accepting this Award, the Participant acknowledges that personal information about the Participant may be transferred to a country that does not offer the same level of data protection as the country in which the Participant is employed.

(L) **Cancellation; Recoupment; Related Matters.**

(1) In the event of a material restatement of the Company’s financial statements, the Committee (or its designee) shall review those facts and circumstances underlying the restatement that the Committee (or its designee) determines in its sole discretion as relevant (which may include, without limitation, the Participant’s status and responsibility within the organization, any potential wrongdoing by the Participant and whether the restatement was the result of negligence, intentional or gross misconduct or other conduct, including any acts or failures to act, detrimental to the Company insofar as it caused material financial or reputational harm to the Company or its business activities), and the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee’s determination.

(2) In the event that the Committee (or its designee), in its sole discretion, determines that this grant of RSUs was based, in whole or in part, on materially inaccurate financial or performance metrics for any period preceding the granting of this Award, whether or not a financial restatement is required and whether or not the Participant was responsible for the inaccuracy, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(3) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has failed to comply with the Company's risk policies or standards and/or failed to properly identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company or its business activities, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(4) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has breached any provisions relating to non-competition, non-solicitation, confidential information or inventions or proprietary property in any employment agreement or other agreement in effect between the Participant and the Company or an Affiliate (including, without limitation, the provisions of the Selling Interestholder Restrictive Covenant Agreement, dated as of July 21, 2014, by and between the Company and the Participant) during the Participant's employment or the period following the Participant's Separation from Service from the Company Group specified in the applicable agreement, then the Committee (or its designee), in its sole discretion, may direct the Company (a) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (b) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination and any credited and unpaid dividend equivalents with respect to such Shares to the Participant (and the Participant shall forfeit any rights to such Shares and any credited and unpaid dividend equivalents).

(5) In the event the Committee (or its designee), in its sole discretion, determines at any time that the Participant has engaged in "Detrimental Conduct" (as defined below) or violated any of the Company Policies (as defined below) during the Participant's employment, including if such determination is made following the Participant's termination of employment, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the 12 months immediately preceding the Committee's determination. **"Detrimental Conduct"** shall mean: (i) any conduct that would constitute "cause" under the Offer Letter, or if the Participant's employment has terminated and the Committee discovers thereafter that the Participant's employment could have or should have been terminated for Cause; or (ii) fraud, gross negligence, or other wrongdoing or malfeasance. "**Company Policies**" shall mean the Company policies and procedures in effect from time to time, including, without limitation, policies and procedures with respect to the Company's "**Regulatory Credit Classifications**" (as defined in the Company's Annual Report on Form 10-K filed with the Securities Exchange Commission on February 27, 2014 (the "**Form 10-K**")), and as amended from time to time, and any credit risk policies and procedures in effect from time to time.

(6) Notwithstanding anything contained in the Plan or this Award Agreement to the contrary, to the extent that the Company is required by law to include any additional recoupment, recovery or forfeiture provisions to outstanding Awards, then such additional provisions shall also apply to this Award Agreement as if they had been included as of the Date of Award and in the manner determined by the Committee in its sole discretion.

(7) The remedies provided for in this Award Agreement shall be cumulative and not exclusive, and the Participant agrees and acknowledges that the enforcement by the Company of its rights hereunder shall not in any manner impair, restrict or limit the right of the Company to seek injunctive and other equitable or legal relief under applicable law or the terms of any other agreement between the Company and the Participant.

(M) **Miscellaneous**.

(1) It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon the Participant.

(2) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or modify this Award Agreement at any time; provided, however, that, except as provided herein, no termination, amendment, modification or suspension shall materially and adversely alter or impair the rights of the Participant under this Award Agreement, without the Participant's written consent.

(3) This Award Agreement is intended to comply with, or be exempt from, Section 409A of the Code and the regulations and guidance promulgated thereunder ("**Section 409A**"), and accordingly, to the maximum extent permitted, this Award Agreement shall be interpreted in a manner intended to be in compliance therewith. In no event whatsoever shall the Company Group be liable for any additional tax, interest or penalty that may be imposed on the Participant by Section 409A or any damages for failing to comply with Section 409A. If any provision of the Plan or the Award Agreement would, in the sole discretion of the Committee, result or likely result in the imposition on the Participant, a beneficiary or any other person of additional taxes or a penalty tax under Section 409A, the Committee may modify the terms of the Plan or the Award Agreement, without the consent of the Participant, beneficiary or such other person, in the manner that the Committee, in its sole discretion, may determine to be necessary or advisable to avoid the imposition of such penalty tax. Notwithstanding anything to the contrary in the Plan or the Award Agreement, to the extent that the Participant is a "**Specified Employee**" (within the meaning of the Committee's established methodology for determining "**Specified Employees**" for purposes of Section 409A), payment or distribution of any amounts with respect to the RSUs that are subject to Section 409A will be made as soon as practicable following the first business day of the seventh month following the Participant's Separation from Service from the Company Group or, if earlier, the date of the Participant's death.

(4) Delivery of the Shares underlying the RSUs or payment in cash (if permitted pursuant to Section (B)(6)) upon settlement is subject to the Participant satisfying all applicable federal, state, provincial, local, domestic and foreign taxes and other statutory obligations (including, without limitation, the Participant's FICA obligation, National Insurance Contributions or Canada Pension Plan contributions, as applicable). The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the RSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount sufficient to satisfy any applicable taxes required by law. The Company may permit or require the Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the RSUs.

(5) The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Award Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Award Agreement in the possession of the Participant.

(6) This Award Agreement shall be subject to all applicable laws, rules, guidelines and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable, including but not limited to any applicable laws or the rules, codes or guidelines of any statutory or regulatory body in any jurisdiction relating to the remuneration of any Participant (in each case as may be in force from time to time). The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Award Agreement.

(7) Nothing in the Plan or this Agreement should be construed as providing the Participant with financial, tax, legal or other advice with respect to the RSUs. The Company recommends that the Participant consult with his or her financial, tax, legal and other advisors to provide advice in connection with the RSUs.

(8) All obligations of the Company under the Plan and this Award Agreement, with respect to the Awards, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(9) To the extent not preempted by federal law, this Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

(10) This Award Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(11) The Participant agrees that the Company may, to the extent permitted by applicable law and as provided for in Section 17(g) of the Plan, retain for itself securities or funds otherwise payable to the Participant pursuant to this Award Agreement, or any other Award Agreement under the Plan, to satisfy any obligation or debt that the Participant

owes the Company or its affiliates under any Award Agreement, the Plan or otherwise; provided that the Company may not retain such funds or securities and set off such obligations or liabilities until such time as they would otherwise be distributable to the Participant, and to the extent that Section 409A is applicable, such offset shall not exceed the maximum offset then permitted under Section 409A.

(12) The Participant acknowledges that if he or she moves to another country during the term of this Award Agreement, additional terms and conditions may apply and as provided for in Section 17(f) of the Plan and the Company reserves the right to impose other requirements to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Award Agreement. The Participant agrees to sign any additional agreements or undertaking that may be necessary to accomplish the foregoing.

(13) The Participant acknowledges that he or she has reviewed the Company Policies, understands the Company Policies and agrees to be subject to the Company Policies that are applicable to the Participant, including, without limitation, the Regulatory Credit Classifications and any credit risk policies in effect from time to time.

(14) The Participant acknowledges that the Company is subject to certain regulatory restrictions that may, under certain circumstances, prohibit the accelerated vesting and distribution of any unvested RSUs as a result of, or following, a Participant's Separation from Service.

(15) The Participant acknowledges that his or her participation in the Plan as a result of this Award Agreement is further good and valuable consideration for the Participant's obligations under any non-competition, non-solicitation, confidentiality or similar agreement between the Participant and the Company.

(16) Neither this Award Agreement or the Shares that may be awarded hereunder represent any right to the payment of earned wages, and the rights of the Participant with respect to any Shares remains fully contingent and subject to the vesting and other terms and conditions of this Award Agreement.

(17) Any cash payment made pursuant to Section (B)(5) or (B)(6) of this Award Agreement shall be calculated, where necessary, by reference to the prevailing U.S. dollar exchange rate on the proposed payment date (as determined by the Committee in its sole discretion).

(N) **Acceptance of Award**. By accepting this Award of RSUs, the Participant is agreeing to all of the terms contained in this Award Agreement. The Participant may accept this Award by indicating acceptance by e-mail or such other electronic means as the Company may designate in writing or by signing this Award Agreement if the Company does not require acceptance by email or such other electronic means. If the Participant desires to refuse the Award, the Participant must notify the Company in writing. Such notification should be sent to CIT Group Inc., Attention: Senior Vice President, Compensation and Benefits, 1 CIT Drive, Livingston, New Jersey 07039, no later than thirty (30) days after the Date of Award. If the Participant declines the Award, it will be cancelled as of the Date of Award.

IN WITNESS WHEREOF, this Award Agreement has been executed by the Company by one of its duly authorized officers as of the Date of Award.

CIT Group Inc.

[Name]
[Title]

ACCEPTED AND AGREED:

<<Electronic Signature>>
<<Acceptance Date>>

EXECUTION COPY

July 21, 2014

Nelson Chai
c/o CIT Group Inc.
One CIT Drive
Livingston, NJ 07039

Dear Nelson,

This letter (this "Letter") memorializes our discussions concerning your continuing role at CIT Group Inc. ("CIT") following the consummation of the merger (the "Merger") contemplated by the Agreement and Plan of Merger among CIT, IMB Holdco LLC ("OneWest"), Carbon Merger Sub LLC and JCF III HoldCo I L.P., dated as of the date hereof (the "Merger Agreement"). We believe that your continued service through and following the consummation of the Merger will greatly contribute to the successful integration of CIT and OneWest and the future success of the combined enterprise.

Following the Effective Time (as defined in the Merger Agreement), you will continue to serve as the President of North American Commercial Finance and Co-President of CIT, reporting directly to the Chief Executive Officer of CIT, unless and until your positions are modified by the Board of Directors of CIT. In such positions, you will have such duties and responsibilities as are assigned to you by the Chief Executive Officer of CIT from time to time, provided such duties and responsibilities will not be inconsistent with such positions.

On the date on which the Effective Time occurs, you will be granted a restricted stock unit award with respect to CIT common stock with a grant date fair market value of $5,000,000 (the "Retention RSUs"). The number of shares of CIT common stock subject to the Retention RSUs will be determined based on the closing price of CIT's common stock on the New York Stock Exchange on the day on which the Effective Time occurs (or, if the Effective Time occurs during a securities trading blackout period during which awards may not be made as set forth in the CIT Equity Compensation Award Policy, on the business day following the end of the blackout period). The vesting, settlement and other terms of the Retention RSUs shall be as set forth in the Retention RSU Award Agreement attached hereto as Exhibit A.

CIT's obligations under this Letter will become effective upon the occurrence of the Effective Time subject to your continued employment with CIT as of the Effective Time.

We thank you for your continued and dedicated service to CIT during this period of growth and transformation.

Sincerely,

/s/ Robert J. Ingato____________________
Name: Robert J. Ingato
Title: Executive Vice President,
General Counsel and Secretary

EXHIBIT A

CIT Group Inc.
Long-Term Incentive Plan
Retention Restricted Stock Unit Award Agreement (with Performance-Based Vesting)

"**Participant**":	Nelson Chai
"**Date of Award**":	[The closing date of the merger]
"**Number of RSUs Granted**":	[A number with a grant date value equal to $5 million]

Effective as of the Date of Award, this Award Agreement sets forth the grant of Restricted Stock Units (" **RSUs**") by CIT Group Inc., a Delaware corporation (the "**Company**"), to the Participant, pursuant to the provisions of the Amended and Restated CIT Group Inc. Long-Term Incentive Plan (the "**Plan**"). This Award Agreement memorializes the terms and conditions as approved by the Compensation Committee of the Board (the "**Committee**"). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

(A) **Grant of RSUs**. The Company hereby grants to the Participant the Number of RSUs Granted, effective as of the Date of Award and subject to the terms and conditions of the Plan and this Award Agreement. Each RSU represents the unsecured right to receive one Share in the future following the vesting of the RSU in accordance with this Award Agreement. The Participant shall not be required to pay any additional consideration for the issuance of the Shares upon settlement of the RSUs.

(B) **Vesting and Settlement of RSUs**.

(1) Subject to (A) the Participant's continued employment with the Company and/or its Affiliates (the "**Company Group**") from the Date of Award until the applicable Vesting Date (as defined below), (B) Section (B)(2) and (C) compliance with, and subject to, the terms and conditions of this Award Agreement, all of the RSUs granted hereunder shall vest in full on the third anniversary of the Date of Award (the "**Vesting Date**").

(2) As promptly as practicable following the end of each fiscal year in the 2015 through 2017 "**Performance Period**" (each such fiscal year, a "**Measurement Year**"), the Committee shall determine whether the Company's cumulative Pre-Tax Income (as defined below) for the three fiscal years ending with the applicable Measurement Year was positive (the "**Performance Requirement**"). If the Performance Requirement was not met for that Measurement Year, the Committee may cancel all or a portion of the RSUs that otherwise would have vested, after taking into account such factors as (i) the magnitude of the negative, cumulative Pre-Tax Income (including positive or negative variance from plan), (ii) the Participant's degree of involvement (including the degree to which the Participant was involved in decisions that are determined to have contributed to a negative, cumulative Pre-Tax Income), (iii) the Participant's performance and (iv) such other factors as deemed appropriate. Any such determination will be in the sole discretion of the Committee and will be final and binding. "**Pre-Tax Income**" means, with respect to each fiscal year, the Company's aggregate consolidated net income adjusted to exclude debt redemption charges and deferred original issue discount deductions, as shown on the Company's consolidated financial statements for such fiscal year, but calculated excluding any special, unusual or non-recurring items as determined by the Committee in its sole discretion in accordance with applicable accounting rules.

(3) Each vested RSU shall be settled through the delivery of one Share within thirty (30) days following the Vesting Date (the "**Settlement Date**"), provided that the Settlement Date may be delayed, in the sole discretion of the Committee and in accordance with applicable law (including Section 409A (as defined below)), if the Committee is considering whether Sections (B)(2) and/or (L) apply to the Participant.

(4) The Shares delivered to the Participant on the Settlement Date (or such date determined in accordance with Section (C) or (D)) shall not be subject to transfer restrictions and shall be fully paid, non-assessable and registered in the Participant's name.

(5) If, after the Date of Award and prior to the Vesting Date, dividends with respect to Shares are declared or paid by the Company, the Participant shall be credited with, and entitled to receive, dividend equivalents in an amount, without interest, equal to the cumulative dividends declared or paid on a Share, if any, during such period multiplied by the number of unvested RSUs. Unless otherwise determined by the Committee, dividend equivalents paid in cash shall not be reinvested in Shares and shall remain uninvested. The dividend equivalents credited in respect of vested RSUs shall be paid in cash or Shares, as applicable, on the Settlement Date.

(6) Except for Participants who are tax residents of Canada, in the sole discretion of the Committee and notwithstanding any other provision of this Award Agreement to the contrary, in lieu of the delivery of Shares, the RSUs and any dividend equivalents payable in Shares may be settled through a payment in cash equal to the Fair Market Value of the applicable number of Shares, determined on the Vesting Date or, in the case of settlement in accordance with Section (C)(1) or (D), the date of the Participant's "**Separation from Service**" (within the meaning of the Committee's established methodology for determining "**Separation from Service**" for purposes of Section 409A) or the date of Disability, as applicable. Settlement under this Section (B)(6) shall be made at the time specified under Sections (B)(3), (B)(5), (C)(1), (C)(2) or (D), as applicable.

(C) **Separation from Service**.

(1) If, after the Date of Award and prior to the Settlement Date, the Participant incurs a Disability (as defined below) or a Separation from Service from the Company Group due to death, each RSU, to the extent unvested, shall vest immediately and shall settle through the delivery of one Share within thirty (30) days following the Participant's Disability or death. The Participant (or the Participant's beneficiary or legal representative, if applicable) shall also be entitled to receive all credited and unpaid dividend equivalents at the time the RSUs are settled in accordance with this Section (C)(1). "**Disability**" shall have the same meaning as defined in the Company's applicable long-term disability plan or policy last in effect prior to the first date the Participant suffers from such Disability; provided, however, for a Participant that is a US taxpayer at any time during the period the RSUs vest and become settled hereunder and to the extent a "Disability" event does not also constitute a "Disability" as defined in Section 409A, such Disability event shall not constitute a Disability for purposes of this Section (C)(1).

(2) If, after the Date of Award and prior to an applicable Settlement Date, the Participant incurs a Separation from Service due to the Participant's Retirement (as defined below) or initiated by the Company without Cause (as defined below and including, for the avoidance of doubt, in connection with a sale of a business unit) or for Good Reason (as defined below), and, subject to the terms and conditions of the Plan and this Award Agreement, including Section (L) below, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested as of such Separation from Service, shall continue to vest and be settled on the Vesting Date and Settlement Date in accordance with Sections (B)(1), (B)(2) and (B)(3) above, unless such continued vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation. "**Retirement**" is defined as the Participant's election to retire upon or after (A) attaining age 55 with at least 11 years of service with the Company Group, or (B) attaining age 65 with at least 5 years of service with the Company Group, in each case as determined in accordance with the Company Group's policies and procedures. "**Cause**" means any of the following: (i) the commission of a misdemeanor involving moral turpitude or a felony; (ii) the Participant's act or omission that causes or may reasonably be expected to cause material injury to the Company Group, its vendors, customers, business partners or affiliates or that results or is intended to result in personal gain at the expense of the Company Group, its vendors, customers, business partners or affiliates; (iii) the Participant's substantial and continuing neglect of his or her job responsibilities for the Company Group (including excessive unauthorized absenteeism); (iv) the Participant's failure to comply with, or violation of, the Company Group's Code of Business Conduct; (v) the Participant's act or omission, whether or not performed in the workplace, that precludes the Participant's employment with any member of the Company Group by virtue of Section 19 of the Federal Deposit Insurance Act; and (vi) the Participant's violation of any federal or state securities or banking laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or exchange or association of which the Participant or a member of the Company Group is a member. "**Good Reason**" means, without the Participant's consent, (i) the Participant incurs a material diminution of his base salary (except in the event of a compensation reduction applicable to the Participant and other employees of comparable rank and/or status); (ii) the Participant incurs a material diminution of his duties or responsibilities from those in effect as of immediately following the Effective Time (as defined in the Letter between the Company and the Participant, dated as of July 21, 2014 (the "**Letter**")); (iii) the Participant is reassigned to a work location that is more than fifty (50) miles from his immediately preceding work location and which increases the distance the Participant has to commute to work by more than fifty (50) miles; or (iv) a material breach by the Company of the Letter. A Separation from Service for Good Reason shall not occur unless (A) the Participant has provided the Company written notice specifying in detail the alleged condition of Good Reason within thirty (30) days of the occurrence of such condition; (B) the Company has failed to cure such alleged condition within ninety (90) days following the Company's receipt of such written notice; and (C) if the Committee (or its designee) has determined that the Company has failed to cure such alleged condition, the Participant initiates a Separation from Service within five (5) days following the end of such ninety (90)-day cure period.

(3) If, prior to the Vesting Date, the Participant's employment with the Company Group terminates for any reason other than as set forth in Section (C)(1), (C)(2) or (D), the unvested RSUs shall be cancelled immediately and the Participant shall immediately forfeit any rights to, and shall not be entitled to receive any payments with respect to, the RSUs including, without limitation, dividend equivalents pursuant to Section (B)(5).

(D) **Change of Control**.

(1) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if a Change of Control occurs before the last day of the Performance Period, the Performance Requirement in Section (B)(2) will not apply to

the RSUs that will vest in accordance with this Award Agreement for any uncompleted fiscal years in the Performance Period.

(2) Notwithstanding any provision contained in the Plan or this Award Agreement to the contrary, if, prior to the Settlement Date, a Change of Control occurs and within two (2) years of such Change of Control the Participant incurs a Separation from Service (i) due to the Participant's Retirement, (ii) initiated by the Company without Cause or (iii) initiated by the Participant for Good Reason, the RSUs (and any credited and unpaid dividend equivalents), to the extent unvested, shall vest upon such Separation from Service and be settled within thirty (30) days following such Separation from Service, unless such accelerated vesting and settlement of RSUs (and dividend equivalents) following the Participant's Separation from Service is prohibited or limited by applicable law and/or regulation.

(E) **Transferability**. The RSUs are not transferable other than by last will and testament, by the laws of descent and distribution pursuant to a domestic relations order, or as otherwise permitted under Section 12 of the Plan.

(F) **Incorporation of Plan**. The Plan includes terms and conditions governing all Awards granted thereunder and is incorporated into this Award Agreement by reference unless specifically stated herein. This Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time and as supplemented by this Award Agreement, and to such rules and regulations as the Committee may adopt under the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Award Agreement.

(G) **No Entitlements**.

(1) Neither the Plan nor the Award Agreement confer on the Participant any right or entitlement to receive compensation, including, without limitation, any base salary or incentive compensation, in any specific amount for any future fiscal year (including, without limitation, any grants of future Awards under the Plan), nor impact in any way the Company Group's determination of the amount, if any, of the Participant's base salary or incentive compensation. This Award of RSUs made under this Award Agreement is completely independent of any other Awards or grants and is made at the sole discretion of the Company. The RSUs do not constitute salary, wages, regular compensation, recurrent compensation, pensionable compensation or contractual compensation for the year of grant or any prior or later years and shall not be included in, nor have any effect on or be deemed earned in any respect, in connection with the determination of employment-related rights or benefits under law or any employee benefit plan or similar arrangement provided by the Company Group (including, without limitation, severance, termination of employment and pension benefits), unless otherwise specifically provided for under the terms of such plan or arrangement or by the Company Group. The benefits provided pursuant to the RSUs are in no way secured, guaranteed or warranted by the Company Group.

(2) The RSUs are awarded to the Participant by virtue of the Participant's employment with, and services performed for, the Company Group. The Plan or the Award Agreement does not constitute an employment agreement. Nothing in the Plan or the Award Agreement shall modify the terms of the Participant's employment, including, without limitation, the Participant's status as an "at will" employee of the Company Group, if applicable.

(3) Subject to the terms of any applicable employment agreement, the Company reserves the right to change the terms and conditions of the Participant's employment, including the division, subsidiary or department in which the Participant is employed. None of the Plan or the Award Agreement, the grant of RSUs, nor any action taken or omitted to be taken under the Plan or the Award Agreement shall be deemed to create or confer on the Participant any right to be retained in the employ of the Company Group, or to interfere with or to limit in any way the right of the Company Group to terminate the Participant's employment at any time. Moreover, the Separation from Service provisions set forth in Section (C) or (D), as applicable, only apply to the treatment of the RSUs in the specified circumstances and shall not otherwise affect the Participant's employment relationship. By accepting this Award Agreement, the Participant waives any and all rights to compensation or damages in consequence of the termination of the Participant's office or employment for any reason whatsoever to the extent such rights arise or may arise from the Participant's ceasing to have rights under, or be entitled to receive payment in respect of, any unvested RSUs that are cancelled or forfeited as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, this Award Agreement or the provisions of any statute or law to taxation. This waiver applies whether or not such termination amounts to a wrongful discharge or unfair dismissal.

(H) **No Rights as a Stockholder**. The Participant will have no rights as a stockholder with respect to Shares covered by this Award Agreement (including voting rights) until the date the Participant or his nominee becomes the holder of record of such Shares on the Settlement Date or as provided in Section (C) or (D), if applicable.

(I) **Securities Representation**. The grant of the RSUs and issuance of Shares upon vesting of the RSUs shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The Shares are being issued to the Participant and this Award Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(1) He or she has been advised that he or she may be an “affiliate” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “**Act**”), and in this connection the Company is relying in part on his or her representations set forth in this section (I)(1); and

(2) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, the Shares must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such Shares and the Company is under no obligation to register the Shares (or to file a “re-offer prospectus”).

(3) If he or she is deemed an affiliate within the meaning of Rule 144 of the Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Shares of the Company, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Shares may be made only in limited amounts in accordance with such terms and conditions.

(J) **Notices**. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified mail, postage and fees prepaid, or internationally recognized express mail service, as follows:

If to the Company, to:

CIT Group Inc.
1 CIT Drive
Livingston, New Jersey 07039
Attention: Senior Vice President, Compensation and Benefits

If to the Participant, to the address on file with the Company Group.

(K) **Transfer of Personal Data**. In order to facilitate the administration of this Award, it will be necessary for the Company Group to collect, hold, and process certain personal information about the Participant. As a condition of accepting this Award, the Participant authorizes, agrees and unambiguously consents to the Company Group collecting, using, disclosing, holding and processing personal data and transferring such data to third parties (collectively, the “**Data Recipients**”) for the primary purpose of the Participant’s participation in, and the general administration of, the Plan and to the transmission by the Company Group of any personal data information related to the RSUs awarded under this Award Agreement, as required in connection with the Participant’s participation in the Plan (including, without limitation, the administration of the Plan) out of the Participant’s home country and including to countries with less data protection than the data protection provided by the Participant’s home country. This authorization and consent is freely given by the Participant. The Participant acknowledges that he/she has been informed that upon request, the Company will provide the name or title and contact information for an officer or employee of the Company Group who is able to answer questions about the collection, use and disclosure of personal data information.

(1) The Data Recipients will treat the Participant’s personal data as private and confidential and will not disclose such data for purposes other than the management and administration of this Award and will take reasonable measures to keep the Participant’s personal data private, confidential, accurate and current.

(2) Where the transfer is to a destination outside the country to which the Participant is employed, or outside the European Economic Area for Participants employed by the Company Group in the United Kingdom or Ireland, the Company shall take reasonable steps to ensure that the Participant’s personal data continues to be adequately protected and securely held. By accepting this Award, the Participant acknowledges that personal information about the Participant may be transferred to a country that does not offer the same level of data protection as the country in which the Participant is employed.

(L) **Cancellation; Recoupment; Related Matters.**

(1) In the event of a material restatement of the Company’s financial statements, the Committee (or its designee) shall review those facts and circumstances underlying the restatement that the Committee (or its designee) determines in its sole discretion as relevant (which may include, without limitation, the Participant’s status and responsibility within the organization, any potential wrongdoing by the Participant and whether the restatement was the result of negligence, intentional or gross misconduct or other conduct, including any acts or failures to act, detrimental to the Company insofar as it caused material financial or reputational harm to the Company or its business activities), and the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs

(whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(2) In the event that the Committee (or its designee), in its sole discretion, determines that this grant of RSUs was based, in whole or in part, on materially inaccurate financial or performance metrics for any period preceding the granting of this Award, whether or not a financial restatement is required and whether or not the Participant was responsible for the inaccuracy, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(3) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has failed to comply with the Company's risk policies or standards and/or failed to properly identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company or its business activities, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination.

(4) In the event that the Committee (or its designee), in its sole discretion, determines at any time that the Participant has breached any provisions relating to non-competition, non-solicitation, confidential information or inventions or proprietary property in any employment agreement or other agreement in effect between the Participant and the Company or an Affiliate during the Participant's employment or the period following the Participant's Separation from Service from the Company Group specified in the applicable agreement, then the Committee (or its designee), in its sole discretion, may direct the Company (a) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs, and / or (b) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the twelve (12) months immediately preceding the Committee's determination and any credited and unpaid dividend equivalents with respect to such Shares to the Participant (and the Participant shall forfeit any rights to such Shares and any credited and unpaid dividend equivalents).

(5) In the event the Committee (or its designee), in its sole discretion, determines at any time that the Participant has engaged in "Detrimental Conduct" (as defined below) or violated any of the Company Policies (as defined below) during the Participant's employment, including if such determination is made following the Participant's termination of employment, then the Committee (or its designee), in its sole discretion, may direct the Company (i) to cancel any outstanding RSUs (whether or not vested), and the Participant shall forfeit any rights to such cancelled RSUs and / or (ii) to recover from the Participant an amount equal to the Fair Market Value (determined as of the Settlement Date) of the net number of Shares distributed to the Participant pursuant to this Award Agreement within the 12 months immediately preceding the Committee's determination. **"Detrimental Conduct"** shall mean: (i) any conduct that would constitute "cause" under the Participant's employment agreement or similar agreement with the Company or its Affiliates, if any, or if the Participant's employment has terminated and the Committee discovers thereafter that the Participant's employment could have or should have been terminated for Cause; or (ii) fraud, gross negligence, or other wrongdoing or malfeasance. "**Company Policies**" shall mean the Company policies and procedures in effect from time to time, including, without limitation, policies and procedures with respect to the Company's "**Regulatory Credit Classifications**" (as defined in the Company's Annual Report on Form 10-K filed with the Securities Exchange Commission on February 27, 2014 (the "**Form 10-K**")), and as amended from time to time, and any credit risk policies and procedures in effect from time to time.

(6) Notwithstanding anything contained in the Plan or this Award Agreement to the contrary, to the extent that the Company is required by law to include any additional recoupment, recovery or forfeiture provisions to outstanding Awards, then such additional provisions shall also apply to this Award Agreement as if they had been included as of the Date of Award and in the manner determined by the Committee in its sole discretion.

(7) The remedies provided for in this Award Agreement shall be cumulative and not exclusive, and the Participant agrees and acknowledges that the enforcement by the Company of its rights hereunder shall not in any manner impair, restrict or limit the right of the Company to seek injunctive and other equitable or legal relief under applicable law or the terms of any other agreement between the Company and the Participant.

(M) **Miscellaneous**.

(1) It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon the Participant.

(2) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or modify this Award Agreement at any time; provided, however, that, except as provided herein, no termination, amendment, modification or suspension shall materially and adversely alter or impair the rights of the Participant under this Award Agreement, without the Participant's written consent.

(3) This Award Agreement is intended to comply with, or be exempt from, Section 409A of the Code and the regulations and guidance promulgated thereunder ("**Section 409A**"), and accordingly, to the maximum extent permitted, this Award Agreement shall be interpreted in a manner intended to be in compliance therewith. In no event whatsoever shall the Company Group be liable for any additional tax, interest or penalty that may be imposed on the Participant by Section 409A or any damages for failing to comply with Section 409A. If any provision of the Plan or the Award Agreement would, in the sole discretion of the Committee, result or likely result in the imposition on the Participant, a beneficiary or any other person of additional taxes or a penalty tax under Section 409A, the Committee may modify the terms of the Plan or the Award Agreement, without the consent of the Participant, beneficiary or such other person, in the manner that the Committee, in its sole discretion, may determine to be necessary or advisable to avoid the imposition of such penalty tax. Notwithstanding anything to the contrary in the Plan or the Award Agreement, to the extent that the Participant is a "**Specified Employee**" (within the meaning of the Committee's established methodology for determining "**Specified Employees**" for purposes of Section 409A), payment or distribution of any amounts with respect to the RSUs that are subject to Section 409A will be made as soon as practicable following the first business day of the seventh month following the Participant's Separation from Service from the Company Group or, if earlier, the date of the Participant's death.

(4) Delivery of the Shares underlying the RSUs or payment in cash (if permitted pursuant to Section (B)(6)) upon settlement is subject to the Participant satisfying all applicable federal, state, provincial, local, domestic and foreign taxes and other statutory obligations (including, without limitation, the Participant's FICA obligation, National Insurance Contributions or Canada Pension Plan contributions, as applicable). The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the RSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount sufficient to satisfy any applicable taxes required by law. The Company may permit or require the Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the RSUs.

(5) The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Shares issued pursuant to this Award Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to this Award Agreement in the possession of the Participant.

(6) This Award Agreement shall be subject to all applicable laws, rules, guidelines and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable, including but not limited to any applicable laws or the rules, codes or guidelines of any statutory or regulatory body in any jurisdiction relating to the remuneration of any Participant (in each case as may be in force from time to time). The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Award Agreement.

(7) Nothing in the Plan or this Agreement should be construed as providing the Participant with financial, tax, legal or other advice with respect to the RSUs. The Company recommends that the Participant consult with his or her financial, tax, legal and other advisors to provide advice in connection with the RSUs.

(8) All obligations of the Company under the Plan and this Award Agreement, with respect to the Awards, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(9) To the extent not preempted by federal law, this Award Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

(10) This Award Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(11) The Participant agrees that the Company may, to the extent permitted by applicable law and as provided for in Section 17(g) of the Plan, retain for itself securities or funds otherwise payable to the Participant pursuant to this Award Agreement, or any other Award Agreement under the Plan, to satisfy any obligation or debt that the Participant

owes the Company or its affiliates under any Award Agreement, the Plan or otherwise; provided that the Company may not retain such funds or securities and set off such obligations or liabilities until such time as they would otherwise be distributable to the Participant, and to the extent that Section 409A is applicable, such offset shall not exceed the maximum offset then permitted under Section 409A.

(12) The Participant acknowledges that if he or she moves to another country during the term of this Award Agreement, additional terms and conditions may apply and as provided for in Section 17(f) of the Plan and the Company reserves the right to impose other requirements to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Award Agreement. The Participant agrees to sign any additional agreements or undertaking that may be necessary to accomplish the foregoing.

(13) The Participant acknowledges that he or she has reviewed the Company Policies, understands the Company Policies and agrees to be subject to the Company Policies that are applicable to the Participant, including, without limitation, the Regulatory Credit Classifications and any credit risk policies in effect from time to time.

(14) The Participant acknowledges that the Company is subject to certain regulatory restrictions that may, under certain circumstances, prohibit the accelerated vesting and distribution of any unvested RSUs as a result of, or following, a Participant's Separation from Service.

(15) The Participant acknowledges that his or her participation in the Plan as a result of this Award Agreement is further good and valuable consideration for the Participant's obligations under any non-competition, non-solicitation, confidentiality or similar agreement between the Participant and the Company.

(16) Neither this Award Agreement or the Shares that may be awarded hereunder represent any right to the payment of earned wages, and the rights of the Participant with respect to any Shares remains fully contingent and subject to the vesting and other terms and conditions of this Award Agreement.

(17) Any cash payment made pursuant to Section (B)(5) or (B)(6) of this Award Agreement shall be calculated, where necessary, by reference to the prevailing U.S. dollar exchange rate on the proposed payment date (as determined by the Committee in its sole discretion).

(N) **Acceptance of Award**. By accepting this Award of RSUs, the Participant is agreeing to all of the terms contained in this Award Agreement. The Participant may accept this Award by indicating acceptance by e-mail or such other electronic means as the Company may designate in writing or by signing this Award Agreement if the Company does not require acceptance by email or such other electronic means. If the Participant desires to refuse the Award, the Participant must notify the Company in writing. Such notification should be sent to CIT Group Inc., Attention: Senior Vice President, Compensation and Benefits, 1 CIT Drive, Livingston, New Jersey 07039, no later than thirty (30) days after the Date of Award. If the Participant declines the Award, it will be cancelled as of the Date of Award.

IN WITNESS WHEREOF, this Award Agreement has been executed by the Company by one of its duly authorized officers as of the Date of Award.

CIT Group Inc.

[Name]
[Title]

ACCEPTED AND AGREED:

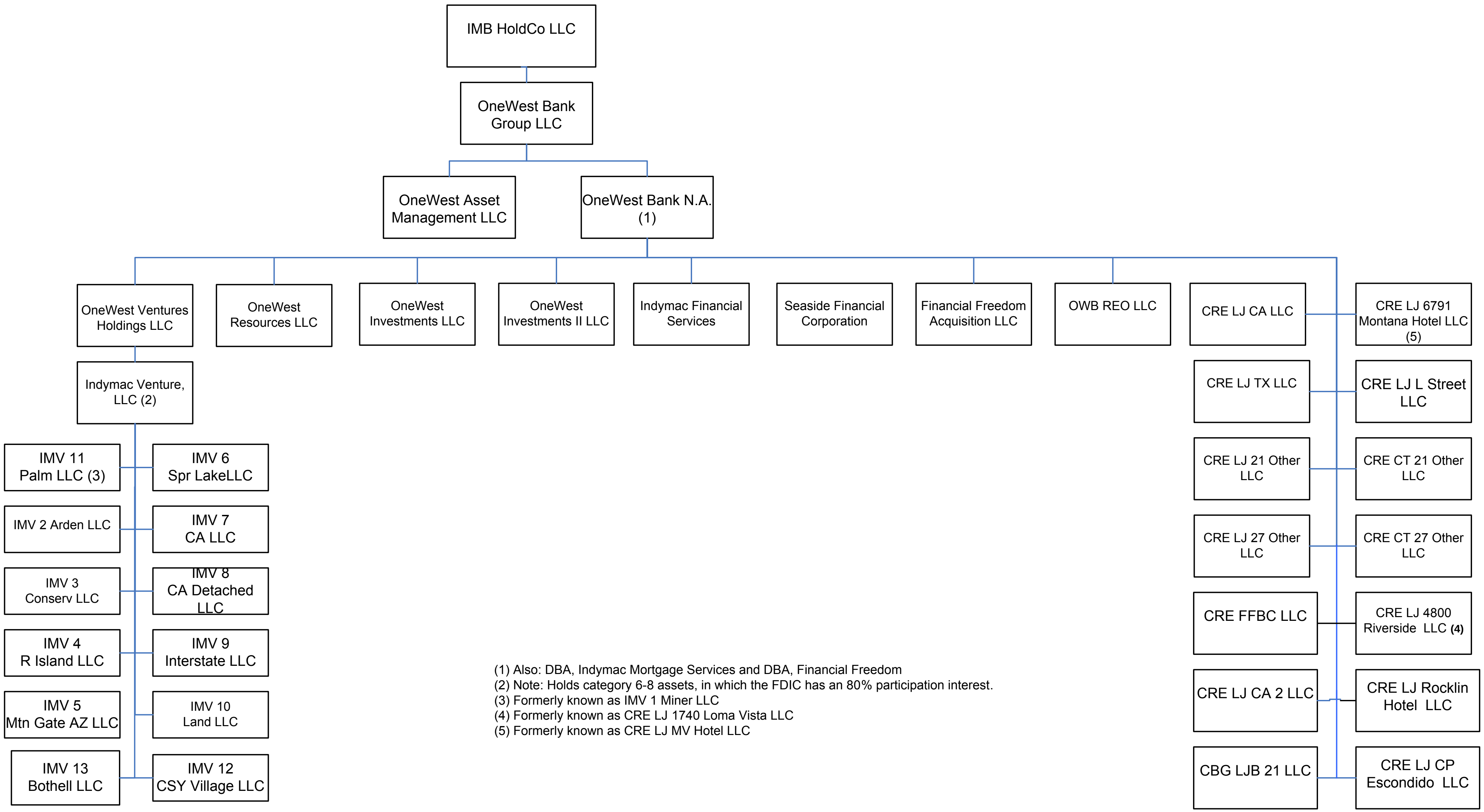
<<Electronic Signature>>
<<Acceptance Date>>

PUBLIC EXHIBIT 2

Organization Chart: IMB Holdco LLC and Subsidiaries

OneWest Corporate Organization Chart

As of 5/29/2014



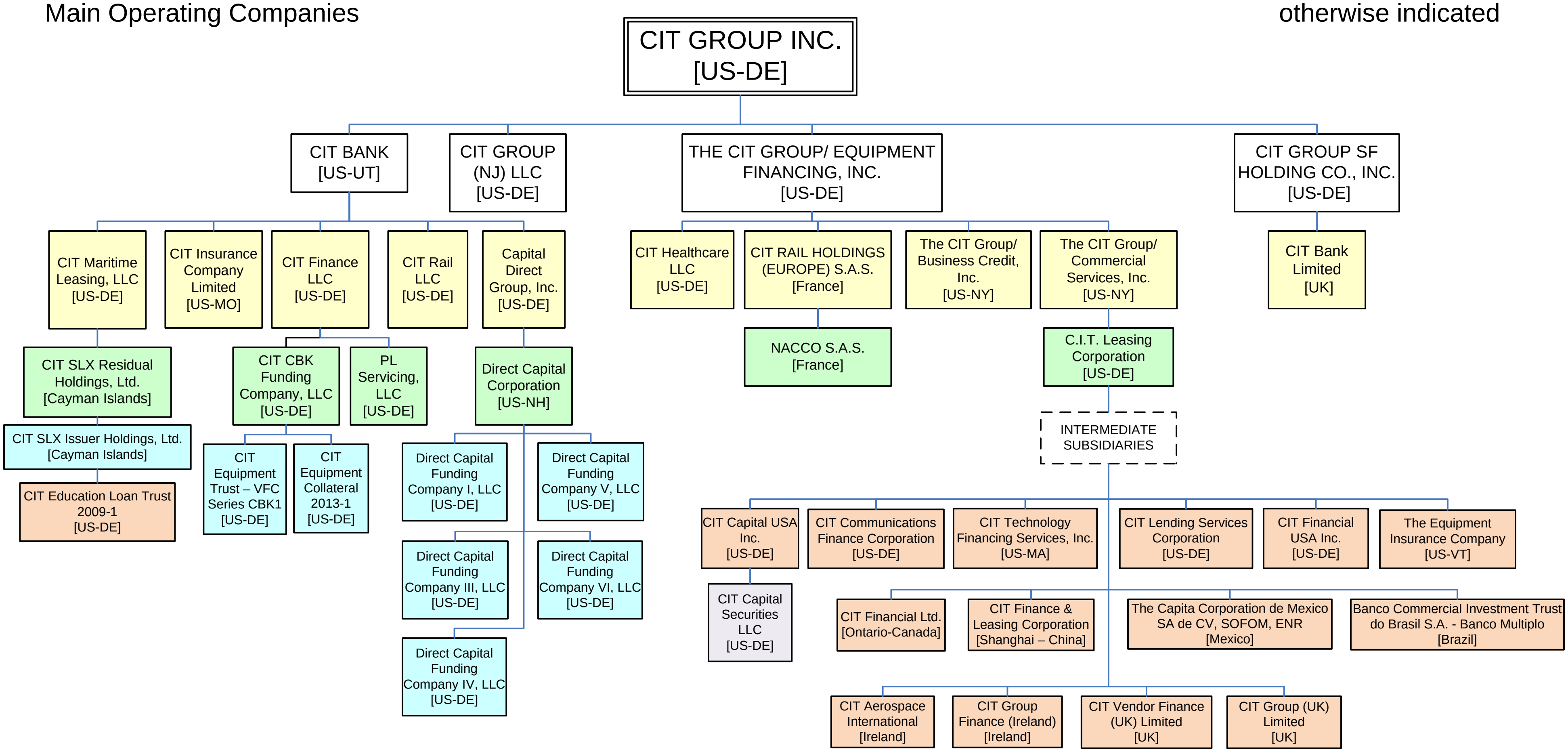
(1) Also: DBA, Indymac Mortgage Services and DBA, Financial Freedom
(2) Note: Holds category 6-8 assets, in which the FDIC has an 80% participation interest.
(3) Formerly known as IMV 1 Miner LLC
(4) Formerly known as CRE LJ 1740 Loma Vista LLC
(5) Formerly known as CRE LJ MV Hotel LLC

PUBLIC EXHIBIT 3

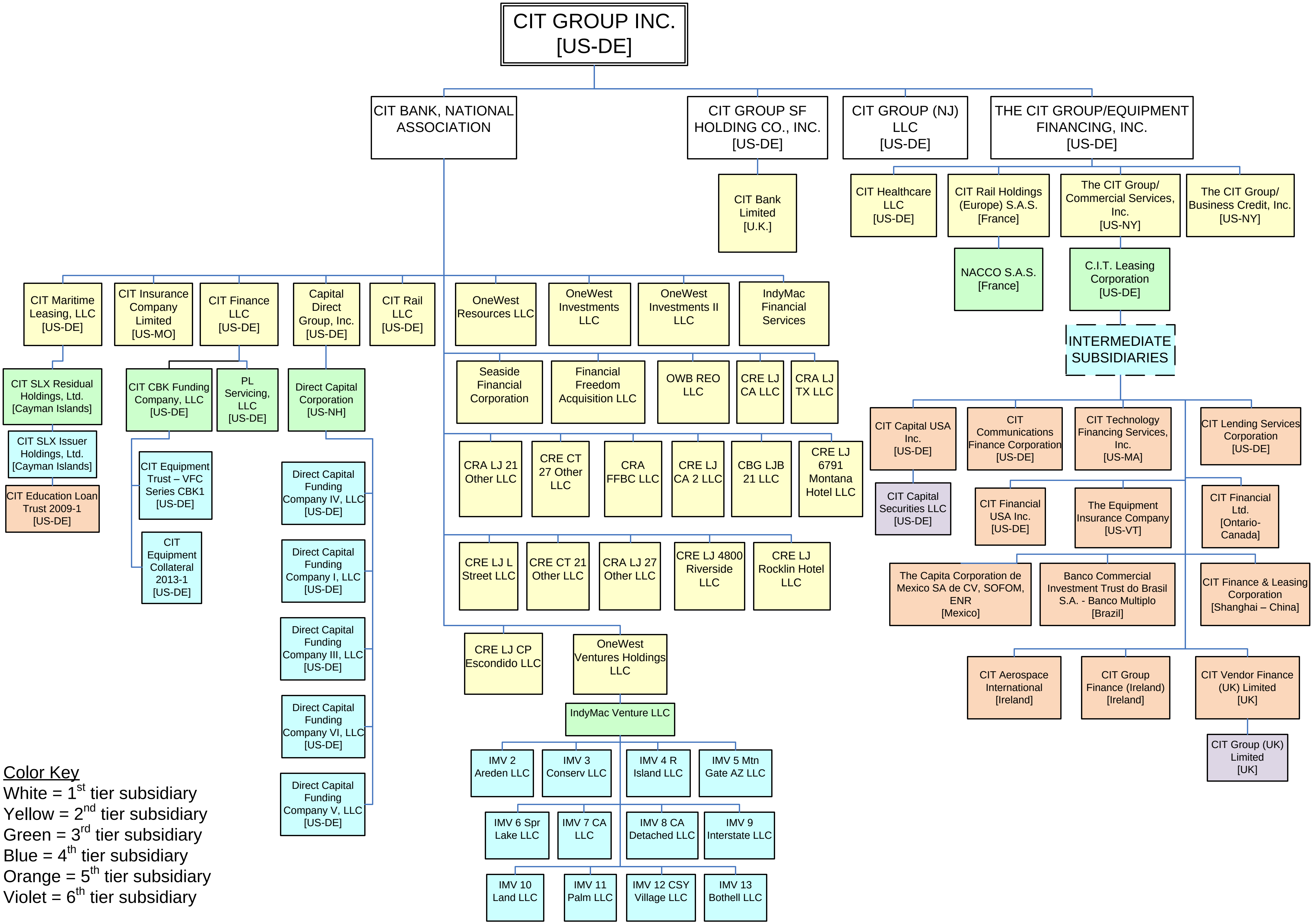
Organization Charts: CIT Group Inc. and Principal Subsidiaries (Current and Pro Forma)

CIT GROUP INC.
Main Operating Companies

Ownership is 100% unless otherwise indicated



CIT GROUP INC.
Main Operating Companies - Pro Forma



Color Key
White = 1st tier subsidiary
Yellow = 2nd tier subsidiary
Green = 3rd tier subsidiary
Blue = 4th tier subsidiary
Orange = 5th tier subsidiary
Violet = 6th tier subsidiary

PUBLIC EXHIBIT 4

CIT Group Inc. Annual Report on Form 10-K for the year ended December 31, 2013

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, 2013

or

| | Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 001-31369

CIT GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**65-1051192**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
11 West 42nd Street, New York, New York	**10036**
(Address of Registrant's principal executive offices)	(Zip Code)

(212) 461-5200
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, par value $0.01 per share	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 |X| No | |

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes | | No |X|

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 reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No | |

Indicate by check mark whether the registrant has submitted electronically and posted on its Corporate Web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes |X| 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 the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)
Large accelerated filer |X| Accelerated filer | |
Non-accelerated filer | | Smaller reporting company | |

At February 21, 2014, there were 195,397,208 shares of CIT's common stock, par value $0.01 per share, outstanding.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes | | No |X|

The aggregate market value of voting common stock held by non-affiliates of the registrant, based on the New York Stock Exchange Composite Transaction closing price of Common Stock ($46.63 per share, 200,467,936 shares of common stock outstanding), which occurred on June 30, 2013, was $9,347,819,855. For purposes of this computation, all officers and directors of the registrant are deemed to be affiliates. Such determination shall not be deemed an admission that such officers and directors are, in fact, affiliates of the registrant.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes |X| No | |

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the 2014 Annual Meeting of Stockholders are incorporated by reference into Part III hereof to the extent described herein.

CONTENTS

PART ONE

Item 1: Business Overview

BUSINESS DESCRIPTION

CIT Group Inc., together with its subsidiaries ("we", "our", "CIT" or the "Company") has provided financial solutions to its clients since its formation in 1908. We provide financing, leasing and advisory services principally to middle market companies in a wide variety of industries and offer vendor, equipment, commercial and structured financing products, as well as factoring services. We had over $36 billion of financing and leasing assets at December 31, 2013. CIT became a bank holding company ("BHC") in December 2008 and a financial holding company ("FHC") in July 2013. CIT is regulated by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Reserve Bank of New York ("FRBNY") under the U.S. Bank Holding Company Act of 1956 ("Bank Act").

Our primary bank subsidiary is CIT Bank (the "Bank"), a state chartered bank headquartered in Salt Lake City, Utah, which offers commercial financing and leasing products as well as a suite of savings options. The Bank is subject to regulation and examination by the Federal Deposit Insurance Corporation ("FDIC") and the Utah Department of Financial Institutions ("UDFI"). As of December 31, 2013, over 40% of CIT's commercial financing and leasing assets were in the Bank and essentially all new U.S. business volume and asset growth is being originated by the Bank.

Each business has industry alignment and focuses on specific sectors, products and markets, with portfolios diversified by client and geography. Our principal product and service offerings include:

Products and Services	
• Account receivables collection	• Factoring services
• Acquisition and expansion financing	• Financial risk management
• Asset management and servicing	• Import and export financing
• Asset-based loans	• Insurance services
• Credit protection	• Operating and capital leases
• Debt restructuring	• Letters of credit / trade acceptances
• Debt underwriting and syndication	• Mergers and acquisition advisory services ("M&A")
• Debtor-in-possession / turnaround financing	• Secured lines of credit
• Deposits (certificates of deposit, savings accounts, individual retirement accounts)	• Vendor financing
• Enterprise value and cash flow loans	

We source business through marketing efforts directly to borrowers, lessees, manufacturers, vendors and distributors, and through referral sources and other intermediaries. We also buy participations in syndications of finance receivables and lines of credit and periodically purchase finance receivables on a whole-loan basis.

We generate revenue by earning interest on loans we hold on our balance sheet, collecting rentals on equipment we lease, and earning commissions, fees and other income for services we provide. We syndicate and sell certain finance receivables and equipment to leverage our origination capabilities, reduce concentrations and manage our balance sheet.

We set underwriting standards for each business unit and employ portfolio risk management models to achieve desired portfolio demographics. Our collection and servicing operations are organized by business and geography in order to provide efficient client interfaces and uniform customer experiences.

BUSINESS SEGMENTS

CIT delivers customer financing products and services through five reportable business segments.

SEGMENT	MARKET AND SERVICES
Corporate Finance	Lending, leasing and other financial and advisory services to small and middle-market companies across select industries.
Transportation Finance	Large ticket equipment leases and other secured financing, primarily to companies in aerospace, rail and maritime industries.
Trade Finance	Factoring, receivables management products and secured financing to retail supply chain companies.
Vendor Finance	Partners with manufacturers, distributors, dealers and resellers to deliver financing and leasing solutions to end-user customers for the acquisition of equipment.
Consumer	Government-guaranteed student loan portfolios, which are in run-off.

Financial information about our segments and our geographic areas of operation are located in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Item 8. Financial Statements and Supplementary Data (Note 23 — Business Segment Information).*

CORPORATE FINANCE

Corporate Finance provides a range of financing options and offers advisory services to small and medium size companies in the U.S. and Canada and has a specialized lending unit in the U.K. focused on financial sponsors in Europe. Corporate Finance core products include asset-based and cash flow lending, fee-based advisory products (e.g., financial advisory, M&A) for middle-market customers, equipment leasing and financing, and commercial real estate financing.

Corporate Finance offers a product suite primarily composed of senior secured loans collateralized by accounts receivable, inventory, machinery & equipment and intangibles to finance various needs of our customers, such as working capital, plant expansion, acquisitions and recapitalizations. These loans include revolving lines of credit and term loans and, depending on the nature and quality of the collateral, may be referred to as asset-based loans or cash flow loans. We also have a portfolio of SBA 7(a) guaranteed loans, most of which are in assets held for sale ("AHFS"), which are partially guaranteed by the U.S. Small Business Administration ("SBA").

Middle Market Lending business provides financing to customers in a wide range of industries (including Commercial & Industrial, Communications, Media & Entertainment, Healthcare, and Energy):

- Commercial & Industrial includes wholesale trade (both durable and non-durable goods), business services, miscellaneous retail, chemicals and allied products, food and kindred products and numerous other industries.
- Communications, Media, & Entertainment includes broadcast, cable, entertainment, gaming, sports franchise, telephony, wireless and tower, and other related industries.
- Healthcare includes skilled nursing facilities, home health and hospice companies, acute care hospitals, dialysis companies and outpatient services, among others.
- Energy includes conventional and renewable power generation, coal mining, oil and gas production, and energy services.

Commercial Real Estate Finance ("REF") provides senior secured commercial real estate loans to developers and other commercial real estate professionals. REF focuses on stable, cash flowing properties and originates construction loans to highly experienced and well capitalized developers.

Equipment Finance ("EF") provides commercial equipment financing solutions for middle market companies in a wide range of industries. EF structures transactions that consider our customers' unique requirements and industry characteristics, while designing specific solutions that add value to our customers' businesses.

Key risks faced by Corporate Finance are credit risk, business risk and to a lesser extent, asset risk. Risks associated with secured financings relate to the ability of the borrower to repay its loan and the value of the collateral underlying the loan should the borrower default on its obligations.

Corporate Finance is exposed to business risk related to its ability to profitably originate and price new business. Demand for CIT's Corporate Finance services is broadly affected by the level of economic growth and is more specifically affected by the level of economic activity in CIT's target industries. If demand for CIT's products and services declines, then new business volume originated by CIT Corporate Finance will decline. Likewise, changes in supply and demand of CIT's products and services also affect the pricing CIT can command from the market.

Specific to syndications activity, Corporate Finance is exposed to business risk related to fee income from syndication/club deal activity. In such transactions CIT earns fees for arranging and selling loan exposures to other lenders. Under adverse market circumstances, CIT would be exposed to risk arising from the inability to sell loans on to other lenders, resulting in lower fee income and higher than expected credit exposure to certain borrowers.

In our small business lending unit, the collateral in most instances consists of real estate, which may be subject to fluctuations in market value. If it was determined that an SBA loan was not underwritten or serviced correctly, the SBA guarantee would not be partially or fully honored.

TRANSPORTATION FINANCE

Transportation Finance is a leading provider of aircraft and railcar leasing and financing solutions to operators and suppliers in the global aviation and railcar industries. We also provide lending and other financial products and services to companies in the transportation sector, including those in the business aircraft, maritime, aerospace and defense industries. Transportation Finance operates through five specialized business units: Commercial Air, Rail, Business Air, Transportation Lending, and Maritime Finance, with Commercial Air and Rail accounting for the vast majority of the segment's assets, revenues and earnings. Maritime Finance was launched as a distinct business in the fourth quarter of 2012, although CIT had periodically financed assets within the sector on a small scale.

We have achieved a leadership position in transportation finance by leveraging our deep industry experience and core strengths in technical asset management, customer relationship management, and credit analysis. We have extensive experience in managing equipment over its full life cycle, including purchasing new equipment, estimating residual values, and remarketing by re-leasing or selling equipment. Transportation Finance is a global business, with leasing operations (primarily aerospace) around the world and expanding lending platforms.

Commercial Air provides aircraft leasing and lending, asset management, aircraft valuation and advisory services. The unit's primary clients include global and regional airlines around the world. Offices are located in the U.S., Europe and Asia. As of December 31, 2013, our commercial aerospace financing and leasing portfolio consists of over 300 aircraft with a weighted average age of 5 years, which are placed with about 100 clients.

Rail leases railcar equipment to railroads and shippers throughout North America, and now Europe resulting from a 2014 acquisition. *(See Item 8. Financial Statements and Supplementary Data, Note 28 — Subsequent Events* for further information.) We serve approximately 500 customers, including all of the U.S. and Canadian Class I railroads (railroads with annual revenues of at least $250 million) and other non-rail companies, such as shippers and power and energy companies. Our operating lease fleet consists of more than 100,000 railcars and approximately 350 locomotives. Railcar types include covered hopper cars used to ship grain and agricultural products, plastic pellets and cement, gondola cars for coal, steel coil and mill service, open hopper cars for coal and aggregates, center beam flat cars for lumber, boxcars for paper and auto parts, tank cars for energy products and chemicals.

Business Air offers financing and leasing programs for corporate and private owners of business jet aircraft, primarily in the U.S.

Transportation Lending provides loan and lease financing solutions to companies within the aerospace, defense and other transportation sectors, directly or through financial sponsors and intermediaries.

Maritime Finance offers secured loans to owners and operators of oceangoing and inland cargo vessels, as well as offshore vessels and drilling rigs.

The primary asset type held by Transportation Finance is equipment that the business purchases (predominantly commercial aircraft and railcars) and leases to commercial end-users. The typical structure for leasing of large ticket transportation assets is an operating lease. Transportation Finance also has a loan portfolio consisting primarily of senior, secured loans. The primary source of revenue for Transportation Finance is rent collected on leased assets, and to a lesser extent interest on loans, fees for services provided, and gains from assets sold.

The primary risks for Transportation Finance are asset risk (resulting from ownership of the equipment on operating lease) and credit risk. Asset risk arises from fluctuations in supply and demand for underlying equipment leased. Transportation Finance invests in long-lived equipment; commercial aircraft have economic useful lives of approximately 20-25 years and railcars/locomotives have economic useful lives of approximately 35-50 years. This equipment is then leased to commercial end-users with average lease terms of approximately 5-10 years. CIT is exposed to the risk that, at the end of the lease term, the value of the asset will be lower than expected, resulting in reduced future lease income over the remaining life of the asset or a lower sale value.

Asset risk is generally recognized through changes to lease income streams from fluctuations in lease rates and/or utilization. Changes to lease income occur when the existing lease contract expires, the asset comes off lease, and Transportation Finance seeks to enter a new lease agreement. Asset risk may also change depreciation, resulting from changes in the residual value of the operating lease asset or through impairment of the asset carrying value, which can occur at any time during the life of the asset.

Credit risk in the leased equipment portfolio results from the potential default of lessees, possibly driven by obligor specific or industry-wide conditions, and is economically less significant than asset risk for Transportation Finance, because in the operating lease business, there is no extension of credit to the obligor. Instead, the lessor deploys a portion of the useful life of the asset. Credit losses manifest through multiple parts of the income statement including loss of lease/rental income due to missed payments, time off lease, or lower rental payments than the existing contract either due to a restructuring or re-leasing of the asset to another obligor as well as higher expenses due to, for example, repossession costs to obtain, refurbish, and re-lease assets. Credit risk associated with loans relates to the ability of the borrower to repay its loan and the Company's ability to realize the value of the collateral underlying the loan should the borrower default on its obligations. Risks associated with cash flow loans relate to the collectability of the loans should there be a decline in the credit worthiness of the client.

See "*Concentrations*" section of *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Note 19 — Commitments of Item 8. Financial Statements and Supplementary Data* for further discussion of our aerospace and rail portfolios.

TRADE FINANCE

Trade Finance offers a full range of domestic and international customized credit protection, lending and outsourcing services that include working capital and term loans, factoring, receivables management, bulk purchases of accounts receivable, import and export financing and letter of credit programs to clients. A client (typically a manufacturer or importer of goods) is the counterparty to any factoring agreement, financing agreement, or receivables purchasing agreement that has been entered into with Trade Finance. Trade Finance services businesses that operate in several industries, including apparel, textile, furniture, home furnishings and consumer electronics. Trade Finance also can arrange for letters of credit, collateralized by accounts receivable and other assets, to be opened for the benefit of its clients' suppliers. Although primarily U.S. based, Trade Finance also conducts business with clients and their customers internationally. Revenue is generated from commissions earned on factoring and related activities, interest on loans and other service fees.

Trade Finance typically provides financing to its clients through the factoring of their accounts receivable owed to them by their customers. A customer (typically a wholesaler or retailer) is the account debtor and obligor on trade accounts receivable that have been factored with and assigned to the factor. The assignment of accounts receivable by a client to a factor is traditionally known as "factoring" and results in payment by the client of a factoring commission that is commensurate with the underlying degree of credit risk and recourse, and which is generally a percentage of the factored receivables or sales volume. In addition to factoring commission and fees, Trade Finance may advance funds to its clients, typically in an amount up to 90% of eligible accounts receivable, charging interest on the advance, and satisfying the advance by the collection of factored accounts receivable. Trade Finance often integrates its clients' operating systems with its own operating systems to facilitate the factoring relationship.

Clients use the products and services of Trade Finance for various purposes, including improving cash flow, mitigating or reducing customer credit risk, increasing sales, improving management systems information and outsourcing their bookkeeping, collection, and other receivable processing to Trade Finance.

The products and services provided by Trade Finance entail two dimensions of credit risk, customer and client. The largest risk for Trade Finance is customer credit risk in factoring transactions. Customer risk relates to the financial inability of a customer to pay on undisputed trade accounts receivable due from such customer to the factor. While smaller than customer credit exposure, there is also client credit risk in providing cash advances to factoring clients. Client risk relates to a decline in the credit worthiness of a borrowing client, their consequent inability to repay their loan and the possible insufficiency of the underlying collateral (including the aforementioned customer accounts receivable) to cover any loan repayment shortfall. At December 31, 2013, client credit risk accounted for less than 10% of total Trade Finance credit exposure while customer credit risk accounted for the remainder.

Trade Finance is also subject to a variety of business risks including operational, regulatory, financial as well as business risks related to competitive pressures from other banks, boutique factors, and credit insurers. These pressures create risk of reduced pricing and factoring volume for CIT. In addition, client de-factoring can occur if retail credit conditions are benign for a long period and clients no longer demand factoring services for credit protection.

VENDOR FINANCE

Vendor Finance develops customized business solutions for small businesses and middle market companies, providing equipment financing and value-added services. Working with manufacturers, distributors and product resellers across multiple industries, we develop financing programs and financial solutions tailored to the commercial end-user customer's needs that can enable increased sales by our vendor partners.

We provide customer-centric programs ranging from structured to referral programs. A key part of these partnership programs is integrating with the go-to-market strategy of our vendor partners and leveraging the vendor partners' sales process, thereby maximizing efficiency and effectiveness.

These alliances allow our partners to focus on core competencies, reduce capital needs and drive incremental sales volume. We offer our partners (1) financing to end-user customers for purchase or lease of products, (2) enhanced sales tools such as asset management services, loan processing and real-time credit adjudication, and (3) tailored customer service.

Vendor Finance end-user customers are diverse, ranging from sole proprietors to multi-national corporations, but we are largely focused on small and middle-market customers across a diversified set of industries.

Vendor Finance finances three primary types of equipment, information technology, telecom, and office equipment, but in some geographies, Vendor Finance also finances other types of equipment, such as healthcare, transportation, industrial equipment, printing and construction.

Vendor Finance offers in-country origination and servicing centers in certain major markets around the world, industry and geographic expertise, and dedicated sales and credit teams. Our products include standard and customized financial solutions that meet vendor partner and end-user customer requirements, including asset-backed loans, capital leases and usage-based programs. During 2013 we progressed on our strategy to rationalize subscale international platforms, including a review of the European business. In total we plan to exit over 20 countries across Europe, Latin America and Asia. As a result of these decisions, we have sold various portfolios and moved other portfolios of financing and leasing assets to AHFS.

Key risks faced by Vendor Finance are credit risk, asset risk and business risk. The primary risk in Vendor Finance is credit risk, which arises through exposures to commercial customers in equipment leasing and financing transactions and their ability to repay their loans.

Another risk to which Vendor Finance is exposed is asset risk, namely that at the end of the lease term, the value of the asset will be lower than expected, resulting in reduced future lease income over the remaining life of the asset or a lower sale value.

Vendor Finance is also subject to business risk related to new business volume and pricing of new business. New business volume is impacted by economic conditions that affect business growth and expenditures, ultimately affecting global demand for essential-use equipment in CIT's areas of expertise. Additionally, volume is influenced by CIT's ability to maintain and develop relationships with its vendor partners. With regard to pricing, CIT's Vendor Finance business is subject to potential threats from competitor activity or disintermediation by vendor partners, which could negatively affect CIT's margins.

CONSUMER

Our Consumer segment consists of a portfolio of U.S. Government-guaranteed student loans that is in run-off and was transferred to AHFS at the end of 2013. CIT's risk relates mainly to the ability of the borrower to repay its loan and is primarily limited to the portion, generally 2%–3%, that is not guaranteed by the U.S. Government. CIT also has a risk that it will be denied payment under the guarantee if it is determined that CIT committed a violation of applicable law or regulation in connection with its origination or servicing of the loan. CIT does not consider this risk material.

See "*Concentrations*" section of *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* for further information on our student lending portfolios.

CORPORATE AND OTHER

Certain activities are not attributed to our operating segments and are included in Corporate and Other. A significant item for 2013 and 2012 was unallocated interest expense, primarily related to corporate liquidity costs. In 2013, Corporate and Other included a sizable legal settlement, while in 2012 and 2011, Corporate and Other included net losses on debt extinguishments and 2011 also contained prepayment penalties associated with debt repayments. Other items include mark-to-market adjustments on non-qualifying derivatives and restructuring charges for severance and facilities exit activities.

CIT BANK

CIT Bank (Member FDIC) is a wholly-owned subsidiary of CIT Group Inc. that is regulated by the FDIC and the UDFI. Since its founding in 2000, the Bank has expanded its assets, deposits and product offerings. The Bank continued to grow in 2013, with increased deposits, expanded business activities, and new initiatives that include maritime financing, to supplement other recent new activities such as equipment financing, commercial real estate lending and railcar leasing.

The Bank raises deposits from retail and institutional investors primarily through its online bank (www.BankOnCIT.com) and through broker channels in order to fund its lending and leasing activities. Its existing suite of deposit products include Certificates of Deposit (Achiever, Jumbo, and Term), and Savings Accounts, and it added Individual Retirement Accounts in 2013. In 2013, the bank also closed a secured funding facility.

The Bank's assets are primarily commercial loans and leases of CIT's commercial segments. The commercial loans and leases originated by the Bank are reported in the respective commercial segment (i.e. Corporate Finance, Transportation Finance, Vendor Finance and Trade Finance). The Bank's growing operating lease portfolio primarily consists of railcars. In 2013, the Bank originated nearly all of CIT's U.S. new business volumes.

At year-end, CIT Bank remained well capitalized, maintaining Tier 1 and Total Capital ratios well above required levels.

EMPLOYEES

CIT employed approximately 3,240 people at December 31, 2013, of which approximately 2,530 were employed in the U.S. and 710 outside the U.S.

COMPETITION

Our markets are competitive, based on factors that vary by product, customer, and geographic region. Our competitors include global and domestic commercial banks, regional and community banks, captive finance companies, and leasing companies. In most of our business segments, we have a few large competitors with significant penetration and many smaller niche competitors.

Many of our competitors are large companies with substantial financial, technological, and marketing resources. Our customer value proposition is primarily based on financing terms, structure, and client service. From time to time, due to highly competitive markets, we may (i) lose market share if we are unwilling to match product structure, pricing, or terms of our competitors that do not meet our credit standards or return requirements or (ii) receive lower returns or incur higher credit losses if we match our competitors' product structure, pricing, or terms.

Consolidation and convergence significantly increased the geographic reach of some of our competitors and hastened the globalization of financial services markets. To take advantage of some of our most significant international challenges and opportunities, we must continue to compete successfully with financial institutions that are larger, have better access to low cost funding, and may have a stronger local presence and longer operating history outside the U.S.

As a result, we tend not to compete on price, but rather on industry experience, asset and equipment knowledge, and customer service. The regulatory environment in which we and/or our customers operate also affects our competitive position.

2009 RESTRUCTURING

On November 1, 2009, the parent company (CIT Group Inc.) and one non-operating subsidiary, CIT Group Funding Company of Delaware LLC, filed prepackaged voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. CIT emerged from bankruptcy on December 10, 2009. None of the documents filed with the bankruptcy court are incorporated by reference into this Form 10-K and such documents should not be considered or relied on in making any investment decisions involving our common stock or other securities.

The information contained in this annual report about CIT for the years ended December 31, 2013, 2012, 2011 and 2010, reflect the impact of fresh start accounting adjustments, and is not necessarily comparable with information provided for prior periods. Further discussions of these events were disclosed in our Form 10-K for the year ended December 31, 2011, *Item 8. Financial Statements and Supplementary Data (Notes 1 and 26).*

REGULATION

We are regulated by federal and state banking laws, regulations and policies. Such laws and regulations are intended primarily for the protection of depositors, customers and the federal deposit insurance fund (DIF), as well as to minimize risk to the banking system as a whole, and not for the protection of our shareholders or non-depository creditors. Bank regulatory agencies have broad examination and enforcement power over bank holding companies (BHCs) and their subsidiaries, including the power to impose substantial fines, limit dividends, restrict operations and acquisitions and require divestitures. BHCs and banks, as well as subsidiaries of both, are prohibited by law from engaging in practices that the relevant regulatory authority deems unsafe or unsound. CIT is a BHC, and has elected to become a financial holding company (FHC), subject to regulation and examination by the Board of Governors of the Federal Reserve System (FRB) and the FRBNY under the BHC Act. As an FHC, CIT is subject to certain limitations on our activities, transactions with affiliates, and payment of dividends and certain standards for capital and liquidity, safety and soundness, and incentive compensation, among other matters. Under the system of "functional regulation" established under the BHC Act, the FRB supervises CIT, including all of its non-bank subsidiaries, as an "umbrella regulator" of the consolidated organization. CIT Bank is chartered as a state bank by the UDFI and is not a member bank of the Federal Reserve System. CIT's principal regulator is the FRB and CIT Bank's principal regulators are the FDIC and the UDFI. Both CIT and CIT Bank are regulated by the Consumer Financial Protection Bureau (CFPB), which regulates consumer financial products.

CIT Capital Securities L.L.C., a Delaware limited liability company, is a broker-dealer licensed by the Financial Industry Regulatory Authority (FINRA), and is subject to regulation by FINRA and the Securities and Exchange Commission (SEC). Certain of our subsidiaries are subject to regulation by other governmental agencies. Student Loan Xpress, Inc., a Delaware corporation, conducts its business through various third party banks, including Fifth Third Bank, Manufacturers and Traders Trust Company, and The Bank of New York Mellon, as eligible lender trustees, and is regulated by the U.S. Department of Education and the CFPB. CIT Small Business Lending Corporation, a Delaware corporation, is licensed by and subject to regulation and examination by the U.S. Small Business Administration (SBA). The portfolio of SBA guaranteed loans in CIT Bank are also subject to regulation and examination by the SBA.

Our insurance operations are primarily conducted through The Equipment Insurance Company, a Vermont corporation; CIT Insurance Company Limited, a Missouri corporation; CIT Insurance Agency, Inc., a Delaware corporation; and Equipment Protection Services (Europe) Limited, an Irish company. Each company is licensed to enter into insurance contracts and is subject to regulation and examination by insurance regulators. CIT Bank Limited, an English corporation, is licensed as a bank and broker-dealer and is subject to regulation and examination by the Financial Conduct Authority and the Prudential Regulation Authority of the United Kingdom. We have various other banking corporations in Brazil, France, Italy, and Sweden, each of which is subject to regulation and examination by banking and securities regulators.

The regulation and oversight of the financial services industry have undergone significant revision in the past several years. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which was enacted in July 2010, made extensive changes to the regulatory structure and environment affecting banks, BHCs, non-bank financial companies, broker dealers, and investment advisory and management firms. The Dodd-Frank Act requires extensive rulemaking by various regulatory agencies, which is ongoing. Any changes resulting from the Dodd-Frank Act rulemaking process, as well as any other changes in the laws or regulations applicable to us more generally, may negatively impact the profitability of our business activities, require us to change certain of our business practices, materially affect our business model or affect retention of key personnel, require us to raise additional regulatory capital, increase the amount of liquid assets that we hold, otherwise affect our funding profile or expose us to additional costs (including increased compliance costs). Any such changes may also require us to invest significant management attention and resources to make any necessary changes and may adversely affect our ability to conduct our business as previously conducted or our results of operations or financial condition.

Written Agreement

On August 12, 2009, CIT entered into a Written Agreement with the FRBNY. The Written Agreement required regular reporting to the FRBNY, the submission of plans related to corporate governance, credit risk management, capital, liquidity and funds management, the Company's business and the review and revision, as appropriate, of the Company's consolidated allowances for loan and lease losses methodology. CIT was required to obtain prior written approval by the FRBNY for payment of dividends and distributions; incurrence of debt, other than in the ordinary course of business; and the purchase or redemption of stock. The Written Agreement also required CIT to notify the FRBNY prior to the appointment of new directors or senior executive officers; and placed restrictions on indemnification and severance payments. On May 30, 2013, the FRBNY terminated the Written Agreement. The termination of the Written Agreement did not have any significant impact on CIT's business or operations.

Banking Supervision and Regulation

Permissible Activities

CIT is a BHC registered under the BHC Act and elected to become a FHC under the BHC Act, effective July 23, 2013. In general the BHC Act limits the business of BHCs that have not elected to be treated as financial holding companies under the BHC Act to banking, managing or controlling banks, performing servicing activities for subsidiaries, and engaging in activities that the FRB has determined, by order or regulation, are so closely related to banking as to be a proper incident thereto. An FHC, however, may engage in other activities, or acquire and retain the shares of a company engaged in activities that are financial in nature or incidental or complementary to activities that are financial in nature as long as the FHC continues to meet the eligibility requirements for FHCs. These requirements include that the FHC and each of its U.S. depository institution subsidiaries maintain their status as "well-capitalized" and "well-managed."

A depository institution subsidiary is considered to be "well-capitalized" if it satisfies the requirements for this status discussed below under "Prompt Corrective Action." A depository institution subsidiary is considered "well-managed" if it received a composite rating and management rating of at least "satisfactory" in its most recent examination. An FHC's status will also depend upon its maintaining its status as "well-capitalized" and "well-managed" under applicable FRB regulations. If an FHC ceases to meet these capital and management requirements, the FRB's regulations provide that the FHC must enter into an agreement with the FRB to comply with all applicable capital and management requirements. Until the FHC returns to compliance, the FRB may impose limitations or conditions on the conduct of its activities, and the company may not commence any non-banking financial activities permissible for FHCs or acquire a company engaged in such financial activities without prior approval of the FRB. If the company does not return to compliance within 180 days, the FRB may require divestiture of the FHC's depository institutions. BHCs and banks must also be both well-capitalized and well-managed in order to acquire banks located outside their home state. An FHC will also be limited in its ability to commence non-banking financial activities or acquire a company engaged in such financial activities if any of its insured depository institution subsidiaries fails to maintain a "satisfactory" rating under the Community Reinvestment Act, as described below under "Community Reinvestment Act."

Activities that are "financial in nature" include securities underwriting, dealing and market making, advising mutual funds and investment companies, insurance underwriting and agency, merchant banking, and activities that the FRB, in consultation with the Secretary of the Treasury, determines to be financial in nature or incidental to such financial activity. "Complementary activities" are activities that the FRB determines upon application to be complementary to a financial activity and that do not pose a safety and soundness issue. CIT is primarily engaged in activities that are permissible for a BHC that is not an FHC.

The Dodd-Frank Act places additional limits on the activities of banks and their affiliates by prohibiting them from engaging in proprietary trading and investing in and sponsoring certain unregistered investment companies (defined as hedge funds and private equity funds). This statutory provision is commonly called the "Volcker Rule". The statutory provision became effective in July 2012 and required banking entities subject to the Volcker Rule to bring their activities and investments into compliance with applicable requirements by July 2014. On December 10, 2013, the federal banking agencies, the SEC, and the CFTC adopted final rules to implement the Volcker Rule, and the FRB, by order, extended the compliance period to July 2015. The final rules are highly complex, but CIT does not currently anticipate that the Volcker Rule will have a material effect on its business and activities. CIT will incur additional costs to revise its policies and procedures, and will need to upgrade its operating and monitoring systems to ensure compliance with the Volcker Rule. We cannot yet determine the precise financial impact of the rule on CIT and its customers.

Capital Requirements

As a BHC, CIT is subject to consolidated regulatory capital requirements administered by the FRB. CIT Bank is subject to similar capital requirements administered by the FDIC. The current risk-based capital guidelines applicable to CIT are based upon the 1988 Capital Accord (Basel I) of the Basel Committee on Banking Supervision (the Basel Committee).

General Risk-Based Capital Requirements. CIT computes and reports its risk-based capital ratios in accordance with the general risk-based capital rules set by the U.S. banking agencies and based upon Basel I. As applicable to CIT, Tier 1 capital generally includes common shareholders' equity, retained earnings, and minority interests in equity accounts of consolidated subsidiaries, less the effect of certain items in accumulated other comprehensive income, goodwill and intangible assets, one-half of the investment in unconsolidated subsidiaries and other adjustments. Under currently applicable guidelines, Tier 1 capital can also include qualifying non-cumulative perpetual preferred stock and a limited amount of trust preferred securities and qualifying cumulative perpetual preferred stock, none of which CIT currently has outstanding. Tier 2 capital consists of the allowance for credit losses up to 1.25 percent of risk-weighted assets less one-half of the investment in unconsolidated subsidiaries and other adjustments. In addition, Tier 2 capital includes perpetual preferred stock not qualifying as Tier 1 capital, qualifying mandatory convertible debt securities, and qualifying subordinated debt, none of which CIT currently has outstanding. The sum of Tier 1 and Tier 2 capital represents our qualifying "total capital". Our Tier 1 capital must represent at least half of our qualifying "total capital". Under the capital guidelines of the FRB, assets and certain off-balance sheet commitments and obligations are converted into risk-weighted assets against which regulatory capital is measured. Risk weighted assets are determined by dividing assets and certain off-balance sheet commitments and obligations into risk categories, each of which is assigned a risk weighting ranging from 0% (e.g., for U.S. Treasury Bonds) to 100%.

CIT, like other BHCs, currently is required to maintain Tier 1 capital and "total capital" equal to at least 4.0% and 8.0%, respectively, of its total risk-weighted assets (including various off-balance sheet items, such as letters of credit). CIT Bank, like other depository institutions, is required to maintain equivalent capital levels under capital adequacy guidelines. In addition, for a depository institution to be considered "well capitalized" under the regulatory framework for prompt corrective action discussed under "*Prompt Corrective Action*" below, its Tier 1 capital and "total capital" ratios must be at least 6.0% and 10.0% on a risk-adjusted basis, respectively.

CIT's Tier 1 capital and total capital ratios at December 31, 2013 were 16.7% and 17.4%, respectively. CIT Bank's Tier 1 capital and total capital ratios at December 31, 2013 were 16.8% and 18.1%, respectively. The calculation of regulatory capital ratios by CIT is subject to review and consultation with the FRB, or the FDIC in the case of CIT Bank, which may result in refinements to estimated amounts.

Leverage Requirements. BHCs and depository institutions are also required to comply with minimum Tier 1 Leverage ratio requirements. The Tier 1 Leverage ratio is the ratio of a banking organization's Tier 1 capital to its total adjusted quarterly average assets (as defined for regulatory purposes). BHCs and FDIC-supervised banks that either have the highest supervisory rating or have implemented the appropriate federal regulatory authority's risk-adjusted measure for market risk are required to maintain a minimum Tier 1 Leverage ratio of 3.0%. All other BHCs and FDIC-supervised banks are required to maintain a minimum Tier 1 Leverage ratio of 4.0%, unless a different minimum is specified by an appropriate regulatory authority. In addition, for a depository institution to be considered "well capitalized" under the regulatory framework for prompt corrective action discussed under "*Prompt Corrective Action*" below, its Tier 1 Leverage ratio must be at least 5.0%.

At December 31, 2013, CIT's Tier 1 leverage ratio was 18.1% and CIT Bank's Tier 1 leverage ratio was 16.9%.

Basel III and the New Standardized Risk-based Approach. In December 2010, the Basel Committee released its final framework for strengthening capital and liquidity regulation (Basel III). In June 2012, the U.S. banking agencies issued three joint notices of proposed rulemaking (NPRs) that contained substantial revisions to the risk-based capital requirements applicable to BHCs and depository institutions, such as CIT and CIT Bank, compared to the current U.S. risk-based capital rules based on Basel I. The NPRs proposed changes to implement Basel III for U.S. banking organizations largely as proposed by the Basel Committee, and also included changes consistent with the Dodd-Frank Act. The first NPR, the Basel III NPR, proposed restrictions on the definition of regulatory capital, introduced a new common equity Tier 1 capital requirement, and proposed higher minimum regulatory capital requirements, including a requirement that institutions maintain a capital conservation buffer above the heightened minimum regulatory capital requirements to absorb losses during periods of economic stress. The Basel III NPR also limited the ability of institutions to pay dividends and other capital distributions and certain discretionary bonuses if regulatory capital levels declined into the capital conservation buffer. The second NPR, the Standardized Approach NPR, proposed revisions to the methodologies for calculating risk-weighted assets in the general risk-based capital rules, incorporating aspects of the Basel II standardized approach, and established alternative standards of creditworthiness in place of credit ratings, consistent with the Dodd-Frank Act. The third NPR, the Advanced Approaches NPR, included proposed changes to the current advanced approaches risk-based capital rules to incorporate the applicable provisions of Basel III and the enhancements to the Basel II framework published in July 2009 and subsequent consultative papers, and removed references to credit ratings.

In July 2013, the FRB and the FDIC issued a final rule (Basel III Final Rule) that adopted the Basel III NPR, Standardized Approach NPR, and Advanced Approaches NPR, with certain changes to the proposals, implementing revised risk-based capital and leverage requirements for banking organizations proposed under Basel III. The Company, as well as the Bank, will be subject to the Basel III Final Rule as of January 1, 2015.

Among other matters, the Basel III Final Rule: (i) introduces a new capital measure called "Common Equity Tier 1" ("CET1") and related regulatory capital ratio of CET1 to risk-weighted assets; (ii) specifies that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting certain revised requirements; (iii) mandates that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital; and (iv) expands the scope of the deductions from and adjustments to capital as compared to existing regulations. For most banking organizations, the most common form of Additional Tier 1 capital is non-cumulative perpetual preferred stock and the most common form of Tier 2 capital is subordinated notes which will be subject to the Basel III Final Rule specific requirements. The Company does not currently have either of these forms of capital outstanding.

The Basel III Final Rule also introduces a new "capital conservation buffer", composed entirely of CET1, on top of these minimum risk-weighted asset ratios, which excludes the Tier 1 leverage ratio. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum but below the capital conservation buffer will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall.

The Basel III Final Rule provides for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, certain portions of deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such items, in the aggregate, exceed 15% of CET1.

In addition, under the current general risk-based capital rules, the effects of certain components of accumulated other comprehensive income ("AOCI") included in shareholders' equity (for example, mark-to-market of securities held in the available-for-sale ("AFS") portfolio) under U.S. GAAP are reversed for the purpose of determining regulatory capital ratios. Pursuant to the Basel III Final Rule, the effects of these AOCI items are not excluded; however, non-advanced approaches banking organizations, including the Company and CIT Bank, may make a one-time permanent election to continue to exclude the AOCI items currently excluded under Basel I. This election must be made concurrently with the first filing of certain of the Company's and CIT Bank's periodic regulatory reports in the beginning of 2015. The Company and CIT Bank are considering whether to make such election. The Basel III Final Rule also precludes certain hybrid securities, such as trust preferred securities, from inclusion in bank holding companies' Tier 1 capital. The Company does not have any hybrid securities, such as trust preferred securities, outstanding at December 31, 2013.

Implementation of the deductions and other adjustments to CET1 will begin on January 1, 2015 and will be phased-in over a 4-year period (beginning at 40% on January 1, 2015 and an additional 20% per year thereafter). The implementation of the capital conservation buffer will begin on January 1, 2016 at the 0.625% level and increase by 0.625% on each subsequent January 1, until it reaches 2.5% on January 1, 2019.

Per the Basel III Final Rule, CIT will be required to maintain risk-based capital ratios at January 1, 2019 as follows:

	Minimum Capital Requirements – January 1, 2019		
	Tier 1 Common Equity	Tier 1 Capital	Total Capital
Stated minimum ratio	4.5%	6.0%	8.0%
Capital conservation buffer	2.5%	2.5%	2.5%
Effective minimum ratio	7.0%	8.5%	10.5%

The Basel III Final Rule prescribes a new approach for risk weightings for BHCs and banks that follow the Standardized approach, which currently applies to CIT. This approach expands the risk-weighting categories from the current four Basel I-derived categories (0%, 20%, 50% and 100%) to a larger and more risk-sensitive number of categories, depending on the nature of the assets, generally ranging from 0% for U.S. government and agency securities, to 600% for certain equity exposures, and resulting in higher risk weights for a variety of asset classes. Overall, CIT expects a modest increase in risk-weighted assets, and a modest decrease in our risk-based capital ratios, because of the similarity of the Standardized Approach risk-weighting methodologies to the current Basel I risk-weighting methodology with respect to the Company's and CIT Bank's assets and off-balance sheet items.

With respect to CIT Bank, the Basel III Final Rule revises the "prompt corrective action" ("PCA") regulations adopted pursuant to Section 38 of the Federal Deposit Insurance Act, by: (i) introducing a CET1 ratio requirement at each PCA category (other than critically undercapitalized), with the required CET1 ratio being 6.5% for well-capitalized status; (ii) increasing the minimum Tier 1 capital ratio requirement for each category, with the minimum Tier 1 capital ratio for well-capitalized status being 8% (as compared to the current 6%); and (iii) eliminating the current provision that provides that a bank with a composite supervisory rating of 1 may have a 3% leverage ratio and still be adequately capitalized. The Basel III Final Rule does not change the total risk-based capital requirement for any PCA category.

At December 31, 2013, the Company's and CIT Bank's capital ratios and capital composition exceed the post-transition minimum capital requirements at January 2019. CIT's capital stock is substantially all Tier 1 Common equity and generally does not include non-qualifying capital instruments subject to transitional deductions. Both CIT and CIT Bank are subject to a minimum Tier 1 Leverage ratio of 4%. We continue to believe that, as of December 31, 2013, the Company and CIT Bank would meet all capital requirements under the Basel III Final Rule, including the capital conservation buffer, on a fully phased-in basis as if such requirements were currently effective. As non-advanced approaches banking organizations, the Company and CIT Bank will not be subject to the Basel III Final Rule's countercyclical buffer or the supplementary leverage ratio.

Stress Test and Capital Plan Requirements

In October 2012, the FRB issued final regulations detailing stress test requirements for BHCs, savings and loan companies and state member banks with total consolidated assets greater than $10 billion.

With assets at December 31, 2013 of $47.1 billion, CIT is required to conduct annual stress tests using scenarios provided by the FRB, beginning with the 2014 stress test cycle. A stress test is defined as processes to assess the potential impact of adverse scenarios on the consolidated earnings, losses, and capital of a company over a planning horizon, taking into account the company's current condition, risks, exposures, strategies, and activities. CIT will conduct annual stress tests based on its financial results at September 30 each year for a 9 quarter planning horizon and using the FRB or supervisory scenarios issued prior to November 15 of each year. CIT must submit its annual stress test results to the FRB by March 31 of each year. For the 2014 stress test cycle, the planning horizon covers the fourth quarter of 2013 and all of 2014 and 2015, and must be submitted by March 31, 2014. Beginning with the 2015 stress test cycle, CIT will be required to publicly disclose the results of the "severely adverse" scenario in a forum easily accessible to the public, such as CIT's website, between June 15 and June 30 following the submission to the FRB.

Similarly, the FDIC published regulations requiring annual stress tests for FDIC-insured state nonmember banks and FDIC-insured state-chartered savings organizations with total consolidated assets averaging $10 billion or more for four consecutive quarters. CIT Bank is an FDIC-insured state nonmember bank with total assets of $16.1 billion as of December 31, 2013. CIT Bank exceeds $10 billion in assets and conducted its required annual stress tests using scenarios provided by the FDIC in the fall of 2013. Annual stress test results must be submitted before March 31 to the FDIC and the FRB starting with the 2014 stress test cycle, with public disclosure of the "severely adverse" scenario, starting with the 2015 stress test cycle, between June 15 and June 30 following the submission of stress test results to the FDIC and FRB.

Should our total consolidated assets average $50 billion or more for four consecutive quarters, CIT would be required to submit a capital plan annually to the FRB under the capital plan rule finalized in November 2011 as well as updated instructions and guidance published annually. While CIT is not currently subject to the capital plan rule, the FRB has the authority to require any BHC to submit annual capital plans based on the institution's size, level of complexity, risk profile, scope of operations, or financial condition.

Furthermore, if our total consolidated assets average $50 billion or more for four consecutive quarters, CIT would also be subject to stress test requirements for covered companies (subpart G of the FRB's Regulation YY). Annually, CIT would be required to complete and submit a supervisory stress test with the FRB's economic scenarios, as part of its capital plan, by January 5. Summary stress test results for the "severely adverse" scenario would be publicly disclosed between March 15 and March 31. Furthermore, CIT would also be required to conduct annual and mid-cycle Company-run stress tests with company-developed economic scenarios for submission to the FRB by July 5. Public disclosure of the summary stress test results for the bank holding company's "severely adverse" scenario would be made between September 15 and September 30.

Although CIT is currently not required to take part in the Comprehensive Capital Analysis and Review ("CCAR"), we produce a capital plan that we believe is aligned with the supervisory expectations for large BHCs, which includes and considers stress test results for supervisory scenarios. Our annual capital plan is subject to review by the FRBNY.

Liquidity Requirements

Historically, regulation and monitoring of bank and BHC liquidity has been addressed as a supervisory matter, without required formulaic measures. The Basel III final framework requires banks and BHCs to measure their liquidity against specific liquidity tests that, although similar in some respects to liquidity measures historically applied by banks and regulators for management and supervisory purposes, going forward will be required by regulation. One test, referred to as the liquidity coverage ratio ("LCR"), is designed to ensure that the banking entity maintains an adequate level of unencumbered high-quality liquid assets equal to the entity's expected net cash outflow for a 30-day time horizon (or, if greater, 25% of its expected total cash outflow) under an acute liquidity stress scenario. The other, referred to as the net stable funding ratio ("NSFR"), is designed to promote more medium- and long-term funding of the assets and activities of banking entities over a one-year time horizon. The Basel III liquidity framework contemplates that the LCR will begin a phased implementation process starting on January 1, 2015 that is expected to be completed by January 1, 2019. The Basel III liquidity framework contemplates that the NSFR will be subject to an observation period through mid-2016 and, subject to any revisions resulting from the analyses conducted and data collected during the observation period, implemented as a minimum standard by January 1, 2018.

On October 24, 2013, the FRB issued a proposed rule to create a standardized minimum liquidity requirement for large and internationally active banking organizations, similar to the LCR in Basel III. These institutions would be required to hold minimum amounts of high-quality, liquid assets, such as central bank reserves and government and corporate debt that can be converted easily and quickly into cash. Each institution would be required to hold these high quality, liquid assets in an amount equal to or greater than its projected cash outflows minus its projected cash inflows during a short-term stress period. The ratio of the firms' liquid assets to its projected net cash outflow is its LCR.

The LCR would apply to all internationally active banking organizations – generally those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance sheet foreign exposure – and to systemically important, non-bank financial institutions. The proposed rule also would apply a less stringent, modified LCR to bank holding companies that have more than $50 billion in total assets.

The proposed rule will implement the LCR proposed in the Basel III final framework and will establish an enhanced prudential liquidity standard consistent with Section 165 of the Dodd-Frank Act. Comments on the notice of proposed rulemaking were due by January 31, 2014. Since the Company is currently below $50 billion in total assets and $10 billion in on-balance sheet foreign exposure, the proposed rule would not apply to us at the present time if implemented in its current form. The U.S. bank regulatory agencies have not issued final rules implementing the NSFR test called for by the Basel III final framework.

Prompt Corrective Action

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), among other things, establishes five capital categories for FDIC-insured banks: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. A depository institution is deemed to be "well capitalized," the highest category, if it has a total capital ratio of 10% or greater, a Tier 1 capital ratio of 6% or greater and a Tier 1 leverage ratio of 5% or greater and is not subject to any order or written directive by any such regulatory authority to meet and maintain a specific capital level for any capital measure. CIT Bank's capital ratios were all in excess of minimum guidelines for well capitalized at December 31, 2013 and 2012. Neither CIT nor CIT Bank is subject to any order or written agreement regarding any capital requirements.

FDICIA requires the applicable federal regulatory authorities to implement systems for "prompt corrective action" for insured depository institutions that do not meet minimum requirements. FDICIA imposes progressively more restrictive constraints on operations, management and capital distributions as the capital category of an institution declines. Undercapitalized, significantly undercapitalized and critically undercapitalized depository institutions are required to submit a capital restoration plan to their primary federal regulator. Although prompt corrective action regulations apply only to depository institutions and not to BHCs, the holding company must guarantee any such capital restoration plan in certain circumstances. The liability of the parent holding company under any such guarantee is limited to the lesser of five percent of the bank's assets at the time it became "undercapitalized" or the amount needed to comply. The parent holding company might also be liable for civil money damages for failure to fulfill that guarantee. In the event of the bankruptcy of the parent holding company, such guarantee would take priority over the parent's general unsecured creditors.

Regulators take into consideration both risk-based capital ratios and other factors that can affect a bank's financial condition, including (a) concentrations of credit risk, (b) interest rate risk, and (c) risks from non-traditional activities, along with an institution's ability to manage those risks, when determining capital adequacy. This evaluation is made during the institution's safety and soundness examination. An institution may be downgraded to, or deemed to be in, a capital category that is lower than is indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters.

Heightened Prudential Requirements for Large Bank Holding Companies

The Dodd-Frank Act imposes heightened prudential requirements on, among others, BHCs with at least $50 billion in total consolidated assets, based on the average of total consolidated assets for the last four quarters, and requires the FRB to establish prudential standards for those large BHCs that are more stringent than those applicable to other BHCs. In December 2011, the FRB issued for public comment a notice of proposed rulemaking establishing enhanced prudential standards responsive to these provisions for risk-based capital requirements and leverage limits, liquidity requirements, risk-management requirements, stress testing, concentration limits, and a debt-to-equity limit for certain companies that the Financial Stability Oversight Council ("FSOC") has determined pose a grave threat to financial stability. To date, only the regulations with regard to stress tests as discussed in "*Stress Test and Capital Plan Requirements*" above have been finalized. The FRB has discretionary authority to establish additional prudential standards, on its own or at the FSOC's recommendation, regarding contingent capital, enhanced public disclosures, short-term debt limits, and otherwise as it deems appropriate.

Most of the proposed rules will not apply to CIT for so long as its total consolidated assets remain below $50 billion. However, if CIT's total consolidated assets are $50 billion or more, these rules will apply. Two aspects of the proposed rules – requirements for annual stress testing of capital under one base and two stress scenarios and certain corporate governance provisions requiring, among other things, that each BHC establish a risk committee of its board of directors with a "risk management expert" as one of its members – apply to BHCs with total consolidated assets of $10 billion or more, including CIT.

Acquisitions

Federal and state laws impose notice and approval requirements for mergers and acquisitions involving depository institutions or BHCs. The BHC Act requires the prior approval of the FRB for (1) the acquisition by a BHC of direct or indirect ownership or control of more than 5% of any class of voting shares of a bank, savings association, or BHC, (2) the acquisition of all or substantially all of the assets of any bank or savings association by any subsidiary of a BHC other than a bank, or (3) the merger or consolidation of any BHC with another BHC. The Bank Merger Act requires the prior approval of the FDIC for CIT Bank to merge or consolidate with any other insured depository institution or to acquire the assets of or assume liability to pay any deposits made in another insured depository institution, as well as for certain other transactions involving uninsured institutions. In reviewing acquisition and merger applications, the bank regulatory authorities will consider, among other things, the competitive effect of the transaction, financial and managerial issues including the capital position of the combined organization, convenience and needs factors, including the applicant's record under the Community Reinvestment Act of 1977 ("CRA"), the effectiveness of the subject organizations in combating money laundering activities and the transaction's effect on the stability of the U.S. banking and financial systems. In addition, an FHC must obtain prior approval of the FRB before acquiring certain non-bank financial companies with assets exceeding $10 billion.

Dividends

CIT is a legal entity separate and distinct from CIT Bank and CIT's other subsidiaries. CIT provides a significant amount of funding to its subsidiaries, which is generally recorded as intercompany loans or equity. Most of CIT's cash inflow is comprised of interest on intercompany loans to its subsidiaries and dividends from its subsidiaries.

The ability of CIT to pay dividends on common stock may be affected by, among other things, various capital requirements, particularly the capital and non-capital standards established for depository institutions under FDICIA, which may limit the ability of CIT Bank to pay dividends to CIT. The right of CIT, its stockholders, and its creditors to participate in any distribution of the assets or earnings of its subsidiaries is further subject to prior claims of creditors of CIT Bank and CIT's other subsidiaries.

Utah state law imposes limitations on the payment of dividends by CIT Bank. A Utah state bank may declare a dividend out of the net profits of the bank after providing for all expenses, losses, interest, and taxes accrued or due from the bank. Furthermore, before declaring any dividend, a Utah bank must provide for not less than 10% of the net profits of the bank for the period covered by the dividend to be carried to a surplus fund until the surplus is equal to the bank's capital. Utah law may also impose additional restrictions on the payment of dividends if CIT Bank sustains losses in excess of its reserves for loan losses and undivided profits.

It is the policy of the FRB that a BHC generally only pay dividends on common stock out of net income available to common shareholders over the past year, only if the prospective rate of earnings retention appears consistent with capital needs, asset quality, and overall financial condition, and only if the BHC is not in danger of failing to meet its minimum regulatory capital adequacy ratios. In the current financial and economic environment, the FRB indicated that BHCs should not maintain high dividend pay-out ratios unless both asset quality and capital are very strong. A BHC should not maintain a dividend level that places undue pressure on the capital of bank subsidiaries, or that may undermine the BHC's ability to serve as a source of strength.

We anticipate that our capital ratios reflected in the stress test calculations required of us and the capital plan that we prepare as described under "*Stress Test and Capital Requirements*", above, will be an important factor considered by the FRB in evaluating whether our proposed return of capital may be an unsafe or unsound practice. Additionally, should our total consolidated assets equal or exceed $50 billion, we would likely also be limited to paying dividends and repurchasing stock only in accordance with our annual capital plan submitted to the FRB under the capital plan rule. FRB guidance in the 2013 capital plan review instructions provide that capital plans contemplating dividend payout ratios exceeding 30% of projected after-tax net income will receive particularly close scrutiny.

Source of Strength Doctrine and Support for Subsidiary Banks

FRB policy and federal statute require BHCs such as CIT to serve as a source of strength and to commit capital and other financial resources to subsidiary banks. This support may be required at times when CIT may not be able to provide such support without adversely affecting its ability to meet other obligations. If CIT is unable to provide such support, the FRB could instead require the divestiture of CIT Bank and impose operating restrictions pending the divestiture. Any capital loans by a BHC to any of its subsidiary banks are subordinate in right of payment to depositors and to certain other indebtedness of the subsidiary bank. If a BHC commits to a federal bank regulator that it will maintain the capital of its bank subsidiary, whether in response to the FRB's invoking its source of strength authority or in response to other regulatory measures, that commitment will be assumed by the bankruptcy trustee and the bank will be entitled to priority payment in respect of that commitment.

Enforcement Powers of Federal Banking Agencies

The FRB and other U.S. banking agencies have broad enforcement powers with respect to an insured depository institution and its holding company, including the power to impose cease and desist orders, substantial fines and other civil penalties, terminate deposit insurance, and appoint a conservator or receiver. Failure to comply with applicable laws or regulations could subject CIT or CIT Bank, as well as their officers and directors, to administrative sanctions and potentially substantial civil and criminal penalties.

Resolution Planning

As required by the Dodd-Frank Act, the FRB and FDIC have jointly issued a final rule that requires certain organizations, including BHCs with consolidated assets of $50 billion or more, to report periodically to regulators a resolution plan for their rapid and orderly resolution in the event of material financial distress or failure. Such a resolution plan must, among other things, ensure that its depository institution subsidiaries are adequately protected from risks arising from its other subsidiaries. The final rule sets specific standards for the resolution plans, including requiring a detailed resolution strategy, a description of the range of specific actions the company proposes to take in resolution, and an analysis of the company's organizational structure, material entities, interconnections and interdependencies, and management information systems, among other elements. If CIT's total consolidated assets increase to $50 billion or more, it would become subject to this requirement.

Orderly Liquidation Authority

The Dodd-Frank Act created the Orderly Liquidation Authority (OLA), a resolution regime for systemically important non-bank financial companies, including BHCs and their non-bank affiliates, under which the FDIC may be appointed receiver to liquidate such a company upon a determination by the Secretary of the U.S. Department of the Treasury (Treasury), after consultation with the President, with support by a supermajority recommendation from the FRB and, depending on the type of entity, the approval of the director of the Federal Insurance Office, a supermajority vote of the SEC, or a supermajority vote of the FDIC, that the company is in danger of default; that such default presents a systemic risk to U.S. financial stability and that the company should be subject to the OLA process. This resolution authority is similar to the FDIC resolution model for depository institutions, with certain modifications to reflect differences between depository institutions and non-bank financial companies and to reduce disparities between the treatment of creditors' claims under the U.S. Bankruptcy Code and in an orderly liquidation authority proceeding compared to those that would exist under the resolution model for insured depository institutions.

An Orderly Liquidation Fund will fund OLA liquidation proceedings through borrowings from the Treasury and risk-based assessments made, first, on entities that received more in the resolution than they would have received in liquidation to the extent of such excess, and second, if necessary, on BHCs with total consolidated assets of $50 billion or more, any non-bank financial company supervised by the FRB, and certain other financial companies with total consolidated assets of $50 billion or more. If an orderly liquidation is triggered, CIT, if its total consolidated assets increase to $50 billion or more, could face assessments for the Orderly Liquidation Fund. We do not yet have an indication of the level of such assessments. Furthermore, were CIT to become subject to the OLA, the regime may also require changes to CIT's structure, organization and funding pursuant to the guidelines described above.

FDIC Deposit Insurance

Deposits of CIT Bank are insured by the FDIC Deposit Insurance Fund (DIF) up to applicable limits and are subject to premium assessments.

The current assessment system applies different methods to small institutions with assets of less than $10 billion, which are classified as small institutions, and large institutions with assets of greater than $10 billion for more than four consecutive quarters. CIT Bank is an FDIC-insured state nonmember bank with total assets of $16.1 billion as of December 31, 2013, and is considered a large institution.

For larger institutions, the FDIC uses a two scorecard system, one for most large institutions that have had more than $10 billion in assets as of December 31, 2006 (unless the institution subsequently reported assets of less than $10 billion for four consecutive quarters) or have had more than $10 billion in total assets for at least four consecutive quarters since December 31, 2006 and another for (i) "highly complex" institutions that have had over $50 billion in assets for at least four consecutive quarters and are directly or indirectly controlled by a U.S. parent with over $500 billion in assets for four consecutive quarters and (ii) certain processing banks and trust companies with total fiduciary assets of $500 billion or more for at least four consecutive quarters. Each scorecard has a performance score and a loss-severity score that is combined to produce a total score, which is translated into an initial assessment rate. In calculating these scores, the FDIC utilizes a bank's capital level and CAMELS ratings and certain financial measures designed to assess an institution's ability to withstand asset-related stress and funding-related stress. The FDIC also has the ability to make discretionary adjustments to the total score, up or down, by a maximum of 15 basis points, based upon significant risk factors that are not adequately captured in the scorecard. The total score translates to an initial base assessment rate on a non-linear, sharply increasing scale. For large institutions, the initial base assessment rate ranges from 5 to 35 basis points on an annualized basis. After the effect of potential base rate adjustments described below (but not including the depository institution debt adjustment), the total base assessment rate could range from 2.5 to 45 basis points on an annualized basis.

The potential adjustments to an institution's initial base assessment rate include (i) potential decrease of up to 5 basis points for certain long-term unsecured debt (unsecured debt adjustment) and, (ii) except for well capitalized institutions with a CAMELS rating of 1 or 2, a potential increase of up to 10 basis points for brokered deposits in excess of 10% of domestic deposits (brokered deposit adjustment). As the DIF reserve ratio grows, the rate schedule will be adjusted downward. Additionally, an institution must pay an additional premium (the depository institution debt adjustment) equal to 50 basis points on every dollar above 3% of an institution's Tier 1 capital of long-term, unsecured debt held that was issued by another insured depository institution (excluding debt guaranteed under the Temporary Liquidity Guarantee Program).

Under the Federal Deposit Insurance Act (FDIA), the FDIC may terminate deposit insurance upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

Transactions with Affiliates

Transactions between CIT Bank and its subsidiaries, and CIT and its other subsidiaries and affiliates, are regulated by the FRB and the FDIC pursuant to Sections 23A and 23B of the Federal Reserve Act. These regulations limit the types and amounts of transactions (including loans due and credit extensions from CIT Bank or its subsidiaries to CIT and its other subsidiaries and affiliates) as well as restrict certain other transactions (such as the purchase of existing loans or other assets by CIT Bank or its subsidiaries from CIT and its other subsidiaries and affiliates) that may otherwise take place and generally require those transactions to be on an arms-length basis and, in the case of extensions of credit, be secured by specified amounts and types of collateral. These regulations generally do not apply to transactions between CIT Bank and its subsidiaries.

All transactions subject to Sections 23A and 23B between CIT Bank and its affiliates are done on an arms-length basis. In 2013, the Bank purchased $272 million of loans from BHC affiliates, subject to Section 23A and received $67 million of loans transferred in the form of capital infusions from the BHC. During 2012, approximately $280 million in loans and cash was transferred to CIT Bank and its subsidiaries from CIT as equity contributions in support of capital agreements related to student loans purchased from affiliates under a 23A and 23B exemption granted by the FRB. Furthermore, to ensure ongoing compliance with Sections 23A and 23B, CIT Bank maintains sufficient collateral in the form of cash deposits and pledged loans to cover any extensions of credit to affiliates.

The Dodd-Frank Act significantly expanded the coverage and scope of the limitations on affiliate transactions within a banking organization and changes the procedure for seeking exemptions from these restrictions. For example, the Dodd-Frank Act expanded the definition of a "covered transaction" to include derivatives transactions and securities lending transactions with a non-bank affiliate under which a bank (or its subsidiary) has credit exposure (with the term "credit exposure" to be defined by the FRB under its existing rulemaking authority). Collateral requirements will apply to such transactions as well as to certain repurchase and reverse repurchase agreements.

Safety and Soundness Standards

FDICIA requires the federal bank regulatory agencies to prescribe standards, by regulations or guidelines, relating to internal controls, information systems and internal audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, asset quality, earnings, stock valuation, compensation, fees and benefits, and such other operational and managerial standards as the agencies deem appropriate. Guidelines adopted by the federal bank regulatory agencies establish general standards relating to internal controls and information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth and compensation, fees and benefits. In general, the guidelines require, among other things, appropriate systems and practices to identify and manage the risk and exposures specified in the guidelines. The guidelines prohibit excessive compensation as an unsafe and unsound practice and describe compensation as excessive when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director or principal stockholder. In addition, the agencies adopted regulations that authorize, but do not require, an agency to order an institution that has been given notice by an agency that it is not satisfying any of such safety and soundness standards to submit a compliance plan. If, after being so notified, an institution fails to submit an acceptable compliance plan or fails in any material respect to implement an acceptable compliance plan, the agency must issue an order directing action to correct the deficiency and may issue an order directing other actions of the types to which an undercapitalized institution is subject under the "prompt corrective action" provisions of the FDIA. See "*Prompt Corrective Action*" above. If an institution fails to comply with such an order, the agency may seek to enforce such order in judicial proceedings and to impose civil money penalties.

Insolvency of an Insured Depository Institution

If the FDIC is appointed the conservator or receiver of an insured depository institution, upon its insolvency or in certain other events, the FDIC has the power:

- to transfer any of the depository institution's assets and liabilities to a new obligor without the approval of the depository institution's creditors;
- to enforce the terms of the depository institution's contracts pursuant to their terms; or
- to repudiate or disaffirm any contract or lease to which the depository institution is a party, the performance of which is determined by the FDIC to be burdensome and the disaffirmance or repudiation of which is determined by the FDIC to promote the orderly administration of the depository institution.

In addition, under federal law, the claims of holders of deposit liabilities, including the claims of the FDIC as the guarantor of insured depositors, and certain claims for administrative expenses against an insured depository institution would be afforded priority over other general unsecured claims against such an institution, including claims of debt holders of the institution, in the liquidation or other resolution of such an institution by any receiver. As a result, whether or not the FDIC ever seeks to repudiate any debt obligations of CIT Bank, the debt holders would be treated differently from, and could receive, if anything, substantially less than CIT Bank's depositors.

Consumer Financial Protection Bureau Supervision

The CFPB is authorized to interpret and administer federal consumer financial laws, as well as to directly examine and enforce compliance with those laws by depository institutions with assets over $10 billion, such as CIT Bank.

Community Reinvestment Act ("CRA")

The CRA requires depository institutions like CIT Bank to assist in meeting the credit needs of their market areas consistent with safe and sound banking practice. Under the CRA, each depository institution is required to help meet the credit needs of its market areas by, among other things, providing credit to low-and moderate-income individuals and communities. Depository institutions are periodically examined for compliance with the CRA and are assigned ratings. Furthermore, banking regulators take into account CRA ratings when considering approval of a proposed transaction. CIT Bank received a rating of "Satisfactory" on its most recent CRA examination by the FDIC.

Incentive Compensation

The Dodd-Frank Act requires the federal bank regulatory agencies and the SEC to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities, such as CIT and CIT Bank, having at least $1 billion in total assets that encourage inappropriate risks by providing an executive officer, employee, director or principal shareholder with excessive compensation, fees, or benefits or that could lead to material financial loss to the entity. In addition, these regulators must establish regulations or guidelines requiring enhanced disclosure to regulators of incentive-based compensation arrangements. The agencies proposed such regulations in April 2011, but these regulations have not yet been finalized. If the regulations are adopted in the form initially proposed, they will impose limitations on the manner in which CIT may structure compensation for its executives.

In June 2010, the FRB and the FDIC issued comprehensive final guidance intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. These three principles are incorporated into the proposed joint compensation regulations under the Dodd-Frank Act discussed above.

Anti-Money Laundering ("AML") and Economic Sanctions

In the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, imposes significant obligations on financial institutions, including banks, to detect and deter money laundering and terrorist financing, including requirements to implement AML programs, verify the identity of customers that maintain accounts, file currency transaction reports, and monitor and report suspicious activity to appropriate law enforcement or regulatory authorities. Anti-money laundering laws outside the United States contain similar requirements to implement AML programs. The Company has implemented policies, procedures, and internal controls that are designed to comply with all applicable AML laws and regulations. The Company has also implemented policies, procedures, and internal controls that are designed to comply with the regulations and economic sanctions programs administered by the U.S. Treasury's Office of Foreign Assets Control ("OFAC"), which administers and enforces economic and trade sanctions against targeted foreign countries, and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States, as well as sanctions based on United Nations and other international mandates.

Anti-corruption

The Company is subject to the Foreign Corrupt Practices Act ("FCPA"), which prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business. The Company is also subject to applicable anti-corruption laws in the jurisdictions in which it operates, such as the U.K. Bribery Act, which became effective on July 1, 2011 and which generally prohibits commercial bribery, the receipt of a bribe, and the failure to prevent bribery by an associated person, in addition to prohibiting improper payments to foreign government officials. The Company has implemented policies, procedures, and internal controls that are designed to comply with such laws, rules, and regulations.

Protection of Customer and Client Information

Certain aspects of the Company's business are subject to legal requirements concerning the use and protection of customer information, including those adopted pursuant to the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act of 2003 in the U.S., the E.U. Data Protection Directive, and various laws in Asia and Latin America. In the U.S., the Company is required periodically to notify its customers and clients of its policy on sharing nonpublic customer or client information with its affiliates or with third party non-affiliates, and, in some circumstances, allow its customers and clients to prevent disclosure of certain personal information to affiliates and third party non-affiliates. In many foreign jurisdictions, the Company is also restricted from sharing customer or client information with third party non-affiliates.

Other Regulation

In addition to U.S. banking regulation, our operations are subject to supervision and regulation by other federal, state, and various foreign governmental authorities. Additionally, our operations may be subject to various laws and judicial and administrative decisions. This oversight may serve to:

- regulate credit granting activities, including establishing licensing requirements, if any, in various jurisdictions;
- establish maximum interest rates, finance charges and other charges;
- regulate customers' insurance coverages;
- require disclosures to customers;
- govern secured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower's credit experience and other data collection.

Changes to laws of states and countries in which we do business could affect the operating environment in substantial and unpredictable ways. We cannot accurately predict whether such changes will occur or, if they occur, the ultimate effect they would have upon our financial condition or results of operations.

WHERE YOU CAN FIND MORE INFORMATION

A copy of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as our Proxy Statement, may be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington D.C. 20549. Information on the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at http://www.sec.gov, from which interested parties can electronically access the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as our Proxy Statement.

The Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as our Proxy Statement, are available free of charge on the Company's Internet site at http://www.cit.com as soon as reasonably practicable after such material is electronically filed or furnished with the SEC. Copies of our Corporate Governance Guidelines, the Charters of the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the Risk Management Committee, and our Code of Business Conduct are available, free of charge, on our internet site at www.cit.com/investor, and printed copies are available by contacting Investor Relations, 1 CIT Drive, Livingston, NJ 07039 or by telephone at (973) 740-5000.

GLOSSARY OF TERMS

Accretable / Non-accretable fresh start accounting adjustments reflect components of the fair value adjustments to assets and liabilities. Accretable adjustments flow through the related line items on the statement of operations (interest income, interest expense, non-interest income and depreciation expense) on a regular basis over the remaining life of the asset or liability. These primarily relate to interest adjustments on loans and leases, as well as debt. Non-accretable adjustments, for instance credit related write-downs on loans, become adjustments to the basis of the asset and flow back through the statement of operations only upon the occurrence of certain events, such as repayment or sale.

Available-for-sale ("AFS") is a classification that pertains to debt and equity securities. We classify these securities as AFS when they are neither trading securities nor held-to-maturity securities. Loans and equipment that we classify in assets held for sale ("AHFS") generally pertain to assets we no longer have the intent or ability to hold until maturity.

Average Earning Assets ("AEA") is computed using month end balances and is the average of finance receivables (defined below), operating lease equipment, and financing and leasing assets held for sale, less the credit balances of factoring clients. We use this average for certain key profitability ratios, including return on AEA, Net Finance Revenue as a percentage of AEA and operating expenses as a percentage of AEA.

Average Finance Receivables ("AFR") is computed using month end balances and is the average of finance receivables (defined below), which includes loans and capital lease receivables. We use this average to measure the rate of net charge-offs for the period.

Average Operating Leases ("AOL") is computed using month end balances and is the average of operating lease equipment. We use this average to measure the rate of return on our operating lease portfolio for the period.

Delinquent loan categorization occurs when payment is not received when contractually due. Delinquent loan trends are used as a gauge of potential portfolio degradation or improvement.

Derivative Contract is a contract whose value is derived from a specified asset or an index, such as an interest rate or a foreign currency exchange rate. As the value of that asset or index changes, so does the value of the derivative contract. We use derivatives to reduce interest rate, foreign currency or credit risks. The derivative contracts we use may include interest-rate swaps, interest rate caps, cross-currency swaps, foreign exchange forward contracts, and credit default swaps.

Economic Value of Equity ("EVE") measures the net economic value of equity by assessing the market value of assets, liabilities and derivatives.

Finance Receivables include loans, capital lease receivables and factoring receivables. In certain instances, we use the term "Loans" synonymously, as presented on the balance sheet.

Financing and Leasing Assets include finance receivables, operating lease equipment, and assets held for sale.

Fresh Start Accounting ("FSA") was adopted upon emergence from bankruptcy. FSA recognizes that CIT has a new enterprise value following its emergence from bankruptcy and requires asset values to be remeasured using fair value in accordance with accounting requirements for business combinations. The excess of reorganization value over the fair value of tangible and intangible assets was recorded as goodwill. In addition, FSA also requires that all liabilities, other than deferred taxes, be stated at fair value. Deferred taxes were determined in conformity with accounting requirements for Income Taxes.

Interest income includes interest earned on finance receivables, cash balances and dividends on investments.

Lease – capital is an agreement in which the party who owns the property (lessor), which is CIT as part of our finance business, permits another party (lessee), which is our customer, to use the property with substantially all of the economic benefits and risks of asset ownership passed to the lessee.

Lease – operating is a lease in which CIT retains ownership of the asset, collects rental payments, recognizes depreciation on the asset, and retains the risks of ownership, including obsolescence.

Lower of Cost or Fair Value relates to the carrying value of an asset. The cost refers to the current book balance of certain assets, such as held for sale assets, and if that balance is higher than the fair value, an impairment charge is reflected in the current period statement of operations.

Net Finance Revenue ("NFR") is a non-GAAP measurement and reflects Net Interest Revenue (defined below) plus rental income on operating leases less depreciation on operating lease equipment, which is a direct cost of equipment ownership. When divided by AEA, the product is defined as Net Finance Margin. These are key measures in the evaluation of the financial performance of our business.

Net Interest Income Sensitivity ("NII Sensitivity") measures the impact of hypothetical changes in interest rates on NFR.

Net Interest Revenue reflects interest and fees on finance receivables and interest/dividends on investments less interest expense on deposits and long term borrowings.

Net Operating Loss Carryforward / Carryback ("NOL") is a tax concept, whereby tax losses in one year can be used to offset taxable income in other years. For example, a U.S. Federal NOL can first be carried-back and applied against taxable income recorded in the two preceding years with any remaining amount being carried-forward for the next twenty years to offset future taxable income. The rules pertaining to the number of years allowed for the carryback or carryforward of an NOL varies by jurisdiction.

New business volume represents the initial cash outlay related to new loan or lease transactions entered into during the period. The amount includes CIT's portion of a syndicated transaction, whether it acts as the agent or a participant, and in certain instances, it includes portfolio purchases from third parties.

Non-accrual Assets include finance receivables greater than $500,000 that are individually evaluated and determined to be impaired, as well as finance receivables less than $500,000 that are delinquent (generally for more than 90 days), unless it is both well secured and in the process of collection. Non-accrual assets also include finance receivables maintained on a cash basis because of deterioration in the financial position of the borrower.

Non-performing Assets include non-accrual assets (described above) and assets received in satisfaction of loans (repossessed assets).

Other Income includes gains on equipment sales, factoring commissions, and fee revenue from activities such as loan servicing and loan syndications. Also included are gains on loan sales and investment sales and, as a result of FSA, recoveries on pre-FSA loan charge-offs. Other income combined with rental income on operating leases is defined as Non-interest income.

Regulatory Credit Classifications used by CIT are as follows:

- *Pass* assets do not meet the criteria for classification in one of the other categories;
- *Special Mention* assets exhibit potential weaknesses that deserve management's close attention and if left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects;

Classified assets range from: (1) assets that exhibit a well-defined weakness and are inadequately protected by the current sound worth and paying capacity of the borrower, and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected to (2) assets with weaknesses that make collection or liquidation in full unlikely on the basis of current facts, conditions, and values. Assets in this classification can be accruing or on non-accrual depending on the evaluation of these factors. Loans rated as substandard, doubtful and loss are considered classified loans. Classified loans plus special mention loans are considered criticized loans.

- *Substandard* assets are inadequately protected by the current sound worth and paying capacity of the borrower, and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected;
- *Doubtful* assets have weaknesses that make collection or liquidation in full unlikely on the basis of current facts, conditions, and values and
- *Loss* assets are considered uncollectible and of little or no value and are generally charged off.

Residual Values represent the estimated value of equipment at the end of the lease term. For operating leases, it is the value to which the asset is depreciated at the end of its estimated useful life.

Risk Weighted Assets ("RWA") is the denominator to which Total Capital and Tier 1 Capital is compared to derive the respective risk based regulatory ratios. RWA is comprised of both on-balance sheet assets and certain off-balance sheet items (for example loan commitments, purchase commitments or derivative contracts), all of which are adjusted by certain risk-weightings as defined by the regulators, which are based upon, among other things, the relative credit risk of the counterparty.

Syndication and Sale of Receivables result from originating finance receivables with the intent to sell a portion, or the entire balance, of these assets to other institutions. We earn and recognize fees and/or gains on sales, which are reflected in other income, for acting as arranger or agent in these transactions.

Tangible Metrics, including tangible capital, exclude goodwill and intangible assets. We use tangible metrics in measuring book value.

Tier 1 Capital and Tier 2 Capital are regulatory capital as defined in the capital adequacy guidelines issued by the Federal Reserve. Tier 1 Capital is total stockholders' equity reduced by goodwill and intangibles and adjusted by elements of other comprehensive income and other items. Tier 2 Capital consists of, among other things, other preferred stock that does not qualify as Tier 1, mandatory convertible debt, limited amounts of subordinated debt, other qualifying term debt, and allowance for loan losses up to 1.25% of risk weighted assets.

Total Capital is the sum of Tier 1 and Tier 2 Capital, subject to certain adjustments, as applicable.

Total Net Revenue is a non-GAAP measurement and is the combination of NFR and other income and is a measurement of our revenue growth.

Total Return Swap is a swap where one party agrees to pay the other the "total return" of a defined underlying asset (e.g., a loan), usually in return for receiving a stream of LIBOR-based cash flows. The total returns of the asset, including interest and any default shortfall, are passed through to the counterparty. The counterparty is therefore assuming the risks and rewards of the underlying asset.

Troubled Debt Restructuring ("TDR") occurs when a lender, for economic or legal reasons, grants a concession to the borrower related to the borrower's financial difficulties that it would not otherwise consider.

Variable Interest Entity ("VIE") is a corporation, partnership, limited liability company, or any other legal structure used to conduct activities or hold assets. These entities: lack sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support from other parties; have equity owners who either do not have voting rights or lack the ability to make significant decisions affecting the entity's operations; and/or have equity owners that do not have an obligation to absorb the entity's losses or the right to receive the entity's returns.

Yield-related Fees are collected in connection with our assumption of underwriting risk in certain transactions in addition to interest income. We recognize yield-related fees, which include prepayment fees and certain origination fees, in interest income over the life of the lending transaction.

Item 1A. Risk Factors

The operation of our business, and the economic climate in the U.S. and other regions of the world involve various elements of risk and uncertainty. You should carefully consider the risks and uncertainties described below before making a decision whether to invest in the Company. This is a discussion of the risks that we believe are material to our business and does not include all risks, material or immaterial, that may possibly affect our business. Any of the following risks, as well as additional risks that are presently unknown to us or that we currently deem immaterial, could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Our Strategy and Business Plan

If the assumptions and analyses underlying our strategy and business plan, including with respect to market conditions, capital and liquidity, business strategy, and operations are incorrect, we may be unsuccessful in executing our strategy and business plan.

A number of strategic issues affect our business, including how we allocate our capital and liquidity, our business strategy, and the quality and efficiency of operations. Among the capital and liquidity issues, we must address how we will use our excess capital, and our funding model, including the amount, availability, and cost of secured and unsecured debt in the capital markets and bank deposits in a bank-centric model. See "*Risks Related to Capital and Liquidity.*" Among the business strategy issues, we must continue to evaluate which platforms to operate within CIT Bank or at the holding company, the scope of our international operations, and whether to acquire any new business platforms, or to expand, contract, or sell any existing platforms, some of which may be material. Among operational issues, we must continuously originate new business, service our existing portfolio, and review and/or upgrade our policies, procedures, systems, and internal controls.

We developed our strategy and business plan based upon certain assumptions, analyses, and financial forecasts, including with respect to our capital levels, funding model, credit ratings, revenue growth, earnings, interest margins, expense levels, cash flow, credit losses, liquidity and financing sources, lines of business and scope of our international operations, acquisitions and divestitures, equipment residual values, capital expenditures, retention of key employees, and the overall strength and stability of general economic conditions. Financial forecasts are inherently subject to many uncertainties and are necessarily speculative, and it is likely that one or more of the assumptions and estimates that are the basis of these financial forecasts will not be accurate. Accordingly, our actual financial condition and results of operations may differ materially from what we have forecast. If we are unable to implement our strategic decisions effectively, we may need to refine, supplement, or modify our business plan and strategy in significant ways. If we are unable to fully implement our business plan and strategy, it may have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Capital and Liquidity

If we fail to maintain sufficient capital or adequate liquidity to meet regulatory capital guidelines, there could be a material adverse effect on our business, results of operations, and financial condition.

New and evolving capital and liquidity standards will have a significant effect on banks and BHCs. In July 2013, the FRB and the FDIC approved the Basel III Final Rule, which requires BHCs to maintain more and higher quality capital than in the past. In October 2013, the FRB issued a proposed rule to create a standardized minimum liquidity requirement for large and internationally active banking organizations, referred to as the "liquidity coverage ratio", or "LCR". The U.S. bank regulatory agencies are also expected to issue a rule implementing the net stable funding ratio, or "NSFR", called for by the Basel III Final Framework. If we incur future losses that reduce our capital levels or affect our liquidity, we may fail to maintain our regulatory capital or our liquidity above regulatory minimums and at economically satisfactory levels. Failure to maintain the appropriate capital levels or adequate liquidity would have a material adverse effect on the Company's financial condition and results of operations, and subject the Company to a variety of formal or informal enforcement actions, which may include restrictions on our business activities, including limiting lending and leasing activities, limiting the expansion of our business, either organically or through acquisitions, requiring the raising of additional capital, which may be dilutive to shareholders, or requiring prior regulatory approval before taking certain actions, such as payment of dividends or otherwise returning capital to shareholders. The new liquidity standards could also require CIT to hold higher levels of short-term investments, thereby reducing our ability to reduce our excess liquidity and invest in longer-term or less liquid assets. In addition to the requirement to be well-capitalized, the Company and CIT Bank are subject to regulatory guidelines that involve qualitative judgments by regulators about the entities' status as well-managed, about the safety and soundness of the entities' operations, including their risk management, and about the entities' compliance with obligations under the Community Reinvestment Act of 1977, and failure to meet any of those standards may have a material adverse effect on our business.

If we fail to maintain adequate liquidity or to generate sufficient cash flow to satisfy our obligations as they come due, it could materially adversely affect our future business operations.

CIT's liquidity is essential for the operation of our business. Our liquidity, and our ability to issue debt in the capital markets or fund our activities through bank deposits, could be affected by a number of factors, including market conditions, our capital structure, our credit ratings, and the performance of our business. An adverse change in any of those factors, and particularly a downgrade in our credit ratings, could negatively affect CIT's liquidity and competitive position, increase our funding costs, or limit our access to the capital markets or deposit markets. Further, an adverse change in the performance of our business could have a negative impact on our operating cash flow. CIT's credit ratings are subject to ongoing review by the rating agencies, which consider a number of factors, including CIT's own financial strength, performance, prospects, and operations, as well as factors not within our control, including conditions affecting the financial services industry generally. There can be no assurance that we will maintain or increase our current ratings, which currently are not investment grade. If we experience a substantial, unexpected, or prolonged change in the level or cost of liquidity, or fail to generate sufficient cash flow to satisfy our obligations, it could adversely affect our business, financial condition, or results of operations.

Our business may be adversely affected if we fail to successfully expand our sources of deposits at CIT Bank.

CIT Bank currently does not have a branch network and relies on its online bank, brokered deposits, and certain deposit sweep accounts to raise deposits. Continued expansion of CIT Bank's retail online banking platform to diversify the types of deposits that it accepts may require significant time, effort, and expense to implement. CIT Bank anticipates launching a retail branch in Salt Lake City. In addition, an acquisition of a retail branch network would be subject to regulatory approval, which may not be obtained. We are likely to face significant competition for deposits from larger BHCs who are similarly seeking larger and more stable pools of funding. If CIT Bank fails to expand and diversify its deposit-taking capability, it could have an adverse effect on our business, results of operations, and financial condition.

Risks Related to Regulatory Obligations

We could be adversely affected by banking or other regulations, including new regulations or changes in existing regulations or the application thereof.

The financial services industry, in general, is heavily regulated. We are subject to the comprehensive, consolidated supervision of the FRB, including risk-based and leverage capital requirements and information reporting requirements. In addition, CIT Bank is subject to supervision by the FDIC and UDFI, including risk-based capital requirements and information reporting requirements. This regulatory oversight is established to protect depositors, federal deposit insurance funds and the banking system as a whole, and is not intended to protect debt and equity security holders.

Proposals for legislation to further regulate, restrict, and tax certain financial services activities are continually being introduced in the United States Congress and in state legislatures. The Dodd-Frank Act, which was adopted in 2010, constitutes the most wide-ranging overhaul of financial services regulation in decades, including provisions affecting, among other things, (i) corporate governance and executive compensation of companies whose securities are registered with the SEC, (ii) FDIC insurance assessments based on asset levels rather than deposits, (iii) minimum capital levels for BHCs, (iv) derivatives activities, proprietary trading, and private investment funds offered by financial institutions, and (v) the regulation of large financial institutions. In addition, the Dodd-Frank Act established additional regulatory bodies, including the FSOC, which is charged with identifying systemic risks, promoting stronger financial regulation, and identifying those non-bank companies that are "systemically important", and the CFPB, which has broad authority to examine and regulate a federal regulatory framework for consumer financial protection. The agencies regulating the financial services industry periodically adopt changes to their regulations and are still finalizing regulations to implement various provisions of the Dodd-Frank Act. In recent years, regulators have increased significantly the level and scope of their supervision and regulation of the financial services industry. We are unable to predict the form or nature of any future changes to statutes or regulation, including the interpretation or implementation thereof. Such increased supervision and regulation could significantly affect our ability to conduct certain of our businesses in a cost-effective manner, or could restrict the type of activities in which we are permitted to engage, or subject us to stricter and more conservative capital, leverage, liquidity, and risk management standards. Any such action could have a substantial impact on us, significantly increase our costs, limit our growth opportunities, affect our strategies and business operations and increase our capital requirements, and could have an adverse effect on our business, financial condition and results of operations.

Our Aerospace, Rail, Marine, and other equipment financing operations are subject to various laws, rules, and regulations administered by authorities in jurisdictions where we do business. In the U.S., our equipment leasing operations, including for aircraft, railcars, ships, and other equipment, are subject to rules and regulations relating to safety, operations, maintenance, and mechanical standards promulgated by various federal and state agencies and industry organizations, including the U.S. Department of Transportation, the Federal Aviation Administration, the Federal Railroad Administration, the Association of American Railroads, the Maritime Administration, the U.S. Coast Guard, and the U.S. Environmental Protection Agency. In addition, state agencies regulate some aspects of rail and maritime operations with respect to health and safety matters not otherwise preempted by federal law. Our business operations and our equipment leasing portfolios may be adversely impacted by rules and regulations promulgated by governmental and industry agencies, which could require substantial modification, maintenance, or refurbishment of our aircraft, railcars, ships, or other equipment, or potentially make such equipment inoperable or obsolete. Violations of these rules and regulations can result in substantial fines and penalties, including potential limitations on operations or forfeitures of assets.

The financial services industry is also heavily regulated in many jurisdictions outside of the United States. We have subsidiaries in various countries that are licensed as banks, banking corporations and broker-dealers, all of which are subject to regulation and examination by banking and securities regulators in their home jurisdiction. In certain jurisdictions, including the United Kingdom, the local banking regulators expect the local regulated entity to maintain contingency plans to operate on a stand-alone basis in the event of a crisis. Given the evolving nature of regulations in many of these jurisdictions, it may be difficult for us to meet all of the regulatory requirements, establish operations and receive approvals. Our inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on our operations in that market and on our reputation generally.

In addition, our equipment leasing operations outside of the U.S. are subject to the jurisdiction of authorities in the countries in which we do business. Failure to comply with, or future changes to, any of the foregoing laws, rules, or regulations could restrict the use or reduce the economic value of our leased equipment, including loss of revenue, or cause us to incur significant expenditures to comply, thereby increasing operating expenses. Certain changes to laws, rules, and regulations, or actions by authorities under existing laws, rules, or regulations, could result in the obsolescence of various assets or impose compliance costs that are so significant as to render such assets economically obsolete.

We could be adversely affected by the actions and commercial soundness of other financial institutions.

CIT's ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. CIT has exposure to many different industries and counterparties, and it routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more financial institutions, or the financial services industry generally, could affect market liquidity and could lead to losses or defaults by us or by other institutions. Many of these transactions could expose CIT to credit risk in the event of default by its counterparty or client. In addition, CIT's credit risk may be impacted if the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due to CIT. There is no assurance that any such losses would not adversely affect, possibly materially, CIT.

We may be restricted from paying dividends or repurchasing our common stock.

BHCs with assets in excess of $50 billion must develop an annual capital plan detailing their plans for the payment of dividends on their common or preferred stock or the repurchase of common stock. Although our assets currently are less than $50 billion, we would become subject to the capital plan requirement if our assets exceed $50 billion in the future. Furthermore, we still consult with the FRBNY prior to declaring dividends on our common stock or implementing a plan to repurchase our common stock. We cannot determine whether the FRBNY will object to future capital returns consistent with our past practice.

Risks Related to the Operation of Our Businesses

Revenue growth from new business initiatives and expense reductions from efficiency improvements may not be achieved.

As part of its ongoing business, CIT from time to time enters into new business initiatives. In addition, CIT has targeted certain expense reductions to be phased in during 2013 and 2014. The new business initiatives may not be successful in increasing revenue, whether due to significant levels of competition, lack of demand for services, lack of name recognition or a record of prior performance, or otherwise, or may require higher expenditures than anticipated to generate new business volume. The expense initiatives may not reduce expenses as much as anticipated, whether due to delays in implementation, higher than expected or unanticipated costs to implement them, increased costs for new regulatory obligations, or for other reasons. If CIT is unable to achieve the anticipated revenue growth from its new business initiatives or the projected expense reductions from efficiency improvements, its results of operations and profitability may be adversely affected.

Our Commercial Aerospace business is concentrated by industry and any downturn in that industry may have a material adverse effect on our business.

Most of our business is diversified by customer, industry, and geography. However, although our Commercial Aerospace business is diversified by customer and geography, it is concentrated in one industry and represents over 24% of our financing and leasing assets. If there is a significant downturn in commercial air travel, it could have a material adverse effect on our business and results of operations.

If we fail to maintain adequate internal control over financial reporting, it could result in a material misstatement of the Company's annual or interim financial statements.

Management of CIT is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. If we identify material weaknesses or other deficiencies in our internal controls, or if material weaknesses or other deficiencies exist that we fail to identify, our risk will be increased that a material misstatement to our annual or interim financial statements will not be prevented or detected on a timely basis. Any such potential material misstatement, if not prevented or detected, could require us to restate previously released financial statements and could otherwise have a material adverse effect on our business, results of operations, and financial condition.

Our allowance for loan losses may prove inadequate.

The quality of our financing and leasing assets depends on the creditworthiness of our customers and their ability to fulfill their obligations to us. We maintain a consolidated allowance for loan losses on our financing and leasing assets to provide for loan defaults and non-performance. The amount of our allowance reflects management's judgment of losses inherent in the portfolio. Our credit losses were significantly more severe from 2007 to 2009 than in prior economic downturns, due to a significant decline in real estate values, an increase in the proportion of cash flow loans versus asset based loans in our corporate finance segment, the limited ability of borrowers to restructure their liabilities or their business, and reduced values of the collateral underlying the loans.

The economic environment is dynamic, and our portfolio credit quality could decline in the future. Our allowance for loan losses may not keep pace with changes in the credit-worthiness of our customers or in collateral values. If the credit quality of our customer base declines, if the risk profile of a market, industry, or group of customers changes significantly, or if the markets for accounts receivable, equipment, real estate, or other collateral deteriorates significantly, our allowance for loan losses may prove inadequate, which could have a material adverse effect on our business, results of operations, and financial condition.

In addition to customer credit risk associated with loans and leases, we are exposed to other forms of credit risk, including counterparties to our derivative transactions, loan sales, syndications and equipment purchases. These counterparties include other financial institutions, manufacturers, and our customers. If our credit underwriting processes or credit risk judgments fail to adequately identify or assess such risks, or if the credit quality of our derivative counterparties, customers, manufacturers, or other parties with which we conduct business materially deteriorates, we may be exposed to credit risk related losses that may negatively impact our financial condition, results of operations or cash flows.

If the models that we use in our business are poorly designed, our business or results of operations may be adversely affected.

We rely on quantitative models to measure risks and to estimate certain financial values. Models may be used in such processes as determining the pricing of various products, grading loans and extending credit, measuring interest rate and other market risks, predicting losses, assessing capital adequacy, and calculating regulatory capital levels, as well as to estimate the value of financial instruments and balance sheet items. Poorly designed or implemented models present the risk that our business decisions based on information incorporating models will be adversely affected due to the inadequacy of that information. Also, information we provide to the public or to our regulators based on poorly designed or implemented models could be inaccurate or misleading. Some of the decisions that our regulators make, including those related to capital distributions to our shareholders, could be affected adversely due to their perception that the quality of the models used to generate the relevant information are insufficient.

We may not be able to achieve the expected benefits from acquiring a business or assets or receive adequate consideration for disposing of a business or assets.

As part of our strategy and business plan, we may consider a number of measures designed to manage our business, the products and services we offer, and our asset levels, credit exposures, or liquidity position, including potential business or asset acquisitions or sales. We may fail to complete any of these transactions, or if we complete any transactions, we may fail to realize any benefits from the transactions.

If CIT engages in business acquisitions, it may be necessary to pay a premium over book and market values to complete the transaction, which may result in some dilution of our tangible book value and net income per common share. If CIT uses substantial cash or other liquid assets or incurs substantial debt to acquire a business or assets, we could become more susceptible to economic downturns and competitive pressures. Inherent uncertainties exist when integrating the operations of an acquired entity. CIT may not be able to fully achieve its strategic objectives and planned operating efficiencies in an acquisition. CIT may also be exposed to other risks inherent in an acquisition, including potential exposure to unknown or contingent liabilities, exposure to potential asset quality issues, potential disruption of our existing business and diversion of management's time and attention, possible loss of key employees or customers of the acquired business, potential risk that certain items were not accounted for properly by the seller in accordance with financial accounting and reporting standards. Failure to realize the expected revenue increases, cost savings, increases in geographic or product presence, and/or other projected benefits from an acquisition could have a material adverse effect on our business, financial condition, and results of operations.

CIT must generally receive regulatory approval before it can acquire a bank or BHC or for any acquisition in which the assets acquired exceeds $10 billion. We cannot be certain when or if, or on what terms and conditions, any required regulatory approval may be granted. We may be required to sell assets or business units as a condition to receiving regulatory approval.

As a result of economic cycles and other factors, the value of certain asset classes may fluctuate and decline below their historic cost. If CIT is holding such businesses or asset classes, we may not recover our carrying value if we sell such businesses or assets. In addition, potential purchasers may be unwilling to pay an amount equal to the face value of a loan or lease if the purchaser is concerned about the quality of our credit underwriting. We may not receive adequate consideration for our dispositions. These transactions, if completed, may reduce the size of our business and we may not be able to replace the lending and leasing activity associated with these businesses. As a result, our future disposition of assets could have a material adverse effect on our business, financial condition and results of operations.

It could adversely affect our business if we fail to retain and/or attract skilled employees.

Our business and results of operations will depend in part upon our ability to retain and attract highly skilled and qualified executive officers and management, financial, compliance, technical, marketing, sales, and support employees. Competition for qualified executive officers and employees can be challenging, and CIT cannot ensure success in attracting or retaining such individuals. This competition can lead to increased expenses in many areas. If we fail to attract and retain qualified executive officers and employees, it could materially adversely affect our ability to compete and it could have a material adverse effect on our ability to successfully operate our business or to meet our operations, risk management, compliance, regulatory, funding and financial reporting requirements.

We may not be able to realize our entire investment in the equipment we lease to our customers.

Our financing and leasing assets include a significant portion of leased equipment, including but not limited to aircraft, railcars and locomotives, technology and office equipment, and medical equipment. The realization of equipment values (residual values) during the life and at the end of the term of a lease is an important element in the profitability of our leasing business. At the inception of each lease, we record a residual value for the leased equipment based on our estimate of the future value of the equipment at the expected disposition date. Internal equipment management specialists, as well as external consultants, determine residual values.

If the market value of leased equipment decreases at a rate greater than we projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, recession or other adverse economic conditions, or other factors, it would adversely affect the current values or the residual values of such equipment.

Further, certain equipment residual values, including commercial aerospace residuals, are dependent on the manufacturers' or vendors' warranties, reputation, and other factors, including market liquidity. In addition, we may not realize the full market value of equipment if we are required to sell it to meet liquidity needs or for other reasons outside of the ordinary course of business. Consequently, there can be no assurance that we will realize our estimated residual values for equipment.

The degree of residual realization risk varies by transaction type. Capital leases bear the least risk because contractual payments usually cover approximately 90% of the equipment's cost at the inception of the lease. Operating leases have a higher degree of risk because a smaller percentage of the equipment's value is covered by contractual cash flows over the term of the lease. A significant portion of our leasing portfolios are comprised of operating leases, which increase our residual realization risk.

We are currently involved in a number of legal proceedings, and may from time to time be involved in government investigations and inquiries, related to the conduct of our business, the results of which could have a material adverse effect on our business, financial condition, or results of operation.

We are currently involved in a number of legal proceedings, and may from time to time be involved in government investigations and inquiries, relating to matters that arise in connection with the conduct of our business (collectively, "Litigation"). We are also at risk when we have agreed to indemnify others for losses related to Litigation they face, such as in connection with the sale of a business or assets by us. It is inherently difficult to predict the outcome of Litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages. We cannot state with certainty what the eventual outcome of the pending Litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter will be, if any. The actual results of resolving Litigation matters may be substantially higher than the amounts reserved, or judgments may be rendered, or fines or penalties assessed in matters for which we have no reserves. Adverse judgments, fines or penalties in one or more Litigation matters could have a material adverse effect on our business, financial condition, or results of operation.

We and our subsidiaries are party to various financing arrangements, commercial contracts and other arrangements that under certain circumstances give, or in some cases may give, the counterparty the ability to exercise rights and remedies under such arrangements which, if exercised, may have material adverse consequences.

We and our subsidiaries are party to various financing arrangements, commercial contracts and other arrangements, such as securitization transactions, derivatives transactions, funding facilities, and agreements for the purchase or sale of assets, that give, or in some cases may give, the counterparty the ability to exercise rights and remedies upon the occurrence of certain events. Such events may include a material adverse effect or material adverse change (or similar event), a breach of representations or warranties, a failure to disclose material information, a breach of covenants, certain insolvency events, a default under certain specified other obligations, or a failure to comply with certain financial covenants. The counterparty could have the ability, depending on the arrangement, to, among other things, require early repayment of amounts owed by us or our subsidiaries and in some cases payment of penalty amounts, or require the repurchase of assets previously sold to the counterparty. Additionally, a default under financing arrangements or derivatives transactions that exceed a certain size threshold in the aggregate may also cause a cross-default under instruments governing our other financing arrangements or derivatives transactions. If the ability of any counterparty to exercise such rights and remedies is triggered and we are unsuccessful in avoiding or minimizing the adverse consequences discussed above, such consequences could have a material adverse effect on our business, results of operations, and financial condition.

Investment in and revenues from our foreign operations are subject to various risks and requirements associated with transacting business in foreign countries.

An economic recession or downturn, increased competition, or business disruption associated with the political or regulatory environments in the international markets in which we operate could adversely affect us.

In addition, our foreign operations generally conduct business in foreign currencies, which subject us to foreign currency exchange rate fluctuations. These exposures, if not effectively hedged could have a material adverse effect on our investment in international operations and the level of international revenues that we generate from international financing and leasing transactions. Reported results from our operations in foreign countries may fluctuate from period to period due to exchange rate movements in relation to the U.S. dollar, particularly exchange rate movements in the Canadian dollar, which is our largest non-U.S. exposure.

Foreign countries have various compliance requirements for financial statement audits and tax filings, which are required in order to obtain and maintain licenses to transact business and may be different in some respects from GAAP in the U.S. or the tax laws and regulations of the U.S. If we are unable to properly complete and file our statutory audit reports or tax filings, regulators or tax authorities in the applicable jurisdiction may restrict our ability to do business.

Furthermore, our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations. The U.S. Department of Justice ("DOJ") and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trade sanction laws, the Foreign Corrupt Practices Act ("FCPA") and other federal statutes. Under trade sanction laws, the government may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries, and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions. If any of the risks described above materialize, it could adversely impact our operating results and financial condition.

These laws also prohibit improper payments or offers of payments to foreign governments and their officials and political parties for the purpose of obtaining or retaining business. We have operations, deal with government entities and have contracts in countries known to experience corruption. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or associates that could be in violation of various laws, including the FCPA, even though these parties are not always subject to our control. Our employees, consultants, sales agents, or associates may engage in conduct for which we may be held responsible. Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results, and financial condition.

We may be adversely affected by significant changes in interest rates.

In addition to our equity capital, we rely on borrowed money from unsecured debt, secured debt, and deposits to fund our business. We derive the bulk of our income from net finance revenue, which is the difference between interest and rental income on our financing and leasing assets and interest expense on deposits and other borrowings and depreciation on our operating lease equipment. Prevailing economic conditions, the trade, fiscal, and monetary policies of the federal government and the policies of various regulatory agencies all affect market rates of interest and the availability and cost of credit, which in turn significantly affects our net finance revenue. Volatility in interest rates can also result in disintermediation, which is the flow of funds away from financial institutions into direct investments, such as federal government and corporate securities and other investment vehicles, which, because of the absence of federal insurance premiums and reserve requirements, generally pay higher rates of return than financial institutions.

Although interest rates are currently lower than usual, any significant decrease in market interest rates may result in a change in net interest margin and net finance revenue. A substantial portion of our loans and other financing products, as well as our deposits and other borrowings, bear interest at floating interest rates. If interest rates increase, monthly interest obligations owed by our customers to us will also increase, as will our own interest expense. Demand for our loans or other financing products may decrease as interest rates rise or if interest rates are expected to rise in the future. In addition, if prevailing interest rates increase, some of our customers may not be able to make the increased interest payments or refinance their balloon and bullet payment transactions, resulting in payment defaults and loan impairments. Conversely, if interest rates remain low, our interest expense may decrease, but our customers may refinance the loans they have with us at lower interest rates, or with others, leading to lower revenues. As interest rates rise and fall over time, any significant change in market rates may result in a decrease in net finance revenue, particularly if the interest rates we pay on our deposits and other borrowings and the interest rates we charge our customers do not change in unison, which may have a material adverse effect on our business, operating results, and financial condition.

We may be adversely affected by deterioration in economic conditions that is general in scope or affects specific industries, products or geographic areas.

Given the high percentage of our financing and leasing assets represented directly or indirectly by loans and leases, and the importance of lending and leasing to our overall business, weak economic conditions are likely to have a negative impact on our business and results of operations. Prolonged economic weakness or other adverse economic or financial developments in the U.S. or global economies in general, or affecting specific industries, geographic locations and/or products, would likely adversely impact credit quality as borrowers may fail to meet their debt payment obligations, particularly customers with highly leveraged loans. Adverse economic conditions have in the past and could in the future result in declines in collateral values, which also decreases our ability to fund against collateral. This would result in higher levels of nonperforming loans, net charge-offs, provision for credit losses, and valuation adjustments on loans held for sale. The value to us of other assets such as investment securities, most of which are debt securities or other financial instruments supported by loans, similarly would be negatively impacted by widespread decreases in credit quality resulting from a weakening of the economy. Accordingly, higher credit and collateral related losses and decreases in the value of financial instruments could impact our financial position or operating results.

In addition, a downturn in certain industries may result in reduced demand for products that we finance in that industry or negatively impact collection and asset recovery efforts. Decreased demand for the products of various manufacturing customers due to recession may adversely affect their ability to repay their loans and leases with us. Similarly, a decrease in the level of airline passenger traffic or a decline in railroad shipping volumes due to reduced demand for certain raw materials or bulk products may adversely affect our aerospace or rail businesses, the value of our aircraft and rail assets, and the ability of our lessees to make lease payments.

We are also affected by the economic and other policies adopted by various governmental authorities in the U.S. and other jurisdictions in reaction to economic conditions. Changes in monetary policies of the FRB and non-U.S. central banking authorities directly impact our cost of funds for lending, capital raising, and investment activities, and may impact the value of financial instruments we hold. In addition, such changes may affect the credit quality of our customers. Changes in domestic and international monetary policies are beyond our control and difficult to predict.

Competition from both traditional competitors and new market entrants may adversely affect our market share, profitability, and returns.

Our markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. We have a wide variety of competitors that include captive and independent finance companies, commercial banks and thrift institutions, industrial banks, community banks, leasing companies, hedge funds, insurance companies, mortgage companies, manufacturers and vendors.

We compete primarily on the basis of pricing (including the interest rates charged on loans or paid on deposits and the pricing for equipment leases), product terms and structure, the range of products and services offered, and the quality of customer service (including convenience and responsiveness to customer needs and concerns). The ability to access and use technology is an increasingly important competitive factor in the financial services industry, and it is a critically important component to customer satisfaction as it affects our ability to deliver the right products and services.

If we are unable to address the competitive pressures that we face, we could lose market share. On the other hand, if we meet those competitive pressures, it is possible that we could incur significant additional expense, experience lower returns due to compressed net finance revenue, and/or incur increased losses due to less rigorous risk standards.

We may be exposed to risk of environmental liability or claims for negligence, property damage, or personal injury when we take title to properties or lease certain equipment.

In the course of our business, we may foreclose on and take title to real estate that contains or was used in the manufacture or processing of hazardous materials, or that is subject to other hazardous risks. In addition, we may lease equipment to our customers that is used to mine, develop, process, or transport hazardous materials. As a result, we could be subject to environmental liabilities or claims for negligence, property damage, or personal injury with respect to these properties or equipment. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation, and clean-up costs incurred by these parties in connection with environmental contamination, accidents or other hazardous risks, or may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site or equipment involved in a hazardous incident, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination, property damage, personal injury or other hazardous risks emanating from the property or related to the equipment. If we become subject to significant environmental liabilities or claims for negligence, property damage, or personal injury, our financial condition and results of operations could be adversely affected.

We rely on our systems, employees, and certain third party vendors and service providers in conducting our operations, and certain failures, including internal or external fraud, operational errors, systems malfunctions, disasters, or terrorist activities, could materially adversely affect our operations.

We are exposed to many types of operational risk, including the risk of fraud by employees and outsiders, clerical and record-keeping errors, and computer or telecommunications systems malfunctions. Our businesses depend on our ability to process a large number of increasingly complex transactions. If any of our operational, accounting, or other data processing systems fail or have other significant shortcomings, we could be materially adversely affected. We are similarly dependent on our employees. We could be materially adversely affected if one of our employees causes a significant operational break-down or failure, either as a result of human error or intentional sabotage or fraudulent manipulation of our operations or systems. Third parties with which we do business, including vendors that provide internet access, portfolio servicing, deposit products, or security solutions for our operations, could also be sources of operational and information security risk to us, including from breakdowns, failures, or capacity constraints of their own systems or employees. Any of these occurrences could diminish our ability to operate one or more of our businesses, or cause financial loss, potential liability to clients, inability to secure insurance, reputational damage, or regulatory intervention, which could have a material adverse effect on our business.

We may also be subject to disruptions of our operating systems arising from events that are wholly or partially beyond our control, which may include, for example, electrical or telecommunications outages, natural or man-made disasters, such as fires, earthquakes, hurricanes, floods, or tornados, disease pandemics, or events arising from local or regional politics, including terrorist acts or international hostilities. Such disruptions may give rise to losses in service to clients and loss or liability to us. In addition, there is the risk that our controls and procedures as well as business continuity and data security systems prove to be inadequate. The computer systems and network systems we and others use could be vulnerable to unforeseen problems. These problems may arise in both our internally developed systems and the systems of third-party hardware, software, and service providers. In addition, our computer systems and network infrastructure present security risks, and could be susceptible to hacking, computer viruses, or identity theft. Any such failure could affect our operations and could materially adversely affect our results of operations by requiring us to expend significant resources to correct the defect, as well as by exposing us to litigation or losses not covered by insurance. The adverse impact of disasters, terrorist activities, or international hostilities also could be increased to the extent that there is a lack of preparedness on the part of national or regional emergency responders or on the part of other organizations and businesses that we deal with, particularly those that we depend upon but have no control over.

We continually encounter technological change, and if we are unable to implement new or upgraded technology when required, it may have a material adverse effect on our business.

The financial services industry is continually undergoing rapid technological change with frequent introduction of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs Our continued success depends, in part, upon our ability to address the needs of our customers by using technology to provide products and services that satisfy customer demands and create efficiencies in our operations. If we are unable to effectively implement new technology-driven products and services that allow us to remain competitive or be successful in marketing these products and services to our customers, it may have a material adverse effect on our business.

We could be adversely affected by information security breaches or cyber security attacks.

Information security risks for large financial institutions such as CIT have generally increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, activists, and other external parties, some of which may be linked to terrorist organizations or hostile foreign governments. Our operations rely on the secure processing, transmission and storage of confidential information in our computer systems and networks. Our businesses rely on our digital technologies, computer and email systems, software, and networks to conduct their operations. Our technologies, systems, networks, and our customers' devices may become the target of cyber attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of CIT's or our customers' confidential, proprietary and other information, or otherwise disrupt CIT's or its customers' or other third parties' business operations.

Recently, there have been several well-publicized series of apparently related denial of service attacks on large financial services companies. In a denial of service attack, hackers flood commercial websites with extraordinarily high volumes of traffic, with the goal of disrupting the ability of commercial enterprises to process transactions and possibly making their websites unavailable to customers for extended periods of time. We recently experienced denial of service attacks that targeted a third party service provider that provides software and customer services with respect to our online deposit taking activities, which resulted in temporary disruptions in customers' ability to perform online banking transactions, although no customer data was lost or compromised. Even if not directed at CIT specifically, attacks on other entities with whom we do business or on whom we otherwise rely or attacks on financial or other institutions important to the overall functioning of the financial system could adversely affect, directly or indirectly, aspects of our business.

Since January 1, 2011, we have not experienced any material information security breaches involving either proprietary or customer information. However, if we experience cyber attacks or other information security breaches in the future, either the Company or its customers may suffer material losses. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the prominent size and scale of CIT and its role in the financial services industry, our plans to continue to implement our online banking channel strategies and develop additional remote connectivity solutions to serve our customers when and how they want to be served, our expanded geographic footprint and international presence, the outsourcing of some of our business operations, and the continued uncertain global economic environment. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities.

Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber attacks or security breaches of the networks, systems or devices that our customers use to access our products and services could result in customer attrition, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, any of which could materially adversely affect our results of operations or financial condition.

Item 1B. Unresolved Staff Comments

There are no unresolved SEC staff comments.

Item 2. Properties

CIT primarily operates in North America, with additional locations in Europe, Latin America, and Asia. CIT occupies approximately 1.3 million square feet of office space, the majority of which is leased.

Item 3: Legal Proceedings

CIT is currently involved, and from time to time in the future may be involved, in a number of judicial, regulatory, and arbitration proceedings relating to matters that arise in connection with the conduct of its business (collectively, "Litigation"), certain of which Litigation matters are described in *Note 20 — Contingencies* of *Item 8. Financial Statements and Supplementary Data*. In view of the inherent difficulty of predicting the outcome of Litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, CIT cannot state with confidence what the eventual outcome of the pending Litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter may be, if any. In accordance with applicable accounting guidance, CIT establishes reserves for Litigation when those matters present loss contingencies as to which it is both probable that a loss will occur and the amount of such loss can be reasonably estimated. Based on currently available information, CIT believes that the results of Litigation that is currently pending, taken together, will not have a material adverse effect on the Company's financial condition, but may be material to the Company's operating results or cash flows for any particular period, depending in part on its operating results for that period. The actual results of resolving such matters may be substantially higher than the amounts reserved.

For more information about pending legal proceedings, including an estimate of certain reasonably possible losses in excess of reserved amounts, see *Note 20 — Contingencies* of *Item 8. Financial Statements and Supplementary Data*.

Item 4. Mine Safety Disclosures

Not applicable.

PART TWO

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information – CIT's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "CIT."

The following tables set forth the high and low reported closing prices for CIT's common stock.

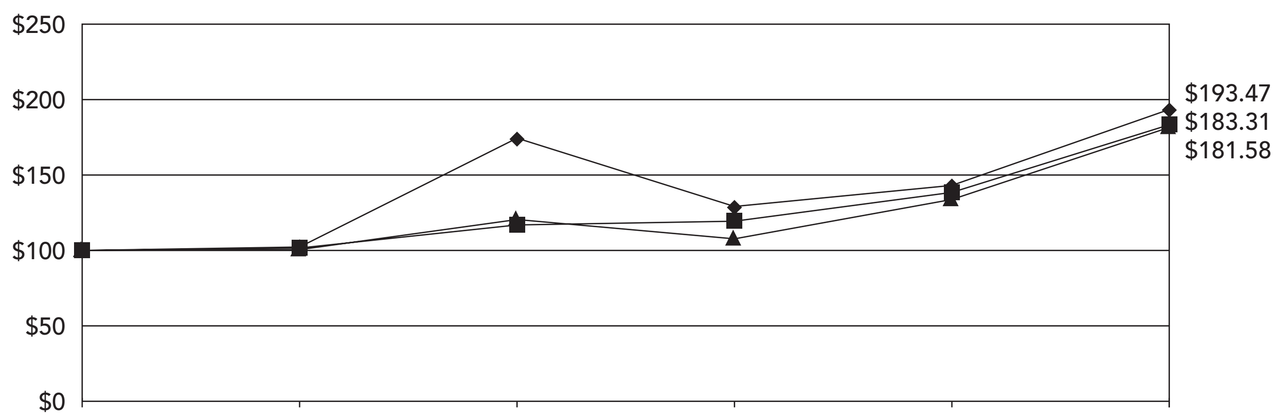
	2013		2012	
Common Stock	High	Low	High	Low
First Quarter	$44.72	$39.04	$43.19	$34.84
Second Quarter	$47.56	$40.88	$41.60	$32.57
Third Quarter	$51.33	$46.84	$41.38	$34.20
Fourth Quarter	$52.13	$47.21	$40.81	$36.12

Holders of Common Stock – As of February 10, 2014, there were 131,238 beneficial holders of common stock.

Dividends – We declared and paid a $0.10 cash dividend on our common stock during the 2013 fourth quarter. On January 21, 2014, the Board of Directors declared a quarterly cash dividend of $0.10 per share payable on February 28, 2014. We expect quarterly cash dividends will continue to be paid in the future. There were no other dividends paid to shareholders during 2013 and 2012.

Shareholder Return – The following graph shows the annual cumulative total shareholder return for common stock during the period from December 10, 2009 to December 31, 2013. Five year historical data is not presented since we emerged from bankruptcy on December 10, 2009 and the performance of CIT's common stock since December 10, 2009 is not comparable to the pre-bankruptcy performance of CIT's common stock. The chart also shows the cumulative returns of the S&P 500 Index and S&P Banks Index for the same period. The comparison assumes $100 was invested on December 10, 2009 (the date our new common stock began trading on the NYSE). Each of the indices shown assumes that all dividends paid were reinvested.

CIT STOCK PERFORMANCE DATA



	12/10/09	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
CIT	$100.00	$102.26	$174.44	$129.15	$143.11	$193.47
S&P 500	$100.00	$101.60	$116.90	$119.38	$138.48	$183.31
S&P Banks	$100.00	$100.54	$120.49	$107.69	$133.79	$181.58

2009 returns based on opening prices on 12/10/09, the effective date of the Company's plan of reorganization, through year-end. The opening prices were: CIT: $27.00, S&P 500: 1098.69, and S&P Banks: 124.73.

Securities Authorized for Issuance Under Equity Compensation Plans – Our equity compensation plans in effect following the Effective Date were approved by the Court and do not require shareholder approval. Equity awards associated with these plans are presented in the following table.

	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plan approved by the Court	59,095	$31.23	6,157,903*

** Excludes the number of securities to be issued upon exercise of outstanding options and 2,234,529 shares underlying outstanding awards granted to employees and/or directors that are unvested and/or unsettled.*

During 2013, we had no equity compensation plans that were not approved by the Court or by shareholders. For further information on our equity compensation plans, including the weighted average exercise price, see *Item 8. Financial Statements and Supplementary Data, Note 18 — Retirement, Other Postretirement and Other Benefit Plans*.

Issuer Purchases of Equity Securities – On May 30, 2013, our Board of Directors approved the repurchase of up to $200 million of the Company's common stock through December 31, 2013. Management determined the timing and amount of shares repurchased under the share repurchase authorizations based on market conditions and other considerations. The repurchases were effected via open market purchases and through plans designed to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The repurchased common stock is held as treasury shares and may be used for the issuance of shares under CIT's employee stock plans.

The following table provides information related to purchases by the Company of its common shares during the quarter ended December 31, 2013:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Publicly Announced Program	Total Dollar Amount Purchased Under the Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
				(dollars in millions)	(dollars in millions)
September 30, 2013			1,085,517	$ 51.4	$148.6
Fourth Quarter Purchases					
October 1–31, 2013	1,028,386	$48.61	1,028,386	$ 50.0	
November 1–30, 2013	1,155,000	$47.85	1,155,000	55.3	
December 1–31, 2013	738,038	$49.77	738,038	36.7	
	2,921,424	$48.60	2,921,424	$142.0	
December 31, 2013			4,006,941	$193.4[(1)]	$ –

[(1)] Shares repurchases were subject to a $200 million total, that expired on December 31, 2013.

On January 21, 2014, the Board of Directors approved the repurchase of up to $300 million of common stock through December 31, 2014. In addition, the Board also approved the repurchase of an additional $7 million of common stock, which was the amount unused from our 2013 share repurchase authorization.

Unregistered Sales of Equity Securities – There were no sales of common stock during 2013. However, there were issuances of common stock under equity compensation plans and an employee stock purchase plan, both of which are subject to registration statements.

Item 6. Selected Financial Data

The following table sets forth selected consolidated financial information regarding our results of operations, balance sheets and certain ratios.

Upon emergence from bankruptcy on December 10, 2009, CIT adopted fresh start accounting effective December 31, 2009, which resulted in data subsequent to adoption not being comparable to data in periods prior to emergence. Data for the year ended December 2009 represent amounts for Predecessor CIT.

The data presented below is explained further in, and should be read in conjunction with, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Item 7A. Quantitative and Qualitative Disclosures about Market Risk* and *Item 8. Financial Statements and Supplementary Data.*

Select Data (dollars in millions)

	At or for the Years Ended December 31,					
	CIT					Predecessor CIT
	2013	2012	2011	2010	2009	2009
Select Statement of Operations Data						
Net interest revenue	$ 244.8	$ (1,328.3)	$ (565.7)	$ 639.3	$ –	$ (308.1)
Provision for credit losses	(64.9)	(51.6)	(269.7)	(820.3)	–	(2,660.8)
Total non-interest income	2,152.4	2,437.7	2,620.3	2,653.3	–	1,560.2
Total other expenses	(1,558.2)	(1,512.6)	(1,606.5)	(1,700.9)	–	(2,795.7)
Reorganization items and fresh start adjustments	–	–	–	–	–	4,240.2
Net income (loss)	675.7	(592.3)	14.8	521.3	–	(3.8)
Per Common Share Data						
Diluted income (loss) per common share	$ 3.35	$ (2.95)	$ 0.07	$ 2.60	–	$ (0.01)
Book value per common share	$ 44.78	$ 41.49	$ 44.27	$ 44.54	$ 41.99	$ –
Tangible book value per common share	$ 42.98	$ 39.61	$ 42.23	$ 42.17	$ 39.06	$ –
Dividends declared per common share	$ 0.10	–	–	–	–	$ 0.02
Dividend payout ratio	3.0%	–	–	–	–	N/M
Performance Ratios						
Return on average common stockholders' equity	7.8%	(7.0)%	0.2%	6.0%	–	N/M
Net finance revenue as a percentage of average earning assets	4.28%	(0.24)%	1.53%	3.95%	–	0.75%
Return on average total assets	1.49%	(1.34)%	0.03%	0.93%	–	N/M
Total ending equity to total ending assets	18.8%	18.9%	19.6%	17.3%	13.9%	–
Balance Sheet Data						
Loans including receivables pledged	$18,629.2	$20,847.6	$19,905.9	$24,648.4	$35,185.1	$ –
Allowance for loan losses	(356.1)	(379.3)	(407.8)	(416.2)	–	–
Operating lease equipment, net	13,035.4	12,411.7	12,006.4	11,155.0	10,927.5	–
Goodwill and intangible assets, net	354.9	377.8	409.5	474.7	586.6	–
Total cash and short-term investments	7,600.2	7,571.6	8,374.0	11,205.4	9,826.2	–
Total assets	47,139.0	44,012.0	45,263.4	51,453.4	60,561.5	–
Deposits	12,526.5	9,684.5	6,193.7	4,536.2	5,177.7	–
Total long-term borrowings	21,750.0	21,961.8	26,307.7	34,049.3	43,333.1	–
Total common stockholders' equity	8,838.8	8,334.8	8,883.6	8,929.1	8,400.0	–
Credit Quality						
Non-accrual loans as a percentage of finance receivables	1.29%	1.59%	3.53%	6.57%	4.47%	6.86%
Net charge-offs as a percentage of average finance receivables	0.37%	0.37%	1.16%	1.53%	–	4.04%
Allowance for loan losses as a percentage of finance receivables	1.91%	1.82%	2.05%	1.69%	–	4.33%
Financial Ratios						
Tier 1 Capital Ratio	16.7%	16.2%	18.8%	19.0%	14.2%	–
Total Capital Ratio	17.4%	17.0%	19.7%	19.9%	14.2%	–

N/M — Not meaningful

Average Balances[1] **and Associated Income for the year ended:** (dollars in millions)

	December 31, 2013			December 31, 2012			December 31, 2011		
	Average Balance	Interest	Average Rate (%)	Average Balance	Interest	Average Rate (%)	Average Balance	Interest	Average Rate (%)
Interest bearing deposits	$ 5,108.8	$ 16.6	0.32%	$ 6,075.7	$ 21.8	0.36%	$ 6,395.4	$ 24.2	0.38%
Investment securities	1,886.0	12.3	0.65%	1,320.9	10.5	0.79%	1,962.3	10.6	0.54%
Loans (including held for sale)[2][3]									
U.S.	18,145.2	986.0	5.84%	17,190.7	1,131.7	7.07%	19,452.5	1,608.3	8.76%
Non-U.S.	4,123.6	367.9	8.92%	4,029.1	405.1	10.06%	4,566.2	585.6	12.83%
Total loans[2]	22,268.8	1,353.9	6.44%	21,219.8	1,536.8	7.67%	24,018.7	2,193.9	9.57%
Total interest earning assets / interest income[2][3]	29,263.6	1,382.8	4.94%	28,616.4	1,569.1	5.72%	32,376.4	2,228.7	7.13%
Operating lease equipment, net (including held for sale)[4]									
U.S.[4]	6,559.0	613.1	9.35%	6,139.0	596.9	9.72%	5,186.7	428.1	8.25%
Non-U.S.[4]	6,197.1	583.7	9.42%	6,299.0	654.5	10.39%	6,220.0	664.3	10.68%
Total operating lease equipment, net[4]	12,756.1	1,196.8	9.38%	12,438.0	1,251.4	10.06%	11,406.7	1,092.4	9.58%
Total earning assets[2]	42,019.7	$2,579.6	6.33%	41,054.4	$2,820.5	7.08%	43,783.1	$3,321.1	7.78%
Non interest earning assets									
Cash due from banks	1,062.8			971.9			1,575.5		
Allowance for loan losses	(367.8)			(405.1)			(412.0)		
All other non-interest earning assets	2,586.5			2,671.1			3,094.0		
Total Average Assets	$45,301.2			$44,292.3			$48,040.6		
Average Liabilities									
Borrowings									
Deposits	$ 11,212.1	$ 179.8	1.60%	$ 7,707.9	$ 152.5	1.98%	$ 4,796.6	$ 111.2	2.32%
Long-term borrowings[5]	21,506.4	958.2	4.46%	24,235.5	2,744.9	11.33%	30,351.5	2,683.2	8.84%
Total interest-bearing liabilities	32,718.5	$1,138.0	3.48%	31,943.4	$2,897.4	9.07%	35,148.1	$2,794.4	7.95%
Credit balances of factoring clients	1,258.6			1,194.4			1,098.1		
Other non-interest bearing liabilities	2,650.5			2,665.5			2,834.1		
Noncontrolling interests	9.2			5.0			1.1		
Stockholders' equity	8,664.4			8,484.0			8,959.2		
Total Average Liabilities and Stockholders' Equity	$45,301.2			$44,292.3			$48,040.6		
Net revenue spread			2.85%			(1.99)%			(0.17)%
Impact of non-interest bearing sources			0.69%			1.80%			1.40%
Net revenue/yield on earning assets[2]		$1,441.6	3.54%		$ (76.9)	(0.19)%		$ 526.7	1.23%

(1) *The average balances presented are derived based on month end balances during the year. Tax exempt income was not significant in any of the years presented. Average rates are impacted by FSA accretion and amortization.*

(2) *The rate presented is calculated net of average credit balances for factoring clients.*

(3) *Non-accrual loans and related income are included in the respective categories.*

(4) *Operating lease rental income is a significant source of revenue; therefore, we have presented the rental revenues net of depreciation.*

(5) *Interest and average rates include FSA accretion, including amounts accelerated due to redemptions or extinguishments, and accelerated original issue discount on debt extinguishment related to the GSI facility.*

Interest income on interest bearing deposits and investment securities was not significant in any of the years presented. The decline in average interest bearing deposits reflects the investment of cash in investment securities to earn a higher yield. The vast majority of our investment securities are high quality debt, primarily U.S. Treasury securities, U.S. Government Agency securities, and supranational and foreign government securities that typically mature in 91 days or less. We anticipate continued investment of our cash in various types of liquid, high-grade investments.

While interest income on loans benefited in 2013 from higher balances, interest income was down from 2012 and 2011 reflecting lower FSA accretion, which totaled $97 million in 2013, $268 million in 2012 and $745 million in 2011, change in product mix in Corporate Finance and sales of higher-yielding portfolios in Vendor Finance.

Net operating lease revenue was primarily generated from the commercial air and rail portfolios in each of the years presented. Net operating lease revenue decreased from 2012, as the benefit of increased assets from the growing aerospace and rail portfolios was more than offset by higher depreciation expense and lower renewal rates. During 2013, on average, lease renewal rates in the rail portfolio were re-pricing higher, while the commercial air portfolio has been re-pricing slightly lower, putting pressure on overall rental revenue. Net operating lease revenue increased in 2012 from 2011 driven by higher assets in Transportation Finance and lower depreciation expense in Vendor Finance. The average rate on U.S. operating lease equipment, net increased in 2012 from 2011 reflecting strong asset utilization, including increased rail fleet utilization.

As a result of our debt redemption activities and the increased proportion of deposits to total funding, we reduced weighted average coupon rates of interest bearing liabilities to 3.07% at December 31, 2013 from 3.18% at December 31, 2012 and 4.69% at December 31, 2011. Deposits have increased, both in dollars and proportion of total CIT funding to 36% at December 31, 2013 compared to 31% at December 31, 2012 and 19% at December 31, 2011.

We continued to grow deposits during 2013 to fund lending activity in CIT Bank. The increase in interest expense in 2013 and 2012 was driven by higher balances. Online deposits, which were initiated in late 2011, grew $4.3 billion during 2012 and $1.5 billion in 2013. Brokered CDs and sweeps declined $1.1 billion during 2012 and increased $1.1 billion in 2013. The weighted average rate of total CIT deposits at December 31, 2013 was 1.65%, compared to 1.75% at December 31, 2012 and 2.68% at December 31, 2011.

Interest expense on long-term borrowings declined significantly from 2012 due to less FSA accretion and lower rates. FSA accretion increased interest expense by $82 million, $1.6 billion and $904 million for the years ended December 31, 2013, 2012 and 2011, respectively. The higher 2012 amounts resulted from accelerated FSA net discount on repayments of over $15 billion in high cost debt in the first three quarters and $1.0 billion of secured debt in the last quarter of 2012. During 2011, CIT had $9.5 billion in debt redemptions and extinguishments. The weighted average coupon rate of long-term borrowings at December 31, 2013 was 3.87%, compared to 3.81% at December 31, 2012 and 5.12% at December 31, 2011.

The table below disaggregates CIT's year-over-year changes (2013 versus 2012 and 2012 versus 2011) in net interest revenue and operating lease margins as presented in the preceding tables between volume (level of lending or borrowing) and rate (rates charged customers or incurred on borrowings). See 'Net Finance Revenue' section for further discussion.

Changes in Net Finance Revenue (dollars in millions)

	2013 Compared to 2012			2012 Compared to 2011		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
	Volume	Rate	Net	Volume	Rate	Net
Interest Income						
Loans (including held for sale)						
U.S.	$ 55.7	$ (201.4)	$ (145.7)	$(160.0)	$ (316.6)	$(476.6)
Non-U.S.	8.4	(45.6)	(37.2)	(54.0)	(126.5)	(180.5)
Total loans	64.1	(247.0)	(182.9)	(214.0)	(443.1)	(657.1)
Interest bearing deposits	(3.1)	(2.0)	(5.1)	(1.1)	(1.4)	(2.5)
Investments	3.7	(2.0)	1.7	(5.1)	5.1	–
Interest income	64.7	(251.0)	(186.3)	(220.2)	(439.4)	(659.6)
Operating lease equipment, net (including held for sale)[1]	29.7	(84.3)	(54.6)	100.8	58.2	159.0
Interest Expense						
Interest on deposits	56.2	(28.9)	27.3	57.6	(16.3)	41.3
Interest on long-term borrowings[2]	(121.6)	(1,665.1)	(1,786.7)	(692.7)	754.4	61.7
Interest expense	(65.4)	(1,694.0)	(1,759.4)	(635.1)	738.1	103.0
Net finance revenue	$ 159.8	$ 1,358.7	$ 1,518.5	$ 515.7	$(1,119.3)	$(603.6)

(1) *Operating lease rental income is a significant source of revenue; therefore, we have presented the net revenues.*

(2) *Includes acceleration of FSA accretion resulting from redemptions or extinguishments, prepayment penalties, and accelerated original issue discount on debt extinguishment related to the TRS facility.*

Average Daily Long-term Borrowings Balances and Rates (dollars in millions)

	Years Ended								
	December 31, 2013			December 31, 2012			December 31, 2011		
	Average Balance	Interest	Average Rate (%)	Average Balance	Interest	Average Rate (%)	Average Balance	Interest	Average Rate (%)
Revolving Credit Facility[(1)]	$ –	$ 15.6	–	$ 284.1	$ 18.6	6.56%	$ –	$ –	–
Senior Unsecured Notes[(2)]	12,107.0	660.0	5.45%	12,957.2	1,613.8	12.45%	–	–	–
Secured borrowings[(2)]	9,408.1	282.6	3.00%	10,355.1	428.7	4.14%	18,339.9	1,145.2	6.24%
Series A Notes[(2)]	–	–	–	856.2	683.8	79.86%	11,970.8	1,538.0	12.85%
Total Long-term Borrowings	$21,515.1	$958.2	4.45%	$24,452.6	$2,744.9	11.22%	$30,310.7	$2,683.2	8.85%

(1) *Interest expense and average rate includes Facility commitment fees and amortization of Facility deal costs.*

(2) *Interest expense includes accelerated FSA accretion (amortization), accelerated original issue discount and prepayment penalties on debt extinguishment, as presented in the following table.*

Accelerated FSA accretion (amortization), accelerated original issue discount and prepayment penalties on debt extinguishment (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Senior Unsecured Notes	$25.9	$ 718.8	$ –
Secured Borrowings	4.6	82.6	4.5
Series A Notes	–	596.9	388.9
Total	$30.5	$1,398.3	$393.4

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations and

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

BACKGROUND

CIT Group Inc., together with its subsidiaries ("we", "our", "CIT" or the "Company") has provided financial solutions to its clients since its formation in 1908. We provide financing, leasing and advisory services principally to middle market companies in a wide variety of industries and offer vendor, equipment, commercial and structured financing products, as well as factoring and management advisory services. We have $36 billion of financing and leasing assets at December 31, 2013. CIT became a bank holding company ("BHC") in December 2008 and a financial holding company in July 2013. CIT is regulated by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Reserve Bank of New York ("FRBNY") under the U.S. Bank Holding Company Act of 1956. CIT Bank (the "Bank"), a wholly-owned subsidiary, is a state chartered bank located in Salt Lake City, Utah, that offers commercial financing and leasing products as well as a suite of savings options and is subject to regulation by the Federal Depository Insurance Corporation ("FDIC") and the Utah Department of Financial Institutions ("UDFI").

"Management's Discussion and Analysis of Financial Condition and Results of Operations" and *"Quantitative and Qualitative Disclosures about Market Risk"* contain financial terms that are relevant to our business and a glossary of key terms used is included in Part I *Item 1. Business Overview.*

Management uses certain non-GAAP financial measures in its analysis of the financial condition and results of operations of the Company. See "*Non-GAAP Financial Measurements*" for a reconciliation of these to comparable financial measures based on accounting principles generally accepted in the United States of America ("GAAP").

2013 PRIORITIES

During 2013, we focused on growing earning assets, meeting our profitability target, expanding the Bank and returning capital to our shareholders. Enhancing internal control functions and our relationships with our regulators also remained an ongoing focus. The following examples highlight certain accomplishments towards these goals in 2013:

1. Prudently Grow Assets

We grew earning assets both organically through new originations and through portfolio acquisitions. We focused growth on existing products and markets as well as newer initiatives, such as real estate, equipment finance, and maritime finance.

- Commercial financing and leasing assets grew 8%, reflecting origination volumes of over $10 billion, supplemented by loan portfolio acquisitions in Corporate Finance and Vendor Finance, which offset portfolio collections and sales. Newer initiatives, such as real estate, equipment finance and maritime finance, each contributed to this growth.

2. Continue to Achieve Profit Target

We focused on managing the business to improve profitability in order to achieve our target pre-tax return on average earning assets ("AEA")[(1)] of between 2.0% and 2.5%.

- Our pre-tax return on AEA was 2.3%.
- Net Finance Revenue ("NFR")[(2)] as a percentage of AEA ("net finance margin" or "NFM") was 4.28%, improved from 2012. Excluding debt redemption charges, net finance margin was 4.37% for 2013, improved from 4.06% in 2012, driven by lower funding costs and the reduction of low yielding student loan assets. The weighted average coupon rate of outstanding deposits and long-term borrowings was 3.07% at December 31, 2013, down from 3.18% last year. At December 31, 2013, deposits were 36% of total CIT funding, up from last year and at the low end of our 35%–45% target range.
- For 2013, operating expenses were $985 million, including restructuring charges of $37 million. Operating expenses excluding restructuring charges[(3)] were 2.82% as a percentage of AEA, above the target range of 2.00%–2.50% and included $50 million related to the Tyco tax agreement settlement charge, and other costs resulting from our international rationalization efforts. Operating efficiency improvements were phased in over 2013 and the full benefits of these actions will likely be realized later in 2014. The complexities of exiting certain countries and platforms resulted in an elevated level of restructuring, legal and other related costs in 2013 and these costs may remain high for another few quarters.
- We lowered headcount by about 320 during 2013 to approximately 3,240, modified several benefit plans and consolidated some offices.
- The review of our Vendor Finance business resulted in the plan to exit over 20 countries across Europe, South America and Asia. During 2013, we exited countries and moved various portfolios of financing and leasing assets to assets held for sale. In addition, we are in the process of selling our small business lending portfolio in Corporate Finance, most of which is in Assets held for sale ("AHFS").

---

(1) *Average earning assets is a non-GAAP measure: see "Non-GAAP Financial Measuements" for a reconciliation of non-GAAP to GAAP financial information.*

(2) *Net finance revenue is a non-GAAP measure; see "Non-GAAP Financial Measurements" for a reconciliation of non-GAAP to GAAP financial information.*

(3) *Operating expenses excluding restructuring charges is a non-GAAP measure; see "Non-GAAP Financial Measurements" for reconciliation of non-GAAP to GAAP financial information.*

3. Expand CIT Bank Assets and Funding

The Bank originated virtually all of our U.S. lending and leasing volume, expanding online deposit product offerings and anticipates launching a retail branch in Salt Lake City.

- Total assets at the Bank surpassed $16 billion at December 31, 2013, up nearly $4 billion from December 31, 2012. Growth in commercial financing and leasing assets was funded through deposits and cash. New business volume totaled $7.1 billion in 2013, which represented nearly all U.S. new business volume for Corporate Finance, Transportation Finance and Vendor Finance. This volume was supplemented with a $720 million portfolio purchase early in the year, $272 million of loans purchased from BHC affiliates, and $67 million of loans transferred in the form of capital infusions from the BHC.
- Deposits grew nearly $3 billion, consistent with asset growth and the overall liquidity position of the Bank.

4. Begin to Return Capital

On May 30, 2013, our Board of Directors approved the repurchase of up to $200 million of common stock through December 31, 2013 and on October 21, 2013, declared a cash dividend in the amount of $0.10 per share on our outstanding common stock.

- We repurchased over four million shares for approximately $193 million.
- We paid a cash dividend of $0.10 per common share (approximately $20 million) on November 29, 2013.

On January 21, 2014, the Board of Directors declared a quarterly cash dividend of $0.10 per share payable on February 28, 2014, and approved the repurchase of up to $300 million of common stock through December 31, 2014. In addition, the Board also approved the repurchase of an additional $7 million of common stock, which was the amount unused from its 2013 share repurchase authorization.

2013 FINANCIAL OVERVIEW

As discussed below, our 2013 operating results reflected increased commercial business activity that resulted in asset growth, continued credit quality at cyclical lows and strategic business decisions that elevated operating expenses.

Net income for 2013 totaled $676 million, $3.35 per diluted share, compared to a net loss of $592 million for 2012, $2.95 per diluted share, and net income of $15 million for 2011, or $0.07 per diluted share. Debt redemption charges were significant in 2012 and 2011 and totaled $1.5 billion and $528 million, respectively, compared to $31 million in 2013.

Pre-tax income totaled $774 million for 2013, improved from a pre-tax loss in 2012 and pre-tax income of $178 million in 2011. Although higher on a GAAP basis, as detailed in the following table, adjusted pre-tax income excluding debt redemption charges[4] were mixed, down from 2012 and up from 2011. The decline from 2012 reflected a lower benefit from FSA accretion and a decline in other income, partially offset by improved funding costs. The increase from 2011 reflected improved funding costs and lower credit costs.

The following table presents pre-tax results adjusted for debt redemption charges, a non-GAAP measurement.

Pre-tax Income (Loss) Excluding Debt Redemption Charges
(dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Pre-tax income/(loss)	$774.1	$ (454.8)	$178.4
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	35.7	1,450.9	279.2
Debt related – loss on debt extinguishments	–	61.2	134.8
Accelerated OID on debt extinguishments related to the GSI facility	(5.2)	(52.6)	114.2
Debt redemption charges and OID acceleration	30.5	1,459.5	528.2
Pre-tax income (loss) – excluding debt redemption charges[4]	$804.6	$1,004.7	$706.6

Net finance revenue was $1.4 billion in 2013, compared to ($77) million in 2012 and $527 million in 2011, reflecting improved funding costs. The negative NFR for 2012 was driven by the acceleration of FSA discount accretion resulting from repayments of over $15 billion high cost debt. Growth in the commercial financing and leasing assets and improved funding costs increased NFR in 2013. AEA was $33.6 billion in 2013, up from $32.5 billion in 2012, due to growth in commercial financing and leasing assets, and down from $34.4 billion in 2011, primarily due to student loan sales. AEA in our commercial segments increased during 2013 to $30.1 billion from $27.6 billion in 2012 and $26.7 billion in 2011.

NFM was up in 2013. Excluding debt redemption charges, NFM was 4.37% for 2013, improved from 4.06% in 2012 and 2.67% in 2011, driven by lower funding costs and the reduction of low yielding assets. While other institutions may use net interest margin ("NIM"), defined as interest income less interest expense, we discuss NFM, which includes operating lease rental revenue and depreciation expense, due to their significant impact on revenue and expense. While asset utilization remained strong in 2013, net operating lease revenue was down slightly from 2012, reflecting pressure in certain renewal lease rates in the commercial air portfolio, and up compared to 2011 on higher assets.

Provision for credit losses for 2013 was $65 million, up from $52 million last year and down from $270 million in 2011. The increase from last year reflects growth in the loan portfolio, while overall credit quality remained at cyclical lows.

[4] *Pre-tax income excluding debt redemption charges is a non-GAAP measure. Debt redemption charges include accelerated fresh start accounting debt discount amortization, accelerated original issue discount ("OID") on debt extinguishment related to the GSI facility and loss on debt extinguishments is a non-GAAP measure. See "Non-GAAP Financial Measements" for reconciliation of non-GAAP to GAAP financial information.*

Other income of $382 million decreased from $653 million in 2012 and $953 million in 2011, largely due to reduced gains on assets sold, fewer recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale, and lower counterparty receivable accretion.

Operating expenses were $985 million, up from $918 million in 2012 and $897 million in 2011. Excluding restructuring costs, operating expenses were $948 million, $896 million and $884 million for 2013, 2012 and 2011, respectively. The current year included costs for certain legal matters, including $50 million of charges relating to the tax agreement settlement, and costs resulting from our international rationalization efforts. Headcount at December 31, 2013, 2012 and 2011 was approximately 3,240, 3,560, and 3,530, respectively.

Provision for income taxes was $92 million for 2013, and primarily related to income tax expense on the earnings of certain international operations, state income tax expense in the U.S. and the establishment of valuation allowances of over $20 million on certain international deferred tax assets due to our international platform rationalizations. The provision for income taxes was $134 million for 2012 and $159 million for 2011, which predominantly reflected provisions for taxable income generated by our international operations and no income tax benefit on our U.S. losses.

Total assets at December 31, 2013 were $47.1 billion, up from $44.0 billion at December 31, 2012 and $45.3 billion at December 31, 2011. Commercial financing and leasing assets ("Commercial FLA") increased to $32.7 billion, up from $30.2 billion at December 31, 2012, and $27.9 billion at December 31, 2011, as new origination volume and portfolio purchases more than offset collections and sales. The Consumer loan portfolio, which was included in AHFS, totaled $3.4 billion at December 31, 2013, down $321 million from December 31, 2012 and down nearly $3 billion from December 31, 2011, reflecting sales during 2012 and collections of student loans. Cash and short-term investments totaled $7.6 billion, essentially unchanged from last year and down from $8.4 billion at December 31, 2011.

Credit metrics remained at cyclical lows, although net charge-offs in 2013 were elevated by amounts related to loans transferred to AHFS. Net charge-offs were $81 million (0.37% of average finance receivables) and included $39 million related to loans transferred to assets held for sale, compared to $74 million (0.37%) in 2012 and $265 million (0.53%) in 2011. Non-accrual balances declined to $241 million (1.29% of finance receivables) at December 31, 2013 from $332 million (1.59%) a year ago and $702 million (3.53%) at December 31, 2011.

2014 PRIORITIES

During 2014, we will focus on continued progress toward profitability targets by growing earning assets, managing expenses and growing CIT Bank assets and deposits. Enhancing internal control functions and our relationships with our regulators will also remain a focus for 2014.

Specific business objectives established for 2014 include:

- Grow Earning Assets – We plan to grow earning assets, organically and through portfolio acquisitions, by focusing on existing products and markets as well as newer initiatives.
- Continue to Achieve Profit Targets – Our pre-tax return on asset target is currently within the targeted range of 2.0% and 2.5% of AEA, but we need to improve our operating expense metric to sustain this level through the business cycle. We plan to achieve operating leverage through growth and cost reduction initiatives.
- Expand CIT Bank Assets and Funding – CIT Bank will continue to fund virtually all of our U.S. lending and leasing volume, expand on-line deposit offerings and anticipates launching a retail branch in Salt Lake City.
- Continue to Return Capital – We plan to prudently deploy our capital, which will include returning capital to our shareholders through share repurchases and dividends, while maintaining our strong capital ratios.

2014 SEGMENT REORGANIZATION

In December 2013, we announced organization changes that became effective January 1, 2014. In conjunction with management's plans to (i) realign and simplify its businesses and organizational structure, (ii) streamline and consolidate certain business processes to achieve greater operating efficiencies, and (iii) leverage CIT's operational capabilities for the benefit of its clients and customers, CIT will manage its business and report its financial results in three operating segments (the "New Segments"): (1) Transportation and International Finance; (2) North American Commercial Finance; and (3) Non-Strategic Portfolios. CIT's New Segments will be established based on how CIT's business units will be managed prospectively and how products and services will be provided to clients and customers by each business unit. The change in segment reporting will have no effect on CIT's historical consolidated results of operations.

- "Transportation and International Finance" will include CIT's commercial aircraft, business aircraft, rail, and maritime finance business units. Each of these businesses is currently included in CIT's Transportation Finance segment. The Transportation and International Finance segment will also include corporate lending businesses outside of North America (currently part of the Corporate Finance Segment) and vendor finance businesses outside of North America (currently part of the Vendor Finance Segment). CIT's transportation lending business, which offers cash flow and asset-based loan products to commercial businesses in the transportation sector, is currently part of the Transportation Segment and will be included in the North American Commercial Finance segment.
- "North American Commercial Finance" will consist of CIT's former Trade Finance segment, North American business units currently in the Corporate Finance and Vendor Finance segments, and the transportation lending business, which is currently reflected in the Transportation Finance segment.
- "Non-Strategic Portfolios" will consist of CIT's run-off government-guaranteed student loan portfolio, small business lending portfolio and other portfolios, including over 20 countries in Europe, Asia and South America we identified as subscale platforms during our international rationalization.

The discussions below for 2013, 2012 and 2011 relate to segment operations on the basis of the segments that existed prior to the reorganization at January 1, 2014 and was consistent with the presentation of financial information to management.

PERFORMANCE MEASUREMENTS

The following chart reflects key performance indicators evaluated by management and used throughout this management discussion and analysis:

KEY PERFORMANCE METRICS	MEASUREMENTS
Asset Generation – to originate new business and build earning assets.	- Origination volumes; and - Financing and leasing assets balances.
Revenue Generation – lend money at rates in excess of cost of borrowing, earn rentals on the equipment we lease commensurate with the risk, and generate other revenue streams.	- Net finance revenue and other income; - Asset yields and funding costs; - Net finance revenue as a percentage of average earning assets (AEA); and - Operating lease revenue as a percentage of average operating lease equipment.
Credit Risk Management – accurately evaluate credit worthiness of customers, maintain high-quality assets and balance income potential with loss expectations.	- Net charge-offs; - Non-accrual loans; classified assets; delinquencies; and - Loan loss reserve.
Equipment and Residual Risk Management – appropriately evaluate collateral risk in leasing transactions and remarket or sell equipment at lease termination.	- Equipment utilization; - Value of equipment; and - Gains and losses on equipment sales.
Expense Management – maintain efficient operating platforms and related infrastructure.	- Operating expenses and trends; and - Operating expenses as a percentage of AEA.
Profitability – generate income and appropriate returns to shareholders.	- Net income per common share (EPS); - Net income and pre-tax income, each as a percentage of average earning assets (ROA); and - Net income as a percentage of average common equity (ROE).
Capital Management – maintain a strong capital position.	- Tier 1 and Total capital ratio; and - Tier 1 capital as a percentage of adjusted average assets ("Tier 1 Leverage Ratio").
Liquidity Risk – maintain access to ample funding at competitive rates.	- Cash and short term investment securities; - Committed and available funding facilities; - Debt maturity profile; and - Debt ratings.
Market Risk – substantially insulate profits from movements in interest and foreign currency exchange rates.	- Net Interest Income Sensitivity; and - Economic Value of Equity (EVE).

NET FINANCE REVENUE

The following tables present management's view of consolidated NFR and NFM and include revenues from loans and leased equipment, net of interest expense and depreciation, in dollars and as a percent of AEA.

Net Finance Revenue[1] (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Interest income	$ 1,382.8	$ 1,569.1	$ 2,228.7
Rental income on operating leases	1,770.3	1,784.6	1,667.5
Finance revenue	3,153.1	3,353.7	3,896.2
Interest expense	(1,138.0)	(2,897.4)	(2,794.4)
Depreciation on operating lease equipment	(573.5)	(533.2)	(575.1)
Net finance revenue	$ 1,441.6	$ (76.9)	$ 526.7
Average Earning Assets[2] ("AEA")	$33,649.6	$32,522.0	$34,371.6
AEA commercial segments	$30,117.8	$27,601.8	$26,655.4
As a % of AEA:			
Interest income	4.11%	4.82%	6.48%
Rental income on operating leases	5.26%	5.49%	4.85%
Finance revenue	9.37%	10.31%	11.33%
Interest expense	(3.38)%	(8.91)%	(8.13)%
Depreciation on operating lease equipment	(1.71)%	(1.64)%	(1.67)%
Net finance revenue	4.28%	(0.24)%	1.53%
As a % of AEA by Segment:			
Corporate Finance	3.09%	0.83%	3.02%
Transportation Finance	5.05%	0.14%	2.14%
Trade Finance	2.86%	(2.06)%	(1.27)%
Vendor Finance	7.15%	4.08%	6.90%
Commercial Segments	4.75%	0.98%	3.18%
Consumer	1.51%	(1.06)%	(0.31)%

(1) *NFR and AEA are non-GAAP measures; see "Non-GAAP Financial Measeurements" sections for a reconciliation of non-GAAP to GAAP financial information.*

(2) *AEA are less than comparable balances displayed in this document in Item 6. Selected Financial Data (Average Balances) due to the exclusion of deposits with banks and other investments and the inclusion of credit balances of factoring clients.*

NFR and NFM are key metrics used by management to measure the profitability of our lending and leasing assets. NFR includes interest and yield-related fee income on our loans and capital leases, rental income and depreciation from our operating lease equipment, interest and dividend income on cash and investments, as well as funding costs. Since our asset composition includes a high level of operating lease equipment (37% of AEA for the year ended December 31, 2013), NFM is a more appropriate metric for CIT than net interest margin ("NIM") (a common metric used by other BHCs), as NIM does not fully reflect the earnings of our portfolio because it includes the impact of debt costs on all our assets but excludes the net revenue (rental income less depreciation) from operating leases.

NFR increased from 2012 and 2011 largely due to the negative impact of significantly higher debt FSA discount accretion, resulting from repayments of high cost debt in those years. The adjustments, accelerated debt FSA accretion and accelerated OID on debt extinguishment related to the GSI facility ("accelerated OID accretion"), which when discussed in combination, is referred to as "accelerated debt FSA and OID accretion". As detailed in the following table, absent accelerated debt FSA and OID accretion and prepayment costs, adjusted NFR was up, benefiting from lower funding costs and higher commercial assets. The 2013 accelerated debt FSA and OID accretion resulted from the repayment of senior unsecured notes issued under our InterNotes retail note program and $5 million on the redemption of secured debt related to the sale of a small business loan portfolio. The 2012 and 2011 FSA interest expense accretion amounts reflect repayments of Series A and C Notes. See "InterNotes" in *Funding and Liquidity*.

The following table reflects NFR and NFM, before and after accelerated debt FSA and OID accretion and prepayment costs.

Adjusted NFR[(1)] ($) and NFM[(1)] (%) (dollars in millions)

	Years Ended December 31,					
	2013		2012		2011	
NFR / NFM	$1,441.6	4.28%	$ (76.9)	(0.24)%	$526.7	1.53%
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	35.7	0.11%	1,450.9	4.46%	279.2	0.81%
Debt related – prepayment costs	–	–	–	–	114.2	0.33%
Accelerated OID accretion	(5.2)	(0.02)%	(52.6)	(0.16)%	–	–
Adjusted NFR / NFM	$1,472.1	4.37%	$1,321.4	4.06%	$920.1	2.67%

(1) *Adjusted NFR and NFM are non-GAAP measures; see "Non-GAAP Financial Measurements" for a reconciliation of non-GAAP to GAAP financial information.*

NFM was up from 2012 and 2011, primarily reflecting lower accelerated debt FSA accretion while adjusted NFM improved over the 2012 and 2011 periods, primarily reflecting lower funding costs.

The adjusted net finance margin increased, reflecting continued benefits from lower funding costs, elevated levels of interest recoveries and suspended depreciation, partially offset by lower FSA loan accretion and yield compression on certain assets.

- Lower finance revenue in 2013 reflected pressure on certain renewal lease rates in the commercial air portfolio and the sale of the Dell Europe portfolio, which contained high-yielding assets. The revenue decline from 2012 and 2011 was partially offset by higher commercial earning assets. While total AEA was up 3% from 2012 and down 2% from 2011, commercial segment AEA increased 9% from 2012 and 13% from 2011. Interest income was down from 2012 and 2011 reflecting lower FSA accretion, which totaled $97 million in 2013, $268 million in 2012 and $745 million in 2011. The remaining accretable FSA discount on loans was $35 million at December 31, 2013. See *Fresh Start Accounting* section later in this document.
- Interest recoveries, which result from events such as prepayments on or sales of non-accrual assets and assets returning to accrual status, and certain other yield-related fees, were up in 2012, but moderated in 2013.
- NFM continued to benefit from suspended depreciation, $73 million in 2013, on operating lease equipment held for sale, since depreciation is not recorded while this equipment is held for sale (detailed further below). This benefit was down from 2012, primarily due to the sale of the Dell Europe portfolio in the third and fourth quarters, but slightly higher compared to 2011. We expect this benefit will decline further reflecting lower operating lease assets held for sale. See *Results by Business Segment – Vendor Finance* for further discussion on the Dell Europe portfolio sale.
- Lower funding costs of 3.07% at December 31, 2013 resulted from our liability management actions, which included paying off high cost debt in 2012 and 2011, and increasing the proportion of deposits in our funding mix to 36%, as discussed further below.
- Net FSA accretion (excluding accelerated FSA on debt extinguishments and repurchases noted in the above table) increased NFR by $243 million in 2013, $269 million in 2012 and $305 million in 2011.

Interest expense was increased by the accretion of FSA discounts on long-term borrowings of $82 million, $1.6 billion and $904 million for the years ended December 31, 2013, 2012 and 2011, respectively. The 2013 accelerated debt FSA and OID accretion resulted from the repayment of senior unsecured notes issued under our InterNotes retail note program and $5 million on the redemption of secured debt related to the sale of a small business loan portfolio. The higher 2012 amounts resulted from repayments of over $15 billion in high cost debt in the first three quarters and $1.0 billion of secured debt in the last quarter of 2012. During 2011, CIT had $9.5 billion in debt redemptions and extinguishments. At December 31, 2013, long-term borrowings included $271 million of remaining FSA discount on secured borrowings (including $231 million secured by student loans) and $13 million on unsecured other debt.

As a result of our debt redemption activities and the increased proportion of deposits to total funding, we reduced weighted average coupon rates of outstanding deposits and long-term borrowings to 3.07% at December 31, 2013 from 3.18% at December 31, 2012 and 4.69% at December 31, 2011. The weighted average coupon rate of long-term borrowings at December 31, 2013 was 3.87%, compared to 3.81% at December 31, 2012 and 5.12% at December 31, 2011.

Deposits have increased, both in dollars and proportion of total CIT funding to 36% at December 31, 2013 compared to 31% at December 31, 2012 and 19% at December 31, 2011. The weighted average rate of total CIT deposits at December 31, 2013 was 1.65%, compared to 1.75% at December 31, 2012 and 2.68% at December 31, 2011. Deposits and long-term borrowings are discussed in Funding and Liquidity. See Select Financial Data section for more information on Long-term borrowing rates.

The following table sets forth the details on net operating lease revenues[5]:

Net Operating Lease Revenue as a % of Average Operating Leases (dollars in millions)

	Years Ended December 31,					
	2013		2012		2011	
Rental income on operating leases	$ 1,770.3	14.20%	$ 1,784.6	14.78%	$ 1,667.5	14.85%
Depreciation on operating lease equipment	(573.5)	(4.60)%	(533.2)	(4.42)%	(575.1)	(5.12)%
Net operating lease revenue and %	$ 1,196.8	9.60%	$ 1,251.4	10.36%	$ 1,092.4	9.73%
Average Operating Lease Equipment ("AOL")	$12,463.8		$12,072.9		$11,228.9	

Net operating lease revenue was primarily generated from the commercial air and rail portfolios. Net operating lease revenue decreased from 2012, as the benefit of increased assets from the growing aerospace and rail portfolios was more than offset by higher depreciation expense and lower renewal rates. During 2013, on average, lease renewal rates in the rail portfolio were re-pricing higher, while the commercial air portfolio has been re-pricing slightly lower, putting pressure on overall rental revenue. These factors are also reflected in the net operating lease revenue as a percent of AOL. Net operating lease revenue increased in 2012 from 2011 driven by higher assets in Transportation Finance and lower depreciation expense in Vendor Finance.

While utilization and asset levels remained strong in 2013, rental income decreased slightly from 2012 reflecting asset sales and pressure on certain aircraft renewal rates through most of the year that moderated by year end. Commercial aircraft utilization remained strong throughout 2013 with nearly all of our portfolio leased or under a commitment, and was consistent with 2012 and 2011. During 2013, our rail fleet utilization remained relatively steady. Including commitments, rail fleet utilization was over 98% at December 31, 2013, at about the same level as December 31, 2012 and up from 97% at December 31, 2011.

We have 20 new aircraft deliveries scheduled for 2014, all of which are placed. We expect to re-lease approximately 50 commercial aircraft in 2014, a level that is significantly higher than in recent years and will likely put pressure on the finance margin in 2014 if lease rates for certain aircraft remain at current levels. We expect delivery of approximately 4,600 railcars from our order book during 2014, all of which are placed. We expect lease expirations for rail equipment in 2014 will represent slightly over 20% of the rail portfolio, a level that is lower than recent experience.

Depreciation on operating lease equipment increased from 2012, reflecting higher asset balances and changes to residual value assumptions. Depreciation expense is adjusted when projected fair value at the end of the lease term is below the projected book value at the end of the lease term. The 2012 results compared to 2011 benefited from lower depreciation expense, primarily in the Vendor Finance business, as a result of certain operating lease equipment being recorded as held for sale. Once a long-lived asset is classified as assets held for sale, depreciation expense is no longer recognized, but the asset is evaluated for impairment with any such charge recorded in other income. (See *"Non-interest Income – Impairment on assets held for sale"* for discussion on impairment charges). Consequently, net operating lease revenue includes rental income on operating lease equipment classified as assets held for sale, but there is no related depreciation expense. The amount of suspended depreciation on operating lease equipment in assets held for sale totaled $73 million for 2013, $96 million for 2012 and $68 million for 2011. The decrease from 2012 primarily reflects the sale of the Dell Europe portfolio in the third and fourth quarters of 2013.

Operating lease equipment in assets held for sale totaled $205 million at December 31, 2013, primarily reflecting aerospace assets and to a lesser extent, assets related to the Vendor Finance international rationalization. Operating lease equipment in assets held for sale totaled $344 million at December 31, 2012 and $237 million at December 31, 2011, primarily reflecting the Dell Europe platform assets, which were sold in 2013, and transportation equipment. See discussion of Dell Europe platform sale in *Results by Business Segment – Vendor Finance*.

See *"Expenses – Depreciation on operating lease equipment"* and *"Concentrations – Operating Leases"* for additional information.

[5] *Net operating lease revenue is a non-GAAP measure. See "Non-GAAP Financial Measurements" for a reconciliation of non-GAAP to GAAP financial information.*

CREDIT METRICS

Management believes that credit metrics are at, or near, cyclical lows, and does not expect sustained improving trends from these levels. Given current levels, sequential quarterly movements in non-accrual loans and charge-offs in Corporate Finance, Trade Finance and Transportation Finance are subject to volatility as larger accounts migrate in and out of non-accrual status or get resolved. Given the smaller ticket, flow nature of Vendor Finance, we do not expect quarter-over-quarter movements in these metrics to be as significant in this business.

As a percentage of average finance receivables, net charge-offs in the Commercial segments were 0.44% in the current year, versus 0.46% in 2012 and 1.68% in 2011. Absent AHFS transfer related charge-offs, net charge-offs in the Commercial segments were 0.23% for the year ended December 31, 2013. Non-accrual loans in the Commercial segments declined an additional 27% to $241 million (1.29% of Finance receivables) from $330 million (1.93%) at December 31, 2012 and $701 million (4.61%) at December 31, 2011. The improvement was driven by Corporate Finance and Transportation Finance.

The provision for credit losses was $65 million for the current year, up from $52 million in 2012 following a significant decline from $270 million in 2011. The increase in 2013 reflected asset growth and $39 million of charge-offs due to loans transferred to AHFS. The improvement in 2012 reflected lower net charge-offs.

The allowance for loan losses is intended to provide for losses inherent in the portfolio based on estimates of the ultimate outcome of collection efforts, realization of collateral values, and other pertinent factors, such as estimation risk related to performance in prospective periods. We may make adjustments to the allowance depending on general economic conditions and specific industry weakness or trends in our portfolio credit metrics, including non-accrual loans and charge-off levels and realization rates on collateral.

Our allowance for loan losses includes: (1) specific reserves for impaired loans, (2) non-specific reserves for losses inherent in non-impaired loans utilizing the Company's internal probability of default / loss given default ratings system, generally with a two year loss emergence period assumption, to determine estimated loss levels and (3) a qualitative adjustment to the non-specific reserve for economic risks, industry and geographic concentrations, and other factors not adequately captured in our methodology. Our policy is to recognize losses through charge-offs when there is high likelihood of loss after considering the borrower's financial condition, underlying collateral and guarantees, and the finalization of collection activities.

For all presentation periods, qualitative adjustments largely related to instances where management believed that the Company's current risk ratings in selected portfolios did not yet fully reflect the corresponding inherent risk. The qualitative adjustments did not exceed 10% of the total allowance for any of such periods and are recorded by class and included in the allowance for loan losses.

The following table presents detail on our allowance for loan losses, including charge-offs and recoveries and provides summarized components of the provision and allowance:

Allowance for Loan Losses and Provision for Credit Losses (dollars in millions)

	Years ended December 31				
	CIT				Predecessor CIT
	2013	2012	2011	2010	2009
Allowance – beginning of period	$ 379.3	$ 407.8	$ 416.2	$ –	$ 1,096.2
Provision for credit losses[1]	64.9	51.6	269.7	820.3	2,660.8
Change related to new accounting guidance[2]	–	–	–	68.6	–
Other[1]	(7.4)	(5.9)	(12.9)	(8.2)	(12.2)
Net additions	57.5	45.7	256.8	880.7	2,648.6
Gross charge-offs[3]	(138.6)	(141.8)	(368.8)	(510.3)	(2,068.2)
Recoveries[4]	57.9	67.6	103.6	45.8	109.6
Net Charge-offs	(80.7)	(74.2)	(265.2)	(464.5)	(1,958.6)
Allowance before fresh start adjustments	356.1	379.3	407.8	416.2	1,786.2
Fresh start adjustments	–	–	–	–	(1,786.2)
Allowance – end of period	$ 356.1	$ 379.3	$ 407.8	$ 416.2	$ –
Provision for credit losses					
Specific reserves on commercial impaired loans	$ (14.8)	$ (9.4)	$ (66.7)	$ 121.3	
Non-specific reserves – commercial	(1.0)	(13.2)	71.2	234.5	
Net charge-offs – commercial	80.7	73.7	262.1	439.2	
Net charge-offs – consumer	–	0.5	3.1	25.3	
Total	$ 64.9	$ 51.6	$ 269.7	$ 820.3	
Allowance for loan losses					
Specific reserves on commercial impaired loans	$ 30.4	$ 45.2	$ 54.6	$ 121.3	
Non-specific reserves – commercial	325.7	334.1	353.2	294.9	
Total	$ 356.1	$ 379.3	$ 407.8	$ 416.2	
Ratios					
Allowance for loan losses as a percentage of total loans	1.91%	1.82%	2.05%	1.69%	
Allowance for loan losses as a percentage of commercial loans	1.91%	2.21%	2.68%	2.51%	

(1) Includes amounts related to reserves on unfunded loan commitments and letters of credit, and for deferred purchase agreements, which are reflected in other liabilities, as well as foreign currency translation adjustments. These related other liabilities totaled $28 million, $23 million, $22 million and $12 million at December 31, 2013, 2012, 2011 and 2010, respectively.

(2) Reflects reserves associated with loans consolidated in accordance with 2010 adoption of accounting guidance on consolidation of variable interest entities.

(3) Gross charge-offs included $39 million of charge-offs related to the transfer of receivables to assets held for sale for the year ended December 31, 2013. Prior year amounts were not significant.

(4) Recoveries for the years ended December 31, 2013, 2012, 2011 and 2010 do not include $22 million, $55 million, $124 million and $279 million, respectively, of recoveries of loans charged off pre-emergence and loans charged off prior to the transfer to assets held for sale, which are included in Other Income.

The trend in lower allowance rate to commercial loans reflects the relative benign credit environment, as well as the better quality of the new originations relative to the lower credit quality legacy assets that had higher expected losses. Non-commercial loans (predominately U.S. government guaranteed student loans which carry no related reserves) were moved to assets held for sale as of December 31, 2013 and as such are no longer included in total loans. The decline in specific reserves over the past two years is consistent with reduced non-accrual inflows and balances.

Segment Finance Receivables and Allowance for Loan Losses (dollars in millions)

	Corporate Finance	Transportation Finance	Trade Finance	Vendor Finance	Commercial Segments	Consumer	Total
December 31, 2013							
Finance Receivables	$9,465.9	$2,181.3	$2,262.4	$4,719.6	$18,629.2	$ –	$18,629.2
Allowance for Loan Losses	(217.5)	(32.0)	(25.5)	(81.1)	(356.1)	–	(356.1)
Net Carrying Value	$9,248.4	$2,149.3	$2,236.9	$4,638.5	$18,273.1	$ –	$18,273.1
December 31, 2012							–
Finance Receivables	$8,175.9	$1,853.2	$2,305.3	$4,818.7	$17,153.1	$3,694.5	$20,847.6
Allowance for Loan Losses	(229.9)	(36.3)	(27.4)	(85.7)	(379.3)	–	(379.3)
Net Carrying Value	$7,946.0	$1,816.9	$2,277.9	$4,733.0	$16,773.8	$3,694.5	$20,468.3
December 31, 2011							
Finance Receivables	$6,865.4	$1,487.0	$2,431.4	$4,442.0	$15,225.8	$4,680.1	$19,905.9
Allowance for Loan Losses	(262.2)	(29.3)	(29.0)	(87.3)	(407.8)	–	(407.8)
Net Carrying Value	$6,603.2	$1,457.7	$2,402.4	$4,354.7	$14,818.0	$4,680.1	$19,498.1
December 31, 2010							
Finance Receivables	$8,072.9	$1,390.3	$2,387.4	$4,721.9	$16,572.5	$8,075.9	$24,648.4
Allowance for Loan Losses	(304.0)	(23.7)	(29.9)	(58.6)	(416.2)	–	(416.2)
Net Carrying Value	$7,768.9	$1,366.6	$2,357.5	$4,663.3	$16,156.3	$8,075.9	$24,232.2

The following table presents charge-offs, by business segment. See *Results by Business Segment* for additional information.

Charge-offs as a Percentage of Average Finance Receivables (dollars in millions)

	Years Ended December 31,									
	CIT								Predecessor CIT	
	2013		2012		2011		2010		2009	
Gross Charge-offs										
Corporate Finance[1]	$ 44.8	0.50%	$ 52.7	0.70%	$239.6	3.31%	$257.7	2.49%	$1,427.2	7.92%
Transportation Finance	4.5	0.23%	11.7	0.69%	6.6	0.48%	4.8	0.29%	3.4	0.14%
Trade Finance	4.4	0.19%	8.6	0.36%	21.1	0.85%	29.8	1.12%	111.8	2.42%
Vendor Finance[1]	84.9	1.74%	67.8	1.49%	97.2	2.16%	191.9	2.81%	386.4	3.36%
Commercial Segments	138.6	0.76%	140.8	0.87%	364.5	2.34%	484.2	2.25%	1,928.8	5.27%
Consumer	–	–	1.0	0.02%	4.3	0.06%	26.1	0.30%	139.4	1.17%
Total	$138.6	0.64%	$141.8	0.70%	$368.8	1.61%	$510.3	1.68%	$2,068.2	4.27%
Recoveries[2]										
Corporate Finance	$ 17.5	0.20%	$ 20.3	0.27%	$ 33.5	0.46%	$ 12.0	0.12%	$ 40.4	0.22%
Transportation Finance	2.0	–	–	–	0.1	0.01%	–	–	0.9	0.04%
Trade Finance	7.8	0.33%	7.8	0.33%	10.9	0.44%	1.2	0.04%	3.2	0.07%
Vendor Finance	30.6	0.62%	39.0	0.86%	57.9	1.29%	31.8	0.47%	58.0	0.50%
Commercial Segments	57.9	0.32%	67.1	0.41%	102.4	0.66%	45.0	0.21%	102.5	0.28%
Consumer	–	–	0.5	0.01%	1.2	0.02%	0.8	0.01%	7.1	0.06%
Total	$ 57.9	0.27%	$ 67.6	0.33%	$103.6	0.45%	$ 45.8	0.15%	$ 109.6	0.23%
Net Charge-offs[1]										
Corporate Finance	$ 27.3	0.30%	$ 32.4	0.43%	$206.1	2.85%	$245.7	2.37%	$1,386.8	7.70%
Transportation Finance	2.5	0.13%	11.7	0.69%	6.5	0.47%	4.8	0.29%	2.5	0.10%
Trade Finance	(3.4)	(0.14)%	0.8	0.03%	10.2	0.41%	28.6	1.08%	108.6	2.35%
Vendor Finance	54.3	1.12%	28.8	0.63%	39.3	0.87%	160.1	2.34%	328.4	2.86%
Commercial Segments	80.7	0.44%	73.7	0.46%	262.1	1.68%	439.2	2.04%	1,826.3	4.99%
Consumer	–	–	0.5	0.01%	3.1	0.04%	25.3	0.29%	132.3	1.11%
Total	$ 80.7	0.37%	$ 74.2	0.37%	$265.2	1.16%	$464.5	1.53%	$1,958.6	4.04%

(1) *Corporate Finance charge-offs for the years ended December 31, 2013 included approximately $28 million related to the transfer of receivables to assets held for sale. Vendor Finance charge-offs for the year ended December 31, 2013 included approximately $11 million related to the transfer of receivables to assets held for sale.*

(2) *Does not include recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale, which are recorded in Other Income.*

Net charge-offs in the Commercial segments declined in 2013 to 0.44% from 0.46% in 2012, although increased in dollar terms to $81 million in 2013 from $74 million in 2012, with all segments, except Vendor Finance, contributing to the decline. Absent the charge-offs related to loans transferred to AHFS ($39 million) in the year ended December 31, 2013, the net charge-offs would have been $41 million (0.23% of commercial segments' AFR).

The Vendor Finance net charge-offs increased to $54 million at December 31, 2013 from $29 million at December 31, 2012, reflecting increased charge-offs in the international operations, lower recoveries in 2013, and charge-offs of $11 million related to loans transferred to AHFS. Recoveries, while down from 2012 in amount, remained strong in relation to gross charge-offs.

The tables below present information on non-performing loans, which includes non-performing loans related to assets held for sale for each period:

Non-accrual and Accruing Past Due Loans at December 31 (dollars in millions)

	2013	2012	2011	2010	2009
Non-accrual loans					
U.S.	$176.3	$273.2	$623.3	$1,336.1	$1,465.5
Foreign	64.4	57.0	77.8	280.7	108.8
Commercial Segments	240.7	330.2	701.1	1,616.8	1,574.3
Consumer	–	1.6	0.9	0.7	0.1
Non-accrual loans	$240.7	$331.8	$702.0	$1,617.5	$1,574.4
Troubled Debt Restructurings					
U.S.	$218.0	$263.2	$427.5	$ 412.4	$ 116.5
Foreign	2.9	25.9	17.7	49.3	4.5
Restructured loans	$220.9	$289.1	$445.2	$ 461.7	$ 121.0
Accruing loans past due 90 days or more					
Government guaranteed accruing student loans past due 90 days or more	$223.7	$231.4	$390.3	$ 433.6	$ 480.7
Other accruing loans past due 90 days or more	10.0	3.4	2.2	1.7	89.4
Accruing loans past due 90 days or more	$233.7	$234.8	$392.5	$ 435.3	$ 570.1

Segment Non-accrual Loans as a Percentage of Finance Receivables at December 31 (dollars in millions)

	2013		2012		2011	
Corporate Finance	$126.7	1.34%	$211.9	2.59%	$497.9	7.26%
Transportation Finance	14.3	0.66%	40.5	2.18%	45.0	3.03%
Trade Finance	4.2	0.19%	6.0	0.26%	75.3	3.10%
Vendor Finance	95.5	2.02%	71.8	1.49%	82.9	1.87%
Commercial Segments	240.7	1.29%	330.2	1.93%	701.1	4.61%
Consumer	–	–	1.6	0.04%	0.9	0.02%
Total	$240.7	1.29%	$331.8	1.59%	$702.0	3.53%

Similar to last year, non-accrual loans declined from the prior year, with all commercial segments other than Vendor Finance reporting reductions, both in amount and as a percentage of finance receivables. The improvement in 2013 was particularly noteworthy in Corporate Finance, which reflected repayments and resolutions, as well as returns to accrual status where appropriate. Although total foreign non-accruals were up $7 million from December 31, 2012, there was a larger increase in Vendor Finance international operations, which was partially offset by a reduction in Transportation Finance. As mentioned earlier, Transportation Finance is subject to volatility as larger accounts migrate in and out of non-accrual status or get resolved, which is reflective of the decline in 2013.

Approximately 60% of our non-accrual accounts were paying currently at December 31, 2013, and our impaired loan carrying value (including FSA discount, specific reserves and charge-offs) to estimated outstanding contractual balances approximated 80%. For this purpose, impaired loans are comprised principally of non-accrual loans over $500,000 and TDRs.

Total delinquency (30 days or more) in our commercial segments were up as a percentage of finance receivables at 2.0%, an increase of $69 million compared to December 31, 2012. The 30–59 day category increased $31 million, reflecting certain non-credit (administrative) delinquencies in Vendor Finance, which offset a decline in Trade Finance. Increases in the 60–89 and 90+ categories reflected higher Vendor Finance balances, primarily in the International businesses.

Foregone Interest on Non-accrual Loans and Troubled Debt Restructurings (dollars in millions)

	2013			2012			2011		
	U.S.	Foreign	Total	U.S.	Foreign	Total	U.S.	Foreign	Total
Interest revenue that would have been earned at original terms	$52.9	$12.4	$65.3	$66.5	$12.1	$78.6	$169.4	$18.6	$188.0
Less: Interest recorded	18.4	4.2	22.6	23.7	3.7	27.4	18.7	6.0	24.7
Foregone interest revenue	$34.5	$ 8.2	$42.7	$42.8	$ 8.4	$51.2	$150.7	$12.6	$163.3

The Company periodically modifies the terms of loans / finance receivables in response to borrowers' difficulties. Modifications that include a financial concession to the borrower, which otherwise would not have been considered, are accounted for as troubled debt restructurings ("TDRs"). For those accounts that were modified but were not considered to be TDRs, it was determined that no concessions had been granted by CIT to the borrower. Borrower compliance with the modified terms is the primary measurement that we use to determine the success of these programs.

The tables that follow reflect loan carrying values as of December 31, 2013 and 2012 of accounts that have been modified.

Troubled Debt Restructurings and Modifications at December 31 (dollars in millions)

	2013		2012		2011	
		% Compliant		% Compliant		% Compliant
Troubled Debt Restructurings						
Deferral of principal and/or interest	$194.6	99%	$248.5	98%	$394.8	94%
Debt forgiveness	2.4	77%	2.5	95%	12.5	96%
Interest rate reductions	–	–	14.8	100%	19.0	100%
Covenant relief and other	23.9	74%	23.3	80%	18.9	77%
Total TDRs	$220.9	96%	$289.1	97%	$445.2	94%
Percent non accrual	33%		29%		63%	
Modifications[(1)]						
Extended maturity	$ 14.9	37%	$111.5	97%	$172.8	100%
Covenant relief	50.6	100%	113.6	100%	153.5	100%
Interest rate increase/additional collateral	21.8	100%	79.6	100%	14.6	100%
Other	62.6	87%	62.4	100%	112.5	100%
Total Modifications	$149.9	91%	$367.1	99%	$453.4	100%
Percent non-accrual	23%		25%		7%	

(1) *Table depicts the predominant element of each modification, which may contain several of the characteristics listed.*

See *Note 2 — Loans* for additional information regarding TDRs and other credit quality information.

NON-INTEREST INCOME

Non-interest Income (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Rental income on operating leases	$1,770.3	$1,784.6	$1,667.5
Other Income:			
Gains on sales of leasing equipment	$ 130.5	$ 117.6	$ 148.4
Factoring commissions	122.3	126.5	132.5
Fee revenues	101.5	86.1	97.5
Gains on loan and portfolio sales	48.6	192.3	305.9
Recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale	21.9	55.0	124.1
Counterparty receivable accretion	9.3	96.1	109.9
Gain on investments	8.2	40.2	45.7
Gains (losses) on derivatives and foreign currency exchange	1.0	(5.7)	(5.2)
Impairment on assets held for sale	(124.0)	(115.6)	(113.1)
Other revenues	62.8	60.6	107.1
Other income	382.1	653.1	952.8
Non-interest income	$2,152.4	$2,437.7	$2,620.3

Non-interest Income includes Rental Income on Operating Leases and Other Income.

Rental income on operating leases from equipment we lease is recognized on a straight line basis over the lease term. Rental income is discussed in *"Net Finance Revenues" and "Results by Business Segment"*. See also *"Concentrations – Operating Leases"* and *"Note 4 — Operating Lease Equipment"* for additional information on operating leases.

Other income declined in 2013 and 2012 reflecting the following:

Gains on sales of leasing equipment resulted from the sale of leasing equipment of approximately $1.2 billion in 2013, $1.3 billion in 2012, and $1.1 billion in 2011. Gains as a percentage of equipment sold increased from the prior year and were less than 2011 and will vary based on the type and age of equipment sold. Equipment sales for 2013 consisted of $0.8 billion in Transportation Finance assets, $0.3 billion in Vendor Finance assets and $0.1 billion in Corporate Finance assets. Equipment sales for 2012 consisted of $0.7 billion in Transportation Finance assets, with the remainder split between Vendor Finance assets and Corporate Finance assets. Equipment sales for 2011 consisted of $0.5 billion in Transportation Finance assets, $0.4 billion in Vendor Finance assets and $0.2 billion in Corporate Finance assets.

Factoring commissions declined slightly, reflecting the change in the underlying portfolio product mix, which offset a modest increase in factoring volume in 2013 compared to 2012, while 2012 was down from 2011 mostly due to lower factoring volume.

Fee revenues include fees on lines of credit and letters of credit, capital markets-related fees, agent and advisory fees, and servicing fees for the loans we sell but retain servicing, including servicing fees in the small business lending portfolio, which is in assets held for sale at December 31, 2013. Fee revenues are mainly driven by our Corporate Finance segment. The increase from the prior year periods include higher fees from capital markets activities. Fee revenues generated for servicing the small business lending portfolio totaled approximately $11 million for 2013 and 2012 and $14 million in 2011. These fees will no longer be earned upon the sale of that portfolio, which is expected to close in 2014.

Gains on loan and portfolio sales reflected 2013 sales volume of $0.9 billion, which consisted of $0.6 billion in Vendor Finance, $0.2 billion in Corporate Finance, and $0.1 billion in Transportation Finance. Over 80% of 2013 gains related to Vendor Finance and included gains from the sale of the Dell Europe portfolio. The 2012 sales volume totaled $2.5 billion, which consisted of $2.1 billion in Consumer (student loans) and $0.4 billion in Corporate Finance. Corporate Finance generated over 80% of the 2012 gains as a result of high gains as a percentage of sales from sales of low carrying value loans that were on non-accrual and included FSA adjustments. Sales volume was $2.5 billion in 2011, which consisted of $1.3 billion in Consumer, $0.7 billion in Corporate Finance (which generated over 70% of 2011 gains), $0.4 billion in Vendor Finance, and approximately $0.1 billion in Transportation Finance.

Recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale reflected repayments or other workout resolutions on loans charged off prior to emergence from bankruptcy and loans charged off prior to classification as held for sale. Unlike recoveries on loans charged off after our restructuring, these recoveries are recorded as other income, not as a reduction to the provision for loan losses. The decrease from the prior years reflected a general downward trend of recoveries of loans charged off pre-emergence as the Company moves further away from its emergence date. Recoveries of loans charged off prior to transfer to held for sale were higher in 2011 as Corporate Finance moved a pool of predominantly non-accrual loans to held for sale on which there was subsequent recovery activity.

Counterparty receivable accretion relates to the FSA accretion of a fair value discount on the receivable from Goldman Sachs International ("GSI") related to the GSI Facilities, which are total return swaps (as discussed in *Funding and Liquidity* and *Note 8 — Long-term Borrowings* and *Note 9 — Derivative Financial Instruments*). The discount is accreted into income over the expected term of the payout of the associated receivables. FSA accretion remaining on the counterparty receivable was $12 million at December 31, 2013.

Gains on investments primarily reflected sales of equity investments that were received as part of a lending transaction, or in some cases, a workout situation. The gains were primarily in Corporate Finance and declined on fewer transactions.

Gains (losses) on derivatives and foreign currency exchange Transactional foreign currency movements resulted in losses of $(14) million in 2013, gains of $37 million in 2012, and losses of $(42) million in 2011. These were partially offset by gains of $20 million in 2013, losses of $(33) million in 2012, and gains of $35 million in 2011 on derivatives that economically hedge foreign currency movements and other exposures. In addition, derivative losses related to the valuation of the derivatives within the GSI facility were $(4) million for 2013 and $(6) million for 2012. In addition, there were losses of $(1) million and $(4) million in 2013 and 2012, respectively, and gains of $2 million in 2011 on the realization of cumulative translation adjustment (CTA) amounts from AOCI upon the sale or substantial liquidation of a subsidiary. For additional information on the impact of derivatives on the income statement, refer to *Note 9 — Derivative Financial Instruments*.

Impairment on assets held for sale in 2013 includes $102 million of charges related to Vendor Finance, $19 million for Transportation Finance operating lease equipment (mostly aerospace related) and $3 million for Corporate Finance. Vendor Finance activity included $62 million of charges related to operating lease equipment (including $59 million for the Dell Europe portfolio) and the remaining 2013 impairment related mostly to the international platform rationalization. When a long-lived asset is classified as held for sale, depreciation expense is suspended and the asset is evaluated for impairment with any such charge recorded in other income. (See *Expenses* for related discussion on depreciation on operating lease equipment.) 2012 included $80 million of charges related to Vendor Finance Dell Europe operating lease equipment and $34 million related to Transportation Finance equipment, mostly aerospace related. The 2011 balance included $61 million of impairment charges related to Vendor Finance, $24 million related to $2.2 billion of government-guaranteed student loans and $22 million related to idle center beam railcars.

Other revenues include items that are more episodic in nature, such as gains on work-out related claims, proceeds received in excess of carrying value on non-accrual accounts held for sale, which were repaid or had another workout resolution, insurance proceeds in excess of carrying value on damaged leased equipment, and also includes income from joint ventures. The current year includes gains on workout related claims of $19 million in Corporate Finance and $13 million in Transportation Finance. The 2012 amount includes a Vendor Finance $14 million gain on a sale of a platform, related to the Dell Europe transaction. The 2011 balance includes $59 million of proceeds received in excess of carrying value on non-accrual accounts held for sale, primarily Corporate Finance loans; the comparable amounts for 2013 and 2012 were $4 million and $8 million respectively. Principal recovery on these accounts was reported in recoveries of loans charged off prior to transfer to held for sale.

EXPENSES

Other Expenses (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Depreciation on operating lease equipment	$ 573.5	$ 533.2	$ 575.1
Operating expenses:			
Compensation and benefits	$ 536.1	$ 538.7	$ 494.8
Technology	83.3	81.6	75.3
Professional fees	69.6	64.8	120.9
Provision for severance and facilities exiting activities	36.9	22.7	13.1
Net occupancy expense	35.3	36.2	39.4
Advertising and marketing	25.2	36.5	10.5
Other expenses[(1)]	198.3	137.7	142.6
Operating expenses	984.7	918.2	896.6
Loss on debt extinguishments	–	61.2	134.8
Total other expenses	$1,558.2	$1,512.6	$1,606.5
Headcount	3,240	3,560	3,530

(1) *The year ended December 31, 2013 included $50 million related to the Tyco tax agreement settlement charge.*

Depreciation on operating lease equipment is recognized on owned equipment over the lease term or estimated useful life of the asset. Depreciation expense is primarily driven by the Transportation Finance operating lease equipment portfolio, which includes long-lived assets such as railcars and aircraft. To a lesser extent, depreciation expense includes amounts on smaller ticket equipment, such as office equipment, leased by Vendor Finance. Certain ownership costs and also impairments recorded on equipment held in portfolio are reported as depreciation expense. Assets held for sale also impact the balance (as depreciation expense is suspended on operating lease equipment once it is transferred to assets held for sale). Depreciation expense is discussed further in *"Net Finance Revenues,"* as it is a component of our asset margin. See *"Non-interest Income"* for impairment charges on operating lease equipment classified as held for sale.

Operating expenses were up 7% in 2013, driven by the Tyco International Ltd. ("Tyco") tax agreement settlement charge of $50 million, discussed below in Other expenses, and costs associated with restructuring initiatives. Operating expenses also include Bank deposit raising costs, which totaled $35 million each in 2013 and 2012 and $10 million in 2011, and are reflected across various expense categories, but mostly within advertising and marketing and other, reflecting deposit insurance costs. Operating expenses reflect the following changes:

- *Compensation and benefits* were down slightly from 2012 as lower salaries and benefit costs from the reduction in employees was partially offset by higher incentive compensation, which includes the amortization of deferred compensation. Deferred compensation plans were re-instated post emergence and the costs associated with the plans are amortized over the vesting period, typically three years. Thus, 2013 included three years of amortization of deferred costs compared to two years in 2012. Similarly, the increase in 2012 was driven by higher incentive compensation expense, two years of amortization of deferred costs compared to one year in 2011, and a higher number of employees. See *Note 18 — Retirement, Postretirement and Other Benefit Plans.*
- *Professional fees* includes legal and other professional fees such as tax, audit, and consulting services. The increase from 2012 primarily reflected costs associated with our international rationalization efforts, while 2012 benefited from higher amounts received on favorable legal and tax resolutions. The elevated amount in 2011 was primarily due to higher risk management consulting fees and litigation-related costs.
- *Advertising and marketing* expenses decreased in 2013 after a large increase in 2012 associated with CIT Bank. CIT Bank advertising and marketing costs associated with raising deposits totaled $15 million in 2013, $24 million in 2012, and $1 million in 2011.
- *Provision for severance and facilities exiting activities* reflects costs associated with various organization efficiency initiatives. Severance costs were $33 million of the 2013 charges and related to approximately 275 employee terminations and the associated benefits costs incurred in conjunction with the initiatives. The facility exiting activities totaled $4 million and related to exiting three locations. See *Note 25 — Severance and Facility Exiting Liabilities* for additional information.
- *Other expenses* includes items such as travel and entertainment, insurance, FDIC costs, office equipment and supply costs and taxes (other than income taxes). On December 20, 2013, we reached an agreement with Tyco to settle contract claims asserted by Tyco related to a tax agreement that CIT and Tyco entered into in 2002 in connection with CIT's separation from Tyco. CIT agreed to pay Tyco $60 million, including $50 million that was recorded as an expense in 2013 and $10 million that had been previously accrued.

Operating expenses excluding restructuring charges for 2013 were 2.82% as a percentage of AEA, above the target range of 2.00%–2.50%, and includes the mentioned tax settlement charge. Operating efficiency improvements will continue in 2014 and the full benefits of the actions taken in 2013 will likely be realized later in 2014. The complexities of exiting certain countries and platforms will result in an elevated level of restructuring, legal and other related costs for another few quarters.

- We have lowered headcount by approximately 320 since a year ago to 3,240 at December 31, 2013, modified several benefit plans and consolidated some offices.
- During 2013 we began to rationalize subscale platforms. In total we plan to exit over 20 countries across Europe, South America and Asia. As a result of these decisions, we have sold several portfolios of financing and leasing assets and moved other portfolios to assets held for sale, including our small business lending portfolio in Corporate Finance.

Loss on debt extinguishments for 2012 reflect the write-off of accelerated fees and underwriting costs related to liability management actions taken, which included the repayment of the remaining Series A Notes and all of the 7% Series C Notes. The 2011 loss is primarily due to the write-off of original issue discount and fees associated with the repayment of the first lien term loan, partially offset by a modest gain from the repurchase of approximately $400 million of Series A debt at a discount in open market transactions.

FRESH START ACCOUNTING

Upon emergence from bankruptcy in 2009, CIT applied Fresh Start Accounting (FSA) in accordance with generally accepted accounting principles in the United States of America (GAAP). See *Note 1 — Business and Summary of Significant Accounting Policies*.

FSA had a significant impact on our operating results in 2011 and 2012, while in 2013, the impact has significantly lessened. Net finance revenue includes the accretion of the FSA adjustments to the loans, leases and debt, as well as to depreciation and, to a lesser extent, rental income related to operating lease equipment. The most significant remaining discount of $2.3 billion relates to operating lease equipment, which in effect was an impairment of the operating lease equipment upon emergence from bankruptcy, as the assets were recorded at their fair value, which was less than their carrying value. The recording of this FSA adjustment reduced the asset balance subject to depreciation and thus decreases depreciation expense over the remaining life of the operating lease equipment.

The following table presents the remaining FSA adjustments by balance sheet caption:

Accretable Fresh Start Accounting (Discount)/Premium (dollars in millions)

	December 31, 2013	December 31, 2012	December 31, 2011
Loans	$ (35.0)	$ (355.3)	$ (621.8)
Operating lease equipment, net	(2,276.9)	(2,550.6)	(2,803.1)
Intangible assets, net	20.3	31.9	63.6
Other assets	(11.6)	(20.8)	(117.1)
Total assets	$(2,303.2)	$(2,894.8)	$(3,478.4)
Deposits	$ (0.8)	$ 3.5	$ 14.5
Long-term borrowings	(283.6)	(369.4)	(2,018.9)
Other liabilities	–	1.7	25.7
Total liabilities	$ (284.4)	$ (364.2)	$(1,978.7)

As discussed in *Net Finance Revenue*, interest income was increased by the FSA accretion on loans. The decline in the balance from last year resulted from the transfer of student loans to AHFS (which caused the remaining $184 million accretable discount to be netted against the carrying value of those assets). The remaining balance at December 31, 2013 mostly related to Corporate Finance loans and is expected to be accreted into income within the next 2 years. In addition to the yield related accretion on loans, the decline in accretable balance has been accelerated, primarily as a result of asset sales and prepayments.

As discussed in *Net Finance Revenue*, interest expense was increased by the accretion of the FSA discounts on long-term borrowings. We repaid debt prior to its contractual maturity, and the repayments were accounted for as a debt extinguishment, which accelerated the accretion of the FSA discount on the underlying debt. At December 31, 2013, long-term borrowings included $271 million of remaining FSA discount on secured borrowings, consisting of $231 million secured by student loans and $40 million secured by transportation equipment. Upon sale of the student loans that are in AHFS at December 31, 2013, the associated secured borrowings will be paid down and the FSA discount will be accelerated. Based on market conditions subsequent to year-end, we currently believe that we will realize a net gain on the sale of the student loans. The net gain to be recognized on the sale of the student loans will consist primarily of (1) the gain on the sale of the loans (which are carried net of a discount of $184 million) and any proceeds received for the sale of the servicing of those loans and (2) the expense to be recognized based on the acceleration of the debt FSA ($231 million) upon the extinguishment of the related debt.

Depreciation expense is reduced by the lower carrying value of operating lease equipment subject to depreciation due to the operating lease equipment discount, essentially all of which is related to Transportation Finance aircraft and rail operating lease assets. We estimated an economic average life before disposal of these assets of approximately 15 years for aerospace assets and 30 years for rail assets. FSA accretion amounts are disclosed in *Net Finance Revenue* section.

An intangible asset was recorded to adjust operating lease rents that were, in aggregate, above then current market rental rates. These adjustments (net) will be amortized, thereby lowering rental income (a component of Non-interest Income) over the remaining term of the lease agreements on a straight line basis. The majority of the remaining accretion has a contractual maturity of less than two years.

Other assets relates primarily to a discount on receivables from GSI in conjunction with the GSI Facilities. The discount is accreted into other income as *'counterparty receivable accretion'* over the expected payout of the associated receivables. The accretion is discussed in *"Non-interest Income"* and the GSI Facilities are discussed in *"Funding and Liquidity" and* also in *Note 8 — Long-term Borrowings*, and *Note 9 — Derivative Financial Instruments* in *Item 8 Financial Statements and Supplementary Data*.

INCOME TAXES

Income Tax Data (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Provision for income taxes, before discrete items	$63.0	$ 93.3	$139.4
Discrete items	29.5	40.5	19.2
Provision for income taxes	$92.5	$133.8	$158.6
Effective tax rate	11.9%	(29.4)%	89.0%

The Company's 2013 tax provision is $92.5 million as compared to $133.8 million in 2012 and $158.6 million in 2011. The current year tax provision reflects income tax expense on the earnings of certain international operations and state income tax expense in the U.S. The decrease from the prior years' tax provisions primarily reflect a reduction in foreign income tax expense driven by lower international earnings, and changes in discrete tax expense. Included in the 2013 tax provision is approximately $30 million of net discrete tax expense that primarily relates to the establishment of valuation allowances against certain international net deferred tax assets due to our international platform rationalizations, and deferred tax expense due to sale of a leverage lease. The discrete tax expense items were partially offset by incremental tax benefits associated with favorable settlements of prior year international tax audits.

The 2012 provision of $93.3 million before discrete items reflects income tax expense on the earnings of certain international operations and state income tax expense in the U.S. The discrete items of $40.5 million includes incremental taxes associated with international audit settlements and an increase in a U.S. deferred tax liability on certain indefinite life assets that cannot be used as a source of future taxable income in the assessment of the domestic valuation allowance. Also, included in 2012 was a discrete tax benefit of $146.5 million caused by a release of tax reserves established on an uncertain tax position taken on certain tax losses following a favorable ruling from the tax authorities and a $98.4 million tax benefit associated with a tax position taken on a prior-year restructuring transaction. Both of these benefits were fully offset by corresponding increases to the domestic valuation allowance.

The 2011 tax provision of $139.4 million before discrete items was primarily related to income tax expense on the earnings of certain international operations and no income tax benefit on its domestic losses. The discrete items of $19.2 million includes an increase to an uncertain federal and state tax position that the Company has taken with respect to the recognition of certain losses, offset by a reduction in the domestic valuation allowance. Also, the Company recorded deferred tax expense of $12.2 million of foreign withholding taxes consequent to a change in the Company's assertion regarding the indefinite reinvestment of its unremitted foreign earnings.

The change in the effective tax rate each period is impacted by a number of factors, including the relative mix of domestic and foreign earnings, valuation allowances in various jurisdictions, and discrete items. The actual year-end 2013 effective tax rate may vary from near term future periods due to the changes in these factors.

The Company has not recognized any tax benefit on its prior year domestic losses and certain prior year foreign losses due to uncertainties related to its ability to realize its net deferred tax assets in the future. Due to the future uncertainties, combined with the recent three years of cumulative losses by certain domestic and foreign reporting entities, the Company has concluded that it does not currently meet the criteria to recognize its net deferred tax assets, inclusive of the deferred tax assets related to NOLs in these entities. Accordingly, the Company maintained valuation allowances of $1.5 billion and $1.6 billion against their net deferred tax assets at December 31, 2013 and 2012, respectively. Of the $1.5 billion valuation allowance at December 31, 2013, approximately $1.3 billion relates to domestic reporting entities and $211 million relates to the foreign reporting entities.

Management's decision to maintain the valuation allowances on certain reporting entities' net deferred tax assets requires significant judgment and an analysis of all the positive and negative evidence regarding the likelihood that these future benefits will be realized. The most recent three years of cumulative losses, adjusted for any non-recurring items, was considered a significant negative factor supporting the need for a valuation allowance. At the point when any of these reporting entities transition into a cumulative three year income position, Management will consider this profitability measure along with other facts and circumstances in determining whether to release any of the valuation allowances. The other facts and circumstances that are considered in evaluating the need for or release of a valuation allowance include sustained profitability, both historical and forecast, tax planning strategies, and the carry-forward periods for the NOLs.

While certain foreign and domestic entities with net operating loss carry-forwards have been profitable, the Company continues to record a full valuation allowance on these entities' net deferred tax assets due to their history of losses. Given the continued improvement in earnings in certain foreign and domestic reporting entities, which is one factor considered in the evaluation process, it is possible that the valuation allowance for those entities may be reduced if these trends continue and other factors do not outweigh this positive evidence.

At the point a determination is made that it is "more likely than not" that a reporting entity generates sufficient future taxable income to realize its respective net deferred tax assets, the Company will reduce the entity's respective valuation allowance (in full or in part), resulting in an income tax benefit in the period such a determination is made. Subsequently, the provision for income taxes will be provided for future earnings; however, there will be a minimal impact on cash taxes paid for until the NOL carry-forward is fully utilized.

See *Note 17 — Income Taxes* for additional information.

RESULTS BY BUSINESS SEGMENT

Although higher on a GAAP basis, pre-tax income was down from 2012 when excluding debt redemption charges, primarily reflecting lower gains on asset sales in Corporate Finance, and lower results in Vendor Finance. Financing and leasing assets were up from both 2012 and 2011 in three of the commercial segments, while Trade Finance was down slightly.

See *Note 23 — Business Segment Information* for additional details.

The following table summarizes the reported pre-tax earnings of each segment, and the impacts of certain debt redemption actions. The pre-tax amounts excluding these actions are Non-GAAP measurements. See *Non-GAAP Financial Measurements* for discussion on the use of non-GAAP measurements.

Impacts of FSA Accretion and Debt Redemption Charges on Pre-tax Income (Loss) by Segment (dollars in millions)

	Corporate Finance	Transportation Finance	Trade Finance	Vendor Finance	Consumer	Corporate & Other	Total
Year Ended December 31, 2013							
Income (loss) before (provision) benefit for income taxes	$183.8	$ 600.4	$55.6	$ 23.3	$ 31.0	$(120.0)	$ 774.1
Accelerated FSA net discount/ (premium) on debt extinguishments and repurchases	14.0	14.5	1.1	4.0	1.0	1.1	35.7
Accelerated OID on debt extinguishments related to the GSI facility	(5.2)	–	–	–	–	–	(5.2)
Pre-tax income (loss) – excluding debt redemptions and OID acceleration	$192.6	$ 614.9	$56.7	$ 27.3	$ 32.0	$(118.9)	$ 804.6
Year Ended December 31, 2012							
Income (loss) before (provision) benefit for income taxes	$200.2	$(122.7)	$ 4.1	$(107.9)	$ (52.0)	$(376.5)	$ (454.8)
Accelerated FSA net discount/ (premium) on debt extinguishments and repurchases	222.2	647.1	46.4	198.2	156.0	181.0	1,450.9
Debt related – loss on debt extinguishments	–	–	–	–	–	61.2	61.2
Accelerated OID on debt extinguishments related to the GSI facility	–	(6.9)	–	–	(45.7)	–	(52.6)
Pre-tax income (loss) – excluding debt redemptions and OID acceleration	$422.4	$ 517.5	$50.5	$ 90.3	$ 58.3	$(134.3)	$1,004.7
Year Ended December 31, 2011							
Income (loss) before (provision) benefit for income taxes	$368.3	$ 190.2	$16.9	$ 144.8	$ (90.6)	$(451.2)	$ 178.4
Accelerated FSA net discount/ (premium) on debt extinguishments and repurchases	43.3	78.9	8.2	36.0	93.3	19.5	279.2
Debt related – loss on debt extinguishments	–	–	–	–	–	134.8	134.8
Debt related – prepayment costs	–	–	–	–	–	114.2	114.2
Pre-tax income (loss) – excluding debt redemptions	$411.6	$ 269.1	$25.1	$ 180.8	$ 2.7	$(182.7)	$ 706.6

Corporate Finance

Corporate Finance provides a range of financing options and offers advisory services to small and medium size companies in the U.S. and Canada and has a specialized lending unit focused on financial sponsors in Europe. Corporate Finance core products include asset-based and cash flow lending, fee-based products (e.g., financial advisory, M&A), equipment leasing and financing, and commercial real estate financing. Corporate Finance offers a product suite primarily composed of senior secured loans collateralized by accounts receivable, inventory, machinery & equipment and intangibles to finance various needs of our customers, such as working capital, plant expansion, acquisitions and recapitalizations. These loans include revolving lines of credit and term loans and, depending on the nature and quality of the collateral, may be referred to as asset-based loans or cash flow loans. The middle market lending business provides financing to customers in a wide range of industries (including Commercial & Industrial, Communications, Media & Entertainment, Healthcare, and Energy). Revenue is generated primarily from interest earned on loans, supplemented by fees collected for services provided.

Corporate Finance – Financial Data and Metrics (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Earnings Summary			
Interest income	$ 525.1	$ 623.6	$ 923.7
Interest expense	(244.6)	(564.6)	(706.1)
Provision for credit losses	(19.0)	(7.3)	(173.3)
Rental income on operating leases	18.0	8.9	18.0
Other income	147.8	387.9	546.5
Depreciation on operating lease equipment	(10.3)	(4.3)	(7.8)
Operating expenses	(233.2)	(244.0)	(232.7)
Income before provision for income taxes	$ 183.8	$ 200.2	$ 368.3
Pre-tax income – excluding debt redemption charges and accelerated OID on debt extinguishment related to the GSI facility[(1)]	$ 192.6	$ 422.4	$ 411.6
Select Average Balances			
Average finance receivables (AFR)	$9,038.6	$7,510.3	$7,225.9
Average earning assets (AEA)	9,317.8	7,617.2	7,538.7
Statistical Data			
Net finance margin (interest and rental income, net of interest and depreciation expense as a % of AEA)	3.09%	0.83%	3.02%
Funded new business volume	$4,633.3	$4,377.0	$2,702.6

[(1)] *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

Pre-tax earnings included accelerated debt FSA accretion and OID accretion of $9 million in 2013, compared to $222 million in 2012 and $43 million in 2011, which reduced profitability. Excluding accelerated debt FSA accretion and OID accretion, pre-tax income was down from 2012 and 2011 as higher assets and lower funding costs were offset by significantly lower other income and lower FSA net accretion. The lower provision for credit losses in 2013 and 2012 reflect credit metrics that were at cyclical lows.

Asset growth was driven by continued annual increases in new business volumes. New business volume grew 6% from 2012, which was significantly higher than 2011. Newer initiatives such as commercial real estate lending and equipment financing continued to contribute to growth. CIT Bank originated the vast majority of the U.S. funded volume in each of the periods presented. At December 31, 2013, approximately 80% of this segment's financing and leasing assets were in the Bank. We also look for opportunities to supplement volume with portfolio purchases. In early 2013 we purchased approximately $720 million of corporate loans.

The market remains competitive in our middle market lending business. During 2013, pricing seemed to have stabilized in the core middle market lending business, but at relatively lower yields then 2012. In addition, competitive pressures have shifted transactions more to higher leverage than lower pricing. During 2012, new business yields were relatively stable within product types, whereas in 2011, new business yields were up modestly on average.

Highlights included:

- Net finance revenue ("NFR") was $288 million for 2013, up from 2012 and 2011. Because of the significant impact accelerated debt repayments had on prior periods, a more meaningful measure is to exclude the accelerated accretion.
- Excluding accelerated debt FSA and OID accretion, NFR was $297 million, up modestly from $286 million in 2012 and $271 million in 2011. NFR benefited from increasing assets and lower funding costs in 2013 and 2012, partially offset by a declining impact of FSA net accretion and lower yields in certain loan products. The accelerated debt FSA and OID accretion caused NFM in 2012 to be significantly below 2013. FSA and OID accretion had minimal net impact to NFR in 2013 in comparison to prior years. Net FSA accretion, excluding the accelerated FSA and OID accretion, increased NFR by $17 million in 2013, $93 million in 2012 and $148 million in 2011.
- Other income was down from the prior years reflecting the following:
  - Lower gains on asset sales (including receivables, equipment and investments), which totaled $35 million, down from $217 million in 2012 and $278 million in 2011. Contributing to the decline was a lower amount of assets sold, $354 million of equipment and receivable sales in 2013, down from $717 million in 2012 and $913 million in 2011.
  - Higher fee revenue of $62 million in 2013, reflected improvement in capital market transactions, up from $47 million in 2012 and $53 million in 2011. Fee revenue includes servicing fees related to the small business lending portfolio and capital markets fees. Fee revenue generated for servicing the small business lending portfolio, which totaled $11 million in 2013, will no longer be earned upon the sale of that portfolio in 2014.

  - Lower recoveries of loans charged off pre-emergence and loans charged off prior to transfer to assets held for sale, which totaled $13 million in 2013, down from $34 million in 2012 and $86 million in 2011. As we move further away from our emergence date, both recoveries and FSA counterparty receivable accretion are expected to continue to decline, but future recoveries could be elevated if specific workouts occur.
  - Lower FSA-related counterparty receivable accretion, which totaled $7 million, down from $74 million in 2012 and $85 million in 2011. The remaining balance is not significant at December 31, 2013.
  - The current year also includes gains on workout related claims of $19 million.
- Credit trends remained stable in 2013. Non-accrual loans declined to $127 million (1.34% of finance receivables), from $212 million (2.59%) at December 31, 2012 and $498 million (7.26%) at December 31, 2011. Net charge-offs were $27 million (0.30% of average finance receivables) in 2013, down from $32 million (0.43%) and down significantly from $206 million (2.85%) in 2011. The current year included $28 million of charge-offs related to the transfer of loans to assets held for sale.
- Financing and leasing assets totaled $10.0 billion, up from $8.3 billion at December 31, 2012 and $7.1 billion at December 31, 2011, driven primarily by new business volume, and to a lesser extent, the remaining balance from the approximately $720 million corporate loan portfolio purchase early in 2013. Cash flow loans approximated 44% of the portfolio, while asset secured loans approximated 51%, and the remaining portfolio consisted primarily of SBA loans. In October 2013, we entered into a definitive agreement to sell our small business lending portfolio, which represented the majority of the assets held for sale at December 31, 2013. The sale is expected to be completed in 2014, subject to approval by the Small Business Administration.

Transportation Finance

Transportation Finance is among the leading providers of large ticket equipment leases and other secured financing in the aerospace and rail sectors. The principal asset within the Transportation Finance portfolio is leased equipment, whereby we invest in equipment (primarily commercial aircraft and railcars) and lease it to commercial end-users, primarily operating leases. Transportation Finance clients primarily consist of global commercial airlines, and North American major railroads and material transport companies (including mining and agricultural firms). This business also provides secured lending and other financing products to companies in the transportation and defense industries, offers financing and leasing programs for corporate and private owners of business jet aircraft, and provides secured lending in the maritime sector. Revenue is generated from rents collected on leased assets, and to a lesser extent from interest on loans, fees, and gains from assets sold.

Transportation Finance – Financial Data and Metrics (dollars in millions)

	Years Ended December 31, 2013	2012	2011
Earnings Summary			
Interest income	$ 145.9	$ 135.2	$ 155.9
Interest expense	(510.4)	(1,233.5)	(885.2)
Provision for credit losses	1.0	(18.0)	(12.8)
Rental income on operating leases	1,546.9	1,536.6	1,375.6
Other income	77.0	56.3	99.1
Depreciation on operating lease equipment	(459.4)	(419.7)	(382.2)
Operating expenses	(200.6)	(179.6)	(160.2)
Income (loss) before (provision) benefit for income taxes	$ 600.4	$ (122.7)	$ 190.2
Pre-tax income – excluding debt redemption charges and accelerated OID on debt extinguishment related to the GSI facility[(1)]	$ 614.9	$ 517.5	$ 269.1
Select Average Balances			
Average finance receivables (AFR)	$ 1,977.5	$ 1,706.4	$ 1,378.3
Average operating leases (AOL)	12,187.9	11,843.5	10,850.2
Average earning assets (AEA)	14,324.7	13,760.7	12,341.0
Statistical Data			
Net finance margin (interest and rental income, net of interest and depreciation expense as a % of AEA)	5.05%	0.14%	2.14%
Operating lease margin as a % of AOL	8.92%	9.43%	9.16%
Funded new business volume	$ 2,937.5	$ 2,216.3	$ 2,523.6

(1) *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

Pre-tax earnings were impacted by accelerated debt FSA and OID accretion, which resulted from debt prepayment activities, of $15 million in 2013, $640 million in 2012 and $79 million in 2011. Excluding accelerated debt FSA and OID accretion, pre-tax income increased from 2012 and 2011. Results continued to reflect high utilization rates of our aircraft and railcars, increased asset levels and lower funding costs with rail lease renewals generally re-pricing higher and commercial air renewal rates re-pricing down on average.

We grew financing and leasing assets during 2013, further expanding our aircraft and railcar fleets, building our business air, transportation lending and maritime finance portfolios. We also continued to proactively manage our equipment fleets in 2013, selling over $800 million of equipment and ordering 23 additional aircraft and approximately 4,800 railcars.Assets in the Bank grew to $3.0 billion, including over $1.1 billion of railcars. As discussed in *Note 28 — Subsequent Events,* on January 31, 2014, CIT acquired Paris-based Nacco SAS ("Nacco"), an independent full service railcar lessor in Europe. Leasing assets acquired totaled approximately $650 million, including more than 9,500 railcars.

Highlights included:

- Net finance revenue ("NFR") was $723 million, up from 2012 and 2011. Because of the significant impact accelerated debt repayments had on prior periods, a more meaningful measure is to exclude the accelerated accretion. Excluding accelerated debt FSA and OID accretion, NFR was $738 million, up from $658 million in 2012 and $344 million in 2011. The increases from 2012 and 2011 largely reflect lower funding costs and higher assets. Net FSA accretion, excluding the accelerated debt FSA and OID accretion, increased NFR by $191 million in 2013, $128 million in 2012 and $79 million in 2011. Remaining net FSA accretion benefits, which will decline over time, are primarily recorded in depreciation expense.
- Net operating lease revenue (rental income on operating leases less depreciation on operating lease equipment), which is a component of NFR, was down modestly from 2012. The decline reflected pressure on renewal rents on certain aircraft, and higher depreciation, reflecting adjustments to residual balances and higher assets. These offset improvements in rail portfolio lease rates, the net benefit from higher asset balances and continued strong utilization. The decline in operating lease margin reflected these trends, whereby the growth in assets was offset by pressures on certain lease renewal rents. We expect to re-lease approximately 50 commercial aircraft in 2014, a level that is significantly higher than in recent years and will likely put pressure on the finance margin in 2014 if lease rates for certain aircraft remain at current levels. We expect lease expirations for rail equipment in 2014 will represent slightly over 20% of the rail portfolio, a level that is lower than recent experience.
- Financing and leasing assets grew to $15.1 billion from $14.2 billion in 2012 and $13.3 billion in 2011, with new business volume partially offset by equipment sales, depreciation and other activity.
- New business volume for 2013 included the delivery of 24 aircraft and approximately 5,400 railcars and funding of approximately $1.1 billion of new loans. All of the 2013 loan volume, and the vast majority of the rail operating lease volume, was originated by the Bank. New business volume for 2012 reflected the addition of 21 operating lease aircraft and approximately 7,000 railcars, and also included over $600 million of finance receivables. 2011 new business volume included 20 aircraft purchased from our order book and over 2,800 railcars.
- At December 31, 2013, we had 147 aircraft on order from manufacturers (down from 161 at December 31, 2012), with deliveries scheduled through 2020. All of the 20 scheduled aircraft deliveries for 2014 have lease commitments. We had future purchase commitments for approximately 7,500 railcars, with scheduled deliveries through 2015. All of the approximately 4,600 scheduled railcar deliveries for 2014 have lease commitments. See *Note 19 — Commitments*.
- Equipment utilization remained strong throughout 2013 and ended the year with over 99% of commercial air and 98% of rail equipment on lease or under a commitment. Rail utilization rates were up from 2012 and 2011, while air utilization remained consistently strong over the 3-year period.
- Other income primarily reflected the following:
  - Gains on asset sales totaled $78 million on $907 million of equipment and receivable sales, compared to $66 million of gains on $732 million of asset sales in 2012 and $81 million of gains on $511 million of asset sales in 2011.
  - Impairment on operating lease equipment held for sale totaled $19 million in 2013 and $34 million in 2012, mostly related to commercial aircraft and $24 million in 2011, primarily related to idle center-beam railcars that were scrapped.
  - FSA accretion on counterparty receivable totaled $1 million, $15 million and $17 million for the years ended December 31, 2013, 2012 and 2011, respectively. The remaining balance is not significant at December 31, 2013.
  - Other income for 2013 included $13 million related to a work-out related claim. 2011 included $14 million related to an aircraft insurance claim and $11 million related to a change in the aircraft order book and corresponding acceleration of FSA.
- Operating expenses were up about 12% in both 2013 and 2012, primarily reflecting investments in new initiatives and growth in existing businesses.
- Non-accrual loans were $14 million (0.66% of finance receivables) at December 31, 2013, down from $40 million (2.18%) at December 31, 2012 and $45 million (3.03%) at December 31, 2011. Net charge-offs were $3 million (0.13% of average finance receivables) in 2013, down from $12 million (0.69%) and $7 million (0.47%) in 2012 and 2011, respectively. The provision for credit losses reflected the improved credit quality in 2013, and increased during 2012 reflecting higher loan volumes and the establishment of specific reserves.

Trade Finance

Trade Finance provides factoring, receivable management products, and secured financing to businesses (our clients, generally manufacturers or importers of goods) that operate in several industries, including apparel, textile, furniture, home furnishings and consumer electronics. Factoring entails the factor's assumption of credit risk with respect to trade accounts receivable arising from the sale of goods by our clients to their customers (generally retailers), which have been factored (i.e. sold or assigned to the factor). Although primarily U.S.-based, Trade Finance also conducts business with clients and their customers internationally. Revenue is principally generated from commissions earned on factoring and related activities, interest on loans, and other fees for services rendered.

Trade Finance – Financial Data and Metrics (dollars in millions)

	Years Ended December 31, 2013	2012	2011
Earnings Summary			
Interest income	$ 54.9	$ 57.6	$ 73.3
Interest expense	(26.2)	(80.0)	(90.9)
Provision for credit losses	4.4	0.9	(11.2)
Other income, commissions	122.3	126.5	132.5
Other income, excluding commissions	15.9	17.5	23.6
Operating expenses	(115.7)	(118.4)	(110.4)
Income before provision for income taxes	$ 55.6	$ 4.1	$ 16.9
Pre-tax income – excluding debt redemption charges[(1)]	$ 56.7	$ 50.5	$ 25.1
Select Average Balances			
Average finance receivables (AFR)	$ 2,358.2	$ 2,356.6	$ 2,486.5
Average earning assets (AEA)[(2)]	1,003.7	1,087.9	1,383.9
Statistical Data			
Net finance margin (interest income net of interest expense as a % of AEA)	2.86%	(2.06)%	(1.27)%
Factoring volume	$25,712.2	$25,123.9	$25,943.9

(1) *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

(2) *AEA is lower than AFR as it is reduced by the average credit balances for factoring clients.*

Pre-tax income was impacted by accelerated debt FSA accretion of $1 million in 2013, compared to $46 million in 2012 and $8 million in 2011, as debt prepayment activities lessened. Excluding accelerated FSA interest expense, pre-tax earnings were up in 2013 reflecting improved funding costs and net recoveries in the provision for credit losses.

Highlights included:

- Net finance revenue ("NFR") was $29 million, up from 2012 and 2011. Net finance revenue excluding accelerated debt FSA accretion was $30 million in 2013, improved from $24 million in 2012 and $(9) million in 2011. The improvements from the prior years reflected lower funding costs, and compared to 2011, lower non-accrual loans.
- Factoring commissions have trended lower reflecting the underlying portfolio product mix, which also offset the modest increase in factoring volume in 2013 compared to 2012.
- Other income included $1 million, $5 million and $9 million of recoveries on accounts charged off pre-emergence for the years ended December 31, 2013, 2012 and 2011, respectively.
- Non-accrual loans remained low throughout 2013 and ended at $4 million (0.19% of finance receivables) at December 31, 2013, down from $6 million (0.26%) at December 31, 2012 and $75 million (3.10%) at December 31, 2011, primarily due to accounts returning to accrual status and reductions in exposures. There were net recoveries in 2013 of $3 million, compared to net charge-offs of $1 million in 2012 and $10 million in 2011. The provision for credit losses improved during 2013 and 2012 due to decreased client charge-offs.
- Finance receivables were $2.3 billion, essentially unchanged from both December 31, 2012 and 2011. Off-balance sheet exposures, resulting from clients with deferred purchase factoring agreements, were $1.8 billion at December 31, 2013 and $1.8 billion at December 31, 2012 and 2011.

Vendor Finance

Vendor Finance develops financing solutions for small businesses and middle market companies for the procurement of equipment and value-added services. We create tailored equipment financing and leasing programs for manufacturers, distributors and product resellers across industries, such as information technology, telecom and office equipment, which are designed to help them increase sales. Through these programs, we provide equipment financing and value-added services, from invoicing to asset disposition, to meet their customers' needs. Vendor Finance earns revenues from interest on loans, rents on leases, and fees and other revenue from leasing activities.

Vendor Finance – Financial Data and Metrics (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Earnings Summary			
Interest income	$ 509.0	$ 553.5	$ 788.4
Interest expense	(219.4)	(473.6)	(505.1)
Provision for credit losses	(51.3)	(26.5)	(69.3)
Rental income on operating leases	205.4	239.1	273.9
Other income	11.3	27.6	154.8
Depreciation on operating lease equipment	(103.8)	(109.2)	(185.1)
Operating expenses	(327.9)	(318.8)	(312.8)
Income (loss) before (provision) benefit for income taxes	$ 23.3	$ (107.9)	$ 144.8
Pre-tax income – excluding debt redemption charges[(1)]	$ 27.3	$ 90.3	$ 180.8
Select Average Balances			
Average finance receivables (AFR)	$4,869.0	$4,540.3	$4,492.0
Average operating leases (AOL)	214.5	208.8	325.8
Average earning assets (AEA)	5,471.6	5,136.0	5,391.8
Statistical Data			
Net finance margin (interest and rental income, net of interest and depreciation expense as a % of AEA)	7.15%	4.08%	6.90%
Funded new business volume	$2,965.1	$3,006.9	$2,577.5

(1) *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

Pre-tax earnings in 2013 were reduced by accelerated debt FSA interest expense accretion of $4 million, compared to $198 million in 2012 and $36 million in 2011. Excluding accelerated debt FSA, pre-tax earnings, which were impacted in 2013 by our continued international platform rationalization efforts, were down from the prior years as lower revenue, higher credit costs, less net FSA accretion and low other income offset lower funding costs.

Financing and leasing assets totaled $5.3 billion at December 31, 2013, a slight decrease from the prior year but up 6% from December 31, 2011. The current year decline reflected decisions made to rationalize some of our international platforms, which includes portfolios in Europe, Latin America and Asia. During 2013, we completed the sale of the Dell Europe portfolio, approximately $470 million of financing and leasing assets, as well as certain other foreign portfolios. We had $438 million of AHFS at December 31, 2013, up slightly from a year ago. The sales of these assets will reduce financing and leasing assets and net finance revenue, as well as result in lower operating expenses.

In 2013, we continued to make progress on funding initiatives. We renewed a committed multi-year $1 billion U.S. Vendor Finance conduit facility in the Bank and we renewed and upsized a committed multi-year U.K. conduit facility to GBP 125 million, both at more attractive terms. We entered into a $750 million equipment lease securitization in the Bank that had a weighted average coupon of 1.02% that is secured by a pool of U.S. Vendor Finance equipment receivables. We also closed a CAD 250 million committed multi-year conduit facility that allows the Canadian Vendor Finance business to fund both existing assets and new originations at attractive terms and increased the commitment amount on our China facility.

Highlights included:

- Net finance revenue ("NFR") was $391 million, $210 million and $372 million for 2013, 2012 and 2011, respectively. Because of the significant impact accelerated debt repayments had on prior periods, a more meaningful measure is to exclude the accelerated accretion. Excluding accelerated debt FSA accretion, NFR was $395 million, down from $408 million in both 2012 and in 2011. NFR reflected reduced funding costs offset by lower interest and renewal income, as the portfolios that are being sold or are maturing have higher yields than the new business volume additions. NFR reflected a declining impact of FSA net accretion. Net FSA accretion, excluding the accelerated FSA accretion, increased NFR by $17 million in 2013, $35 million in 2012 and $93 million in 2011.
- Net operating lease revenue was $102 million, down from $130 million in 2012 and up from $89 million in 2011. Depreciation was lower because of operating lease equipment classified as held for sale on which depreciation is suspended. The amount suspended totaled $62 million in 2013, compared to $80 million for 2012 and $63 million for 2011. These amounts are essentially offset by an impairment charge in other income.
- Other income declined from the prior years, reflecting:
  - Gains totaled $73 million on $812 million of receivable and equipment sales in 2013, which included approximately $470 million of assets related to the Dell Europe portfolio sale. Gains totaled $37 million on $292 million of equipment and receivable sales in 2012 and $126 million on $853 million of equipment and receivable sales in 2011. 2013 included a $50 million gain on the sale of the Dell Europe portfolio to Dell, whereas 2012 included a gain of $14 million related to

the sale of our Dell Europe operating platform. In 2011, we sold approximately $125 million of underperforming finance receivables in Europe and sold Dell Financial Services Canada Ltd. ("DFS Canada") to Dell, which included financing and leasing assets of approximately $360 million.

- Impairment on assets held for sale during 2013 totaled $102 million, compared to approximately $80 million in 2012 and $61 million in 2011. Most of the impairments related to charges on operating leases recorded in held for sale ($62 million in 2013, $80 million in 2012 and $61 million in 2011), which had a nearly offsetting benefit in net finance revenue related to suspended depreciation. The decline related to operating lease equipment is due to the sale of Dell Europe assets during the year, while 2012 had a full year of activity. The remaining 2013 impairment related mostly to the international platform rationalization. See *"Non-interest Income"* and *"Expenses"* for discussions on impairment charges and suspended depreciation on operating lease equipment held for sale.
- The remaining balance includes fee income, recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale and other revenues.

- Operating expenses were elevated in 2013, as we made progress rationalizing our subscale international platforms and concluded our review of the Vendor Europe business. In total we plan to exit over 20 countries across Europe, Latin America and Asia. As a result of these decisions, we have sold various portfolios and moved other portfolios of financing and leasing assets to assets held for sale. While these initiatives are expected to result in cost savings, in the near term, expenses will remain elevated while we take the actions necessary to complete the platform rationalization.
- Portfolio credit metrics deteriorated as non-accrual loans and net charge-offs were up from 2012 and 2011. Non-accrual loans were $96 million (2.02% of finance receivables), up from $72 million (1.49%) at December 31, 2012 and $83 million (1.87%) at December 31, 2011. Net charge-offs were $54 million (1.12% of average finance receivables) in 2013, and included $11 million related to the transfer of loans to assets held for sale. Net charge-offs were $29 million (0.63%) in 2012 and $39 million (0.87%) in 2011. Delinquency (30 days or more) were $249 million, up 53%, or $86 million, compared to December 31, 2012. The 30–59 day category increased $53 million, primarily reflecting certain non-credit (administrative) delinquencies. Increases in the 60–89 and 90+ categories were primarily in the International businesses.

Consumer

Consumer consists of our liquidating government-guaranteed student loans.

Consumer – Financial Data and Metrics (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Earnings Summary			
Interest income	$ 130.7	$ 179.6	$ 266.5
Interest expense	(77.2)	(231.7)	(290.6)
Provision for credit losses	–	(0.7)	(3.1)
Other income	0.9	40.3	2.0
Operating expenses	(23.4)	(39.5)	(65.4)
Income (loss) before (provision) benefit for income taxes	$ 31.0	$ (52.0)	$ (90.6)
Pre-tax income – excluding debt redemption charges and accelerated OID on debt extinguishment related to the GSI facility[(1)]	$ 32.0	$ 58.3	$ 2.7
Select Average Balances			
Average finance receivables (AFR)	$3,531.4	$4,194.3	$7,331.4
Average earning assets (AEA)	3,531.8	4,920.2	7,716.2
Statistical Data			
Net finance margin (interest income net of interest expense as a % of AEA)	1.51%	(1.06)%	(0.31)%

[(1)] *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

The portfolio of student loans continued to decline during 2013, principally through repayments. During the 2013 fourth quarter, management determined that it no longer had the intent to hold these assets until maturity and transferred the portfolio to AHFS. When the portfolio was transferred, the remaining FSA discount associated with the loan receivable balance ($184 million) became a component of the $3.4 billion carrying amount, thus there will be no further FSA accretion to interest income. The loans collateralized $3.3 billion of secured debt at December 31, 2013, which is net of $231 million FSA adjustment. The FSA adjustment on this secured debt will continue to accrete to interest expense until the debt is extinguished. The transfer of the loans receivable to AHFS did not result in any impairment. Based on market conditions subsequent to year-end, we currently believe that we will realize a net gain on the sale of the student loans. The net gain to be recognized on the sale of the student loans will consist primarily of (1) the gain on the sale of the loans (which are carried net of a discount of $184 million) and any proceeds received for the sale of the servicing of those loans and (2) the expense to be recognized based on the acceleration of the debt FSA ($231 million) upon the extinguishment of the related debt.

While being minimally affected in 2013, pre-tax income was impacted by accelerated debt FSA and OID accretion of $110 million in 2012, as a result of debt prepayment activities, and $93 million in 2011. Excluding accelerated debt FSA, pre-tax income was down from 2012, reflecting lower other income, partially offset by a decline in operating expenses.

Highlights included:

- Net finance revenue ("NFR") was $54 million for 2013, up from 2012 and 2011. Excluding accelerated debt FSA and OID accretion, net finance revenue was down from $58 million in 2012 and $70 million in 2011, reflecting portfolio run-off.
- Other income was not significant in 2013. Other income for 2012 was driven by net gains of $31 million on loan sales and $7 million of FSA accretion on a counterparty receivable. 2011 included $15 million of gains on loan sales, $8 million of FSA accretion on a counterparty receivable and impairment on assets held for sale of $24 million.
- Operating expenses decreased, primarily reflecting a decrease in AEA.

Corporate and Other

Certain activities are not attributed to operating segments and are included in Corporate and Other. Some of the more significant items include loss on debt extinguishments, the Tyco tax agreement settlement charge, costs associated with excess cash liquidity (Interest Expense), mark-to-market adjustments on non-qualifying derivatives (Other Income) and restructuring charges for severance and facilities exit activities (Operating Expenses).

Corporate and Other – Financial Data (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Earnings Summary			
Interest income	$ 17.2	$ 19.6	$ 20.9
Interest expense	(60.2)	(314.0)	(316.5)
Other income	6.9	(3.0)	(5.7)
Operating expenses	(83.9)	(17.9)	(15.1)
Loss on debt extinguishments	–	(61.2)	(134.8)
Loss before provision for income taxes	$(120.0)	$(376.5)	$(451.2)
Pre-tax income – excluding debt redemption charges[(1)]	$(118.9)	$(134.3)	$(182.7)

[(1)] *Non-GAAP measurement, see table at the beginning of this section for a reconciliation of non-GAAP to GAAP financial information.*

- Interest income consists of interest and dividend income primarily from deposits held at other depository institutions and U.S. Treasury and Government Agency securities.
- Interest expense in 2013 reflected accelerated FSA debt accretion of $1 million, while 2012 and 2011 included $181 million and $134 million, respectively, of combined accelerated FSA accretion and prepayment penalties.
- Other income primarily reflects gains and (losses) on derivatives and foreign currency exchange.
- Operating expenses reflects salary and general and administrative expenses in excess of amounts allocated to the business segments and litigation-related costs, including $50 million in 2013 related to the Tyco tax agreement settlement, as discussed in *Operating Expenses*. Operating expenses also included $37 million, $23 million and $13 million related to provision for severance and facilities exiting activities during 2013, 2012 and 2011, respectively.
- The loss on debt extinguishments resulted primarily from repayments of Series C Notes in 2012 while the 2011 loss primarily resulted from the repayment of the first lien term loan.

FINANCING AND LEASING ASSETS

The following table presents our financing and leasing assets by segment.

Financing and Leasing Asset Composition (dollars in millions)

	December 31, 2013	December 31, 2012	December 31, 2011	$ Change 2013 vs 2012	$ Change 2012 vs 2011
Corporate Finance					
Loans	$9,465.9	$8,175.9	$6,865.4	$1,290.0	$1,310.5
Operating lease equipment, net	79.1	23.9	35.0	55.2	(11.1)
Assets held for sale	413.7	56.8	214.0	356.9	(157.2)
Financing and leasing assets	9,958.7	8,256.6	7,114.4	1,702.1	1,142.2
Transportation Finance					
Loans	2,181.3	1,853.2	1,487.0	328.1	366.2
Operating lease equipment, net	12,771.8	12,173.6	11,754.2	598.2	419.4
Assets held for sale	152.0	173.6	84.0	(21.6)	89.6
Financing and leasing assets	15,105.1	14,200.4	13,325.2	904.7	875.2
Trade Finance					
Loans – factoring receivables	2,262.4	2,305.3	2,431.4	(42.9)	(126.1)
Vendor Finance					
Loans	4,719.6	4,818.7	4,442.0	(99.1)	376.7
Operating lease equipment, net	184.5	214.2	217.2	(29.7)	(3.0)
Assets held for sale	437.7	414.5	371.6	23.2	42.9
Financing and leasing assets	5,341.8	5,447.4	5,030.8	(105.6)	416.6
Total commercial financing and leasing assets	32,668.0	30,209.7	27,901.8	2,458.3	2,307.9
Consumer					
Loans – student lending	–	3,694.5	4,680.1	(3,694.5)	(985.6)
Assets held for sale	3,374.5	1.5	1,662.7	3,373.0	(1,661.2)
Financing and leasing assets	3,374.5	3,696.0	6,342.8	(321.5)	(2,646.8)
Total financing and leasing assets	$36,042.5	$33,905.7	$34,244.6	$2,136.8	$(338.9)

Commercial financing and leasing assets increased in 2013, reflecting strong new business volumes, partially offset by portfolio collections and prepayments, and asset sales. Supplementing new business volume, growth included portfolio purchases in Corporate Finance and Vendor Finance. Operating lease equipment increased, primarily reflecting scheduled equipment deliveries in Transportation Finance.

Assets held for sale totaled $4.4 billion at December 31, 2013, which included a nearly $3.4 billion portfolio of student loans. The remaining amounts included assets associated with our sub-scale and international platform rationalization efforts, primarily portfolios in Europe and South America. Corporate Finance was primarily comprised of the small business lending portfolio, and Transportation Finance included mostly aerospace equipment.

The sale of the small business lending portfolio is expected to be completed in 2014, subject to approval by the Small Business Administration.

Commercial financing and leasing assets increased in 2012, reversing a trend of declining asset levels, reflecting strong new business volumes, while the consumer portfolio of student loans continued to run-off, primarily through sales. Operating lease equipment increased, but at a slower rate than 2011. Assets held for sale totaled $0.6 billion at December 31, 2012, the majority of which included Dell Europe assets in Vendor Finance and aerospace assets in Transportation Finance.

Financing and leasing asset trends are discussed in the respective segment descriptions in "*Results by Business Segment*".

The following table reflects the contractual maturities of our finance receivables:

Contractual Maturities of Finance Receivables at December 31, 2013 (dollars in millions)

	U.S. Commercial	Foreign	Total
Fixed-rate			
1 year or less	$ 3,170.0	$ 954.7	$ 4,124.7
Year 2	959.8	585.4	1,545.2
Year 3	665.1	379.7	1,044.8
Year 4	414.1	196.7	610.8
Year 5	234.9	96.1	331.0
2-5 years	2,273.9	1,257.9	3,531.8
After 5 years	260.0	110.2	370.2
Total fixed-rate	5,703.9	2,322.8	8,026.7
Adjustable-rate			
1 year or less	758.8	167.3	926.1
Year 2	745.1	160.7	905.8
Year 3	1,718.7	167.0	1,885.7
Year 4	1,733.9	221.8	1,955.7
Year 5	2,176.4	315.5	2,491.9
2-5 years	6,374.1	865.0	7,239.1
After 5 years	2,170.7	315.1	2,485.8
Total adjustable-rate	9,303.6	1,347.4	10,651.0
Total	$15,007.5	$3,670.2	$18,677.7

The following table presents the changes to our financing and leasing assets:

Financing and Leasing Assets Rollforward (dollars in millions)

	Corporate Finance	Transportation Finance	Trade Finance	Vendor Finance	Commercial Segments	Consumer	Total
Balance at December 31, 2010	$ 8,366.6	$ 12,027.5	$ 2,387.4	$ 5,925.4	$ 28,706.9	$ 8,322.6	$ 37,029.5
New business volume	2,702.6	2,523.6	–	2,577.5	7,803.7	–	7,803.7
Loan and portfolio sales	(705.5)	(40.4)	–	(415.9)	(1,161.8)	(1,299.6)	(2,461.4)
Equipment sales	(207.8)	(470.6)	–	(437.0)	(1,115.4)	–	(1,115.4)
Depreciation	(7.8)	(382.2)	–	(185.1)	(575.1)	–	(575.1)
Gross charge-offs	(239.6)	(6.6)	(21.1)	(97.2)	(364.5)	(4.3)	(368.8)
Collections and other	(2,794.1)	(326.1)	65.1	(2,336.9)	(5,392.0)	(675.9)	(6,067.9)
Balance at December 31, 2011	**7,114.4**	**13,325.2**	**2,431.4**	**5,030.8**	**27,901.8**	**6,342.8**	**34,244.6**
New business volume	4,377.0	2,216.3	–	3,006.9	9,600.2	–	9,600.2
Portfolio purchases	–	198.0	–	–	198.0	–	198.0
Loan and portfolio sales	(442.0)	(16.7)	–	–	(458.7)	(2,071.0)	(2,529.7)
Equipment sales	(275.3)	(715.2)	–	(291.6)	(1,282.1)	–	(1,282.1)
Depreciation	(4.3)	(419.7)	–	(109.2)	(533.2)	–	(533.2)
Gross charge-offs	(52.7)	(11.7)	(8.6)	(67.8)	(140.8)	(1.0)	(141.8)
Collections and other	(2,460.5)	(375.8)	(117.5)	(2,121.7)	(5,075.5)	(574.8)	(5,650.3)
Balance at December 31, 2012	**8,256.6**	**14,200.4**	**2,305.3**	**5,447.4**	**30,209.7**	**3,696.0**	**33,905.7**
New business volume	4,633.3	2,937.5	–	2,965.1	10,535.9	–	10,535.9
Portfolio purchases	720.4	–	–	154.3	874.7	–	874.7
Loan and portfolio sales	(224.7)	(69.3)	–	(559.6)	(853.6)	(12.0)	(865.6)
Equipment sales	(128.9)	(837.6)	–	(252.6)	(1,219.1)	–	(1,219.1)
Depreciation	(10.3)	(459.4)	–	(103.8)	(573.5)	–	(573.5)
Gross charge-offs	(44.8)	(4.5)	(4.4)	(84.9)	(138.6)	–	(138.6)
Collections and other	(3,242.9)	(662.0)	(38.5)	(2,224.1)	(6,167.5)	(309.5)	(6,477.0)
Balance at December 31, 2013	**$9,958.7**	**$15,105.1**	**$2,262.4**	**$5,341.8**	**$32,668.0**	**$3,374.5**	**$36,042.5**

New business volume in 2013 increased 10% from 2012 and 35% from 2011, reflecting solid demand across the commercial segments. Corporate Finance maintained its strong performance from 2012 and continued to expand in newer initiatives such as real estate lending. Transportation Finance new business volume primarily reflects scheduled aircraft and railcar deliveries, and 2013 also reflects maritime finance lending. Vendor Finance was essentially flat with 2012, reflecting lower new business volume due to the sale of the Dell portfolio and international platform rationalization.

Portfolio purchases mainly consisted of a commercial loan portfolio purchased by the Bank and reflected in Corporate Finance and a portfolio in Vendor Finance.

Loan and portfolio sales had been trending down in 2012 and 2011 in the commercial segments, as we had been very active optimizing the balance sheet and selling non-strategic assets. The increase in 2013 reflected sales of sub-scale platforms associated with our international platform rationalization efforts and approximately $470 million of Dell Europe receivables in Vendor Finance. During 2011 and 2012, we sold student loans, which are in Consumer.

Equipment sales in Transportation Finance consisted of aerospace and rail assets in conjunction with its portfolio management activities. Vendor Finance sales included Dell Europe assets in 2013 and 2012 and Dell Canada assets in 2011.

Portfolio activities are discussed in the respective segment descriptions in "*Results by Business Segment*".

CONCENTRATIONS

Ten Largest Accounts

Our ten largest financing and leasing asset accounts in the aggregate represented 8.9% of our total financing and leasing assets at December 31, 2013 (the largest account was less than 2.0%). Excluding student loans, the top ten accounts in aggregate represented 9.8% of total owned assets (the largest account totaled 1.9%). The largest accounts represent Transportation Finance (airlines and rail) assets.

The ten largest financing and leasing asset accounts were 8.7% (9.8% excluding student loans) at December 31, 2012 and 8.5% (10.5% excluding student loans) at December 31, 2011.

Geographic Concentrations

The following table represents the financing and leasing assets by obligor geography:

Financing and Leasing Assets by Obligor – Geographic Region (dollars in millions)

	December 31, 2013		December 31, 2012		December 31, 2011	
Northeast	$ 6,741.6	18.7%	$ 5,387.7	15.9%	$ 5,157.7	15.1%
Midwest	4,606.7	12.8%	4,898.3	14.4%	5,421.7	15.8%
West	3,943.5	10.9%	3,862.7	11.4%	4,597.8	13.4%
Southwest	3,920.2	10.9%	3,432.7	10.1%	3,831.1	11.2%
Southeast	3,379.5	9.4%	3,362.2	9.9%	2,837.8	8.3%
Total U.S.	22,591.5	62.7%	20,943.6	61.7%	21,846.1	63.8%
Asia / Pacific	4,019.7	11.1%	3,721.6	11.0%	3,341.2	9.8%
Europe	3,698.8	10.3%	3,372.8	10.0%	2,996.0	8.7%
Canada	2,289.2	6.4%	2,257.6	6.7%	2,599.6	7.6%
Latin America	1,744.5	4.8%	2,035.5	6.0%	1,764.5	5.1%
All other countries	1,698.8	4.7%	1,574.6	4.6%	1,697.2	5.0%
Total	$36,042.5	100.0%	$33,905.7	100.0%	$34,244.6	100.0%

The following table summarizes both state concentrations greater than 5.0% and international country concentrations in excess of 1.0% of our financing and leasing assets:

Financing and Leasing Assets by Obligor – State and Country (dollars in millions)

	December 31, 2013		December 31, 2012		December 31, 2011	
State						
Texas	$ 3,232.0	9.0%	$ 2,694.3	7.9%	$ 2,108.5	6.2%
New York	2,570.5	7.1%	2,111.5	6.2%	1,924.4	5.6%
California	1,949.0	5.4%	1,941.3	5.7%	2,266.0	6.6%
All other states	14,840.0	41.2%	14,196.5	41.9%	15,547.2	45.4%
Total U.S.	$22,591.5	62.7%	$20,943.6	61.7%	$21,846.1	63.8%
Country						
Canada	$ 2,289.2	6.4%	$ 2,257.6	6.7%	$ 2,599.6	7.6%
England	1,171.6	3.2%	946.5	2.8%	757.6	2.2%
Australia	975.2	2.7%	1,042.7	3.1%	1,014.6	3.0%
China	969.1	2.7%	1,112.1	3.3%	959.2	2.8%
Mexico	821.0	2.3%	940.6	2.8%	856.9	2.5%
Brazil	710.2	2.0%	685.6	2.0%	574.6	1.7%
Korea	460.1	1.3%	377.2	1.1%	290.5	0.8%
Spain	451.0	1.2%	459.0	1.3%	446.1	1.3%
Russia	355.9	1.0%	322.9	1.0%	94.9	0.3%
Taiwan	343.4	1.0%	5.2	–	6.2	–
All other countries	4,904.3	13.5%	4,812.7	14.2%	4,798.3	14.0%
Total International	$13,451.0	37.3%	$12,962.1	38.3%	$12,398.5	36.2%

Cross-Border Transactions

Cross-border transactions reflect monetary claims on borrowers domiciled in foreign countries and primarily include cash deposited with foreign banks and receivables from residents of a foreign country, reduced by amounts funded in the same currency and recorded in the same jurisdiction. The following table includes all countries that we have cross-border claims of 0.75% or greater of total consolidated assets at December 31, 2013:

Cross-border Outstandings as of December 31 (dollars in millions)

	2013						2012		2011	
Country	Banks(**)	Government	Other	Net Local Country Claims	Total Exposure	Exposure as a Percentage of Total Assets	Total Exposure	Exposure as a Percentage of Total Assets	Total Exposure	Exposure as a Percentage of Total Assets
Canada	$ 79	$ –	$203	$1,502	$1,784	3.78%	$1,285.0	2.92%	$2,079	4.59%
United Kingdom	410	1	128	778	1,317	2.79%	449.0	1.02%	(*)	–
China	–	–	97	784	881	1.87%	335.0	0.76%	360	0.80%
France	2	2	558	24	586	1.24%	566.0	1.29%	443	0.98%
Germany	134	191	98	19	442	0.94%	(*)	–	570	1.26%
Mexico	–	–	31	375	406	0.86%	(*)	–	(*)	–
Netherlands	–	–	–	–	(*)	–	364.0	0.83%	(*)	–

(*) Cross-border outstandings were less than 0.75% of total consolidated assets

(**) Claims from Bank counterparts include claims outstanding from derivative products.

Industry Concentrations

The following table represents financing and leasing assets by industry of obligor:

Financing and Leasing Assets by Obligor – Industry (dollars in millions)

	December 31, 2013		December 31, 2012		December 31, 2011	
Commercial airlines (including regional airlines)[(1)]	$ 8,972.4	24.9%	$ 9,039.2	26.7%	$ 8,844.7	25.8%
Manufacturing[(2)]	5,542.1	15.4%	5,107.6	15.1%	4,420.7	12.9%
Student lending[(3)]	3,374.5	9.4%	3,697.5	10.9%	6,331.7	18.5%
Service industries	3,144.3	8.7%	3,057.1	9.0%	2,804.9	8.2%
Retail[(4)]	3,063.1	8.5%	3,010.7	8.9%	3,252.7	9.5%
Transportation[(5)]	2,404.2	6.7%	2,277.9	6.7%	2,117.8	6.2%
Healthcare	1,393.1	3.9%	1,466.7	4.3%	1,699.4	5.0%
Real Estate	1,351.4	3.7%	694.5	2.1%	23.0	–
Energy and utilities	1,256.7	3.5%	992.8	2.9%	779.3	2.3%
Oil and gas extraction / services	1,018.7	2.8%	718.7	2.1%	444.4	1.3%
Finance and insurance	760.1	2.1%	697.3	2.1%	728.2	2.1%
Other (no industry greater than 2%)	3,761.9	10.4%	3,145.7	9.2%	2,797.9	8.2%
Total	$36,042.5	100.0%	$33,905.7	100.0%	$34,244.7	100.0%

(1) Includes the Commercial Aerospace Portfolio and additional financing and leasing assets that are not commercial aircraft.

(2) At December 31, 2013, includes petroleum and coal, including refining (2.8%),manufacturers of chemicals, including pharmaceuticals (2.7%), and food (1.8%).

(3) See Student Lending section for further information.

(4) At December 31, 2013, includes retailers of apparel (3.3%) and general merchandise (1.9%).

(5) At December 31, 2013, includes rail (3.7%), trucking and shipping (1.4%) and maritime (1.1%).

Operating Lease Equipment

The following table represents the operating lease equipment by segment:

Operating Lease Equipment by Segment (dollars in millions)

	At December 31,		
	2013	2012	2011
Transportation Finance – Aerospace[(1)]	$ 8,267.9	$ 8,112.9	$ 8,242.8
Transportation Finance – Rail and Other	4,503.9	4,060.7	3,511.4
Vendor Finance	184.5	214.2	217.2
Corporate Finance	79.1	23.9	35.0
Total	$13,035.4	$12,411.7	$12,006.4

[(1)] *Aerospace includes commercial, regional and corporate aircraft and equipment.*

As detailed in the following tables, at December 31, 2013, Transportation Finance had 270 commercial aircraft, and approximately 105,000 railcars and approximately 350 locomotives on operating lease. We also have commitments to purchase aircraft and railcars, as disclosed in *Item 8. Financial Statements and Supplementary Data, Note 19 — Commitments.*

Aircraft Type	Owned Fleet	Order Book
Airbus A319/320/321	134	60
Airbus A330	32	9
Airbus A350	–	15
Boeing 737	73	48
Boeing 757	8	–
Boeing 767	6	–
Boeing 787	–	10
Embraer 175	4	–
Embraer 190/195	11	5
Other	2	–
Total	**270**	**147**

Railcar Type	Owned Fleet	Order Book
Covered Hoppers	42,753	27
Tank Cars	21,513	7,487
Coal	12,507	–
Mill/Coil Gondolas	12,298	–
Boxcars	8,613	–
Flatcars	4,807	–
Locomotives	348	–
Other	2,710	–
Total	**105,549**	**7,514**

On January 31, 2014, CIT acquired Nacco, an independent full service railcar lessor in Europe, including more than 9,500 railcars, consisting of tank cars, flat cars, gondolas and hopper cars.

Commercial Aerospace

The following tables present detail on our commercial and regional aerospace portfolio concentrations, which we call our Commercial Aerospace portfolio. The net investment in regional aerospace financing and leasing assets were $52.1 million, $79.8 million and $85.0 million at December 31, 2013 and 2012 and 2011, respectively; and were substantially comprised of loans and capital leases.

The information presented below by region, manufacturer, and body type, is based on our operating lease aircraft portfolio which comprises 94% of our total commercial aerospace portfolio and substantially all of our owned fleet of leased aircraft at December 31, 2013.

Commercial Aerospace Portfolio (dollars in millions)

	December 31, 2013		December 31, 2012		December 31, 2011	
	Net Investment	Number	Net Investment	Number	Net Investment	Number
By Product:						
Operating lease[1]	$8,379.3	270	$8,238.8	268	$8,243.0	265
Loan[2]	505.3	39	666.7	64	394.3	52
Capital lease	31.7	8	40.4	10	61.8	11
Total	$8,916.3	317	$8,945.9	342	$8,699.1	328

Commercial Aerospace Operating Lease Portfolio (dollars in millions)[1]

	December 31, 2013		December 31, 2012		December 31, 2011	
	Net Investment	Number	Net Investment	Number	Net Investment	Number
By Region:						
Asia / Pacific	$3,065.1	81	$3,071.3	83	$2,986.0	82
Europe	2,408.8	91	2,343.2	86	2,270.6	79
U.S. and Canada	1,276.5	43	1,049.9	38	1,041.9	37
Latin America	940.3	38	1,020.2	42	1,007.1	43
Africa / Middle East	688.6	17	754.2	19	937.4	24
Total	$8,379.3	270	$8,238.8	268	$8,243.0	265
By Manufacturer:						
Airbus	$5,899.1	167	$5,602.6	162	$5,566.4	158
Boeing	2,038.7	87	2,301.0	94	2,515.2	102
Embraer	441.5	16	324.8	12	147.4	5
Other	–	–	10.4	–	14.0	–
Total	$8,379.3	270	$8,238.8	268	$8,243.0	265
By Body Type[3]:						
Narrow body	$6,080.6	230	$5,966.6	227	$5,868.3	225
Intermediate	2,297.3	39	2,222.6	39	2,312.5	39
Wide body	–	–	37.5	1	48.4	1
Regional and other	1.4	1	12.1	1	13.8	–
Total	$8,379.3	270	$8,238.8	268	$8,243.0	265
Number of customers		98		97		97
Weighted average age of fleet (years)		5		5		5

(1) *Includes operating lease equipment held for sale.*

(2) *Plane count excludes aircraft in which our net investment consists of syndicated financings against multiple aircraft. The net investment associated with such financings was $45 million at December 31, 2013, $50.2 million at December 31, 2012, and none at December 31, 2011.*

(3) *Narrow body are single aisle design and consist primarily of Boeing 737 and 757 series, Airbus A320 series, and Embraer E170 and E190 aircraft. Intermediate body are smaller twin aisle design and consist primarily of Boeing 767 series and Airbus A330 series aircraft. Wide body are large twin aisle design, such as Boeing 747 and 777 series aircraft. Regional and Other includes aircraft and related equipment, such as engines.*

Our top five commercial aerospace outstanding exposures totaled $1,891.1 million at December 31, 2013. The largest individual outstanding exposure totaled $632.1 at December 31, 2013. The largest individual outstanding exposure to a U.S. carrier totaled $348.6 million at December 31, 2013. See *Note 19 — Commitments* for additional information regarding commitments to purchase additional aircraft.

Student Lending Receivables

Consumer includes our liquidating student loan portfolio in assets held for sale at December 31, 2013. During 2012 and 2011, we sold $2.1 billion and $1.3 billion, respectively. The remaining decrease reflects collections and FSA accretion. See *Note 8 — Long-Term Borrowings* for description of related financings.

Student Lending Receivables by Product Type (dollars in millions)

	At December 31,		
	2013	2012	2011
Consolidation loans	$3,362.4	$3,676.9	$5,315.7
Other U.S. Government guaranteed loans	12.1	19.1	1,014.2
Private (non-guaranteed) loans and other	–	1.5	1.8
Total	$3,374.5	$3,697.5	$6,331.7
Delinquencies (sixty days or more)	$ 297.8	$ 318.0	$ 513.5
Top state concentrations (%)	34%	34%	36%
Top state concentrations	California, New York, Texas, Pennsylvania, Florida		California, New York, Texas, Ohio, Pennsylvania

RISK MANAGEMENT

CIT is subject to a variety of risks that may arise through the Company's business activities, including the following principal forms of risk:

- Credit risk, which is the risk of loss (including the incurrence of additional expenses) when a borrower does not meet its financial obligations to the Company. Credit risk may arise from lending, leasing, and/or counterparty activities.
- Asset risk, which is the equipment valuation and residual risk of lease equipment owned by the Company that arises from fluctuations in the supply and demand for the underlying leased equipment. The Company is exposed to the risk that, at the end of the lease term, the value of the asset will be lower than expected, resulting in either reduced future lease income over the remaining life of the asset or a lower sale value.
- Market risk, which includes interest rate and foreign currency risk. Interest rate risk refers to the impact that fluctuations in interest rates will have on the Company's net finance revenue and on the market value of the Company's assets, liabilities and derivatives. Foreign exchange risk refers to the economic impact that fluctuations in exchange rates between currencies will have on the Company's non-dollar denominated assets and liabilities.
- Liquidity risk, which is the risk that the Company has an inability to maintain adequate cash resources and funding capacity to meet its obligations, including under liquidity stress scenarios.
- Legal, regulatory and compliance risk, which is the risk that the Company is not in compliance with applicable laws and regulations, which may result in fines, regulatory criticism or business restrictions, or damage to the Company's reputation.
- Operational risk, which is the risk of financial loss, damage to the Company's reputation, or other adverse impacts resulting from inadequate or failed internal processes and systems, people or external events.

In order to effectively manage risk, the Company has established a governance and oversight structure that includes defining the Company's risk appetite, setting limits, underwriting standards and target performance metrics that are aligned with the risk appetite, and establishing credit approval authorities. The Company ensures effective risk governance and oversight through the establishment and enforcement of policies and procedures, risk governance committees, management information systems, models and analytics, staffing and training to ensure appropriate expertise, and the identification, monitoring and reporting of risks so that they are proactively managed.

GOVERNANCE AND SUPERVISION

CIT has established a risk appetite framework to facilitate the identification and management of the Company's various risks. The risk appetite framework begins with a risk appetite statement approved by the Board of Directors (the "Board"). The risk appetite statement qualitatively and quantitatively defines CIT's risk appetite and serves as a basis for more detailed risk tolerance limits established by the Risk Management Committee ("RMC") of the Board and applicable management-level committees.

In addition to the risk appetite statement and risk tolerance limits, a third key component of the CIT risk appetite framework is a governance and oversight structure to effectively monitor, manage and mitigate the risks faced by CIT. The governance and oversight structure includes established approval and reporting lines for the risk appetite statement and risk tolerance limits, as well as various risk management tools (e.g. underwriting standards, credit authorities, key risk indicators, etc.). Various management-level governance committees have been organized to ensure appropriate approval, monitoring and reporting of various risks. These committees derive authority from the Board through the RMC.

The RMC oversees the major risks inherent to CIT's business activities and the control processes with respect to such risks. The Chief Risk Officer ("CRO") supervises CIT's risk management functions through the Risk Management Group ("RMG") and reports regularly to the RMC on the status of CIT's risk management program. Within the RMG, officers with reporting lines to the CRO supervise and manage groups and departments with specific risk management responsibilities.

The Credit Risk Management ("CRM") group manages and approves all credit risk throughout CIT. This group is managed by the Chief Credit Officer ("CCO"), and includes the heads of credit for each business, the head of Problem Loan Management, Credit Control and Credit Administration. The CCO chairs several key governance committees, including the Corporate Credit Committee ("CCC"), Corporate Credit Governance Committee, Credit Policy Committee and Criticized Asset Committee.

The Enterprise Risk Management ("ERM") group is responsible for oversight of asset risk, market risk, liquidity risk and operational risk. ERM works in conjunction with our Treasury Department and Asset Liability Committee ("ALCO") in the management of market and liquidity risks. ERM is also responsible for risk management processes relating to risk model development and monitoring, credit analytics and risk data and reporting. An independent model validation group reports directly to the CRO.

Loan Risk Review ("LRR") is an independent oversight function which is responsible for performing internal credit related asset reviews for the organization as well as the ongoing monitoring, testing, and measurement of credit quality and credit process risk in enterprise-wide lending and leasing activities. LRR reports to the RMC of the Board and administratively into the CRO.

The Compliance function reports to the Audit Committee of the Board and administratively into the CRO. Regulatory Relations reports to Internal Audit Services ("IAS") and the Chief Audit Executive. The Audit Committee and the Regulatory Compliance Committee (formerly the Special Compliance Committee) of the Board oversee financial, legal, compliance, regulatory and audit risk management practices.

CIT's governance framework includes a suite of risk monitoring tools. These tools provide a comprehensive assessment of CIT's risks, enabling Senior Management and the Board to continually evaluate the Company's risk profile and act to mitigate risk when warranted.

CREDIT RISK

Lending Risk

The extension of credit through our lending and leasing activities is the fundamental purpose of our businesses. As such, CIT's credit risk management process is centralized in the RMG, reporting into the CRO through the CCO. This group establishes the Company's underwriting standards, approves all extensions of credit, and is responsible for portfolio management, including credit grading and problem loan management. RMG reviews and monitors credit exposures to identify, as early as possible, customers that are experiencing declining creditworthiness or financial difficulty. The CCO evaluates reserves through our Allowance for Loan and Lease Losses ("ALLL") process for performing loans and non-accrual loans, as well as establishing nonspecific reserves to cover losses inherent in the portfolio. CIT's portfolio is managed by setting limits and target performance metrics, and monitoring risk concentrations by borrower, industry, geography and equipment type. We set or modify Risk Acceptance Criteria (underwriting standards) as conditions warrant, based on borrower risk, collateral, industry risk, portfolio size and concentrations, credit concentrations and risk of substantial credit loss. We evaluate our collateral and test for asset impairment based upon collateral value and projected cash flows and relevant market data with any impairment in value charged to earnings.

Using our underwriting policies, procedures and practices, combined with credit judgment and quantitative tools, we evaluate financing and leasing assets for credit and collateral risk during the credit decisioning process and after the advancement of funds. We set forth our underwriting parameters based on: (1) Target Market Definitions, which delineate risk by market, industry, geography and product, (2) Risk Acceptance Criteria, which detail acceptable structures, credit profiles and risk-adjusted returns, and (3) through our Corporate Credit Policies. We capture and analyze credit risk based on probability of obligor default ("PD") and loss given default ("LGD"). PD is determined by evaluating borrower creditworthiness, including analyzing credit history, financial condition, cash flow adequacy, financial performance and management quality. LGD ratings, which estimate loss if an account goes into default, are predicated on transaction structure, collateral valuation and related guarantees (including recourse to manufacturers, dealers or governments).

We have executed derivative transactions with our customers in order to help them mitigate their interest rate and currency risks. We typically enter into offsetting derivative transactions with third parties in order to neutralize CIT's exposure to these customer related derivative transactions. The counterparty credit exposure related to these transactions is monitored and evaluated as part of our credit risk management process.

Commercial Lending and Leasing. Commercial credit management begins with the initial evaluation of credit risk and underlying collateral at the time of origination and continues over the life of the finance receivable or operating lease, including normal collection, recovery of past due balances and liquidating underlying collateral.

Credit personnel review potential borrowers' financial condition, results of operations, management, industry, business model, customer base, operations, collateral and other data, such as third party credit reports and appraisals, to evaluate the potential customer's borrowing and repayment ability. Transactions are graded by PD and LGD, as described above. Credit facilities are subject to our overall credit approval process and underwriting guidelines and are issued commensurate with the credit evaluation performed on each prospective borrower, as well as portfolio concentrations. Credit personnel continue to review the PD and LGD periodically. Decisions on continued creditworthiness or impairment of borrowers are determined through these periodic reviews.

Small-Ticket Lending and Leasing. For small-ticket lending and leasing transactions, we employ automated credit scoring models for origination (scorecards) and for re-grading (auto re-grade algorithms). These are supplemented by business rules and expert judgment. The models evaluate, among other things, financial performance metrics, length of time in business, industry category and geography, and are used to assess a potential borrower's credit standing and repayment ability, including the value of collateral. We utilize external credit bureau scoring, when available, and behavioral models, as well as judgment in the credit adjudication, evaluation and collection processes.

We evaluate the small-ticket leasing portfolio using delinquency vintage curves and other tools to analyze trends and credit performance by transaction type, including analysis of specific credit characteristics and selected subsets of the portfolios. Adjustments to credit scorecards, auto re-grading algorithms, business rules and lending programs are made periodically based on these evaluations. Individual underwriters are assigned credit authority based upon experience, performance and understanding of underwriting policies of small-ticket leasing operations. A credit approval hierarchy is enforced to ensure that an underwriter with the appropriate level of authority reviews applications.

Counterparty Risk

We enter into interest rate and currency swaps and foreign exchange forward contracts as part of our overall risk management practices. We establish limits and evaluate and manage the counterparty risk associated with these derivative instruments through our RMG.

The primary risk of derivative instruments is counterparty credit exposure, which is defined as the ability of a counterparty to perform financial obligations under the derivative contract. We control credit risk of derivative agreements through counterparty credit approvals, pre-established exposure limits and monitoring procedures.

The CCC, in conjunction with ERM, approves each counterparty and establishes exposure limits based on credit analysis of each counterparty. Derivative agreements entered into for our own risk management purposes are generally entered into with major financial institutions rated investment grade by nationally recognized rating agencies.

We also monitor and manage counterparty credit risk related to our cash and short-term investment portfolio.

ASSET RISK

Asset risk in our leasing business is evaluated and managed in the business units and overseen by RMG. Our business process consists of: (1) setting residual values at transaction inception, (2) systematic residual value reviews, and (3) monitoring actual levels of residual realizations. Residual realizations, by business and product, are reviewed as part of our quarterly financial and asset quality review. Reviews for impairment are performed at least annually.

The RMG teams closely follow the air and rail markets; monitoring traffic flows, measuring supply and demand trends, and evaluating the impact of new technology or regulatory requirements on supply and demand for different types of equipment. Demand for both passenger and freight equipment is highly correlated with GDP growth trends for the markets the equipment serves as well as the more immediate conditions of those markets. Due to the moveable nature of commercial air equipment, air markets are global, while for CIT, the rail market is primarily centered in North America. So cyclicality in the economy and shifts in travel and trade flows from specific events (e.g., natural disasters, conflicts, political upheaval, disease, terrorism) represent risks to the earnings that are realized by these businesses. CIT mitigates these risks by maintaining young fleets of assets with wide operator bases so that our assets can maintain attractive lease and utilization rates.

MARKET RISK

We monitor exposure to market risk by analyzing the impact of potential interest rate and foreign exchange rate changes on financial performance. We consider factors such as customer prepayment trends and repricing characteristics of assets and liabilities. Our asset-liability management system provides sophisticated analytical capabilities to assess and measure the effects of various market rate scenarios upon the Company's financial performance.

Interest Rate Risk

We evaluate and monitor interest rate risk through two primary metrics.

- Net Interest Income Sensitivity ("NII Sensitivity"), which measures the impact of hypothetical changes in interest rates on net finance revenue; and
- Economic Value of Equity ("EVE"), which measures the net economic value of equity by assessing the market value of assets, liabilities and derivatives.

A wide variety of potential interest rate scenarios are simulated within our asset/liability management system. All interest sensitive assets and liabilities are evaluated using discounted cash flow analysis. Rates are shocked up and down via a set of scenarios that include both parallel and non-parallel interest rate movements. Scenarios are also run to capture our sensitivity to changes in the shape of the yield curve. Furthermore, we evaluate the sensitivity of these results to a number of key assumptions, such as credit quality, spreads, and prepayments. Various holding periods of the operating lease assets are also considered. These range from the current existing lease term to longer terms which assume lease renewals consistent with management's expected holding period of a particular asset. NII Sensitivity and EVE limits have been set and are monitored for certain of the key scenarios.

The table below summarizes the results of simulation modeling produced by our asset/liability management system. The results reflect the percentage change in the EVE and NII Sensitivity over the next twelve months assuming an immediate 100 basis point parallel increase or decrease in interest rates. This year's NII Sensitivity metrics reflect an increased level of net interest income consistent with reported results.

	December 31, 2013		December 31, 2012	
	+100 bps	–100 bps	+100 bps	–100 bps
NII Sensitivity	6.1%	(0.9)%	7.6%	(1.9)%
EVE	1.8%	(2.0)%	1.8%	(1.4)%

Our portfolio is in a slight asset-sensitive position, mostly to moves in LIBOR, whereby our assets will reprice faster than our liabilities. This is primarily driven by our commercial floating rate loan portfolio and short-term cash and investment position. As a result, our current portfolio is more sensitive to moves in short-term interest rates in the near term, and therefore our net finance margin may increase if short-term interest rates rise, or decrease if short-term interest rates decline. Furthermore, the duration, or price sensitivity, of our liabilities is greater than that of our assets causing EVE to increase under increasing rates and decrease under decreasing rates. The methodology with which the operating lease assets are assessed in the table above reflects the existing contractual rental cash flows and the expected residual value at the end of the existing contract term. The simulation modeling for both NII Sensitivity and EVE assumes we take no action in response to the changes in interest rates.

Although we believe that these measurements provide an estimate of our interest rate sensitivity, they do not account for potential changes in credit quality, size, and prepayment characteristics of our balance sheet. They also do not account for other business developments that could affect net income, or for management actions that could affect net income or that could be taken to change our risk profile. Accordingly, we can give no assurance that actual results would not differ materially from the estimated outcomes of our simulations. Further, such simulations do not represent our current view of expected future interest rate movements.

Foreign Currency Risk

We seek to hedge the transactional exposure of our non-dollar denominated activities, comprised of foreign currency loans and leases to foreign entities, through local currency borrowings. To the extent such borrowings were unavailable, we have utilized derivative instruments (foreign currency exchange forward contracts and cross currency swaps) to hedge our non-dollar denominated activities. Additionally, we have utilized derivative instruments to hedge the translation exposure of our net investments in foreign operations.

Our non-dollar denominated loans and leases are now largely funded with U.S. dollar denominated debt and equity which, if unhedged, would cause foreign currency transactional and translational exposures. We target to hedge these exposures through derivative instruments. Approved limits are monitored to facilitate the management of our foreign currency position. Included among the limits are guidelines which measure both transactional and translational exposure based on potential currency rate scenarios. Unhedged exposures may cause changes in earnings or the equity account.

LIQUIDITY RISK

Our liquidity risk management and monitoring process is designed to ensure the availability of adequate cash resources and funding capacity to meet our obligations. Our overall liquidity management strategy is intended to ensure ample liquidity to meet expected and contingent funding needs under both normal and stress environments. Consistent with this strategy, we maintain large pools of cash and highly liquid investments. Additional sources of liquidity include the Amended and Restated Revolving Credit and Guaranty Agreement, (the "Revolving Credit Facility"); other committed financing facilities and cash collections generated by portfolio assets originated in the normal course of business.

We utilize a series of measurement tools to assess and monitor the level and adequacy of our liquidity position, liquidity conditions and trends. The primary tool is a cash forecast designed to identify material movements in cash flows. Stress scenarios are applied to measure the resiliency of the liquidity position and to identify stress points requiring remedial action. Also included among our liquidity measurement tools is an early warning system (summarized on a liquidity scorecard) that monitors key macro-environmental and company specific metrics that serve as early warning signals of potential impending liquidity stress events. The scorecard gauges the likelihood of a liquidity stress event by evaluating metrics that reflect: cash liquidity coverage of funding requirements; elevated funding needs; capital and liquidity at risk; funding sources at risk and market indicators. The scorecard contains a short-term liquidity assessment which is derived objectively via a quantitative measurement of each metric's severity and overall impact on liquidity. Assessments below defined thresholds trigger contingency funding actions, which are detailed in the Company's Contingency Funding Plan.

Integral to our liquidity management practices is our contingency funding plan, which outlines actions and protocols under liquidity stress conditions, whether they are idiosyncratic or systemic in nature. The objective of the plan is to ensure an adequately sustained level of liquidity under stress conditions.

LEGAL, REGULATORY AND COMPLIANCE RISK

Corporate Compliance is an independent function responsible for maintaining an enterprise-wide compliance risk management program commensurate with the size, scope and complexity of our businesses, operations, and the countries in which we operate. The Compliance function (1) oversees programs and processes to evaluate and monitor compliance with laws and regulations pertaining to our business, (2) tests the adequacy of the compliance control environment in each business, and (3) monitors and promotes compliance with the Company's ethical standards as set forth in our Code of Business Conduct and compliance policies. The Company, under the leadership of its executive management and the Board of Directors, maintains a strong and prominent compliance culture across the Company.

The Compliance function provides leadership, guidance and oversight to help business units and staff functions identify applicable laws and regulations and implement effective measures to meet the requirements and mitigate the risk of violations of or failures to meet our legal and regulatory obligations.

The global compliance risk management program includes training (in collaboration with a centralized Learning and Development team within Human Resources), testing, monitoring, risk assessment, and other disciplines necessary to effectively manage compliance and regulatory risks. The Company relies on subject matter experts in the areas of privacy, sanctions, anti-money laundering, anti-corruption compliance and other areas typically addressed by BHCs with complex profiles.

Corporate Compliance has implemented comprehensive compliance policies and procedures and employs Business Unit Compliance Officers and Regional Compliance Officers who work with each business to advise business staff and leadership in the prudent conduct of business within a regulated environment and within the requirements of law, rule, regulation and the control environment we maintain to minimize the risk of violations or other adverse outcomes. They advise business leadership and staff with respect to the implementation of procedures to operationalize compliance policies and other requirements. Corporate Compliance also provides and monitors adherence to mandatory employee compliance training programs in collaboration with the Learning and Development team.

Corporate Compliance, led by the Chief Compliance Officer, is responsible for setting the overall global compliance framework and standards, using a risk based approach to identify and manage key compliance obligations and risks. The head of each business and staff function is responsible for ensuring compliance within their respective areas of authority. Corporate Compliance, through the Chief Compliance Officer, reports administratively to the CRO and to the Chairperson of the Audit Committee of the Board of Directors.

OPERATIONAL RISK

Operational Risk may result from fraud by employees or persons outside the Company, transaction processing errors, employment practices and workplace safety issues, unintentional or negligent failure to meet professional obligations to clients, business interruption due to system failures, or other external events.

Operational risk is managed within individual business units. The head of each business and functional area is responsible for maintaining an effective system of internal controls to mitigate operational risks. The business segment Chief Operating Officers ("COO") designate Operational Risk Managers responsible for implementation of the Operational Risk framework programs. The Enterprise Operational Risk function provides oversight in managing operational risk, designs and supports the enterprise-wide Operational Risk framework programs, promotes awareness by providing training to employees and Operational Risk Managers within business units and functional areas. Additionally, Enterprise Operational Risk maintains the Loss Data Collection and Risk Assessment programs. CIT's IAS monitors and tests the overall effectiveness of internal control and operational systems on an ongoing basis and reports results to senior management and to the Audit Committee of the Board. Oversight of the operational risk management function is provided by RMG, the RMC, the Enterprise Risk Committee and the Operational and Information Technology Risk Working Group.

FUNDING AND LIQUIDITY

CIT actively manages and monitors its funding and liquidity sources against relevant limits and targets. These sources satisfy funding and other operating obligations, while also providing protection against unforeseen stress events like unanticipated funding obligations, such as customer line draws, or disruptions to capital markets or other funding sources. In addition to its unrestricted cash, short-term investments and portfolio cash inflows, liquidity sources include:

- a $2 billion multi-year committed revolving credit facility, of which $1.9 billion was available at December 31, 2013 (see below for 2014 amendment of this facility to reduce the total commitment amount); and
- committed securitization facilities and secured bank lines aggregating $4.7 billion, of which $2.1 billion was available at December 31, 2013, provided that eligible assets are available that can be funded through these facilities.

Asset liquidity is further enhanced by our ability to sell or syndicate portfolio assets in secondary markets, which also enables us to manage credit exposure, and to pledge assets to access secured borrowing facilities through the Federal Home Loan Banks ("FHLB") and FRB.

Cash and short-term investment securities totaled $7.6 billion at December 31, 2013 ($6.1 billion of cash and $1.5 billion of short-term investments), essentially unchanged from $7.6 billion at December 31, 2012 and down from $8.4 billion at December 31, 2011. Cash and short-term investment securities at December 31, 2013 consisted of $3.4 billion related to the bank holding company and $2.5 billion at the Bank with the remainder comprised of cash at operating subsidiaries and in restricted balances.

Included in short-term investment securities are U.S. Treasury bills, Government Agency bonds, and other highly-rated securities, which were classified as AFS and had maturity dates of approximately 90 days or less as of the investment date. We also have approximately $0.7 billion of securities that are classified as HTM, and although their maturity is less than 90 days, they are not included in the above short-term investment securities. This investment matures prior to the $1.3 billion of series debt that matures on April 1, 2014. We anticipate continued investment of our cash in various types of liquid, high-grade investments.

As a result of our continued funding and liability management initiatives, we reduced the weighted average coupon rates on outstanding deposits and long-term borrowings to 3.07% at December 31, 2013 from 3.18% and 4.69% at December 31, 2012 and December 31, 2011, respectively. We also continued to make progress towards achieving our long term targeted funding mix as detailed in the following table:

Target Funding Mix at December 31 (dollars in millions)

	Target	2013	2012	2011
Deposits	35%–45%	36%	31%	19%
Secured	25%–35%	27%	32%	81%
Unsecured	25%–35%	37%	37%	–

Deposits

We continued to grow our deposits during 2013 to fund our bank lending and leasing activities. Deposits totaled $12.5 billion at December 31, 2013, up from $9.7 billion at December 31, 2012 and $6.2 billion at December 31, 2011. The weighted average interest rate on deposits was 1.65% at December 31, 2013, down from 1.75% at December 31, 2012 and 2.68% at December 31, 2011.

The following table details our deposits by type:

Deposits at December 31 (dollars in millions)

	2013	2012	2011
Online deposits	$ 6,117.5	$4,643.4	$ 341.1
Brokered CDs / sweeps	5,365.4	4,251.6	5,377.4
Other[1]	1,043.6	789.5	475.2
Total	$12,526.5	$9,684.5	$6,193.7

[1] *Other primarily includes a deposit sweep arrangement related to Healthcare Savings Accounts and deposits at our Brazil bank.*

Long-term Borrowings – Unsecured

Revolving Credit Facility

The Revolving Credit Facility was amended in January 2014 to reduce the total commitment amount from $2.0 billion to $1.5 billion and to extend the maturity date of the commitments to January 27, 2017. The total commitment amount now consists of a $1.15 billion revolving loan tranche and a $350 million revolving loan tranche that can also be utilized for issuance of letters of credit. The applicable margin charged under the facility was unchanged; 2.50% for LIBOR loans and 1.50% for Base Rate loans. Further improvement in CIT's long-term senior unsecured, non-credit enhanced debt ratings to either BB by S&P or Ba2 by Moody's would result in a reduction in the applicable margin to 2.25% for LIBOR based loans and to 1.25% for Base Rate loans.

On the closing date, no amounts were drawn under the Revolving Credit Facility. However, there was approximately $0.1 billion utilized for the issuance of letters of credit. Any amounts drawn under the facility will be used for general corporate purposes.

The Revolving Credit Facility is unsecured and is guaranteed by eight of the Company's domestic operating subsidiaries. The facility was amended to modify the covenant requiring a minimum guarantor asset coverage ratio and the criteria for calculating the ratio. The amended covenant requires a minimum guarantor asset coverage ratio ranging from 1.25:1.0 to 1.5:1.0 depending on the Company's long-term senior unsecured, non-credit enhanced debt rating. As at the Closing Date, the applicable minimum guarantor asset coverage ratio was 1.5:1.0.

Senior Unsecured Notes and Series C Unsecured Notes

At December 31, 2013, we had outstanding $12.5 billion of unsecured notes, compared to $11.8 billion at December 31, 2012. On August 1, 2013, CIT issued $750 million aggregate principal amount of senior unsecured notes due 2023 (the "Notes") that bear interest at a per annum rate of 5.00%. The Notes were priced at 99.031% of the principal amount to yield 5.125% per annum. In 2012, CIT raised nearly $10 billion of term unsecured debt with an average maturity of approximately 6 years and a weighted average coupon of approximately 5%. During 2012, CIT eliminated or refinanced $15.2 billion of high cost debt ($8.8 billion of 7% Series C Notes and $6.5 billion of 7% Series A Notes).

See *Note 28 — Subsequent Events* related to an issuance on February 19, 2014 of $1 billion of senior unsecured notes and *Note 8 — Long-term Borrowings* for further detail.

InterNotes Retail Note Program

During 2013, we redeemed at par the remaining $61 million of callable senior unsecured notes issued under CIT's InterNotes retail note program ("InterNotes") that resulted in the acceleration of $26 million of FSA interest expense. The weighted average coupon on the InterNotes was approximately 6.1%.

Long-term Borrowings – Secured

Secured borrowings totaled $9.2 billion at December 31, 2013, compared to $10.1 billion at December 31, 2012.

During the 2013 fourth quarter, CIT Bank closed a $750 million equipment lease securitization that had a weighted average coupon of 1.02% and is secured by a pool of U.S. Vendor Finance equipment receivables. We renewed a $500 million committed secured facility during the third quarter and extended the revolving period by one year to September 2015. During the second quarter CIT renewed a committed multi-year $1 billion U.S. Vendor Finance conduit facility at CIT Bank and renewed and upsized a committed multi-year U.K. conduit facility to GBP 125 million, both at more attractive terms. In March 2013, CIT closed a CAD 250 million committed multi-year conduit facility that allows the Canadian Vendor Finance business to fund both existing assets and new originations at attractive terms.

As part of our liquidity management strategy, we may pledge assets to secure financing transactions (which include securitizations), borrowings from the FHLB and for other purposes as required or permitted by law. Our secured financing transactions do not meet accounting requirements for sale treatment and are recorded as secured borrowings, with the assets remaining on-balance sheet for GAAP. The debt associated with these transactions is collateralized by receivables, leases and/or equipment. Certain related cash balances are restricted.

The Bank is a member of the FHLB of Seattle and may borrow under lines of credit with FHLB Seattle that are secured by a blanket lien on the Bank's assets and collateral pledged to FHLB Seattle. At December 31, 2013, no collateral was pledged and no advances were outstanding with FHLB Seattle. A subsidiary of the

Bank is a member of FHLB Des Moines and may borrow under lines of credit with FHLB Des Moines that are secured by a blanket lien on the subsidiary's assets and collateral pledged to FHLB Des Moines. At December 31, 2013, $46 million of collateral was pledged and $35 million of advances were outstanding with FHLB Des Moines.

See *Note 8 — Long-Term Borrowings* for a table displaying our secured financings and pledged assets.

GSI Facilities

Two financing facilities between two wholly-owned subsidiaries of CIT and Goldman Sachs International ("GSI") are structured as total return swaps ("TRS"), under which amounts available for advances are accounted for as derivatives. Pursuant to applicable accounting guidance, only the unutilized portion of the TRS is accounted for as a derivative and recorded at its estimated fair value.The size of the CIT Financial Ltd. ("CFL") facility is $1.5 billion and the CIT TRS Funding B.V. ("BV") facility is $625 million.

At December 31, 2013, a total of $3,029 million of assets and secured debt totaling $1,845 million issued to investors was outstanding under the GSI Facilities. After adjustment to the amount of actual qualifying borrowing base under terms of the GSI Facilities, this secured debt provided for usage of $1,640 million of the maximum notional amount of the GSI Facilities. The remaining $485 million of the maximum notional amount represents the unused portion of the GSI Facilities and constitutes the notional amount of derivative financial instruments. Unsecured counterparty receivable of $584 million, net of FSA, is owed to CIT from GSI for debt discount, return of collateral posted to GSI and settlements resulting from market value changes to asset-backed securities underlying the structures at December 31, 2013.

The CFL Facility was originally executed on June 6, 2008, and under an October 28, 2009 amendment, the maximum notional amount of the CFL Facility was reduced from $3.0 billion to $2.125 billion. During the first half of 2008, CIT experienced significant constraints on its ability to raise funding through the debt capital markets and access the Company's historical sources of funding. The CFL Facility provided a swapped rate on qualifying secured funding at a lower cost than available to CIT through other funding sources at the time. The CFL Facility was structured as a TRS to satisfy the specific requirements to obtain this funding commitment from GSI. Pursuant to applicable accounting guidance, only the unutilized portion of the total return swap is accounted for as a derivative and recorded at fair value. Under the terms of the GSI Facilities, CIT raises cash from the issuance of ABS to investors designated by GSI under the total return swap, equivalent to the face amount of the ABS less an adjustment for any OID which equals the market price of the ABS. CIT is also required to deposit a portion of the face amount of the ABS with GSI as additional collateral prior to funding ABS through the GSI Facilities.

Amounts deposited with GSI can increase or decrease over time depending on the market value of the ABS and / or changes in the ratings of the ABS. CIT and GSI engage in periodic settlements based on the timing and amount of coupon, principal and any other payments actually made by CIT on the ABS. Pursuant to the terms of the total return swap, GSI is obligated to return those same amounts to CIT plus a proportionate amount of the initial deposit. Simultaneously, CIT is obligated to pay GSI (1) principal in an amount equal to the contractual market price times the amount of principal reduction on the ABS and (2) interest equal to LIBOR times the adjusted qualifying borrowing base of the ABS. On a quarterly basis, CIT pays the fixed facility fee of 2.85% per annum times the maximum facility commitment amount, currently $1.5 billion under the CFL Facility and $625 million under the BV Facility, to GSI.

Valuation of the derivatives related to the GSI Facilities is based on several factors using a discounted cash flow (DCF) methodology, including:

- CIT's funding costs for similar financings based on the current market environment;
- Forecasted usage of the long-dated GSI Facilities through the final maturity date in 2028; and
- Forecasted amortization, due to principal payments on the underlying ABS, which impacts the amount of the unutilized portion.

Based on the Company's valuation, we recorded a liability of $10 million and $6 million at December 31, 2013 and 2012, respectively. During 2013 and 2012, we recognized $4 million and $6 million, respectively, as a reduction to other income associated with the change in liability. There was no impact in the year ended December 31, 2011.

Interest expense related to the GSI Facilities is affected by the following:

- A fixed facility fee of 2.85% per annum times the maximum facility commitment amount,
- A variable amount based on one-month or three-month USD LIBOR times the "utilized amount" (effectively the "adjusted qualifying borrowing base") of the total return swap, and
- A reduction in interest expense due to the recognition of the payment of any OID from GSI on the various asset-backed securities.

See *Note 9 — Derivative Financial Instruments* for further information.

Debt Ratings

Debt ratings can influence the cost and availability of short-and long-term funding, the terms and conditions on which such funding may be available, the collateral requirements, if any, for borrowings and certain derivative instruments, the acceptability of our letters of credit, and the number of investors and counterparties willing to lend to the Company. A decrease, or potential decrease, in credit ratings could impact access to the capital markets and/or increase the cost of debt, and thereby adversely affect the Company's liquidity and financial condition.

Our debt ratings at December 31, 2013 as rated by Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service ("Moody's") and Dominion Bond Rating Service ("DBRS") are presented in the following table.

Debt Ratings as of December 31, 2013	S&P Ratings Services	Moody's Investors Service	DBRS
Issuer / Counterparty Credit Rating	BB–	Ba3	BB
Revolving Credit Facility Rating	BB–	Ba3	BBB (Low)
Series C Notes / Senior Unsecured Debt Rating	BB–	Ba3	BB
Outlook	Positive	Stable	Positive

Changes that occurred during 2013 included: (1) on January 8, 2013, Moody's upgraded our issuer / counterparty credit and Series C/senior unsecured debt rating by one notch to Ba3/Stable from B1/Stable and (2) on February 12, 2013 S&P changed our debt ratings outlook to positive from stable.

Rating agencies indicate that they base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current legislative and regulatory environment, including implied government support. In addition, rating agencies themselves have been subject to scrutiny arising from the financial crisis and could make or be required to make substantial changes to their ratings policies and practices, particularly in response to legislative and regulatory changes, including as a result of provisions in Dodd-Frank. Potential changes in the legislative and regulatory environment and the timing of those changes could impact our ratings, which as noted above could impact our liquidity and financial condition.

A debt rating is not a recommendation to buy, sell or hold securities, and the ratings are subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

Tax Implications of Cash in Foreign Subsidiaries

Cash and short term investments held by foreign subsidiaries totaled $1.8 billion, including cash available to the BHC and restricted cash, at December 31, 2013, compared to $1.6 billion at both December 31, 2012 and 2011.

In 2011, Management decided to no longer assert its intent to indefinitely reinvest its foreign earnings with limited exceptions in select jurisdictions. This decision was driven by events during the course of the year that culminated in Management's conclusion that it may need to repatriate foreign earnings to address certain long-term investment and funding strategies. As of December 31, 2013, Management continues to maintain this position with regard to its assertion.

Contractual Payments and Commitments

The following tables summarize significant contractual payments and contractual commitment expirations at December 31, 2013. Certain amounts in the payments table are not the same as the respective balance sheet totals, because this table is based on contractual amounts and excludes FSA discounts, in order to better reflect projected contractual payments. Likewise, actual cash flows could vary materially from those depicted in the payments table as further explained in the table footnotes.

Payments for the Twelve Months Ended December 31[(1)] (dollars in millions)

	Total	2014	2015	2016	2017	2018+
Secured borrowings[(2)]	$ 9,493.3	$1,339.1	$1,577.4	$1,026.8	$ 755.1	$ 4,794.9
Senior unsecured	12,551.4	1,300.0	1,500.0	–	3,000.0	6,751.4
Total Long-term borrowings	22,044.7	2,639.1	3,077.4	1,026.8	3,755.1	11,546.3
Deposits	12,527.3	5,587.8	2,190.0	766.3	1,947.3	2,035.9
Credit balances of factoring clients	1,336.1	1,336.1	–	–	–	–
Lease rental expense	186.6	31.6	29.5	26.8	23.1	75.6
Total contractual payments	$36,094.7	$9,594.6	$5,296.9	$1,819.9	$5,725.5	$13,657.8

(1) *Projected payments of debt interest expense and obligations relating to postretirement programs are excluded.*

(2) *Includes non-recourse secured borrowings, which are generally repaid in conjunction with the pledged receivable maturities.*

As detailed in the table above, we have $2.8 billion of unsecured debt maturities over the next two years that have an average cost of about 5%. We plan to pay them off in part through cash generating activities at the BHC, including proceeds from sales of assets and platforms, cash on hand and maturing investments.

Commitment Expiration by Twelve Month Periods Ended December 31 (dollars in millions)

	Total	2014	2015	2016	2017	2018+
Financing commitments	$ 4,325.8	$ 799.7	$ 347.5	$1,114.2	$ 905.2	$1,159.2
Aerospace manufacturer purchase commitments[(1)]	8,744.5	729.3	1,042.5	959.5	826.4	5,186.8
Rail and other manufacturer purchase commitments	1,054.0	648.9	405.1	–	–	–
Letters of credit	338.2	72.7	8.9	66.2	68.5	121.9
Deferred purchase agreements	1,771.6	1,771.6	–	–	–	–
Guarantees, acceptances and other recourse obligations	3.9	3.9	–	–	–	–
Liabilities for unrecognized tax obligations[(2)]	320.1	5.0	315.1	–	–	–
Total contractual commitments	$16,558.1	$4,031.1	$2,119.1	$2,139.9	$1,800.1	$6,467.9

(1) *Aerospace commitments are net of amounts on deposit with manufacturers.*

(2) *The balance cannot be estimated past 2015; therefore the remaining balance is reflected in 2015.*

Financing commitments increased from $3.3 billion at December 31, 2012 to $4.3 billion at December 31, 2013. This includes commitments that have been extended to and accepted by customers or agents, but on which the criteria for funding have not been completed of $548 million at December 31, 2013 and $325 million at December 31, 2012. Also included are Trade Finance credit line agreements with an amount available, net of amount of receivables assigned to us, of $157 million at December 31, 2013.

At December 31, 2013, substantially all our undrawn financing commitments were senior facilities, with approximately 79% secured by equipment or other assets and the remainder comprised of cash flow or enterprise value facilities. Most of our undrawn and available financing commitments are in Corporate Finance. The top ten undrawn commitments totaled $381 million at December 31, 2013.

The table above includes approximately $0.9 billion of undrawn financing commitments at December 31, 2013 and $0.6 billion at December 31, 2012 that were not in compliance with contractual obligations, and therefore CIT does not have the contractual obligation to lend.

CAPITAL

Capital Management

CIT manages its capital position to ensure capital is adequate to support the risks of its businesses and capital distributions to its shareholders. CIT uses a complement of capital metrics and related thresholds to measure capital adequacy. The Company takes into account the existing regulatory capital framework and the evolution under the Basel III rules. CIT further evaluates capital adequacy through the enterprise stress testing and economic capital ("ECAP") approaches, which constitute our internal capital adequacy assessment process ("ICAAP").

CIT regularly monitors regulatory capital ratios, ECAP measures and liquidity metrics under baseline and stress scenario forecasts to support the capital adequacy assessment process. Regulatory capital ratios indicate CIT's capital adequacy using regulatory definitions of available capital, such as Tier 1 Capital and Total Risk Based Capital, and regulatory measures of portfolio risk such as risk weighted assets. CIT currently reports regulatory capital under the general risk-based capital rules based on the Basel I framework. Beginning in January 2015, CIT expects to report regulatory capital ratios in accordance with the Basel III Final Rule and to determine risk weighted assets under the Standardized Approach.

ECAP is a probabilistic approach that links capital adequacy to a particular solvency standard consistent with CIT's risk appetite and expressed as a probability over a one year time horizon. ECAP ratios provide a view of capital adequacy that better takes into account CIT's specific risks with customized approaches to measure these risks. ECAP evaluates capital adequacy by comparing CIT's unexpected losses under probabilistically-defined stress events to the Company's available financial resources, or capital available to absorb losses.

As part of the capital and strategic planning processes, CIT forecasts capital adequacy under baseline and stress scenarios, including the supervisory scenarios provided by the Federal Reserve for consideration in Dodd-Frank Act stress testing. Per the Dodd-Frank Act, both CIT Group and CIT Bank are required to perform annual stress tests as prescribed for institutions with total assets greater than $10 billion but less than $50 billion.

The baseline forecast represents CIT's expected trajectory of business progression, while the stress scenarios forecast CIT's capital position under adverse macroeconomic conditions. Scenarios include 9 quarter projections of macroeconomic factors that are used to measure and/or indicate the outlook of specific aspects of the economy. These macroeconomic projections form the basis for CIT's capital adequacy results presented for each scenario.

Return of Capital

On May 30, 2013, our Board of Directors approved the repurchase of up to $200 million of common stock through December 31, 2013. During 2013, we repurchased over 4 million shares at an average price of $48.27 per share, approximately $193 million. The repurchases were effected via open market purchases and through plans designed to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended.

On October 21, 2013, the Board of Directors declared a quarterly cash dividend of $0.10 per share on its outstanding common stock. The dividend totaled $20 million and was paid on November 29, 2013 to common shareholders of record on November 15, 2013.

On January 21, 2014, the Board of Directors declared a quarterly cash dividend of $0.10 per share payable on February 28, 2014, and the repurchase of up to $307 million of common stock through December 31, 2014, which included the amount that was not used from the 2013 share repurchase.

Capital Composition and Ratios

The Company is subject to various regulatory capital requirements. CIT's capital ratios have been consistently above required regulatory ratios and its policy minimums. Capital ratio trends and capital levels reflect growth in underlying assets as well as the FSA impact of accelerated refinancing and repayment of high cost debt. In 2012 and 2011, CIT refinanced or accelerated the repayment of $31 billion of high cost debt. While these actions economically benefited the Company, they resulted in the acceleration of FSA debt discount, thus increasing interest expense and contributed to the net loss.

In the event that management reverses any of our NOL valuation allowance, the benefit to GAAP earnings will be much more noticeable than the impact on our regulatory capital ratios. While total stockholders' equity in the following table would increase, there would also be an increase in amount of disallowed deferred taxes in the Other Tier 1 components, which would offset most of the benefit.

Tier 1 Capital and Total Capital Components (dollars in millions)

	December 31,		
Tier 1 Capital	**2013**	**2012**	**2011**
Total stockholders' equity	$ 8,838.8	$ 8,334.8	$ 8,883.6
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 Capital	24.2	41.1	54.3
Adjusted total equity	8,863.0	8,375.9	8,937.9
Less: Goodwill	(338.3)	(345.9)	(353.2)
Disallowed intangible assets	(20.3)	(32.7)	(63.6)
Investment in certain subsidiaries	(32.3)	(34.4)	(36.6)
Other Tier 1 components[1]	(32.6)	(68.0)	(58.6)
Tier 1 Capital	8,439.5	7,894.9	8,425.9
Tier 2 Capital			
Qualifying reserve for credit losses and other reserves[2]	383.9	402.6	429.9
Less: Investment in certain subsidiaries	(32.3)	(34.4)	(36.6)
Other Tier 2 components[3]	0.1	0.5	–
Total qualifying capital	$ 8,791.2	$ 8,263.6	$ 8,819.2
Risk-weighted assets	$50,571.2	$48,616.9	$44,824.1
BHC Ratios			
Tier 1 Capital Ratio	16.7%	16.2%	18.8%
Total Capital Ratio	17.4%	17.0%	19.7%
Tier 1 Leverage Ratio	18.1%	18.3%	18.8%
CIT Bank Ratios			
Tier 1 Capital Ratio	16.8%	21.5%	36.5%
Total Capital Ratio	18.1%	22.7%	37.5%
Tier 1 Leverage Ratio	16.9%	20.2%	24.7%

(1) Includes the portion of net deferred tax assets that does not qualify for inclusion in Tier 1 capital based on the capital guidelines, the Tier 1 capital charge for nonfinancial equity investments and the Tier 1 capital deduction for net unrealized losses on available-for-sale marketable securities (net of tax).

(2) "Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit, and deferred purchase agreements, all of which are recorded in Other Liabilities.

(3) Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pre-tax gains on available for sale equity securities with readily determinable fair values.

The regulatory capital guidelines currently applicable to the Company are based on the Capital Accord of the Basel Committee on Banking Supervision (Basel I). We compute capital ratios in accordance with Federal Reserve capital guidelines for assessing adequacy of capital. To be well capitalized, a BHC generally must maintain Tier 1 and Total Capital Ratios of at least 6% and 10%, respectively. The Federal Reserve Board also has established minimum guidelines. The minimum ratios are: Tier 1 Capital Ratio of 4.0%, Total Capital Ratio of 8.0% and Tier 1 Leverage Ratio of 4.0%. In order to be considered a "well capitalized" depository institution under FDIC guidelines, the Bank must maintain a Tier 1 Capital Ratio of at least 6%, a Total Capital Ratio of at least 10%, and a Tier 1 Leverage Ratio of at least 5%.

For a BHC, capital adequacy is based upon risk-weighted asset ratios calculated in accordance with quantitative measures established by the Federal Reserve. Under the Basel 1 guidelines, certain commitments and off-balance sheet transactions are assigned asset equivalent balances, and together with on-balance sheet assets, are divided into risk categories, each of which is assigned a risk weighting ranging from 0% (for example U.S. Treasury Bonds) to 100% (for example commercial loans).

The reconciliation of balance sheet assets to risk-weighted assets is presented below:

Risk-Weighted Assets (dollars in millions)

	December 31,		
	2013	2012	2011
Balance sheet assets	$ 47,139.0	$44,012.0	$ 45,263.4
Risk weighting adjustments to balance sheet assets	(10,328.1)	(9,960.4)	(12,352.7)
Off balance sheet items[(1)]	13,760.3	14,565.3	11,913.4
Risk-weighted assets	$ 50,571.2	$48,616.9	$ 44,824.1

[(1)] *2013 primarily reflects commitments to purchase aircraft and rail ($9.6 billion), unused lines of credit ($1.8 billion) and deferred purchase agreements ($1.8 billion). 2012 also includes commitment for a portfolio of commercial loans purchased in 2013.*

See the "Regulation" section of Item 1 Business Overview for further detail regarding regulatory matters, including *"Capital Requirements"* and *"Leverage Requirements"*.

Tangible Book Value and Tangible Book Value per Share

Tangible book value represents common equity less goodwill and other intangible assets. A reconciliation of CIT's total common stockholders' equity to tangible book value, a non-GAAP measure, follows:

	2013	2012	2011
Total common stockholders' equity	$8,838.8	$8,334.8	$8,883.6
Less: Goodwill	(334.6)	(345.9)	(345.9)
Intangible assets	(20.3)	(31.9)	(63.6)
Tangible book value	$8,483.9	$7,957.0	$8,474.1
Book value per share	$ 44.78	$ 41.49	$ 44.27
Tangible book value per share	$ 42.98	$ 39.61	$ 42.23

[(1)] *Tangible book value and tangible book value per share are non-GAAP measures.*

CIT BANK

The Bank is a state-chartered commercial bank headquartered in Salt Lake City, Utah, that is subject to regulation and examination by the FDIC and the UDFI and is our principal bank subsidiary. The Bank originates and funds lending and leasing activity in the U.S. for CIT's commercial business segments. Asset growth during 2013, 2012 and 2011 reflected higher commercial lending and leasing volume. Deposits grew in support of the increased business and we expanded product offerings. The Bank's capital and leverage ratios are included in the tables that follow and remain well above required levels.

As detailed in the following Consolidated Balance Sheet table, total assets increased to $16.1 billion, up nearly $4 billion from last year and increased from $9.0 billion at December 31, 2011, primarily related to growth in commercial financing and leasing assets. Cash and deposits with banks was $2.5 billion at December 31, 2013, down from $3.4 billion at December 31, 2012, as cash was used to partially fund portfolio growth and unchanged from December 31, 2011.

Commercial loans totaled $12.0 billion at December 31, 2013, up from $8.1 billion at December 31, 2012 and $3.9 billion at December 31, 2011. Commercial loans grew, reflecting solid new business activity, the acquisition of a $720 million portfolio of corporate loans at the beginning of 2013, $272 million of loans purchased from BHC affiliates, and $67 million of loans transferred in the form of capital infusions from the BHC. The Bank funded $7.1 billion of new business volume during 2013, which represented nearly all of the new U.S. volumes for Corporate Finance, Transportation Finance and Vendor Finance. Funded volumes were up and included financing in newer initiatives such as maritime finance and commercial real estate lending, plus additional aerospace lending. The Bank also expanded its portfolio of operating lease equipment, which totaled $1.2 billion at December 31, 2013 and was comprised primarily of railcars.

CIT Bank deposits were $12.5 billion at December 31, 2013, up from $9.6 billion at December 31, 2012 and $6.1 billion at December 31, 2011. The weighted average interest rate was 1.5% at December 31, 2013, down slightly from December 31, 2012 and down from 2.5% at December 31, 2011. The Bank began offering on-line Individual Retirement Accounts ("IRAs") in March 2013 to supplement its growing suite of product offerings.

The following presents condensed financial information for CIT Bank.

CONDENSED BALANCE SHEETS (dollars in millions)

	At December 31,		
	2013	2012	2011
ASSETS:			
Cash and deposits with banks	$ 2,528.6	$ 3,351.3	$2,462.1
Investment securities	234.6	123.3	166.7
Assets held for sale	104.5	37.7	1,627.5
Commercial loans	12,032.6	8,060.5	3,934.6
Consumer loans	–	–	565.5
Allowance for loan losses	(212.9)	(134.6)	(49.4)
Operating lease equipment, net	1,248.9	621.6	9.2
Other assets	195.0	164.6	249.3
Total Assets	$16,131.3	$12,224.4	$8,965.5
LIABILITIES AND EQUITY:			
Deposits	$12,496.2	$ 9,614.7	$6,123.8
Long-term borrowings	854.6	49.6	576.7
Other liabilities	183.9	122.7	148.0
Total Liabilities	13,534.7	9,787.0	6,848.5
Total Equity	2,596.6	2,437.4	2,117.0
Total Liabilities and Equity	$16,131.3	$12,224.4	$8,965.5
Capital Ratios:			
Tier 1 Capital Ratio	16.8%	21.5%	36.5%
Total Capital Ratio	18.1%	22.7%	37.5%
Tier 1 Leverage ratio	16.9%	20.2%	24.7%
Financing and Leasing Assets by Segment:			
Corporate Finance	$ 7,924.8	$ 5,314.4	$2,750.6
Transportation Finance	3,018.3	1,807.8	650.5
Vendor Finance	2,393.8	1,539.5	529.6
Trade Finance	49.1	58.1	13.1
Consumer	–	–	2,193.0
Total	$13,386.0	$ 8,719.8	$6,136.8

CONDENSED STATEMENTS OF OPERATIONS (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Interest income	$ 550.5	$ 381.0	$ 273.1
Interest expense	(172.1)	(191.7)	(118.6)
Net interest revenue	378.4	189.3	154.5
Provision for credit losses	(93.1)	(93.9)	(42.5)
Net interest revenue, after credit provision	285.3	95.4	112.0
Rental income on operating leases	110.2	26.8	0.9
Other income	123.7	144.7	69.6
Total net revenue, net of interest expense and credit provision	519.2	266.9	182.5
Operating expenses	(296.9)	(176.6)	(68.3)
Depreciation on operating lease equipment	(44.4)	(9.8)	(0.8)
Income before provision for income taxes	177.9	80.5	113.4
Provision for income taxes	(69.4)	(39.4)	(45.8)
Net income	$ 108.5	$ 41.1	$ 67.6
New business volume – funded	$7,148.2	$6,024.7	$3,160.7

The Bank's 2013 results benefited from higher earning assets while 2012 results include a $40 million pre-tax acceleration of FSA discount that increased interest expense. The Bank's provision for credit losses reflects continued growth in commercial loans, credit metrics that remain at cyclical lows and the 2012 provision for credit losses included an increase of $34 million as a change in estimate. For 2013, 2012 and 2011, net charge-offs as a percentage of average finance receivables were 0.15%, 0.14% and 0.15%, respectively.

Other income in 2013 was down from 2012, as lower gains and portfolio servicing fees offset increased fee revenue. Other income in 2012 was up from 2011, driven by gains on student loans sold and higher fee revenue. Operating expenses increased reflecting increased Bank activities, including increased employees along with higher deposit costs on growth in online deposits.

Net Finance Revenue (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Interest income	$ 550.5	$ 381.0	$ 273.1
Rental income on operating leases	110.2	26.8	0.9
Finance revenue	660.7	407.8	274.0
Interest expense	(172.1)	(191.7)	(118.6)
Depreciation on operating lease equipment	(44.4)	(9.8)	(0.8)
Net finance revenue	$ 444.2	$ 206.3	$ 154.6
Average Earning Assets ("AEA")	$11,048.2	$7,181.6	$5,793.2
As a % of AEA:			
Interest income	4.98%	5.31%	4.71%
Rental income on operating leases	1.00%	0.37%	0.02%
Finance revenue	5.98%	5.68%	4.73%
Interest expense	(1.56)%	(2.67)%	(2.05)%
Depreciation on operating lease equipment	(0.40)%	(0.14)%	(0.01)%
Net finance revenue	4.02%	2.87%	2.67%

Net finance revenue is a non-GAAP measure.

Net finance revenue ("NFR") and NFR as a percentage of AEA (net finance margin or "NFM") are key metrics used by management to measure the profitability of our lending and leasing assets. NFR includes interest and fee income on our loans and capital leases, interest and dividend income on cash and investments, rental revenue and depreciation from our leased equipment, as well as funding costs. Since our asset composition includes an increasing level of operating lease equipment, NFM is a more appropriate metric for CIT than net interest margin ("NIM") (a common metric used by other banks), as NIM does not fully reflect the earnings of our portfolio because it includes the impact of debt costs on all our assets but excludes the net revenue (rental revenue less depreciation) from operating leases.

NFR increased primarily on commercial asset growth. Average earning assets increased, as growth in commercial assets offset the decline in consumer assets (student loans), which decreased due to loan sales in 2012 and 2011 and repayments in all periods. Partially offsetting the higher AEA was lower net FSA accretion, which decreased NFR by $5 million during 2013, compared to increases of $15 million in 2012 and $83 million in 2011. The declines were driven by the combination of lower interest income accretion and accelerated FSA discount of $40 million on debt extinguishments in 2012. During 2013, the Bank grew its operating lease portfolio, which contributed $66 million and $17 million to NFR in 2013 and 2012, respectively, and a minor amount in 2011.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect reported amounts of assets and liabilities, reported amounts of income and expense and the disclosure of contingent assets and liabilities. The following estimates, which are based on relevant information available at the end of each period, include inherent risks and uncertainties related to judgments and assumptions made. We consider the estimates to be critical in applying our accounting policies, due to the existence of uncertainty at the time the estimate is made, the likelihood of changes in estimates from period to period and the potential impact on the financial statements.

Management believes that the judgments and estimates utilized in the following critical accounting estimates are reasonable. We do not believe that different assumptions are more likely than those utilized, although actual events may differ from such assumptions. Consequently, our estimates could prove inaccurate, and we may be exposed to charges to earnings that could be material.

Allowance for Loan Losses – The allowance for loan losses on finance receivables reflects estimated amounts for loans originated subsequent to the Emergence Date, additional amounts required on loans that were on the balance sheet at the Emergence Date for subsequent changes in circumstances and amounts related to loans brought on balance sheet from previously unconsolidated entities.

The allowance for loan losses is intended to provide for losses inherent in the portfolio, which requires the application of estimates and significant judgment as to the ultimate outcome of collection efforts and realization of collateral values, among other things. Therefore, changes in economic conditions or credit metrics, including past due and non-accruing accounts, or other events affecting specific obligors or industries, may necessitate additions or reductions to the reserve for credit losses.

The allowance for loan losses is reviewed for adequacy based on portfolio collateral values and credit quality indicators, including charge-off experience, levels of past due loans and non-performing assets, evaluation of portfolio diversification and concentration as well as economic conditions to determine the need for a qualitative adjustment. We review finance receivables periodically to determine the probability of loss, and record charge-offs after considering such factors as delinquencies, the financial condition of obligors, the value of underlying collateral, as well as third party credit enhancements such as guarantees and recourse to manufacturers. This information is reviewed on a quarterly basis with senior management, including the Chief Executive Officer, Chief Risk Officer, Chief Credit Officer, Chief Financial Officer and Controller, among others, as well as the Audit and Risk Management Committees, in order to set the reserve for credit losses.

The allowance for loan losses on finance receivables is determined based on three key components: (1) specific allowances for loans that are impaired, based upon the value of underlying collateral or projected cash flows, (2) non-specific allowances for losses inherent in non-impaired loans in the portfolio based upon estimated loss levels, and (3) a qualitative adjustment to the allowance for economic risks, industry and geographic concentrations, and other factors not adequately captured in our methodology. The non-specific allowance for credit losses has been based on the Company's internal probability of default (PD) and loss given default (LGD) ratings using loan-level data, generally with a two-year loss emergence period assumption. As of December 31, 2013, the allowance was comprised of non-specific reserves of $326 million and specific reserves of $30 million, all related to commercial loans.

As a result, the allowance is sensitive to the risk ratings assigned to loans and leases in our portfolio. Assuming a one level PD downgrade across the 14 grade internal scale for all non-impaired loans and leases, the allowance would have increased by $236 million to $592 million at December 31, 2013. Assuming a one level LGD downgrade across the 11 grade internal scale for all non-impaired loans and leases, the allowance would have increased by $106 million to $462 million at December 31, 2013. As a percentage of finance receivables for the commercial segments, the allowance would be 3.18% under the PD hypothetical stress scenario and 2.48% under the hypothetical LGD stress scenario, compared to the reported 1.91%.

These sensitivity analyses do not represent management's expectations of the deterioration in risk ratings, or the increases in allowance and loss rates, but are provided as hypothetical scenarios to assess the sensitivity of the allowance for loan losses to changes in key inputs. We believe the risk ratings utilized in the allowance calculations are appropriate and that the probability of the sensitivity scenarios above occurring within a short period of time is remote. The process of determining the level of the allowance for loan losses requires a high degree of judgment. Others given the same information could reach different reasonable conclusions.

See *Credit Metrics and Notes 2 and 3* for additional information.

Loan Impairment – Loan impairment is measured based upon the difference between the recorded investment in each loan and either the present value of the expected future cash flows discounted at each loan's effective interest rate (the loan's contractual interest rate adjusted for any deferred fees or costs/ discount or premium at the date of origination/acquisition) or if a loan is collateral dependent, the collateral's fair value. When foreclosure or impairment is determined to be probable, the measurement will be based on the fair value of the collateral. The determination of impairment involves management's judgment and the use of market and third party estimates regarding collateral values. Valuations of impaired loans and corresponding impairment affect the level of the reserve for credit losses.

Fair Value Determination – At December 31, 2013, only selected assets (certain debt and equity securities, trading derivatives and derivative counterparty assets) and liabilities (trading derivatives and derivative counterparty liabilities) were measured at fair value.

Debt and equity securities classified as available for sale ("AFS") were carried at fair value, as determined either by Level 1 or Level 2 inputs. Debt securities classified as AFS included investments in U.S. Treasury and federal government agency securities and were valued using Level 1 inputs, primarily quoted prices for similar securities. Certain equity securities classified as AFS were valued using Level 1 inputs, primarily quoted prices in active markets, while other equity securities used Level 2 inputs, due to being less frequently traded or having limited quoted market prices. Assets held for sale were recorded at lower of cost or fair value on the balance sheet. Most of the assets were subject to a binding contract, current letter of intent or third-party valuation, which are Level 3 inputs. The value of impaired loans was estimated using the fair value of collateral (on an orderly liquidation basis) if the loan was collateralized, or the present value of expected cash flows utilizing the current market rate for such loan. The estimated fair values of derivatives were calculated internally using observable market data and represent the net amount receivable or payable to terminate, taking into account current market rates, which represent Level 2 inputs.

The fair value of assets related to net employee projected benefit obligations was determined largely via level 2.

Lease Residual Values – Operating lease equipment is carried at cost less accumulated depreciation and is depreciated to estimated residual value using the straight-line method over the lease term or estimated useful life of the asset. Direct financing leases are recorded at the aggregated future minimum lease payments plus estimated residual values less unearned finance income. We generally bear greater risk in operating lease transactions (versus finance lease transactions) as the duration of an operating lease is shorter relative to the equipment useful life than a finance lease. Management performs periodic reviews of residual values, with other than temporary impairment recognized in the current period as an increase to depreciation expense for operating lease residual impairment, or as an adjustment to yield for value adjustments on finance leases. Data regarding current equipment values, including appraisals, and historical residual realization experience are among the factors considered in evaluating estimated residual values. As of December 31, 2013, our direct financing lease residual balance was $0.7 billion and our total operating lease equipment balance totaled $13.0 billion.

Liabilities for Uncertain Tax Positions – The Company has open tax years in the U.S., Canada, and other international jurisdictions that are currently under examination, or may be subject to examination in the future, by the applicable taxing authorities. We evaluate the adequacy of our income tax reserves in accordance with accounting standards on uncertain tax positions, taking into account open tax return positions, tax assessments received, and tax law changes. The process of evaluating liabilities and tax reserves involves the use of estimates and a high degree of management judgment. The final determination of tax audits could affect our tax reserves.

Realizability of Deferred Tax Assets – The recognition of certain net deferred tax assets of the Company's reporting entities is dependent upon, but not limited to, the future profitability of the reporting entity, when the underlying temporary differences will reverse, and tax planning strategies. Further, Management's judgment regarding the use of estimates and projections is required in assessing our ability to realize the deferred tax assets relating to net operating loss carry forwards ("NOL's") as most of these assets are subject to limited carry-forward periods some of which began to expire in 2013. In addition, the domestic NOLs are subject to annual use limitations under the Internal Revenue Code and certain state laws. Management utilizes historical and projected data in evaluating positive and negative evidence regarding recognition of deferred tax assets. See *Notes 1* and *17* for additional information regarding income taxes.

Goodwill Assets – CIT's goodwill originated as the excess reorganization value over the fair value of tangible and identified intangible assets, net of liabilities, recorded in conjunction with FSA in 2009, and was allocated to Trade Finance, Transportation Finance and Vendor Finance. The consolidated balance totaled $335 million at December 31, 2013, or less than 1% of total assets. Though the goodwill balance is not significant compared to total assets, management believes the judgmental nature in determining the values of the units when measuring for potential impairment is significant enough to warrant additional discussion. CIT tested for impairment as of September 30, 2013, at which time CIT's share price was $48.77, trading at a premium to the September 30, 2013 tangible book value ("TBV") per share of $42.36. This is as compared to December 31, 2009, CIT's emergence date when the Company was valued at a discount of 30% to TBV per share of $39.06. At September 30, 2013, CIT's share price was trading at 77% above the convenience date share price of $27.61, while the TBV per share of $42.36 was approximately 8% higher than the TBV at December 31, 2009. In addition, the Company's Price to TBV multiple of 1.15 improved 12% from the 2012 goodwill evaluation.

In accordance with ASC 350, Intangibles – Goodwill and other, goodwill is assessed for impairment at least annually, or more frequently if events occur that would indicate a potential reduction in the fair value of the reporting unit below its carrying value. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. The ASC requires a two-step impairment test to be used to identify potential goodwill impairment and measure the amount of goodwill impairment. Companies can also choose to perform qualitative assessments to conclude on whether it is more likely or not that a company's carrying amount including goodwill is greater than its fair value, commonly referred to as Step 0 before applying the two-step approach.

For 2013, we performed Step 1 analysis utilizing estimated fair value based on peer price to earnings ("PE") and TBV multiples for the Transportation Finance, Trade Finance and Vendor Finance goodwill assessments. The current PE method was based on annualized pre-FSA income after taxes and actual peers' multiples as of September 30, 2013. Pre-FSA income after taxes is utilized for valuations as this was considered more appropriate for determining the company's profitability without the impact of FSA adjustment from the Company's emergence from bankruptcy in 2009.

The TBV method is based on the reporting unit's estimated equity carrying amount and peer ratios using TBV as of September 30, 2013. CIT estimates reporting each unit's equity carrying amounts by applying the Company's economic capital ratios to the unit's risk weighted assets.

In addition, the Company applies a 36.5% control premium. The control premium is management's estimate of how much a market participant would be willing to pay over the market fair value for control of the business. Management concluded, based on performing Step 1 analysis, that the fair values of the Transportation Finance, Trade Finance and Vendor Finance reporting units exceed their respective carrying values, including goodwill.

Estimating the fair value of reporting units involves the use of estimates and significant judgments that are based on a number of factors including actual operating results. If current conditions change from those expected, it is reasonably possible that the judgments and estimates described above could change in future periods.

See *Note 24 — Goodwill and Intangible Assets* for more detailed information.

INTERNAL CONTROLS WORKING GROUP

The Internal Controls Working Group ("ICWG"), which reports to the Disclosure Committee, is responsible for monitoring and improving internal controls over financial reporting. The ICWG is chaired by the Controller and is comprised of senior executives in Finance and the Chief Auditor. See *Item 9A. Controls and Procedures* for more information.

NON-GAAP FINANCIAL MEASUREMENTS

The SEC adopted regulations that apply to any public disclosure or release of material information that includes a non-GAAP financial measure. The accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosure about Market Risk contain certain non-GAAP financial measures. Due to the nature of our financing and leasing assets, which include a higher proportion of operating lease equipment than most BHCs, and the impact of FSA following our 2009 restructuring, certain financial measures commonly used by other BHCs are not as meaningful for our Company. Therefore, management uses certain non-GAAP financial measures to evaluate our performance. We intend our non-GAAP financial measures to provide additional information and insight regarding operating results and financial position of the business and in certain cases to provide financial information that is presented to rating agencies and other users of financial information. These measures are not in accordance with, or a substitute for, GAAP and may be different from or inconsistent with non-GAAP financial measures used by other companies. See footnotes below the tables for additional explanation of non-GAAP measurements.

Total Net Revenue and Net Operating Lease Revenue (dollars in millions)

	Years Ended December 31, 2013	2012	2011
Total Net Revenue(1)			
Interest income	$ 1,382.8	$ 1,569.1	$ 2,228.7
Rental income on operating leases	1,770.3	1,784.6	1,667.5
Finance revenue	3,153.1	3,353.7	3,896.2
Interest expense	(1,138.0)	(2,897.4)	(2,794.4)
Depreciation on operating lease equipment	(573.5)	(533.2)	(575.1)
Net finance revenue	1,441.6	(76.9)	526.7
Other income	382.1	653.1	952.8
Total net revenue	$ 1,823.7	$ 576.2	$ 1,479.5
Net Operating Lease Revenue(2)			
Rental income on operating leases	$ 1,770.3	$ 1,784.6	$ 1,667.5
Depreciation on operating lease equipment	(573.5)	(533.2)	(575.1)
Net operating lease revenue	$ 1,196.8	$ 1,251.4	$ 1,092.4

Adjusted NFR ($) and NFM (%) (dollars in millions)

	Years Ended December 31, 2013		2012		2011	
NFR / NFM	$1,441.6	4.28%	$ (76.9)	(0.24)%	$526.7	1.53%
Accelerated FSA net discount/ (premium) on debt extinguishments and repurchases	35.7	0.11%	1,450.9	4.46%	279.2	0.81%
Accelerated OID on debt extinguishments related to the GSI facility	(5.2)	(0.02)%	(52.6)	(0.16)%	–	–
Debt related – prepayment costs	–	–	–	–	114.2	0.33%
Adjusted NFR and NFM	$1,472.1	4.37%	$1,321.4	4.06%	$920.1	2.67%

Operating Expenses Excluding Restructuring Costs (dollars in millions)

	Years Ended December 31, 2013	2012	2011
Operating expenses	$(984.7)	$(918.2)	$(896.6)
Provision for severance and facilities exiting activities	36.9	22.7	13.1
Operating expenses excluding restructuring costs(3)	$(947.8)	$(895.5)	$(883.5)

Pre-tax Income (Loss) Excluding Debt Redemption Charges (dollars in millions)

	Years Ended December 31, 2013	2012	2011
Pre-tax income/(loss)	$774.1	$ (454.8)	$178.4
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	35.7	1,450.9	279.2
Debt related – loss on debt extinguishments	–	61.2	134.8
Accelerated OID on debt extinguishments related to the GSI facility	(5.2)	(52.6)	114.2
Debt redemption charges and OID acceleration	30.5	1,459.5	528.2
Pre-tax income – excluding debt redemption charges and OID acceleration(4)	$804.6	$1,004.7	$706.6

Earning Assets (dollars in millions)

	Years Ended December 31,		
Earning Assets[5]	2013	2012	2011
Loans	$18,629.2	$20,847.6	$19,905.9
Operating lease equipment, net	13,035.4	12,411.7	12,006.4
Assets held for sale	4,377.9	646.4	2,332.3
Credit balances of factoring clients	(1,336.1)	(1,256.5)	(1,225.5)
Total earning assets	$34,706.4	$32,649.2	$33,019.1
Commercial segments earning assets	$31,331.9	$28,953.2	$26,676.3

Tangible Book Value (dollars in millions)

	Years Ended December 31,		
Tangible Book Value[6]	2013	2012	2011
Total common stockholders' equity	$8,838.8	$8,334.8	$8,883.6
Less: Goodwill	(334.6)	(345.9)	(345.9)
Intangible assets	(20.3)	(31.9)	(63.6)
Tangible book value	$8,483.9	$7,957.0	$8,474.1

(1) *Total net revenues is a non-GAAP measure that represents the combination of net finance revenue and other income and is an aggregation of all sources of revenue for the Company. Total net revenues is used by management to monitor business performance. Given our asset composition includes a high level of operating lease equipment, NFM is a more appropriate metric than net interest margin ("NIM") (a common metric used by other bank holding companies), as NIM does not fully reflect the earnings of our portfolio because it includes the impact of debt costs of all our assets but excludes the net revenue (rental revenue less depreciation) from operating leases.*

(2) *Net operating lease revenue is a non-GAAP measure that represents the combination of rental income on operating leases less depreciation on operating lease equipment. Net operating lease revenues is used by management to monitor portfolio performance.*

(3) *Operating expenses excluding restructuring costs is a non-GAAP measure used by management to compare period over period expenses.*

(4) *Pre-tax income excluding debt redemption charges is a non-GAAP measure used by management to compare period over period operating results.*

(5) *Earning assets is a non-GAAP measure and are utilized in certain revenue and earnings ratios. Earning assets are net of credit balances of factoring clients. This net amount represents the amounts we fund.*

(6) *Tangible book value is a non-GAAP measure, which represents an adjusted common shareholders' equity balance that has been reduced by goodwill and intangiible assets. Tangible book value is used to compute a per common share amount, which is used to evaluate our use of equity.*

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "could," "expect," "estimate," "forecast," "intend," "plan," "potential," "project," "target" and similar expressions are generally intended to identify forward-looking statements. Any forward-looking statements contained herein, in press releases, written statements or other documents filed with the Securities and Exchange Commission or in communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls, concerning our operations, economic performance and financial condition are subject to known and unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

- our liquidity risk and capital management, including our capital plan, leverage, capital ratios, and credit ratings, our liquidity plan, and our plans and the potential transactions designed to enhance our liquidity and capital, and for a return of capital,
- our plans to change our funding mix and to access new sources of funding to broaden our use of deposit taking capabilities,
- our credit risk management and credit quality,
- our asset/liability risk management,
- accretion and amortization of FSA adjustments,
- our funding, borrowing costs and net finance revenue,
- our operational risks, including success of systems enhancements and expansion of risk management and control functions,
- our mix of portfolio asset classes, including growth initiatives, new business initiatives, new products, acquisitions and divestitures, new business and customer retention,
- legal risks,
- our growth rates,
- our commitments to extend credit or purchase equipment, and
- how we may be affected by legal proceedings.

All forward-looking statements involve risks and uncertainties, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information.

Therefore, actual results may differ materially from those expressed or implied in those statements. Factors, in addition to those disclosed in "*Risk Factors*", that could cause such differences include, but are not limited to:

- capital markets liquidity,
- risks of and/or actual economic slowdown, downturn or recession,
- industry cycles and trends,
- uncertainties associated with risk management, including credit, prepayment, asset/liability, interest rate and currency risks,
- estimates and assumptions used to fair value the balance sheet in accordance with FSA and actual variation between the estimated fair values and the realized values,
- adequacy of reserves for credit losses,
- risks inherent in changes in market interest rates and quality spreads,
- funding opportunities, deposit taking capabilities and borrowing costs,
- conditions and/or changes in funding markets and our access to such markets, including secured and unsecured term debt and the asset-backed securitization markets,
- risks of implementing new processes, procedures, and systems,
- risks associated with the value and recoverability of leased equipment and lease residual values,
- risks of achieving the projected revenue growth from new business initiatives or the projected expense reductions from efficiency improvements,
- application of fair value accounting in volatile markets,
- application of goodwill accounting in a recessionary economy,
- changes in laws or regulations governing our business and operations,
- changes in competitive factors,
- demographic trends,
- customer retention rates,
- future acquisitions and dispositions of businesses or asset portfolios, and
- regulatory changes and/or developments.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees about our performance. We do not assume the obligation to update any forward-looking statement for any reason.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of CIT Group Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of CIT Group Inc. and its subsidiaries ("the Company") at December 31, 2013 and December 31, 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control–Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits (which were integrated audits in 2013 and 2012). 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i)pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii)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 (iii)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.

PricewaterhouseCoopers LLP

New York, New York
February 28, 2014

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (dollars in millions – except per share data)

	December 31, 2013	December 31, 2012
Assets		
Cash and due from banks, including restricted balances of $178.1 and $497.6 at December 31, 2013 and 2012[(1)], respectively	$ 980.6	$ 877.1
Interest bearing deposits, including restricted balances of $880.0 and $687.5 at December 31, 2013 and 2012[(1)], respectively	5,158.6	5,944.2
Investment securities	2,630.7	1,065.5
Trading assets at fair value – derivatives	37.4	8.4
Assets held for sale[(1)]	4,377.9	646.4
Loans (see *Note 8* for amounts pledged)	18,629.2	20,847.6
Allowance for loan losses	(356.1)	(379.3)
Total loans, net of allowance for loan losses[(1)]	18,273.1	20,468.3
Operating lease equipment, net (see *Note 8* for amounts pledged)[(1)]	13,035.4	12,411.7
Unsecured counterparty receivable	584.1	649.1
Goodwill	334.6	345.9
Intangible assets, net	20.3	31.9
Other assets	1,706.3	1,563.5
Total Assets	**$47,139.0**	**$44,012.0**
Liabilities		
Deposits	$ 12,526.5	$ 9,684.5
Trading liabilities at fair value – derivatives	86.9	81.9
Credit balances of factoring clients	1,336.1	1,256.5
Other liabilities	2,589.5	2,687.8
Long-term borrowings, including $2,639.1 and $1,425.9 contractually due within twelve months at December 31, 2013 and December 31, 2012, respectively	21,750.0	21,961.8
Total Liabilities	**38,289.0**	**35,672.5**
Stockholders' Equity		
Common stock: $0.01 par value, 600,000,000 authorized Issued: 202,182,395 and 201,283,063 at December 31, 2013 and December 31, 2012, respectively Outstanding: 197,403,751 and 200,868,802 at December 31, 2013 and December 31, 2012, respectively	2.0	2.0
Paid-in capital	8,555.4	8,501.8
Retained earnings / (Accumulated deficit)	581.0	(74.6)
Accumulated other comprehensive loss	(73.6)	(77.7)
Treasury stock: 4,778,644 and 414,261 shares at December 31, 2013 and December 31, 2012 at cost, respectively	(226.0)	(16.7)
Total Common Stockholders' Equity	**8,838.8**	**8,334.8**
Noncontrolling minority interests	11.2	4.7
Total Equity	**8,850.0**	**8,339.5**
Total Liabilities and Equity	**$47,139.0**	**$44,012.0**

(1) *The following table presents information on assets and liabilities related to Variable Interest Entities (VIEs) that are consolidated by the Company. The difference between VIE total assets and total liabilities represents the Company's interest in those entities, which were eliminated in consolidation. The assets of the consolidated VIEs will be used to settle the liabilities of those entities and, except for the Company's interest in the VIEs, are not available to the creditors of CIT or any affiliates of CIT.*

Assets		
Cash and interest bearing deposits, restricted	$ 610.9	$ 751.5
Assets held for sale	3,440.4	8.7
Total loans, net of allowance for loan losses	3,109.5	7,135.5
Operating lease equipment, net	4,569.9	4,508.8
Total Assets	**$11,730.7**	**$12,404.5**
Liabilities		
Beneficial interests issued by consolidated VIEs (classified as long-term borrowings)	$ 8,422.0	$ 9,241.3
Total Liabilities	**$ 8,422.0**	**$ 9,241.3**

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (dollars in millions – except per share data)

	Years Ended December 31, 2013	2012	2011
Interest income			
Interest and fees on loans	$ 1,353.9	$ 1,536.8	$ 2,193.9
Interest and dividends on interest bearing deposits and investments	28.9	32.3	34.8
Interest income	1,382.8	1,569.1	2,228.7
Interest expense			
Interest on long-term borrowings	(958.2)	(2,744.9)	(2,683.2)
Interest on deposits	(179.8)	(152.5)	(111.2)
Interest expense	(1,138.0)	(2,897.4)	(2,794.4)
Net interest revenue	244.8	(1,328.3)	(565.7)
Provision for credit losses	(64.9)	(51.6)	(269.7)
Net interest revenue, after credit provision	179.9	(1,379.9)	(835.4)
Non-interest income			
Rental income on operating leases	1,770.3	1,784.6	1,667.5
Other income	382.1	653.1	952.8
Total non-interest income	2,152.4	2,437.7	2,620.3
Total revenue, net of interest expense and credit provision	2,332.3	1,057.8	1,784.9
Other expenses			
Depreciation on operating lease equipment	(573.5)	(533.2)	(575.1)
Operating expenses	(984.7)	(918.2)	(896.6)
Loss on debt extinguishments	–	(61.2)	(134.8)
Total other expenses	(1,558.2)	(1,512.6)	(1,606.5)
Income (loss) before provision for income taxes	774.1	(454.8)	178.4
Provision for income taxes	(92.5)	(133.8)	(158.6)
Income (loss) before noncontrolling interests	681.6	(588.6)	19.8
Net income attributable to noncontrolling interests, after tax	(5.9)	(3.7)	(5.0)
Net income (loss)	**$ 675.7**	**$ (592.3)**	**$ 14.8**
Basic income (loss) per common share	$ 3.37	$ (2.95)	$ 0.07
Diluted income (loss) per common share	$ 3.35	$ (2.95)	$ 0.07
Average number of common shares – basic (thousands)	200,503	200,887	200,678
Average number of common shares – diluted (thousands)	201,695	200,887	200,815

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Income (loss) before noncontrolling interests	$ 681.6	$ (588.6)	$ 19.8
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(12.8)	(8.4)	(23.9)
Changes in fair values of derivatives qualifying as cash flow hedges	(0.1)	0.6	0.9
Net unrealized gains (losses) on available for sale securities	(2.0)	1.0	(0.9)
Changes in benefit plans net gain (loss) and prior service (cost)/credit	19.0	11.7	(57.6)
Other comprehensive income (loss), net of tax	4.1	4.9	(81.5)
Comprehensive income (loss) before noncontrolling interests	685.7	(583.7)	(61.7)
Comprehensive loss attributable to noncontrolling interests	(5.9)	(3.7)	(5.0)
Comprehensive income (loss)	**$679.8**	**$(587.4)**	**$(66.7)**

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (dollars in millions)

	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Minority Interests	Total Equity
December 31, 2010	$2.0	$8,434.1	$ 502.9	$ (1.1)	$ (8.8)	$ (2.3)	$8,926.8
Net income			14.8			5.0	19.8
Other comprehensive loss, net of tax				(81.5)			(81.5)
Amortization of restricted stock and stock option expenses		24.6			(4.0)		20.6
Employee stock purchase plan		0.6					0.6
Distribution of earnings and capital						(0.2)	(0.2)
December 31, 2011	$2.0	$8,459.3	$ 517.7	$(82.6)	$ (12.8)	$ 2.5	$8,886.1
Net income (loss)			(592.3)			3.7	(588.6)
Other comprehensive loss, net of tax				4.9			4.9
Amortization of restricted stock, stock option, and performance share expenses		41.6			(3.9)		37.7
Employee stock purchase plan		1.1					1.1
Distribution of earnings and capital		(0.2)				(1.5)	(1.7)
December 31, 2012	$2.0	$8,501.8	$ (74.6)	$(77.7)	$ (16.7)	$ 4.7	$8,339.5
Net income			675.7			5.9	681.6
Other comprehensive income, net of tax				4.1			4.1
Dividends paid			(20.1)				(20.1)
Amortization of restricted stock, stock option and performance shares expenses		52.5			(15.9)		36.6
Repurchase of common stock					(193.4)		(193.4)
Employee stock purchase plan		1.1					1.1
Distribution of earnings and capital						0.6	0.6
December 31, 2013	$2.0	$8,555.4	$ 581.0	$(73.6)	$(226.0)	$11.2	$8,850.0

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (dollars in millions)

	Years Ended December 31 2013	2012	2011
Cash Flows From Operations			
Net income (loss)	$ 675.7	$ (592.3)	$ 14.8
Adjustments to reconcile net income (loss) to net cash flows from operations:			
Provision for credit losses	64.9	51.6	269.7
Net depreciation, amortization and accretion	705.5	1,985.9	751.8
Net gains on equipment, receivable and investment sales	(187.2)	(342.8)	(502.5)
Loss on debt extinguishments	–	21.1	109.8
Provision for deferred income taxes	59.1	32.7	57.0
(Increase) decrease in finance receivables held for sale	404.8	(54.9)	46.9
(Increase) decrease in other assets	(251.1)	(106.2)	503.3
Decrease in accrued liabilities and payables	(18.1)	(86.6)	(394.8)
Net cash flows provided by operations	1,453.6	908.5	856.0
Cash Flows From Investing Activities			
Loans originated and purchased	(18,243.1)	(18,983.6)	(20,576.2)
Principal collections of loans	15,310.4	16,673.7	21,670.7
Purchases of investment securities	(16,538.8)	(16,322.0)	(14,971.8)
Proceeds from maturities of investment securities	15,084.5	16,580.0	14,085.9
Proceeds from asset and receivable sales	1,875.4	4,499.3	4,315.7
Purchases of assets to be leased and other equipment	(2,071.8)	(1,776.6)	(2,136.9)
Net increase in short-term factoring receivables	105.2	134.1	196.8
Net change in restricted cash	127.0	(314.0)	1,683.9
Net cash flows (used in) provided by investing activities	(4,351.2)	490.9	4,268.1
Cash Flows From Financing Activities			
Proceeds from the issuance of term debt	2,107.6	13,523.9	6,680.5
Repayments of term debt	(2,445.8)	(19,542.2)	(15,626.3)
Net increase in deposits	2,846.1	3,499.8	1,680.9
Collection of security deposits and maintenance funds	543.9	563.4	554.6
Use of security deposits and maintenance funds	(495.8)	(373.8)	(498.5)
Repurchase of common stock	(193.4)	–	–
Dividends paid	(20.1)	–	–
Net cash flows provided by (used in) financing activities	2,342.5	(2,328.9)	(7,208.8)
Decrease in cash and cash equivalents	(555.1)	(929.5)	(2,084.7)
Unrestricted cash and cash equivalents, beginning of period	5,636.2	6,565.7	8,650.4
Unrestricted cash and cash equivalents, end of period	**$ 5,081.1**	**$ 5,636.2**	**$ 6,565.7**
Supplementary Cash Flow Disclosure			
Interest paid	$ (997.8)	$ (1,240.0)	$ (1,939.8)
Federal, foreign, state and local income taxes (paid) collected, net	$ (68.0)	$ 18.4	$ 94.5
Supplementary Non Cash Flow Disclosure			
Transfer of assets from held for investment to held for sale	$ 5,141.9	$ 1,421.2	$ 3,959.4
Transfer of assets from held for sale to held for investment	$ 18.0	$ 11.0	$ 229.8

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 — BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CIT Group Inc., together with its subsidiaries (collectively "CIT" or the "Company"), has provided financial solutions to its clients since its formation in 1908. The Company provides financing, leasing and advisory services principally to middle market companies in a wide variety of industries and offers vendor, equipment, commercial and structured financing products, as well as factoring and management advisory services. CIT became a bank holding company ("BHC") in December 2008 and a financial holding company ("FHC") in July 2013. CIT is regulated by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Reserve Bank of New York ("FRBNY") under the U.S. Bank Holding Company Act of 1956. CIT Bank (the "Bank"), a wholly-owned subsidiary, is a state-chartered bank located in Salt Lake City, Utah, and is regulated by the Federal Deposit Insurance Corporation ("FDIC") and the Utah Department of Financial Institutions ("UDFI"). The Company operates primarily in North America, with locations in Europe, South America and Asia.

BASIS OF PRESENTATION

Basis of Financial Information

The accounting and financial reporting policies of CIT Group Inc. conform to generally accepted accounting principles ("GAAP") in the United States and the preparation of the consolidated financial statements is in conformity with GAAP which requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates and assumptions. Some of the more significant estimates include: allowance for loan losses, loan impairment, fair value determination, lease residual values, liabilities for uncertain tax positions, realizability of deferred tax assets and goodwill assets. Additionally where applicable, the policies conform to accounting and reporting guidelines prescribed by bank regulatory authorities.

Principles of Consolidation

The accompanying consolidated financial statements include financial information related to CIT Group Inc. and its majority-owned subsidiaries and those variable interest entities ("VIEs") where the Company is the primary beneficiary.

In preparing the consolidated financial statements, all significant inter-company accounts and transactions have been eliminated. Assets held in an agency or fiduciary capacity are not included in the consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES

Financing and Leasing Assets

CIT extends credit to customers through a variety of financing arrangements; including term loans, revolving credit facilities, capital leases (direct finance leases) and operating leases. The amounts outstanding on term loans, revolving credit facilities and capital leases are referred to as finance receivables. In certain instances, we use the term "Loans" synonymously, as presented on the balance sheet. These finance receivables, when combined with *Assets held for sale* and *Operating lease equipment, net* are referred to as financing and leasing assets.

It is CIT's expectation that the majority of the loans and leases originated will be held for the foreseeable future or until maturity. In certain situations, for example to manage concentrations and/or credit risk or where returns no longer meet specified targets, some or all of certain exposures are sold. Loans for which the Company has the intent and ability to hold for the foreseeable future or until maturity are classified as held for investment ("HFI"). If the Company no longer has the intent or ability to hold loans for the foreseeable future, then the loans are transferred to assets held for sale ("AHFS"). Loans originated with the intent to resell are classified as AHFS.

Loans originated and classified as HFI are recorded at amortized cost. Loan origination fees and certain direct origination costs are deferred and recognized as adjustments to interest income over the lives of the related loans. Unearned income on leases and discounts and premiums on loans purchased are amortized to interest income using the effective interest method. Direct financing leases originated and classified as HFI are recorded at the aggregate future minimum lease payments plus estimated residual values less unearned finance income. Management performs periodic reviews of estimated residual values, with other than temporary impairment ("OTTI") recognized in current period earnings.

Operating lease equipment is carried at cost less accumulated depreciation. Operating lease equipment is depreciated to its estimated residual value using the straight-line method over the lease term or estimated useful life of the asset.

In the operating lease portfolio, maintenance costs incurred that exceed maintenance funds collected for commercial aircraft are expensed if they do not provide a future economic benefit and do not extend the useful life of the aircraft. Such costs may include costs of routine aircraft operation and costs of maintenance and spare parts incurred in connection with re-leasing an aircraft and during the transition between leases. For such maintenance costs that are not capitalized, a charge is recorded in expense at the time the costs are incurred. Income recognition related to maintenance funds collected and not used during the life of the lease is deferred to the extent management estimates costs will be incurred by subsequent lessees performing scheduled maintenance. Upon the disposition of an aircraft, any excess maintenance funds that exist are recognized as Other Income.

If it is determined that a loan should be transferred from HFI to AHFS, then the balance is transferred at the lower of cost or fair value. At the time of transfer, a write-down of the loan is recorded as a charge-off when the carrying amount exceeds fair value and the difference relates to credit quality, otherwise the write-down is recorded as a reduction in Other Income, and any allowance for loan loss is reversed. Once classified as AHFS, the amount by which the carrying value exceeds fair value is recorded as a valuation allowance and is reflected as a reduction to Other Income.

If it is determined that a loan should be transferred from AHFS to HFI, the loan is transferred at the lower of cost or fair value on the transfer date, which coincides with the date of change in management's intent. The difference between the carrying value of the loan and the fair value, if lower, is reflected as a loan discount at the transfer date, which reduces its carrying value. Subsequent to the transfer, the discount is accreted into earnings as an increase to interest income over the life of the loan using the effective interest method.

Revenue Recognition

Interest income on loans (both HFI and AHFS) and direct financing leases is recognized using the effective interest method or on a basis approximating a level rate of return over the life of the asset. Interest income includes a component of accretion of the fair value discount on loans and lease receivables recorded in connection with Fresh Start Accounting ("FSA"), which is accreted using the effective interest method as a yield adjustment over the remaining term of the loan and recorded in interest income. See *Fresh Start Accounting* further in this section.

Rental revenue on operating leases is recognized on a straight line basis over the lease term and is included in Non-interest Income. An intangible asset was recorded in FSA to adjust for carrying value of above or below market operating lease contracts to their fair value. These adjustments (net) are amortized into rental income on a straight line basis over the remaining term of the respective lease.

The recognition of interest income (including accretion) on commercial loans and finance receivables is suspended and an account is placed on non-accrual status when, in the opinion of management, full collection of all principal and interest due is doubtful. To the extent the estimated cash flows, including fair value of collateral, does not satisfy both the principal and accrued interest outstanding, accrued but uncollected interest at the date an account is placed on non-accrual status is reversed and charged against interest income. Subsequent interest received is applied to the outstanding principal balance until such time as the account is collected, charged-off or returned to accrual status. Interest on loans or capital leases that are on cash basis non-accrual do not accrue interest income; however, payments designated by the borrower as interest payments may be recorded as interest income. To qualify for this treatment, the remaining recorded investment in the loan or capital lease must be deemed fully collectable.

The recognition of interest income (including accretion) on consumer loans and certain small ticket commercial loans and lease receivables is suspended and all previously accrued but uncollected revenue is reversed, when payment of principal and/or interest is contractually delinquent for 90 days or more. Accounts, including accounts that have been modified, are returned to accrual status when, in the opinion of management, collection of remaining principal and interest is reasonably assured, and upon collection of six consecutive scheduled payments.

The Company periodically modifies the terms of finance receivables in response to borrowers' financial difficulties. These modifications may include interest rate changes, principal forgiveness or payment deferments. The finance receivables that are modified, where a concession has been made to the borrower, are accounted for as Troubled Debt Restructurings ("TDR's"). TDR's are generally placed on non-accrual upon their restructuring and remain on non-accrual until, in the opinion of management, collection of remaining principal and interest is reasonably assured, and upon collection of six consecutive scheduled payments.

Allowance for Loan Losses on Finance Receivables

The allowance for loan losses is intended to provide for credit losses inherent in the loan and lease receivables portfolio and is periodically reviewed for adequacy considering credit quality indicators, including expected and historical losses and levels of and trends in past due loans, non-performing assets and impaired loans, collateral values and economic conditions.

The allowance for loan losses on finance receivables for CIT reflects estimated amounts for loans originated subsequent to the emergence date, and amounts required in excess of the remaining FSA discount on loans that were on the balance sheet at the emergence date. The allowance for loan losses on finance receivables originated as of or subsequent to emergence is determined based on three key components: (1) specific allowances for loans that are impaired, based upon the value of underlying collateral or projected cash flows, (2) non-specific allowances for estimated losses inherent in the portfolio based upon the expected loss over the loss emergence period projected loss levels and (3) allowances for estimated losses inherent in the portfolio based upon economic risks, industry and geographic concentrations, and other factors. Changes to the Allowance for Loan Losses are recorded in the Provision for Credit Losses.

With respect to assets transferred from HFI to AHFS, a charge off is recognized to the extent carrying value exceeds the expected cash flows and the difference relates to credit quality.

An approach similar to the allowance for loan losses is utilized to calculate a reserve for losses related to unfunded loan commitments and deferred purchase commitments associated with the Company's factoring business. A reserve for unfunded loan commitments is maintained to absorb estimated probable losses related to these facilities. The adequacy of the reserve is determined based on periodic evaluations of the unfunded credit facilities, including an assessment of the probability of commitment usage, credit risk factors for loans outstanding to these same customers, and the terms and expiration dates of the unfunded credit facilities. The reserve for unfunded loan commitments is recorded as a liability on the Consolidated Balance Sheet. Net adjustments to the reserve for unfunded loan commitments are included in the provision for credit losses.

Finance receivables are divided into the following five portfolio segments, which correspond to the Company's business segments; Corporate Finance; Transportation Finance; Trade Finance; Vendor Finance and Consumer. Within each portfolio segment, credit risk is assessed and monitored in the following classes of loans; Corporate Finance – SBL (Small Business Lending); Corporate Finance – commercial real estate (CRE); Corporate Finance – other; Transportation Finance; Trade Finance; Vendor Finance – U.S.; Vendor Finance – International; and Consumer. The allowance is estimated based upon the finance receivables in the respective class.

The allowance policies described above related to specific and non-specific allowances, and the impaired finance receivables and charge-off policies that follow, are applied across the portfolio segments and loan classes. Given the nature of the Company's business, the specific allowance is largely related to the Corporate Finance, Trade Finance and Transportation Finance portfolio segments. The non-specific allowance, which considers the Company's internal system of probability of default and loss severity ratings, among other factors, is applicable to all the portfolio segments.

Impaired Finance Receivables

Impaired finance receivables (including loans or capital leases) of $500 thousand or greater that are placed on non-accrual status, largely in the Corporate Finance – Real Estate Finance, Corporate Finance – other, Trade Finance and Transportation Finance loan classes, are subject to periodic individual review by the Company's problem loan management ("PLM") function. The Company excludes consumer loans and small-ticket loan and lease receivables, largely in the two Vendor Finance and Corporate Finance – SBL loan classes, that have not been modified in a troubled debt restructuring, as well as short-term factoring receivables, from its impaired finance receivables disclosures as charge-offs are typically determined and recorded for such loans beginning at 120-150 days of contractual delinquency.

Impairment occurs when, based on current information and events, it is probable that CIT will be unable to collect all amounts due according to contractual terms of the agreement. Impairment is measured as the shortfall between estimated value and recorded investment in the finance receivable, with the estimated value determined using fair value of collateral and other cash flows if the finance receivable is collateralized, or the present value of expected future cash flows discounted at the contract's effective interest rate.

Charge-off of Finance Receivables

Charge-offs on commercial loans are recorded after considering such factors as the borrower's financial condition, the value of underlying collateral and guarantees (including recourse to dealers and manufacturers), and the status of collection activities. Such charge-offs are deducted from the carrying value of the related finance receivables. This policy is largely applicable in the Corporate Finance – Real Estate Finance, Corporate Finance – other, Trade Finance and Transportation Finance loan classes. Charge-offs on consumer and certain small ticket commercial finance receivables, primarily in the Vendor Finance and Consumer segments and the Corporate Finance – SBL loan class, are recorded beginning at 120 to150 days of contractual delinquency. Charge-offs on loans originated are reflected in the provision for credit losses. Charge-offs on loans with an FSA discount are first allocated to the respective loan's fresh start discount, then to the extent a charge-off amount exceeds such discount, to provision for credit losses. Collections on accounts previously charged off in the post-emergence period are recorded as recoveries in the provision for credit losses. Collections on accounts previously charged off in the pre-emergence period are recorded as recoveries in other income. Collections on accounts previously charged off prior to transfer to AHFS are recorded as recoveries in other income.

Delinquent Finance Receivables

A loan is considered past due for financial reporting purposes if default of contractual principal or interest exists for a period of 30 days or more. Past due loans consist of both loans that are still accruing interest as well as loans on non-accrual status.

Long-Lived Assets

A review for impairment of long-lived assets, such as operating lease equipment, is performed at least annually or when events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable. Impairment of assets is determined by comparing the carrying amount to future undiscounted net cash flows expected to be generated. If an asset is impaired, the impairment is the amount by which the carrying amount exceeds the fair value of the asset. Fair value is based upon discounted cash flow analysis and available market data. Current lease rentals, as well as relevant and available market information (including third party sales for similar equipment, and published appraisal data), are considered both in determining undiscounted future cash flows when testing for the existence of impairment and in determining estimated fair value in measuring impairment. Depreciation expense is adjusted when projected fair value at the end of the lease term is below the projected book value at the end of the lease term. Assets to be disposed of are included in assets held for sale in the Consolidated Balance Sheet and reported at the lower of the carrying amount or fair value less disposal costs.

Investments

Debt and equity securities classified as "available-for-sale" ("AFS") are carried at fair value with changes in fair value reported in accumulated other comprehensive income ("AOCI"), net of applicable income taxes. Credit- related declines in fair value that are determined to be OTTI are immediately recorded in earnings. Realized gains and losses on sales are included in *Other income* on a specific identification basis, and interest and dividend income on AFS securities is included in *Interest and dividends on interest bearing deposits and investments.*

Debt securities classified as "held-to-maturity" ("HTM") represent securities that the Company has both the ability and the intent to hold until maturity, and are carried at amortized cost. Interest on such securities is included in *Interest and dividends on interest bearing deposits and investments.*

Debt and marketable equity security purchases and sales are recorded as of the trade date.

Equity securities without readily determinable fair values are generally carried at cost or the equity method of accounting and periodically assessed for OTTI, with the net asset values reduced when impairment is deemed to be other-than-temporary. Equity method investments are recorded at cost, adjusted to reflect the Company's portion of income, loss or dividend of the investee.

Evaluating Investments for OTTI

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in AOCI for AFS securities, while such losses related to HTM securities are not recorded, as these investments are carried at their amortized cost.

The Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other than temporary. The Company accounts for investment impairments in accordance with ASC 320-10-35-34, *Investments – Debt and Equity Securities: Recognition of an Other-Than-Temporary Impairment*. Under the guidance for debt securities, OTTI is recognized in earnings for debt securities that the Company has an intent to sell or that the Company believes it is more-likely-than-not that it will be required to sell prior to the recovery of the amortized cost basis. For those securities that the Company does not intend to sell or expect to be required to sell, credit-related impairment is recognized in earnings, while the non-credit related impairment is recorded in AOCI.

Amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium. Regardless of the classification of the securities as AFS or HTM, the Company assesses each investment with an unrealized loss for impairment.

Factors considered in determining whether a loss is temporary include:

- the length of time that fair value has been below cost;
- the severity of the impairment or the extent to which fair value has been below cost;
- the cause of the impairment and the financial condition and the near-term prospects of the issuer;
- activity in the market of the issuer that may indicate adverse credit conditions; and
- the Company's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

The Company's review for impairment generally includes identification and evaluation of investments that have indications of possible impairment, in addition to:

- analysis of individual investments that have fair values less than amortized cost, including consideration of the length of time the investment has been in an unrealized loss position and the expected recovery period;
- discussion of evidential matter, including an evaluation of factors or triggers that could cause individual investments to qualify as having OTTI and those that would not support OTTI; and
- documentation of the results of these analyses, as required under business policies.

For equity securities, management considers the various factors described above. If it is determined that the security's decline in fair value (for equity securities AFS) or cost (for equity securities carried at amortized cost) is other than temporary, the security's fair value or cost is written down, and the charge recognized in Other income.

Goodwill and Other Identified Intangibles

The Company's goodwill represents the excess of the reorganization equity value over the fair value of tangible and identifiable intangible assets, net of liabilities as of the emergence date. The goodwill was assigned to reporting units at the date the goodwill was initially recorded. Once the goodwill was assigned to the segment (or "reporting unit") level, it no longer retained its association with a particular transaction, and all of the activities within the reporting unit, whether acquired or internally generated, are available to evaluate the value of goodwill.

Goodwill is not amortized but it is subject to impairment testing at the reporting unit on an annual basis, or more often if events or circumstances indicate there may be impairment. The Company follows guidance in ASU 2011-08, *Intangibles – Goodwill and Other (Topic 350), Testing Goodwill for Impairment* that includes the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount before performing the two-step impairment test as required in ASC 350, *Intangibles – Goodwill and Other*. Examples of qualitative factors to assess include macroeconomic conditions, industry and market considerations, market changes affecting the Company's products and services, overall financial performance, and company specific events affecting operations.

If the Company does not perform the qualitative assessment or upon performing the qualitative assessment concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, CIT would be required to perform the first step of the two-step goodwill impairment test for that reporting unit. The first step involves comparing the fair value of the reporting unit with its carrying value, including goodwill as measured by allocated equity. If the fair value of the reporting unit exceeds its carrying value, goodwill in that unit is not considered impaired. However, if the carrying value exceeds its fair value, step two must be performed to assess potential impairment. In step two, the implied fair value of the reporting unit's goodwill (the reporting unit fair value less its carrying amount, excluding goodwill) is compared with the carrying amount of the goodwill. An impairment loss would be recorded in the amount that the carrying amount of goodwill exceeds its implied fair value. Reporting unit fair values are primarily estimated using discounted cash flow models. See *Note 24* for further details.

An intangible asset was recorded in FSA for net above and below market operating lease contracts. These intangible assets are amortized on a straight line basis, resulting in lower rental income (a component of Non-interest Income) over the remaining term of the lease agreements. Management evaluates definite lived intangible assets for impairment when events and circumstances indicate that the carrying amounts of those assets may not be recoverable.

Other Assets

Assets received in satisfaction of loans are initially recorded at fair value and then assessed at the lower of carrying value or estimated fair value less selling costs, with write-downs of the pre-existing receivable reflected in the provision for credit losses. Additional impairment charges, if any, would be recorded in Other Income.

Derivative Financial Instruments

The Company manages economic risk and exposure to interest rate and foreign currency risk through derivative transactions in over-the-counter markets with other financial institutions. The Company does not enter into derivative financial instruments for speculative purposes.

Derivatives utilized by the Company may include swaps, forward settlement contracts, and options contracts. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. Forward settlement contracts are agreements to buy or sell a quantity of a financial instrument, index, currency or commodity at a predetermined future date, and rate or price. An option contract is an agreement that gives the buyer the right, but not the obligation, to buy or sell an underlying asset from or to another party at a predetermined price or rate over a specific period of time.

The Company documents at inception all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategies for undertaking various hedges. Upon executing a derivative contract, the Company designates the derivative as either a qualifying hedge or non-qualifying hedge. The designation may change based upon management's reassessment of circumstances.

The Company utilizes cross-currency swaps and foreign currency forward contracts to hedge net investments in foreign operations. These transactions are classified as foreign currency net investment hedges with resulting gains and losses reflected in AOCI. For hedges of foreign currency net investment positions, the "forward" method is applied whereby effectiveness is assessed and measured based on the amounts and currencies of the individual hedged net investments versus the notional amounts and underlying currencies of the derivative contract. For those hedging relationships where the critical terms of the underlying net investment and the derivative are identical, and the credit-worthiness of the counterparty to the hedging instrument remains sound, there is an expectation of no hedge ineffectiveness so long as those conditions continue to be met.

The Company also enters into foreign currency forward contracts to manage the foreign currency risk associated with its non US subsidiary's funding activities and designates these as foreign currency cash flow hedges for which certain components are reflected in AOCI and others recognized in noninterest income when the underlying transaction impacts earnings.

In addition, the company uses foreign currency forward contracts, interest rate swaps, cross currency interest rate swaps, and options to hedge interest rate and foreign currency risks arising from its asset and liability mix. These are treated as economic hedges.

Derivative instruments that qualify for hedge accounting are presented in the balance sheet at their fair values in other assets or other liabilities. Derivatives that do not qualify for hedge accounting are presented in the balance sheet as trading assets or liabilities, with their resulting gains or losses recognized in Other Income. Fair value is based on dealer quotes, pricing models, discounted cash flow methodologies, or similar techniques for which the determination of fair value may require significant management judgment or estimation. The fair value of the derivative is reported on a gross-by-counterparty basis. Valuations of derivative assets and liabilities reflect the value of the instrument including the Company's and counterparty's credit risk.

CIT is exposed to credit risk to the extent that the counterparty fails to perform under the terms of a derivative. The Company manages this credit risk by requiring that all derivative transactions be conducted with counterparties rated investment grade at the initial transaction by nationally recognized rating agencies, and by setting limits on the exposure with any individual counterparty. In addition, pursuant to the terms of the Credit Support Annexes between the Company and its counterparties, CIT may be required to post collateral or may be entitled to receive collateral in the form of cash or highly liquid securities depending on the valuation of the derivative instruments as measured on a daily basis.

Fair Value

CIT measures the fair value of its financial assets and liabilities in accordance with ASC 820 Fair Value Measurements, which defines fair value, establishes a consistent framework for measuring fair value and requires disclosures about fair value measurements. The Company categorizes its financial instruments, based on the priority of inputs to the valuation techniques, according to the following three-tier fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as certain other securities that are highly liquid and are actively traded in over-the-counter markets;
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes derivative contracts and certain loans held-for-sale;
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using valuation models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes highly structured or long-term derivative contracts and structured finance securities where independent pricing information cannot be obtained for a significant portion of the underlying assets or liabilities.

Income Taxes

Deferred tax assets and liabilities are recognized for the expected future taxation of events that have been reflected in the Consolidated Financial Statements. Deferred tax assets and liabilities are determined based on the differences between the book values and the tax basis of particular assets and liabilities, using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to reduce the reported amount of any net deferred tax assets of a reporting entity if, based upon the relevant facts and circumstances, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company is subject to the income tax laws of the United States, its states and municipalities and those of the foreign jurisdictions in which the Company operates. These tax laws are complex, and the manner in which they apply to the taxpayer's facts is sometimes open to interpretation. Given these inherent complexities, the Company must make judgments in assessing the likelihood that a beneficial income tax position will be sustained upon examination by the taxing authorities based on the technical merits of the tax position. An income tax benefit is recognized only when, based on management's judgment regarding the application of income tax laws, it is more likely than not that the tax position will be sustained upon examination. The amount of benefit recognized for financial reporting purposes is based on management's best judgment of the most likely outcome resulting from examination given the facts, circumstances and information available at the reporting date. The Company adjusts the level of unrecognized tax benefits when there is new information available to assess the likelihood of the outcome. Liabilities for uncertain income tax positions are included in current taxes payable, which is reflected in accrued liabilities and payables. Accrued interest and penalties for unrecognized tax positions are recorded in income tax expense.

Other Comprehensive Income/Loss

Other Comprehensive Income/Loss includes unrealized gains and losses, unless other than temporarily impaired, on AFS investments, foreign currency translation adjustments for both net investment in foreign operations and related derivatives designated as hedges of such investments, changes in fair values of derivative instruments designated as hedges of future cash flows and certain pension and postretirement benefit obligations, all net of tax.

Foreign Currency Translation

In addition to U.S. operations, the Company has operations in Canada, Europe and other jurisdictions. The functional currency for foreign operations is generally the local currency. The value of assets and liabilities of these operations is translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense items are translated at the average exchange rates during the year. The resulting foreign currency translation gains and losses, as well as offsetting gains and losses on hedges of net investments in foreign operations, are reflected in AOCI. Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency are included in Other income.

Pension and Other Postretirement Benefits

CIT has both funded and unfunded noncontributory defined benefit pension and postretirement plans covering certain U.S. and non-U.S. employees, each of which is designed in accordance with the practices and regulations in the related countries. Recognition of the funded status of a benefit plan, which is measured as the difference between plan assets at fair value and the benefit obligation, is included in the balance sheet. The Company recognizes as a component of Other Comprehensive Income, net of tax, the net actuarial gains or losses and prior service cost or credit that arise during the period but are not recognized as components of net periodic benefit cost in the Statement of Operations.

Variable Interest Entities

A VIE is a corporation, partnership, limited liability company, or any other legal structure used to conduct activities or hold assets. These entities: lack sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support from other parties; have equity owners who either do not have voting rights or lack the ability to make significant decisions affecting the entity's operations; and/or have equity owners that do not have an obligation to absorb the entity's losses or the right to receive the entity's returns.

The Company accounts for its VIEs in accordance with Accounting Standards Update ("ASU") No. 2009-16, *Transfers and Servicing (Topic 860) – Accounting for Transfers of Financial Assets* and ASU No. 2009-17, *Consolidations (Topic 810) – Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*. ASU 2009-17 amended the VIEs Subsections of ASC Subtopic 810-10 to require former qualified special purpose entities to be evaluated for consolidation and also changed the approach to determining a VIE's primary beneficiary ("PB") and required companies to more frequently reassess whether they must consolidate VIEs. Under the new guidance, the PB is the party that has both (1) the power to direct the activities of an entity that most significantly impact the VIE's economic performance; and (2) through its interests in the VIE, the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, the Company considers all facts and circumstances, including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes, first, identifying the activities that most significantly impact the VIE's economic performance; and second, identifying which party, if any, has power over those activities. In general, the parties that make the most significant decisions affecting the VIE (such as asset managers, collateral managers, servicers, or owners of call options or liquidation rights over the VIE's assets) or have the right to unilaterally remove those decision-makers are deemed to have the power to direct the activities of a VIE.

To assess whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity investments, servicing fees, and derivative or other arrangements deemed to be variable interests in the VIE. This assessment requires that the Company apply judgment in determining whether these interests, in the aggregate, are considered potentially significant to the VIE. Factors considered in assessing significance include: the design of the VIE, including its capitalization structure; subordination of interests; payment priority; relative share of interests held across various classes within the VIE's capital structure; and the reasons why the interests are held by the Company.

The Company performs on-going reassessments of: (1) whether any entities previously evaluated under the majority voting-interest framework have become VIEs, based on certain events, and are therefore subject to the VIE consolidation framework; and (2) whether changes in the facts and circumstances regarding the Company's involvement with a VIE cause the Company's consolidation conclusion regarding the VIE to change.

When in the evaluation of its interest in each VIE it is determined that the Company is considered the primary beneficiary, the VIE's assets, liabilities and non-controlling interests are consolidated and included in the Consolidated Financial Statements. See *Note 8 — Long Term Borrowings* for further details.

Non-interest Income

Non-interest income is recognized in accordance with relevant authoritative pronouncements and includes rental income on operating leases and other income. Other income includes (1) factoring commissions, (2) gains and losses on sales of equipment (3) fee revenues, including fees on lines of credit, letters of credit, capital markets related fees, agent and advisory fees and servicing fees (4) gains and losses on loan and portfolio sales, (5) recoveries on loans charged-off pre-emergence and loans charged-off prior to transfer to AHFS, (6) gains and losses on investments, (7) gains and losses on derivatives and foreign currency exchange, (8) counterparty receivable accretion, (9) impairment on assets held for sale, and (10) other revenues.

Other Expenses

Other expenses include (1) depreciation on operating lease equipment, (2) operating expenses, which include compensation and benefits, technology costs, professional fees, occupancy expenses, provision for severance and facilities exiting activities, advertising and marketing, and other expenses and (3) losses on debt extinguishments.

Stock-Based Compensation

Compensation expense associated with equity-based awards is recognized over the vesting period (requisite service period), generally three years, under the "graded vesting" attribution method, whereby each vesting tranche of the award is amortized separately as if each were a separate award. The cost of awards granted to directors in lieu of cash is recognized using the single-grant approach with immediate vesting and expense recognition. Expenses related to stock-based compensation are included in Operating Expenses.

Earnings per Share ("EPS")

Basic EPS is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income by the weighted-average number of common shares outstanding increased by the weighted-average potential impact of dilutive securities. The Company's potential dilutive instruments include restricted unvested stock grants, performance stock grants and stock options. The dilutive effect is computed using the treasury stock method, which assumes the conversion of these instruments. However, in periods when there is a net loss, these shares would not be included in the EPS computation as the result would have an anti-dilutive effect.

Accounting for Costs Associated with Exit or Disposal Activities

A liability for costs associated with exit or disposal activities, other than in a business combination, is recognized when the liability is incurred. The liability is measured at fair value, with adjustments for changes in estimated cash flows recognized in earnings.

Consolidated Statements of Cash Flows

Unrestricted cash and cash equivalents includes cash and interest-bearing deposits, which are primarily overnight money market investments and short term investments in mutual funds. The Company maintains cash balances principally at financial institutions located in the U.S. and Canada. The balances are not insured in all cases. Cash and cash equivalents also include amounts at CIT Bank, which are only available for the bank's funding and investment requirements. Cash inflows and outflows from customer deposits are generally greater than 90 days and are presented on a net basis. Most factoring receivables are presented on a net basis in the Statements of Cash Flows, as factoring receivables are generally less than 90 days.

Cash receipts and cash payments resulting from purchases and sales of loans, securities, and other financing and leasing assets are classified as operating cash flows in accordance with ASC 230-10-45-21 when these assets are originated/acquired and designated specifically for resale.

Activity for loans originated or acquired for investment purposes, including those subsequently transferred to AHFS, is classified in the investing section of the statement of cash flows in accordance with ASC 230-10-45-12 and 230-10-45-13. The vast majority of the Company's loan originations are for investment purposes. Cash receipts resulting from sales of loans, beneficial interests and other financing and leasing assets that were not specifically originated and/or acquired and designated for resale are classified as investing cash inflows regardless of subsequent classification.

Fresh Start Accounting

The consolidated financial statements include the effects of adopting Fresh Start Accounting ("FSA") upon the Company's emergence from bankruptcy on December 10, 2009, based on a convenience date of December 31, 2009 (the "Convenience Date"), as required by U.S. GAAP. Accretion and amortization of certain FSA adjustments are included in the consolidated Statements of Operations and Cash Flows.

Interest income includes a component of accretion of the fair value discount on loans and lease receivables recorded in connection with FSA. For finance receivables that were not considered impaired at the FSA date and for which cash flows were evaluated based on contractual terms, the discount is accreted using the effective interest method as a yield adjustment over the remaining term of the loan and recorded in Interest Income. If the finance receivable is prepaid, the remaining accretable balance is recognized in Interest Income. If the finance receivable is sold, the remaining discount is considered in the determination of the resulting gain or loss. If the finance receivable is subsequently classified as non-accrual, accretion of the discount ceases.

For finance receivables that were considered impaired at the FSA date and for which the cash flows were evaluated based on expected cash flows that were less than contractual cash flows, there is an accretable and a non-accretable discount. The accretable discount is accreted using the effective interest method as a yield adjustment over the remaining term of the loan and recorded in Interest Income. The non-accretable discount reflects the present value of the difference between the excess of cash flows contractually required to be paid and expected cash flows (i.e. credit component). The non-accretable discount is recorded as a reduction to finance receivables and serves to reduce future charge-offs or is reclassified to accretable discount should expected cash flows improve. The accretable discount on finance receivables that are on non-accrual does not accrete until the account returns to performing status. Operating lease equipment purchased prior to emergence from bankruptcy in 2009 was recorded at estimated fair value at emergence and is carried at that new basis less accumulated depreciation.

Revisions

In preparing the interim financial statements for September 30, 2013, the Company discovered and corrected in its third quarter report on Form 10-Q an immaterial error impacting the classification of *cash and due from banks* and *interest bearing deposits* in the amount of $430 million as of December 31, 2012. The reclassification error had no impact on the Company's statements of operations or cash flows for any periods.

NEW ACCOUNTING PRONOUNCEMENTS

Foreign Currency Matters

In March 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*, which provides that a cumulative translation adjustment ("CTA") is attached to the parent's investment in a foreign entity and should be released in a manner consistent with the derecognition guidance on investments in entities. Thus, the entire amount of the CTA associated with the foreign entity would be released when there has been a:

- Sale of a subsidiary or group of net assets within a foreign entity and the sale represents the substantially complete liquidation of the investment in the foreign entity.
- Loss of a controlling financial interest in an investment in a foreign entity (i.e., the foreign entity is deconsolidated).
- Step acquisition for a foreign entity (i.e., when an entity has changed from applying the equity method for an investment in a foreign entity to consolidating the foreign entity).

The ASU does not change the requirement to release a pro rata portion of the CTA of the foreign entity into earnings for a partial sale of an equity method investment in a foreign entity.

The guidance is effective for fiscal years (and interim periods within those fiscal years) beginning on or after December 15, 2013, with early adoption permitted. The ASU should be applied prospectively from the beginning of the fiscal year of adoption. The adoption of this guidance will not have a significant impact on CIT's financial statements or disclosures.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)*. This pronouncement amends guidance on exceptions as to when an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward.

To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any income taxes that would result from the disallowance of a tax position, or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date.

The amended guidance is effective for fiscal years (and interim periods within those fiscal years) beginning on or after December 15, 2013, with early adoption permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The adoption of this guidance will not have a significant impact on CIT's financial statements or disclosures.

NOTE 2 — LOANS

Finance receivables consist of the following:

Finance Receivables by Product (dollars in millions)

	December 31, 2013	December 31, 2012
Loans[1]	$ 13,814.3	$ 16,082.3
Direct financing leases and leveraged leases[1]	4,814.9	4,765.3
Finance receivables	**18,629.2**	**20,847.6**
Finance receivables held for sale	4,168.8	302.8
Finance receivables and held for sale receivables[2]	$ 22,798.0	$ 21,150.4

(1) *In 2013, the Company discovered and corrected an immaterial error related to the classification of loans and leases at December 31, 2012. The 2012 amount has been conformed to the current year presentation.*

(2) *Assets held for sale in the balance sheet includes finance receivables and operating lease equipment. As discussed in subsequent tables, since the Company manages the credit risk and collections of finance receivables held for sale consistently with its finance receivables held for investment, the applicable amount is presented.*

The following table presents finance receivables by segment, based on obligor location:

Finance Receivables (dollars in millions)

	December 31, 2013			December 31, 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Corporate Finance	$8,310.2	$1,155.7	$9,465.9	$7,162.7	$1,013.2	$8,175.9
Transportation Finance	900.1	1,281.2	2,181.3	1,219.8	633.4	1,853.2
Trade Finance	2,134.3	128.1	2,262.4	2,177.2	128.1	2,305.3
Vendor Finance	2,635.8	2,083.8	4,719.6	2,459.1	2,359.6	4,818.7
Consumer	–	–	–	3,684.4	10.1	3,694.5
Total	$13,980.4	$4,648.8	$18,629.2	$16,703.2	$4,144.4	$20,847.6

The following table presents selected components of the net investment in finance receivables.

Components of Net Investment in Finance Receivables (dollars in millions)

	December 31, 2013	December 31, 2012
Unearned income	$(942.0)	$(995.2)
Equipment residual values	669.2	694.5
Unamortized (discounts)	(47.9)	(40.5)
Net unamortized deferred costs and (fees)	49.7	51.4
Leveraged lease third party non-recourse debt payable	(203.8)	(227.9)

Certain of the following tables present credit-related information at the "class" level in accordance with ASC 310-10-50, *Disclosures about the Credit Quality of Finance Receivables and the Allowance for Credit Losses*. A class is generally a disaggregation of a portfolio segment. In determining the classes, CIT considered the finance receivable characteristics and methods it applies in monitoring and assessing credit risk and performance.

Credit Quality Information

The following table summarizes finance receivables by the risk ratings that bank regulatory agencies utilize to classify credit exposure and which are consistent with indicators the Company monitors. Risk ratings are reviewed on a regular basis by Credit Risk Management and are adjusted as necessary for updated information affecting the borrowers' ability to fulfill their obligations.

The definitions of these ratings are as follows:

- Pass – finance receivables in this category do not meet the criteria for classification in one of the categories below.
- Special mention – a special mention asset exhibits potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects.
- Classified – a classified asset ranges from: (1) assets that exhibit a well-defined weakness and are inadequately protected by the current sound worth and paying capacity of the borrower, and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected to (2) assets with weaknesses that make collection or liquidation in full unlikely on the basis of current facts, conditions, and values. Assets in this classification can be accruing or on non-accrual depending on the evaluation of these factors.

Finance and Held for Sale Receivables — By Risk Rating (dollars in millions)

Grade:	Corporate Finance – Other	Corporate Finance – Real Estate Finance	Corporate Finance – SBL	Transportation Finance	Trade Finance	Vendor Finance U.S.	Vendor Finance International	Commercial	Consumer	Total
December 31, 2013										
Pass	$6,579.0	$1,554.8	$114.8	$1,980.9	$1,804.6	$2,154.8	$2,158.9	$16,347.8	$2,954.2	$19,302.0
Special mention	864.5	–	262.4	79.3	314.7	246.7	196.6	1,964.2	121.4	2,085.6
Classified – accruing	309.8	–	67.6	106.8	138.9	184.0	63.7	870.8	298.9	1,169.7
Classified – non-accrual	84.5	–	42.2	14.3	4.2	50.3	45.2	240.7	–	240.7
Total	$7,837.8	$1,554.8	$487.0	$2,181.3	$2,262.4	$2,635.8	$2,464.4	$19,423.5	$3,374.5	$22,798.0
December 31, 2012										
Pass	$5,615.5	$ 616.1	$166.1	$1,492.4	$1,913.2	$2,057.0	$2,340.5	$14,200.8	$3,251.2	$17,452.0
Special mention	759.5	–	358.6	184.1	266.9	194.0	161.8	1,924.9	213.5	2,138.4
Classified – accruing	408.2	–	96.7	136.2	119.2	160.4	77.7	998.4	229.8	1,228.2
Classified – non-accrual	148.9	–	63.0	40.5	6.0	45.5	26.3	330.2	1.6	331.8
Total	$6,932.1	$ 616.1	$684.4	$1,853.2	$2,305.3	$2,456.9	$2,606.3	$17,454.3	$3,696.1	$21,150.4

Past Due and Non-accrual Loans

The table that follows presents portfolio delinquency status, regardless of accrual/non-accrual classification:

Finance and Held for Sale Receivables — Delinquency Status (dollars in millions)

	30–59 Days Past Due	60–89 Days Past Due	90 Days or Greater	Total Past Due	Current	Total Finance Receivables
December 31, 2013						
Commercial						
Corporate Finance – Other	$ 1.6	$ 0.6	$ 18.1	$ 20.3	$ 7,817.5	$ 7,837.8
Corporate Finance – Real Estate Finance	–	–	–	–	1,554.8	1,554.8
Corporate Finance – SBL	11.3	3.8	7.6	22.7	464.3	487.0
Transportation Finance	18.3	0.9	0.5	19.7	2,161.6	2,181.3
Trade Finance	47.9	2.4	1.0	51.3	2,211.1	2,262.4
Vendor Finance – U.S.	102.4	24.5	15.9	142.8	2,493.0	2,635.8
Vendor Finance – International	61.7	20.6	23.5	105.8	2,358.6	2,464.4
Total Commercial	243.2	52.8	66.6	362.6	19,060.9	19,423.5
Consumer	113.0	74.1	223.7	410.8	2,963.7	3,374.5
Total	$356.2	$126.9	$290.3	$773.4	$22,024.6	$22,798.0
December 31, 2012						
Commercial						
Corporate Finance – Other	$ –	$ 0.3	$ 4.0	$ 4.3	$ 6,927.8	$ 6,932.1
Corporate Finance – Real Estate Finance	–	–	–	–	616.1	616.1
Corporate Finance – SBL	18.0	2.9	12.5	33.4	651.0	684.4
Transportation Finance	4.0	0.9	0.7	5.6	1,847.6	1,853.2
Trade Finance	79.3	3.4	5.6	88.3	2,217.0	2,305.3
Vendor Finance – U.S.	56.1	18.0	12.4	86.5	2,370.4	2,456.9
Vendor Finance – International	55.2	12.3	8.2	75.7	2,530.6	2,606.3
Total Commercial	212.6	37.8	43.4	293.8	17,160.5	17,454.3
Consumer	135.2	80.8	231.7	447.7	3,248.4	3,696.1
Total	$347.8	$118.6	$275.1	$741.5	$20,408.9	$21,150.4

The following table sets forth non-accrual loans and assets received in satisfaction of loans (repossessed assets). Non-accrual loans include loans that are individually evaluated and determined to be impaired (generally loans with balances greater than $500,000), as well as other, smaller balance loans placed on non-accrual due to delinquency (generally 90 days or more).

Finance Receivables on Non-accrual Status (dollars in millions)

	December 31, 2013			December 31, 2012		
	Held for Investment	Held for Sale	Total	Held for Investment	Held for Sale	Total
Commercial						
Corporate Finance – Other	$ 84.2	$ 0.3	$ 84.5	$148.6	$0.3	$148.9
Corporate Finance – SBL	7.0	35.2	42.2	60.3	2.7	63.0
Transportation Finance	14.3	–	14.3	40.5	–	40.5
Trade Finance	4.2	–	4.2	6.0	–	6.0
Vendor Finance – U.S.	50.3	–	50.3	45.5	–	45.5
Vendor Finance – International	40.0	5.2	45.2	24.3	2.0	26.3
Consumer	–	–	–	–	1.6	1.6
Total non-accrual loans	$200.0	$40.7	$240.7	$325.2	$6.6	$331.8
Repossessed assets			7.0			9.9
Total non-performing assets			$247.7			$341.7
Accruing loans past due 90 days or more						
Government guaranteed – Consumer			$223.7			$231.4
Other			10.0			3.4
Total			$233.7			$234.8

Payments received on non-accrual financing receivables are generally applied first against outstanding principal, though in certain instances where the remaining recorded investment is deemed fully collectible, interest income is recognized on a cash basis.

Impaired Loans

The Company's policy is to review for impairment finance receivables greater than $500,000 that are on non-accrual status. Consumer loans and small-ticket loan and lease receivables that have not been modified in a troubled debt restructuring, as well as short-term factoring receivables, are included (if appropriate) in the reported non-accrual balances above, but are excluded from the impaired finance receivables disclosure below as charge-offs are typically determined and recorded for such loans when they are more than 120-150 days past due.

The following table contains information about impaired finance receivables and the related allowance for loan losses, exclusive of finance receivables that were identified as impaired at the Convenience Date for which the Company is applying the income recognition and disclosure guidance in ASC 310-30 *Loans and Debt Securities Acquired with Deteriorated Credit Quality*, which are disclosed further below in this note.

CIT GROUP AND SUBSIDIARIES — NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Impaired Loans at or for the year ended December 31, 2013 (dollars in millions)

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With no related allowance recorded:				
Commercial				
Corporate Finance – Other	$144.5	$159.3	$ –	$153.4
Corporate Finance – SBL	7.6	7.8	–	19.9
Transportation Finance	–	–	–	6.8
Trade Finance	9.1	9.1	–	10.0
Vendor Finance – U.S.	4.2	5.4	–	4.6
Vendor Finance – International	11.1	31.6	–	13.4
With an allowance recorded:				
Commercial				
Corporate Finance – Other	42.2	42.6	28.8	74.5
Corporate Finance – SBL	–	–	–	1.0
Transportation Finance	14.3	14.3	0.6	12.4
Trade Finance	4.2	4.2	1.0	4.6
Total Commercial Impaired Loans[(1)]	237.2	274.3	30.4	300.6
Total Loans Impaired at Convenience Date[(2)]	54.1	87.7	1.0	80.5
Total	$291.3	$362.0	$31.4	$381.1

Impaired Loans at or for the year ended December 31, 2012 (dollars in millions)

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With no related allowance recorded:				
Commercial				
Corporate Finance – Other	$179.9	$231.9	$ –	$199.8
Corporate Finance – SBL	39.1	52.6	–	40.7
Transportation Finance	11.3	29.1	–	7.8
Trade Finance	10.1	13.3	–	29.7
Vendor Finance – U.S.	4.7	12.2	–	7.7
Vendor Finance – International	8.4	20.0	–	9.7
With an allowance recorded:				
Commercial				
Corporate Finance – Other	102.4	106.7	32.3	111.0
Corporate Finance – SBL	2.4	2.7	1.0	10.4
Transportation Finance	29.1	29.3	8.9	29.0
Trade Finance	6.0	6.0	1.3	12.2
Total Commercial Impaired Loans	393.4	503.8	43.5	458.0
Total Loans Impaired at Convenience date[(2)]	106.7	260.8	1.5	147.4
Total	$500.1	$764.6	$45.0	$605.4

[(1)] *Interest income recorded for the year ended December 31, 2013 while the loans were impaired was $17.7 million of which $3.5 million was interest recognized using cash-basis method of accounting. Interest income recorded for the year ended December 31, 2012 while the loans were impaired was $21.3 million of which $4.3 million was interest recognized using the cash-basis method of accounting.*

[(2)] *Details of finance receivables that were identified as impaired at the Convenience date are presented under Loans and Debt Securities Acquired with Deteriorated Credit Quality.*

Impairment occurs when, based on current information and events, it is probable that CIT will be unable to collect all amounts due according to contractual terms of the agreement. The Company has established review and monitoring procedures designed to identify, as early as possible, customers that are experiencing financial difficulty. Credit risk is captured and analyzed based on the Company's internal probability of obligor default (PD) and loss given default (LGD) ratings. A PD rating is determined by evaluating borrower credit-worthiness, including analyzing credit history, financial condition, cash flow adequacy, financial performance and management quality. An LGD rating is predicated on transaction structure, collateral valuation and related guarantees or recourse. Further, related considerations in determining probability of collection include the following:

- Instances where the primary source of payment is no longer sufficient to repay the loan in accordance with terms of the loan document;
- Lack of current financial data related to the borrower or guarantor;
- Delinquency status of the loan;
- Borrowers experiencing problems, such as operating losses, marginal working capital, inadequate cash flow, excessive financial leverage or business interruptions;
- Loans secured by collateral that is not readily marketable or that has experienced or is susceptible to deterioration in realizable value; and
- Loans to borrowers in industries or countries experiencing severe economic instability.

Impairment is measured as the shortfall between estimated value and recorded investment in the finance receivable. A specific allowance or charge-off is recorded for the shortfall. In instances where the estimated value exceeds the recorded investment, no specific allowance is recorded. The estimated value is determined using fair value of collateral and other cash flows if the finance receivable is collateralized, or the present value of expected future cash flows discounted at the contract's effective interest rate. In instances when the Company measures impairment based on the present value of expected future cash flows, the change in present value is reported in the provision for credit losses.

The following summarizes key elements of the Company's policy regarding the determination of collateral fair value in the measurement of impairment:

- "Orderly liquidation value" is the basis for collateral valuation;
- Appraisals are updated annually or more often as market conditions warrant; and
- Appraisal values are discounted in the determination of impairment if the:
  - appraisal does not reflect current market conditions; or
  - collateral consists of inventory, accounts receivable, or other forms of collateral that may become difficult to locate, collect or subject to pilferage in a liquidation.

Loans and Debt Securities Acquired with Deteriorated Credit Quality

For purposes of this presentation, finance receivables that were identified as impaired at the Convenience Date are presented separately below. The Company is applying the income recognition and disclosure guidance in ASC 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality,* to loans considered impaired under FSA at the time of emergence.

Loans Acquired with Deteriorated Credit Quality (dollars in millions)

	December 31, 2013[1]			December 31, 2012[1]		
	Carrying Amount	Outstanding Balance[2]	Allowance for Loan Losses	Carrying Amount	Outstanding Balance[2]	Allowance for Loan Losses
Commercial	$54.1	$87.7	$1.0	$106.7	$260.8	$1.5
Total loans	$54.1	$87.7	$1.0	$106.7	$260.8	$1.5

[1] *The table excludes amounts in Assets Held for Sale with a carrying amount of $12 million and $3 million at December 31, 2013 and December 31, 2012, respectively, and outstanding balances of $26 million and $16 million, respectively.*

[2] *Represents the sum of contractual principal, interest and fees earned at the reporting date, calculated as pre-FSA net investment plus inception to date charge-offs.*

Troubled Debt Restructurings

The Company periodically modifies the terms of finance receivables in response to borrowers' difficulties. Modifications that include a financial concession to the borrower are accounted for as troubled debt restructurings (TDRs).

CIT uses a consistent methodology across all loans to determine if a modification is with a borrower that has been determined to be in financial difficulty and was granted a concession. Specifically, the Company's policies on TDR identification include the following examples of indicators used to determine whether the borrower is in financial difficulty:

- Borrower is in default with CIT or other material creditor
- Borrower has declared bankruptcy
- Growing doubt about the borrower's ability to continue as a going concern
- Borrower has (or is expected to have) insufficient cash flow to service debt
- Borrower is de-listing securities
- Borrower's inability to obtain funds from other sources
- Breach of financial covenants by the borrower.

If the borrower is determined to be in financial difficulty, then CIT utilizes the following criteria to determine whether a concession has been granted to the borrower:

- Assets used to satisfy debt are less than CIT's recorded investment in the receivable
- Modification of terms – interest rate changed to below market rate
- Maturity date extension at an interest rate less than market rate
- The borrower does not otherwise have access to funding for debt with similar risk characteristics in the market at the restructured rate and terms

- Capitalization of interest
- Increase in interest reserves
- Conversion of credit to Payment-In-Kind (PIK)
- Delaying principal and/or interest for a period of three months or more
- Partial forgiveness of the balance.

Modified loans that meet the definition of a TDR are subject to the Company's standard impaired loan policy, namely that non-accrual loans in excess of $500,000 are individually reviewed for impairment, while non-accrual loans less than $500,000 are considered as part of homogenous pools and are included in the determination of the non-specific allowance.

The recorded investment of TDRs at December 31, 2013 and December 31, 2012 was $220.9 million and $289.1 million, of which 33% and 29%, respectively were on non-accrual. Corporate Finance receivables accounted for 93% of the total TDRs at December 31, 2013 and 91% at December 31, 2012. At December 31, 2013 and 2012, there were $7.1 million and $6.3 million, respectively, of commitments to lend additional funds to borrowers whose loan terms have been modified in TDRs.

The tables that follow present additional information related to modifications qualifying as TDRs that occurred during the years ended December 31, 2013 and 2012.

Recorded investment of TDRs that occurred during the year ended December 31, 2013 and 2012 (dollars in millions)

	Years Ended December 31, 2013	2012
Commercial		
Corporate Finance – Other	$12.2	$31.4
Corporate Finance – SBL	9.7	15.1
Vendor Finance – U.S.	0.2	2.1
Vendor Finance – International	2.5	1.3
Total	$24.6	$49.9

Recorded investment of TDRs that experience a payment default[(1)] at the time of default, in the period presented, and for which the payment default occurred within one year of the modification (dollars in millions)

	Years Ended December 31, 2013	2012
Commercial		
Corporate Finance – Other	$0.5	$0.2
Corporate Finance – SBL	3.0	3.9
Vendor Finance – U.S.	0.2	0.2
Vendor Finance – International	2.0	0.1
Total	$5.7	$4.4

(1) *Payment default in the table above is one missed payment.*

The financial impact of the various modification strategies that the Company employs in response to borrower difficulties is described below. While the discussion focuses on current year amounts, the overall nature and impact of modification programs were comparable in the prior year.

- The nature of modifications qualifying as TDR's, based upon recorded investment at December 31, 2013 and December 31, 2012, was comprised of payment deferral for 88% and 86%, covenant relief and/or other for 11% and 8%, and interest rate reductions and debt forgiveness for 1% and 6%, respectively;
- Payment deferrals, the Company's most common type of modification program, result in lower net present value of cash flows and increased provision for credit losses to the extent applicable. The financial impact of these modifications is not significant given the moderate length of deferral periods;
- Interest rate reductions result in lower amounts of interest being charged to the customer, but are a relatively small part of the Company's restructuring programs. Additionally, in some instances, modifications improve the Company's economic return through increased interest rates and fees, but are reported as TDRs due to assessments regarding the borrowers' ability to independently obtain similar funding in the market and assessments of the relationship between modified rates and terms and comparable market rates and terms. The weighted average change in interest rates for all TDRs occurring during the years ended December 31, 2013 and 2012 were immaterial;
- Debt forgiveness, or the reduction in amount owed by borrower, results in incremental provision for credit losses, in the form of higher charge-offs. While these types of modifications have the greatest individual impact on the allowance, the amounts of principal forgiveness for TDRs occurring during 2013 and 2012 totaled $12.2 million and $1.4 million, respectively, as debt forgiveness is a relatively small component of the Company's modification programs; and
- The other elements of the Company's modification programs do not have a significant impact on financial results given their relative size, or do not have a direct financial impact, as in the case of covenant changes.

NOTE 3 — ALLOWANCE FOR LOAN LOSSES

Allowance for Loan Losses and Recorded Investment in Finance Receivables
As of and for the Years Ended December 31 (dollars in millions)

	Corporate Finance	Transportation Finance	Trade Finance	Vendor Finance	Total Commercial	Consumer	Total
2013							
Beginning balance	$ 229.9	$ 36.3	$ 27.4	$ 85.7	$ 379.3	$ –	$ 379.3
Provision for credit losses	19.0	(1.0)	(4.4)	51.3	64.9	–	64.9
Other[(1)]	(4.1)	(0.8)	(0.9)	(1.6)	(7.4)	–	(7.4)
Gross charge-offs[(2)]	(44.8)	(4.5)	(4.4)	(84.9)	(138.6)	–	(138.6)
Recoveries	17.5	2.0	7.8	30.6	57.9	–	57.9
Allowance balance – end of period	$ 217.5	$ 32.0	$ 25.5	$ 81.1	$ 356.1	$ –	$ 356.1
Allowance balance:							
Loans individually evaluated for impairment	$ 28.8	$ 0.6	$ 1.0	$ –	$ 30.4	$ –	$ 30.4
Loans collectively evaluated for impairment	188.2	31.4	24.5	80.6	324.7	–	324.7
Loans acquired with deteriorated credit quality[(3)]	0.5	–	–	0.5	1.0	–	1.0
Allowance balance – end of period	$ 217.5	$ 32.0	$ 25.5	$ 81.1	$ 356.1	$ –	$ 356.1
Other reserves[(1)]	$ 19.4	$ 1.5	$ 6.9	$ –	$ 27.8	$ –	$ 27.8
Finance receivables:							
Loans individually evaluated for impairment	$ 194.3	$ 14.3	$ 13.3	$ 15.3	$ 237.2	$ –	$ 237.2
Loans collectively evaluated for impairment	9,219.5	2,167.0	2,249.1	4,702.3	18,337.9	–	18,337.9
Loans acquired with deteriorated credit quality[(3)]	52.1	–	–	2.0	54.1	–	54.1
Ending balance	$9,465.9	$2,181.3	$2,262.4	$4,719.6	$18,629.2	$ –	$18,629.2
Percent of loans to total loans	50.8%	11.7%	12.2%	25.3%	100.0%	–	100.0%
2012							
Beginning balance	$ 262.2	$ 29.3	$ 29.0	$ 87.3	$ 407.8	$ –	$ 407.8
Provision for credit losses	7.3	18.0	(0.9)	26.5	50.9	0.7	51.6
Other[(1)]	(7.2)	0.7	0.1	0.7	(5.7)	(0.2)	(5.9)
Gross charge-offs[(2)]	(52.7)	(11.7)	(8.6)	(67.8)	(140.8)	(1.0)	(141.8)
Recoveries	20.3	–	7.8	39.0	67.1	0.5	67.6
Allowance balance – end of period	$ 229.9	$ 36.3	$ 27.4	$ 85.7	$ 379.3	$ –	$ 379.3
Allowance balance:							
Loans individually evaluated for impairment	$ 33.3	$ 8.9	$ 1.3	$ –	$ 43.5	$ –	$ 43.5
Loans collectively evaluated for impairment	195.7	27.4	26.1	85.1	334.3	–	334.3
Loans acquired with deteriorated credit quality[(3)]	0.9	–	–	0.6	1.5	–	1.5
Allowance balance – end of period	$ 229.9	$ 36.3	$ 27.4	$ 85.7	$ 379.3	$ –	$ 379.3
Other reserves[(1)]	$ 16.4	$ 0.6	$ 6.0	$ –	$ 23.0	$ 0.2	$ 23.2
Finance receivables:							
Loans individually evaluated for impairment	$ 323.8	$ 40.4	$ 16.1	$ 13.1	$ 393.4	$ –	$ 393.4
Loans collectively evaluated for impairment	7,754.1	1,812.8	2,289.2	4,796.9	16,653.0	3,694.5	20,347.5
Loans acquired with deteriorated credit quality[(3)]	98.0	–	–	8.7	106.7	–	106.7
Ending balance	$8,175.9	$1,853.2	$2,305.3	$4,818.7	$17,153.1	$3,694.5	$20,847.6
Percent of loans to total loans	39.2%	8.9%	11.1%	23.1%	82.3%	17.7%	100.0%

(1) *"Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit and for deferred purchase agreements, all of which is recorded in Other Liabilities. "Other" also includes changes relating to sales and foreign currency translations.*

(2) *Gross charge-offs included $18 million and $38 million charged directly to the Allowance for loan losses for the years ended December 31, 2013 and 2012, respectively. In 2013, $17 million related to Corporate Finance and $1 million related to Trade Finance. In 2012, $28 million related to Corporate Finance, $8 million related to Transportation Finance and $2 million related to Trade Finance.*

(3) *Represents loans considered impaired in FSA and are accounted for under the guidance in ASC 310-30 (Loans and Debt Securities Acquired with Deteriorated Credit Quality).*

NOTE 4 — OPERATING LEASE EQUIPMENT

The following table provides the net book value (net of accumulated depreciation of $1.5 billion at December 31, 2013 and $1.2 billion at December 31, 2012) of operating lease equipment, by equipment type.

Operating Lease Equipment (dollars in millions)

	December 31, 2013	December 31, 2012
Commercial aircraft (including regional aircraft)	$ 8,229.1	$ 8,061.4
Railcars and locomotives	4,500.1	4,053.1
Other equipment	306.2	297.2
Total[(1)]	$13,035.4	$12,411.7

(1) *Includes equipment off-lease of $144.7 million and $202.5 million at December 31, 2013 and 2012, respectively, primarily consisting of rail and aerospace assets.*

The following table presents future minimum lease rentals due on non-cancelable operating leases at December 31, 2013. Excluded from this table are variable rentals calculated on asset usage levels, re-leasing rentals, and expected sales proceeds from remarketing equipment at lease expiration, all of which are components of operating lease profitability.

Minimum Lease Rentals Due (dollars in millions)

Years Ended December 31,	
2014	$1,607.6
2015	1,382.0
2016	1,142.9
2017	881.1
2018	650.7
Thereafter	1,516.7
Total	$7,181.0

NOTE 5 — INVESTMENT SECURITIES

Investments include debt and equity securities. The Company's debt securities primarily include U.S. Treasury securities, U.S. Government Agency securities, and supranational and foreign government securities that typically mature in 91 days or less, and the carrying value approximates fair value. Equity securities include common stock and warrants.

Investment Securities (dollars in millions)

	December 31, 2013	December 31, 2012
Debt securities available-for-sale	$1,487.8	$ 767.6
Equity securities available-for-sale	13.7	14.3
Debt securities held-to-maturity[(1)]	1,042.3	188.4
Non-marketable equity investments[(2)]	86.9	95.2
Total investment securities	$2,630.7	$1,065.5

(1) *Recorded at amortized cost less impairment on securities that have credit-related impairment.*

(2) *Non-marketable equity investments include $23.6 million and $27.6 million in limited partnerships at December 31, 2013 and 2012, respectively, accounted for under the equity method. The remaining investments are carried at cost and include qualified Community Reinvestment Act (CRA) investments, equity fund holdings and shares issued by customers during loan work out situations or as part of an original loan investment.*

Debt securities and equity securities classified as available-for-sale ("AFS") are carried at fair value with changes in fair value reported in other comprehensive income ("OCI"), net of applicable income taxes.

Debt securities classified as held-to-maturity ("HTM") represent securities that the Company has both the ability and intent to hold until maturity, and are carried at amortized cost.

Non-marketable equity investments include ownership interests greater than 3% in limited partnership investments that are accounted for under the equity method. Equity method investments are recorded at cost, adjusted to reflect the Company's portion of income, loss or dividends of the investee. All other non-marketable equity investments are carried at cost and periodically assessed for other-than-temporary impairment ("OTTI").

The Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is OTTI. For debt securities classified as HTM that are considered to have OTTI that the Company does not intend to sell and it is more likely than not that the Company will not be required to sell before recovery, the OTTI is separated into an amount representing the credit loss, which is recognized in other income in the Consolidated Statement of Operations, and the amount related to all other factors, which is recognized in OCI.

OTTI on debt securities and equity securities classified as AFS and non-marketable equity investments are recognized in the Consolidated Statement of Operations in the period determined.

Realized investment gains totaled $8.9 million, $40.4 million and $53.9 million for the years ended December 31, 2013, 2012 and 2011, respectively, and exclude losses from OTTI. OTTI credit-related impairments on equity securities recognized in earnings were $0.7 million, $0.2 million and $8.2 million for the years ended December 31, 2013, 2012 and 2011, respectively. Impairment amounts in accumulated other comprehensive income ("AOCI") were not material at December 31, 2013 or December 31, 2012.

In addition, the Company maintained $5.2 billion and $5.9 billion of interest bearing deposits at December 31, 2013 and 2012, respectively, that are cash equivalents and are classified separately on the balance sheet.

The following table presents interest and dividends on interest bearing deposits and investments:

Interest and Dividend Income (dollars in millions)

	Year Ended December 31,		
	2013	2012	2011
Interest income – interest bearing deposits	$16.6	$21.8	$24.2
Interest income – investments	8.9	7.8	9.3
Dividends – investments	3.4	2.7	1.3
Total interest and dividends	$28.9	$32.3	$34.8

Securities Available-for-Sale

The following table presents amortized cost and fair value of securities AFS at December 31, 2013 and 2012.

Securities AFS – Amortized Cost and Fair Value (dollars in millions)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2013				
Debt securities AFS				
U.S. Treasury Securities	$ 649.1	$ –	$ –	$ 649.1
U.S. government agency obligations	711.9	–	–	711.9
Supranational and foreign government securities	126.8	–	–	126.8
Total debt securities AFS	1,487.8	–	–	1,487.8
Equity securities AFS	13.5	0.4	(0.2)	13.7
Total securities AFS	$1,501.3	$0.4	$(0.2)	$1,501.5
December 31, 2012				
Debt securities AFS				
U.S. Treasury Securities	$ 750.3	$ –	$ –	$ 750.3
Brazilian Government Treasuries	17.3	–	–	17.3
Total debt securities AFS	767.6	–	–	767.6
Equity securities AFS	13.1	1.2	–	14.3
Total securities AFS	$ 780.7	$1.2	$ –	$ 781.9

Debt Securities Held-to-Maturity

The carrying value and fair value of securities HTM at December 31, 2013 and December 31, 2012 were as follows:

Debt Securities HTM – Carrying Value and Fair Value (dollars in millions)

	Carrying Value	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
December 31, 2013				
U.S. government agency obligations	$ 735.5	$ 0.1	$ –	$ 735.6
Mortgage-backed securities				
U.S. government owned and sponsored agencies	96.3	1.7	(5.8)	92.2
State and municipal	57.4	–	(6.5)	50.9
Foreign government	38.3	–	–	38.3
Corporate – Foreign	114.8	9.0	–	123.8
Total debt securities held-to-maturity	$1,042.3	$10.8	$(12.3)	$1,040.8
December 31, 2012				
Mortgage-backed securities				
U.S. government-sponsored agency guaranteed	$ 96.5	$ 3.1	$ (0.3)	$ 99.3
State and municipal	13.1	–	–	13.1
Foreign government	28.4	–	–	28.4
Corporate – Foreign	50.4	8.2	–	58.6
Total debt securities held-to-maturity	$ 188.4	$11.3	$ (0.3)	$ 199.4

The following table presents the amortized cost and fair value of debt securities HTM by contractual maturity dates:

Securities Held To Maturity – Amortized Cost and Fair Value Maturities (dollars in millions)

	December 31, 2013		December 31, 2012	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value
U.S. government agency obligations				
Total – Due within 1 year	$ 735.5	$ 735.6	$ –	$ –
Mortgage-backed securities				
U.S. government owned and sponsored agencies				
Total – Due after 10 years[(1)]	96.3	92.2	96.5	99.3
State and municipal				
Due within 1 year	0.7	0.7	–	–
Due after 1 but within 5 years	4.4	4.4	4.9	4.9
Due after 5 but within 10 years	0.7	0.7	1.4	1.4
Due after 10 years[(1)]	51.6	45.1	6.8	6.8
Total	57.4	50.9	13.1	13.1
Foreign government				
Due within 1 year	29.8	29.8	25.5	25.4
Due after 1 but within 5 years	8.5	8.5	2.9	3.0
Total	38.3	38.3	28.4	28.4
Corporate – Foreign				
Due within 1 year	0.8	0.8	–	–
Due after 1 but within 5 years	48.6	56.1	–	–
Due after 5 but within 10 years	65.4	66.9	50.4	58.6
Total	114.8	123.8	50.4	58.6
Total debt securities held-to-maturity	$1,042.3	$1,040.8	$188.4	$199.4

(1) *Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.*

NOTE 6 — OTHER ASSETS

The following table presents the components of other assets.

Other Assets (dollars in millions)

	December 31, 2013	December 31, 2012
Deposits on commercial aerospace equipment	$ 831.3	$ 615.3
Deferred debt costs and other deferred charges	158.5	172.2
Tax receivables, other than income taxes	132.2	81.7
Executive retirement plan and deferred compensation	101.3	109.7
Accrued interest and dividends	96.8	93.9
Furniture and fixtures	85.3	75.4
Prepaid expenses	64.3	73.8
Other counterparty receivables	45.9	115.7
Other(1)	190.7	225.8
Total other assets	$1,706.3	$1,563.5

(1) *Other includes investments in and receivables from non-consolidated entities, deferred federal and state tax assets, servicing assets, and other miscellaneous assets.*

NOTE 7 — DEPOSITS

The following table presents deposits detail, maturities and weighted average interest rates.

Deposits (dollars in millions)

	December 31, 2013	December 31, 2012
Deposits Outstanding	$ 12,526.5	$ 9,684.5
Weighted average contractual interest rate	1.65%	1.75%
Weighted average remaining number of days to maturity(1)	1,014 days	725 days
Contractual Maturities and Rates		
Due in 2014 – (1.41%)(2)	$ 5,587.8	
Due in 2015 – (1.53%)	2,190.0	
Due in 2016 – (2.14%)	766.3	
Due in 2017 – (1.38%)	1,947.3	
Due in 2018 – (1.84%)	793.4	
Due after 2018 – (2.92%)	1,242.5	
Deposits outstanding, excluding fresh start adjustments	$ 12,527.3	

(1) *Excludes deposit accounts with no stated maturity.*

(2) *Includes deposit accounts with no stated maturity.*

	Years Ended December 31,	
	2013	2012
Daily average deposits	$11,254.3	$7,699.6
Maximum amount outstanding	$12,605.3	$9,690.7
Weighted average contractual interest rate for the year	1.56%	1.98%

The following table presents the maturity profile of deposits with a denomination of $100,000 or more.

Certificates of Deposits $100,000 or More (dollars in millions)

	At December 31, 2013	At December 31, 2012
U.S. Bank		
Three months or less	$ 317.7	$ 241.6
After three months through six months	258.1	234.6
After six months through twelve months	601.7	619.8
After twelve months	1,501.9	1,119.3
Total U.S. Bank	$2,679.4	$2,215.3
Foreign Bank	$ 88.3	$ 98.6

Deposits were adjusted to estimated fair value at December 31, 2009 in FSA, and the net fair value premium will be recognized as a yield adjustment over the deposit lives. During 2013 and 2012, $4.3 million and $3.5 million, respectively of the fair value premium was recognized as a reduction to Interest Expense.

NOTE 8 — LONG-TERM BORROWINGS

The following table presents outstanding long-term borrowings, net of FSA.

(dollars in millions)	December 31, 2013 CIT Group Inc.	December 31, 2013 Subsidiaries	December 31, 2013 Total	December 31, 2012 Total
Senior unsecured[(1)]	$12,531.6	$ –	$12,531.6	$11,824.0
Secured borrowings	–	9,218.4	9,218.4	10,137.8
Total Long-term Borrowings	$12,531.6	$9,218.4	$21,750.0	$21,961.8

[(1)] *Senior Unsecured Notes were comprised of $5,250 million of Series C Notes, $7,243 million of Unsecured Notes and $38.6 million of other unsecured debt.*

Upon emergence from bankruptcy in December 2009, all components of long-term borrowings were fair valued in FSA. The fair value adjustment is amortized as a cost adjustment over the remaining term of the respective debt and is reflected in Interest Expense. The following table summarizes contractual maturities of total long-term borrowings outstanding excluding issue discounts and FSA adjustments as of December 31, 2013:

Contractual Maturities – Long-term Borrowings (dollars in millions)

	2014	2015	2016	2017	2018	Thereafter	Contractual Maturities
Senior unsecured	$1,300.0	$1,500.0	$ –	$3,000.0	$2,200.0	$4,551.4	$12,551.4
Secured borrowings	1,339.1	1,577.4	1,026.8	755.1	641.1	4,153.8	9,493.3
	$2,639.1	$3,077.4	$1,026.8	$3,755.1	$2,841.1	$8,705.2	$22,044.7

Unsecured

Revolving Credit Facility

The following information was in effect prior to the 2014 Revolving Credit Facility amendment. See *Note 28 — Subsequent Events* for changes to this facility.

There were no outstanding borrowings under the Revolving Credit Facility at December 31, 2013 and 2012 and the amount available to draw upon at each period was approximately $1.9 billion, with the remaining amount of approximately $0.1 billion utilized for issuance of letters of credit.

The total commitment amount under the Revolving Credit Facility was $2 billion and consisted of a $1.65 billion revolving loan tranche and a $350 million revolving loan tranche that can also be utilized for issuance of letters of credit. The Revolving Credit Facility accrued interest at a per annum rate of LIBOR plus a margin of 2.00% to 2.75% (with no floor) or Base Rate plus a margin of 1.00% to 1.75% (with no floor). The applicable margin was determined by reference to the current long-term senior unsecured, non-credit enhanced debt rating of the Company by S&P and Moody's. The applicable margin for LIBOR loans was 2.50% and the applicable margin for Base Rate loans was 1.50% at December 31, 2013.

The Revolving Credit Facility may be drawn and prepaid at the option of CIT. The unutilized portion of any commitment under the Revolving Credit Facility may be reduced permanently or terminated by CIT at any time without penalty.

The facility was guaranteed by eight of the Company's domestic operating subsidiaries and subject to an asset coverage covenant (based on the book value of eligible assets of the Continuing Guarantors) of 2.0x the sum of: (i) the committed facility size and (ii) all outstanding indebtedness (including, without duplication, guarantees of such indebtedness) for borrowed money (excluding subordinated intercompany indebtedness) of the Continuing

Guarantors, tested monthly and upon certain dispositions or encumbrances of eligible assets of the Continuing Guarantors.

The Revolving Credit Facility was also subject to a $6 billion minimum consolidated net worth covenant of the Company, tested quarterly, and limits the Company's ability to create liens, merge or consolidate, sell, transfer, lease or dispose of all or substantially all of its assets, grant a negative pledge or make certain restricted payments during the occurrence and continuance of an event of default.

Senior Unsecured Notes

Senior unsecured notes include notes issued under the "shelf" registration filed in March 2012, and Series C Unsecured Notes. The notes filed under the shelf registration rank equal in right of payment with the Series C Unsecured Notes and the Revolving Credit Facility.

The following tables present the principal amounts of Senior Unsecured Notes issued under the Company's shelf registration and Series C Unsecured Notes by maturity date.

Senior Unsecured Notes (dollars in millions)

Maturity Date	Rate (%)	Date of Issuance	Par Value
May 2017	5.000%	May 2012	$1,250.0
August 2017	4.250%	August 2012	1,750.0
March 2018	5.250%	March 2012	1,500.0
May 2020	5.375%	May 2012	750.0
August 2022	5.000%	August 2012	1,250.0
August 2023	5.000%	August 2013	750.0
Weighted average and total	4.91%		$7,250.0

Series C Unsecured Notes (dollars in millions)

Maturity Date	Rate (%)	Date of Issuance	Par Value
April 2014	5.250%	March 2011	$1,300.0
February 2015	4.750%	February 2012	1,500.0
April 2018	6.625%	March 2011	700.0
February 2019	5.500%	February 2012	1,750.0
Weighted average and total	5.37%		$5,250.0

See *Note 28 — Subsequent Events* related to an issuance on February 19, 2014 of $1 billion of senior unsecured notes.

The Indentures for the Senior Unsecured Notes and Series C Unsecured Notes limit the Company's ability to create liens, merge or consolidate, or sell, transfer, lease or dispose of all or substantially all of its assets. Upon a Change of Control Triggering Event as defined in the Indentures for the Senior Unsecured Notes and Series C Unsecured Notes, holders of the Senior Unsecured Notes and Series C Unsecured Notes will have the right to require the Company, as applicable, to repurchase all or a portion of the Senior Unsecured Notes and Series C Unsecured Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest to the date of such repurchase.

Other debt of $38.6 million includes senior unsecured notes issued prior to CIT's reorganization.

Secured

Secured Borrowings

At December 31, 2013, the secured borrowings had a weighted average interest rate of 2.24%, which ranged from 0.25% to 8.60% with maturities ranging from 2014 through 2043. Set forth below are borrowings and pledged assets primarily owned by consolidated variable interest entities. Creditors of these entities received ownership and/or security interests in the assets. These entities are intended to be bankruptcy remote so that such assets are not available to creditors of CIT or any affiliates of CIT until and unless the related secured borrowings have been fully discharged. These transactions do not meet accounting requirements for sales treatment and are recorded as secured borrowings.

Secured Borrowings and Pledged Assets Summary (dollars in millions)

	December 31, 2013		December 31, 2012	
	Secured Borrowing	Pledged Assets	Secured Borrowing	Pledged Assets
Consumer[(1)]	$3,265.6	$ 3,438.2	$ 3,630.9	$ 3,772.8
Trade Finance	334.7	1,453.2	350.8	1,523.6
Corporate Finance[(1)]	475.7	622.0	933.9	1,190.6
Vendor Finance – U.S.	1,017.7	1,262.5	574.6	765.4
Vendor Finance – International	745.9	938.2	1,028.4	1,182.9
Transportation Finance – Aircraft[(1)]	2,366.1	4,126.7	2,560.3	4,049.1
Transportation Finance – Rail[(1)]	931.0	1,163.1	976.8	1,185.0
Other	81.7	92.6	82.1	83.3
Total	$9,218.4	$13,096.5[(2)]	$10,137.8	$13,752.7[(3)]

(1) *At December 31, 2013 GSI TRS related borrowings and pledged assets, respectively, of $820.4 million and $913.9 million were included in Consumer, $25.8 million and $119.4 million in Corporate Finance, and $998.4 million and $1.99 billion in Transportation Finance. The GSI TRS is described in Note 9 — Derivative Financial Instruments.*

(2) *Includes operating lease equipment of $4.7 billion, loans of $3.8 billion, assets held for sale of $3.5 billion, cash of $1.0 billion and investment securities of $0.1 billion.*

(3) *Includes operating lease equipment of $4.7 billion, loans of $7.9 billion, cash of $1.1 billion and investment securities of $0.1 billion.*

Series A 7% Notes and Series C 7% Notes

During 2012, CIT redeemed the remaining $6.5 billion of Series A 7% Notes and redeemed or repurchased the $8.76 billion of Series C 7% Notes. These actions resulted in the acceleration of $1.3 billion of FSA discount accretion that was recorded as additional interest expense and also resulted in a loss on debt extinguishments of $61 million.

Variable Interest Entities ("VIEs")

The Company utilizes VIEs in the ordinary course of business to support its own and its customers' financing needs.

The most significant types of VIEs that CIT utilizes are 'on balance sheet' secured financings of pools of leases and loans originated by the Company. The Company originates pools of assets and sells these to special purpose entities, which, in turn, issue debt instruments backed by the asset pools or sell individual interests in the assets to investors. CIT retains the servicing rights and participates in certain cash flows. These VIEs are typically organized as trusts or limited liability companies, and are intended to be bankruptcy remote, from a legal standpoint.

The main risks inherent in these secured borrowing structures are deterioration in the credit performance of the vehicle's underlying asset portfolio and risk associated with the servicing of the underlying assets.

Investors typically have recourse to the assets in the VIEs and may benefit from other credit enhancements, such as: (1) a reserve or cash collateral account that requires the Company to deposit cash in an account, which will first be used to cover any defaulted obligor payments, (2) over-collateralization in the form of excess assets in the VIE, or (3) subordination, whereby the Company retains a subordinate position in the secured borrowing which would absorb losses due to defaulted obligor payments before the senior certificate holders. The VIE may also enter into derivative contracts in order to convert the debt issued by the VIEs to match the underlying assets or to limit or change the risk of the VIE.

With respect to events or circumstances that could expose CIT to a loss, as these are accounted for as on balance sheet secured financings, the Company records an allowance for loan losses for the credit risks associated with the underlying leases and loans. As these are secured borrowings, CIT has an obligation to pay the debt in accordance with the terms of the underlying agreements.

Generally, third-party investors in the obligations of the consolidated VIE's have legal recourse only to the assets of the VIEs and do not have recourse to the Company beyond certain specific provisions that are customary for secured financing transactions, such as asset repurchase obligations for breaches of representations and warranties. In addition, the assets are generally restricted only to pay such liabilities.

NOTE 9 — DERIVATIVE FINANCIAL INSTRUMENTS

As part of managing economic risk and exposure to interest rate and foreign currency risk, the Company enters into derivative transactions in over-the-counter markets with other financial institutions. The Company does not enter into derivative financial instruments for speculative purposes.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives, and imposing margin, reporting and registration requirements for certain market participants. Since the Company does not meet the definition of a Swap Dealer or Major Swap Participant under the Act, the new reporting obligations, which became effective April 10, 2013, apply to a limited number of derivative transactions executed with its lending customers in order to mitigate their interest rate risk.

See *Note 1 — Business and Summary of Significant Accounting Policies* for further description of its derivative transaction policies.

The following table presents fair values and notional values of derivative financial instruments:

Fair and Notional Values of Derivative Financial Instruments[1] (dollars in millions)

	December 31, 2013			December 31, 2012		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount[2]	Asset Fair Value	Liability Fair Value
Qualifying Hedges						
Cross currency swaps – net investment hedges	$ 47.1	$ 1.1	$ –	$ 151.2	$ –	$ (6.1)
Foreign currency forward contracts – cash flow hedges	3.8	–	(0.3)	11.7	–	(0.9)
Foreign currency forward contracts – net investment hedges	1,436.8	11.8	(23.8)	1,232.6	1.9	(31.5)
Total Qualifying Hedges	1,487.7	12.9	(24.1)	1,395.5	1.9	(38.5)
Non-Qualifying Hedges						
Cross currency swaps	$ 131.8	$ 6.3	$ –	$ 552.8	$ 1.7	$ (11.0)
Interest rate swaps	1,386.0	5.7	(25.4)	809.6	0.6	(39.3)
Written options	566.0	–	(1.0)	251.4	–	(0.1)
Purchased options	816.8	1.2	–	502.7	0.3	–
Foreign currency forward contracts	1,979.9	23.4	(50.8)	1,853.8	5.7	(25.7)
Total Return Swap (TRS)	485.2	–	(9.7)	106.6	–	(5.8)
Equity Warrants	1.0	0.8	–	1.0	0.1	–
Total Non-qualifying Hedges	5,366.7	37.4	(86.9)	4,077.9	8.4	(81.9)
Total Hedges	$6,854.4	$50.3	$(111.0)	$5,473.4	$10.3	$(120.4)

[1] *Presented on a gross basis.*

Total Return Swaps ("TRS")

Two financing facilities between two wholly-owned subsidiaries of CIT and Goldman Sachs International ("GSI") are structured as total return swaps ("TRS"), under which amounts available for advances are accounted for as derivatives. Pursuant to applicable accounting guidance, only the unutilized portion of the TRS is accounted for as a derivative and recorded at its estimated fair value. The size of the CIT Financial Ltd. ("CFL") facility is $1.5 billion and the CIT TRS Funding B.V. ("BV") facility is $625 million.

The aggregate "notional amounts" of the total return swaps of $485.2 million at December 31, 2013 and $106.6 million at December 31, 2012 represent the aggregate unused portions under the CFL and BV facilities and constitute derivative financial instruments. These notional amounts are calculated as the maximum aggregate facility commitment amounts, currently $2,125.0 million, less the aggregate actual adjusted qualifying borrowing base outstanding of $1,639.8 million at December 31, 2013 and $2,018.4 million at December 31, 2012 under the CFL and BV facilities. The notional amounts of the derivatives will increase as the adjusted qualifying borrowing base decreases due to repayment of the underlying asset-backed securities (ABS) to investors. If CIT funds additional ABS under the CFL or BV facilities, the aggregate adjusted qualifying borrowing base of the total return swaps will increase and the notional amount of the derivatives will decrease accordingly.

Valuation of the derivatives related to the GSI facilities is based on several factors using a discounted cash flow (DCF) methodology, including:

- CIT's funding costs for similar financings based on current market conditions;
- Forecasted usage of the long-dated CFL and BV facilities through the final maturity date in 2028; and
- Forecasted amortization, due to principal payments on the underlying ABS, which impacts the amount of the unutilized portion.

Based on the Company's valuation, a liability of $10 million and $6 million was recorded at December 31, 2013 and December 31, 2012, respectively. The change in value is recorded in Other Income in the Consolidated Statements of Operations.

Impact of Collateral and Netting Arrangements on the Total Derivative Portfolio

The following tables present a summary as at December 31, 2013 and 2012, of the gross amounts of recognized financial assets and liabilities; the amounts offset under current GAAP in the consolidated balance sheet; the net amounts presented in the consolidated balance sheet; the amounts subject to an enforceable master netting arrangement or similar agreement that were not included in the offset amount above, and the amount of cash collateral received or pledged. Substantially all derivative transactions are documented under International Swaps and Derivatives Association ("ISDA") agreements.

				Gross Amounts not offset in the Consolidated Balance Sheet		
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Offset in the Consolidated Balance Sheet	Net Amount Presented in the Consolidated Balance Sheet	Derivative Financial Instruments[5]	Cash Collateral Pledged/ (Received)[5][6]	Net Amount
December 31, 2013						
Derivative assets[1]	$ 50.3	$ –	$ 50.3	$(33.4)	$ (5.0)	$ 11.9
Derivative liabilities[2]	(111.0)	–	(111.0)	33.4	41.0	(36.6)
December 31, 2012						
Derivative assets[3]	$ 10.3	$ –	$ 10.3	$ (7.6)	$ (1.7)	$ 1.0
Derivative liabilities[4]	(120.4)	–	(120.4)	8.0	73.3	(39.1)

(1) *Includes $12.9 million of qualifying hedges reported in Other assets and $37.4 million reported in Trading assets at fair value – derivatives.*

(2) *Includes $(24.1) million of qualifying hedges reported in Other liabilities and $(86.9) million reported in Trading liabilities at fair value – derivatives.*

(3) *Includes $1.9 million of qualifying hedges reported in Other assets and $8.4 million reported in Trading assets at fair value – derivatives.*

(4) *Includes $(38.5) million of qualifying hedges reported in Other liabilities and $(81.9) million reported in Trading liabilities at fair value – derivatives.*

(5) *The Company's derivative transactions are governed by ISDA agreements that allow for net settlements of certain payments as well as offsetting of all contracts ("Derivative Financial Instruments") with a given counterparty in the event of bankruptcy or default of one of the two parties to the transaction. We believe our ISDA agreements meet the definition of a master netting arrangement or similar agreement for purposes of the above disclosure. In conjunction with the ISDA agreements, the Company has entered into collateral arrangements with its counterparties which provide for the exchange of cash depending on the change in the market valuation of the derivative contracts outstanding. Such collateral is available to be applied in settlement of the net balances upon the event of default by one of the counterparties.*

(6) *Collateral pledged or received are included in Other assets or Other liabilities, respectively.*

The following table presents the impact of derivatives on the statements of operations:

Derivative Instrument Gains and Losses (dollars in millions)

		Years Ended December 31,		
Contract Type	Gain / (Loss) Recognized	2013	2012	2011
Qualifying Hedges				
Foreign currency forward contracts – cash flow hedges	Other income	$ 0.7	$ 1.1	$ (0.9)
Total Qualifying Hedges		0.7	1.1	(0.9)
Non Qualifying Hedges				
Cross currency swaps	Other income	11.5	(10.5)	29.2
Interest rate swaps	Other income	19.1	1.2	(14.6)
Interest rate options	Other income	–	(0.7)	(0.9)
Foreign currency forward contracts	Other income	(12.1)	(23.7)	30.0
Equity warrants	Other income	0.8	(0.3)	(0.8)
Total Return Swap (TRS)	Other income	(3.9)	(5.8)	–
Total Non-qualifying Hedges		15.4	(39.8)	42.9
Total derivatives - income statement impact		$ 16.1	$(38.7)	$ 42.0

The following table presents the changes in AOCI relating to derivatives:

Changes in AOCI Relating to Derivatives (dollars in millions)

Contract Type	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly to income	Total income statement impact	Derivatives – effective portion recorded in OCI	Total change in OCI for period
Year Ended December 31, 2013					
Foreign currency forward contracts – cash flow hedges	$ 0.7	$ –	$ 0.7	$ 0.6	$ (0.1)
Foreign currency forward contracts – net investment hedges	(7.7)	–	(7.7)	5.8	13.5
Cross currency swaps – net investment hedges	(0.1)	–	(0.1)	10.0	10.1
Total	$ (7.1)	$ –	$ (7.1)	$ 16.4	$ 23.5
Year Ended December 31, 2012					
Foreign currency forward contracts – cash flow hedges	$ 1.1	$ –	$ 1.1	$ 1.7	$ 0.6
Foreign currency forward contracts – net investment hedges	(4.1)	–	(4.1)	(59.4)	(55.3)
Cross currency swaps – net investment hedges	–	–	–	(12.9)	(12.9)
Total	$ (3.0)	$ –	$ (3.0)	$(70.6)	$(67.6)
Year Ended December 31, 2011					
Foreign currency forward contracts – cash flow hedges	$ (1.0)	$ –	$ (1.0)	$ (0.1)	$ 0.9
Foreign currency forward contracts – net investment hedges	(9.7)	–	(9.7)	26.4	36.1
Cross currency swaps – net investment hedges	–	–	–	9.0	9.0
Total	$(10.7)	$ –	$(10.7)	$ 35.3	$ 46.0

Estimated amount of net losses on cash flow hedges recorded in AOCI at December 31, 2013 expected to be recognized in income over the next 12 months is $0.2 million.

NOTE 10 — OTHER LIABILITIES

The following table presents components of other liabilities:

Other Liabilities (dollars in millions)

	December 31, 2013	December 31, 2012
Equipment maintenance reserves	$ 904.2	$ 850.0
Accrued expenses and accounts payable	490.1	570.2
Accrued interest payable	247.1	236.9
Security and other deposits	227.4	231.6
Current taxes payable and deferred taxes	179.8	185.5
Valuation adjustment relating to aerospace commitments[1]	137.5	188.1
Other[2]	403.4	425.5
Total other liabilities	$2,589.5	$2,687.8

[1] *In conjunction with FSA, a liability was recorded to reflect the current fair value of aircraft purchase commitments outstanding at the time. When the aircraft are purchased, the cost basis of the assets is reduced by the associated liability.*

[2] *Other liabilities consist of other taxes, property tax reserves and other miscellaneous liabilities.*

NOTE 11 — FAIR VALUE

Fair Value Hierarchy

The Company is required to report fair value measurements for specified classes of assets and liabilities. See *Note 1 — "Business and Summary of Significant Accounting Policies"* for fair value measurement policy.

The Company characterizes inputs in the determination of fair value according to the fair value hierarchy. The fair value of the Company's assets and liabilities where the measurement objective specifically requires the use of fair value are set forth in the tables below:

Assets and Liabilities Measured at Fair Value on a Recurring Basis (dollars in millions)

	Total	Level 1	Level 2	Level 3
December 31, 2013				
Assets				
Debt Securities AFS	$1,487.8	$675.9	$ 811.9	$ –
Equity Securities AFS	13.7	13.7	–	–
Trading assets at fair value – derivatives	37.4	–	37.4	–
Derivative counterparty assets at fair value	12.9	–	12.9	–
Total	$1,551.8	$689.6	$ 862.2	$ –
Liabilities				
Trading liabilities at fair value – derivatives	$ (86.9)	$ –	$ (77.2)	$(9.7)
Derivative counterparty liabilities at fair value	(24.1)	–	(24.1)	–
Total	$ (111.0)	$ –	$(101.3)	$(9.7)
December 31, 2012				
Assets				
Debt Securities AFS[(1)]	$ 767.6	$767.6	$ –	$ –
Equity Securities AFS	14.3	14.3	–	–
Trading assets at fair value – derivatives	8.4	–	8.4	–
Derivative counterparty assets at fair value	1.9	–	1.9	–
Total	$ 792.2	$781.9	$ 10.3	$ –
Liabilities				
Trading liabilities at fair value – derivatives	$ (81.9)	$ –	$ (76.1)	$(5.8)
Derivative counterparty liabilities at fair value	(38.5)	–	(38.5)	–
Total	$ (120.4)	$ –	$(114.6)	$(5.8)

(1) *Debt securities AFS fair value hierarchy at December 31, 2012 has been conformed to the current presentation.*

The following table presents financial instruments for which a non-recurring change in fair value has been recorded:

Assets Measured at Fair Value on a Non-recurring Basis (dollars in millions)

		Fair Value Measurements at Reporting Date Using:			
	Total	Level 1	Level 2	Level 3	Total Gains and (Losses)
Assets					
December 31, 2013					
Assets Held for Sale	$731.1	$ –	$ –	$731.1	$ (59.4)
Impaired loans	18.5	–	–	18.5	(1.6)
Total	$749.6	$ –	$ –	$749.6	$ (61.0)
December 31, 2012					
Assets Held for Sale	$296.7	$ –	$ –	$296.7	$(106.9)
Impaired loans	61.0	–	–	61.0	(40.9)
Total	$357.7	$ –	$ –	$357.7	$(147.8)

Loans are transferred from HFI to AHFS at the lower of cost or fair value. At the time of transfer, a write-down of the loan is recorded as a charge-off, if applicable. Once classified as AHFS, the amount by which the carrying value exceeds fair value is recorded as a valuation allowance.

Impaired finance receivables (including loans or capital leases) of $500 thousand or greater that are placed on non-accrual status are subject to periodic individual review in conjunction with the Company's ongoing problem loan management (PLM) function. Impairment occurs when, based on current information and events, it is probable that CIT will be unable to collect all amounts due according to contractual terms of the agreement. Impairment is measured as the shortfall between estimated value and recorded investment in the finance receivable, with the estimated value determined using fair value of collateral and other cash flows if the finance receivable is collateralized, or the present value of expected future cash flows discounted at the contract's effective interest rate.

Level 3 Gains and Losses

Changes in Fair Value of Level 3 Financial Assets and Liabilities Measured on a Recurring Basis (dollars in millions)

	Total	Derivatives
December 31, 2011	$ –	$ –
Gains or losses realized/unrealized		
Included in Other Income[1]	(5.8)	(5.8)
December 31, 2012	(5.8)	(5.8)
Gains or losses realized/unrealized		
Included in Other Income[1]	(3.9)	(3.9)
December 31, 2013	$(9.7)	$(9.7)

[1] *Valuation of the derivative related to the GSI facilities.*

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying and estimated fair values of financial instruments presented below exclude leases and certain other assets and liabilities, which are not required for disclosure. Assumptions used in valuing financial instruments at December 31, 2013 are disclosed below.

Financial Instruments (dollars in millions)

	December 31, 2013		December 31, 2012	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Assets				
Trading assets at fair value – derivatives	$ 37.4	$ 37.4	$ 8.4	$ 8.4
Derivative counterparty assets at fair value	12.9	12.9	1.9	1.9
Assets held for sale (excluding leases)	3,789.7	4,013.6	58.3	61.9
Loans (excluding leases)	12,628.2	12,690.2	15,941.9	16,177.7
Investment Securities	2,630.7	2,629.2	1,065.5	1,068.3
Other assets subject to fair value disclosure and unsecured counterparty receivables[1]	938.9	938.9	1,084.0	1,084.0
Liabilities				
Deposits[2]	$(12,565.0)	$(12,751.9)	$ (9,721.8)	$ (9,931.8)
Trading liabilities at fair value – derivatives	(86.9)	(86.9)	(81.9)	(81.9)
Derivative counterparty liabilities at fair value	(24.1)	(24.1)	(38.5)	(38.5)
Long-term borrowings[2]	(21,958.6)	(22,682.1)	(22,161.4)	(23,180.8)
Other liabilities subject to fair value disclosure[3]	(1,931.2)	(1,931.2)	(1,953.1)	(1,953.1)

[1] *Other assets subject to fair value disclosure primarily include accrued interest receivable and miscellaneous receivables. These assets have carrying values that approximate fair value generally due to the short-term nature and are classified as Level 3. The unsecured counterparty receivables primarily consist of amounts owed to CIT from GSI for debt discount, return of collateral posted to GSI and settlements resulting from market value changes to asset-backed securities underlying the GSI Facilities.*

[2] *Deposits and long-term borrowings include accrued interest, which is included in "Other liabilities" in the Balance Sheet.*

[3] *Other liabilities subject to fair value disclosure include accounts payable, accrued liabilities, customer security and maintenance deposits and miscellaneous liabilities. The fair value of these approximates carrying value and use Level 3 inputs.*

Assumptions used in 2013 to value financial instruments are set forth below:

Derivatives – The estimated fair values of derivatives were calculated internally using observable market data and represent the net amount receivable or payable to terminate, taking into account current market rates, which represent Level 2 inputs, except for the TRS derivative that utilized Level 3 inputs. See *Note 9 — Derivative Financial Instruments* for notional principal amounts and fair values.

Investment Securities – Debt and equity securities classified as AFS are carried at fair value, as determined either by Level 1 or Level 2 inputs. Debt securities classified as AFS included investments in U.S. Treasury (Level 1) and federal government agency securities and were valued using Level 2 inputs, primarily quoted prices for similar securities. Certain equity securities classified as AFS were valued using Level 1 inputs, primarily quoted prices in active markets, while other equity securities used Level 2 inputs, due to being less frequently traded or having limited quoted market prices. Debt securities classified as HTM are securities that the Company has both the ability and the intent to hold until maturity and are carried at amortized cost and periodically assessed for OTTI, with the cost basis reduced when impairment is deemed to be other-than-temporary. Non-marketable equity investments are generally recorded under the cost or equity method of accounting and are periodically assessed for OTTI, with the net asset values reduced when impairment is deemed to be other-than-temporary. For investments in limited equity partnership interests, we use the net asset value provided by the fund manager as an appropriate measure of fair value.

Assets held for sale – Assets held for sale are recorded at lower of cost or fair value on the balance sheet. Most of the assets are subject to a binding contract, current letter of intent or other third-party valuation, which are Level 3 inputs. For the remaining assets, the fair value is generally determined using internally generated valuations or discounted cash flow analysis, which are considered Level 3 inputs. Commercial loans are generally valued individually, while small-ticket commercial loans are valued on an aggregate portfolio basis.

Loans – Since there is no liquid secondary market for most loans in the Company's portfolio, the fair value is estimated based on discounted cash flow analyses which use Level 3 inputs. In addition to the characteristics of the underlying contracts, key inputs to the analysis include interest rates, prepayment rates, and credit spreads. For the commercial loan portfolio, the market based credit spread inputs are derived from instruments with comparable credit risk characteristics obtained from independent third party vendors. For the consumer loan portfolio, the discount spread is derived based on the company's estimate of a market participant's required return on equity that incorporates credit loss estimates based on expected and current default rates. As these Level 3 unobservable inputs are specific to individual loans/collateral types, management does not believe that sensitivity analysis of individual inputs is meaningful, but rather that sensitivity is more meaningfully assessed through the evaluation of aggregate carrying values of the loans. The fair value of loans at December 31, 2013 was $12.7 billion, which is 100.5% of carrying value.

Impaired Loans – The value of impaired loans is estimated using the fair value of collateral (on an orderly liquidation basis) if the loan is collateralized, or the present value of expected cash flows utilizing the current market rate for such loan. As these Level 3 unobservable inputs are specific to individual loans / collateral types, management does not believe that sensitivity analysis of individual inputs is meaningful, but rather that sensitivity is more meaningfully assessed through the evaluation of aggregate carrying values of impaired loans relative to contractual amounts owed (unpaid principal balance or "UPB") from customers. As of December 31, 2013, the UPB related to impaired loans, including loans for which the Company is applying the income recognition and disclosure guidance in ASC 310-30 (Loans and Debt Securities Acquired with Deteriorated Credit Quality), totaled $362.0 million. Including related allowances, these loans are carried at $259.9 million, or 72% of UPB. Of these amounts, $213.2 million and $176.5 million of UPB and carrying value relate to loans with no specific allowance. The difference between UPB and carrying value reflects cumulative charge-offs on accounts remaining in process of collection, FSA discounts and allowances. See *Note 2 — Loans* for more information.

Deposits – The fair value of deposits was estimated based upon a present value discounted cash flow analysis. Discount rates used in the present value calculation are based on the Company's average current deposit rates for similar terms, which are Level 3 inputs.

Long-term borrowings – Unsecured borrowings of approximately $12.5 billion par value at December 31, 2013, were valued based on quoted market prices, which are Level 1 inputs. Approximately $5.9 billion par value of the secured borrowings at December 31, 2013 utilized market inputs to estimate fair value, which are Level 2 inputs. Where market estimates were not available for approximately $3.6 billion par value at December 31, 2013, values were estimated using a discounted cash flow analysis with a discount rate approximating current market rates for issuances by CIT of similar term debt, which are Level 3 inputs.

NOTE 12 — STOCKHOLDERS' EQUITY

A roll forward of common stock activity is presented in the following table.

Number of Shares of Common Stock

	Issued	Less Treasury	Outstanding
Common Stock – December 31, 2011	200,980,752	(320,438)	200,660,314
Restricted/performance shares issued	272,702	–	272,702
Shares held to cover taxes on vesting restricted shares and other	–	(93,823)	(93,823)
Employee stock purchase plan participation	29,609	–	29,609
Common Stock – December 31, 2012	201,283,063	(414,261)	200,868,802
Restricted stock issued	873,842	–	873,842
Repurchase of common stock	–	(4,006,941)	(4,006,941)
Shares held to cover taxes on vesting restricted shares and other	–	(357,442)	(357,442)
Employee stock purchase plan participation	25,490	–	25,490
Common Stock – December 31, 2013	202,182,395	(4,778,644)	197,403,751

We declared and paid a $0.10 cash dividend on our common stock during the 2013 fourth quarter. No other dividends were declared or paid in 2013 or 2012.

Accumulated Other Comprehensive Income/(Loss)

Total comprehensive income was $679.8 million for the year ended December 31, 2013, versus comprehensive losses of $587.4 million and $66.7 million for the years ended December 31, 2012 and 2011, respectively, including accumulated other comprehensive loss of $73.6 million and $77.7 million at December 2013 and 2012, respectively.

The following table details the components of Accumulated Other Comprehensive Loss, net of tax:

Components of Accumulated Other Comprehensive Income (Loss) (dollars in millions)

	December 31, 2013			December 31, 2012		
	Gross Unrealized	Income Taxes	Net Unrealized	Gross Unrealized	Income Taxes	Net Unrealized
Changes in benefit plan net gain/(loss) and prior service (cost)/credit	$(24.3)	$ 0.2	$(24.1)	$(43.5)	$ 0.4	$(43.1)
Foreign currency translation adjustments	(49.4)	–	(49.4)	(36.6)	–	(36.6)
Changes in fair values of derivatives qualifying as cash flow hedges	(0.2)	–	(0.2)	(0.1)	–	(0.1)
Unrealized net gains (losses) on available for sale securities	0.2	(0.1)	0.1	3.5	(1.4)	2.1
Total accumulated other comprehensive loss	$(73.7)	$ 0.1	$(73.6)	$(76.7)	$(1.0)	$(77.7)

The following table details the changes in the components of Accumulated Other Comprehensive Income (Loss).

	Changes in benefit plan net gain (loss) and prior service (cost) credit	Foreign currency translation adjustments	Unrealized net gains (losses) on available for sale securities	Changes in fair values of derivatives qualifying as cash flow hedges	Total accumulated other comprehensive income (loss) ("AOCI")
Balance as of December 31, 2011	$(54.8)	$(28.2)	$ 1.1	$(0.7)	$(82.6)
AOCI activity before reclassifications	10.3	(16.8)	1.0	1.7	(3.8)
Amounts reclassed from AOCI	1.4	8.4	–	(1.1)	8.7
Net current period AOCI	11.7	(8.4)	1.0	0.6	4.9
Balance as of December 31, 2012	$(43.1)	$(36.6)	$ 2.1	$(0.1)	$(77.7)
AOCI activity before reclassifications	19.2	(21.2)	(2.8)	0.6	(4.2)
Amounts reclassed from AOCI	(0.2)	8.4	0.8	(0.7)	8.3
Net current period AOCI	19.0	(12.8)	(2.0)	(0.1)	4.1
Balance as of December 31, 2013	$(24.1)	$(49.4)	$ 0.1	$(0.2)	$(73.6)

Other Comprehensive Income/(Loss)

The amounts included in the Statement of Comprehensive Income (Loss) are net of income taxes. The income taxes associated with changes in benefit plans net gain/(loss) and prior service (cost)/credit totaled $(0.2) million for 2013 and $0.2 million for 2012 and was not significant in 2011. The income taxes associated with changes in fair values of derivatives qualifying as cash flow hedges were not significant for 2013, 2012 and 2011. The change in income taxes associated with net unrealized gains on available for sale securities totaled $1.3 million for 2013 and $(1.0) million for 2012 and 2011.The changes in benefit plans net gain/(loss) and prior service (cost)/credit reclassification adjustments impacting net income was $(0.2) million for 2013 and $1.4 million for 2012. These amounts were insignificant in 2011. The reclassification adjustments for unrealized gains (losses) on investments recognized through income were $0.8 million for 2013 and were not significant for 2012 and 2011.

The Company has operations in Canada, Europe and other countries. The functional currency for foreign operations is generally the local currency. The value of assets and liabilities of these operations is translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense items are translated at the average exchange rates during the year. The resulting foreign currency translation gains and losses, as well as offsetting gains and losses on hedges of net investments in foreign operations, are reflected in AOCI. Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency are included in earnings.

	Years Ended December 31,					
	2013			2012		
	Gross Amount	Tax	Net Amount	Gross Amount	Tax	Net Amount
Changes in benefit plan net gain/(loss) and prior service (cost)/credit						
Gains (Losses)	$(0.2)	$ –	$(0.2)	$ 1.3	$0.1	$ 1.4
Foreign currency translation adjustments						
Gains (Losses)	8.4	–	8.4	8.4	–	8.4
Net unrealized gains (losses) on available for sale securities						
Gains (Losses)	1.3	(0.5)	0.8	–	–	–
Changes in fair value of derivatives qualifying as cash flow hedges						
Gains (Losses)	(0.7)	–	(0.7)	(1.1)	–	(1.1)
Total Reclassifications out of AOCI	$ 8.8	$(0.5)	$ 8.3	$ 8.6	$0.1	$ 8.7

NOTE 13 — REGULATORY CAPITAL

The Company and the Bank are each subject to various regulatory capital requirements administered by the Federal Reserve Bank ("FRB") and the Federal Deposit Insurance Corporation ("FDIC").

Quantitative measures established by regulation to ensure capital adequacy require that the Company and the Bank each maintain minimum amounts and ratios of Total and Tier 1 capital to risk-weighted assets, and of Tier 1 capital to average assets, subject to any agreement with regulators to maintain higher capital levels.

The calculation of the Company's regulatory capital ratios are subject to review and consultation with the FRB, which may result in refinements to amounts reported at December 31, 2013.

Tier 1 Capital and Total Capital Components (dollars in millions)

	CIT		CIT Bank	
Tier 1 Capital	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Total stockholders' equity	$ 8,838.8	$ 8,334.8	$ 2,596.6	$ 2,437.4
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 Capital	24.2	41.1	–	(0.4)
Adjusted total equity	8,863.0	8,375.9	2,596.6	2,437.0
Less: Goodwill[(1)]	(338.3)	(345.9)	–	–
Disallowed intangible assets[(1)]	(20.3)	(32.7)	–	–
Investment in certain subsidiaries	(32.3)	(34.4)	–	–
Other Tier 1 components[(2)]	(32.6)	(68.0)	–	(14.3)
Tier 1 Capital	8,439.5	7,894.9	2,596.6	2,422.7
Tier 2 Capital				
Qualifying allowance for credit losses and other reserves[(3)]	383.9	402.6	193.6	141.2
Less: Investment in certain subsidiaries	(32.3)	(34.4)	–	–
Other Tier 2 components[(4)]	0.1	0.5	–	0.3
Total qualifying capital	$ 8,791.2	$ 8,263.6	$ 2,790.2	$ 2,564.2
Risk-weighted assets	$50,571.2	$48,616.9	$15,451.9	$11,288.3
Total Capital (to risk-weighted assets):				
Actual	17.4%	17.0%	18.1%	22.7%
Required Ratio for Capital Adequacy Purposes to be well capitalized	10.0%	13.0%[(5)]	10.0%	10.0%
Tier 1 Capital (to risk-weighted assets):				
Actual	16.7%	16.2%	16.8%	21.5%
Required Ratio for Capital Adequacy Purposes to be well capitalized	6.0%	6.0%	6.0%	6.0%
Tier 1 Leverage Ratio:				
Actual	18.1%	18.3%	16.9%	20.2%
Required Ratio for Capital Adequacy Purposes	4.0%	4.0%	5.0%[(6)]	5.0%[(6)]

(1) *Goodwill and disallowed intangible assets adjustments also reflect the portion included within assets held for sale.*

(2) *Includes the portion of net deferred tax assets that does not qualify for inclusion in Tier 1 capital based on the capital guidelines, the Tier 1 capital charge for nonfinancial equity investments and the Tier 1 capital deduction for net unrealized losses on available-for-sale marketable securities (net of tax).*

(3) *"Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit, and deferred purchase agreements, all of which are recorded in Other Liabilities.*

(4) *Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pretax gains on available-for-sale equity securities with readily determinable fair values.*

(5) *The Company previously had committed to maintaining capital the ratio above regulatory minimum levels.*

(6) *Required ratio for capital adequacy purposes to be well capitalized.*

CIT GROUP AND SUBSIDIARIES — NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 — EARNINGS PER SHARE

The reconciliation of the numerator and denominator of basic EPS with that of diluted EPS is presented below:

Earnings Per Share (dollars in millions, except per share amount; shares in thousands)

	Years Ended December 31,		
	2013	2012	2011
Earnings / (Loss)			
Net income (loss)	$ 675.7	$ (592.3)	$ 14.8
Weighted Average Common Shares Outstanding			
Basic shares outstanding	200,503	200,887	200,678
Stock-based awards[(1)]	1,192	–	137
Diluted shares outstanding	201,695	200,887	200,815
Basic Earnings Per common share data			
Income (loss) per common share	$ 3.37	$ (2.95)	$ 0.07
Diluted Earnings Per common share data			
Income (loss) per common share	$ 3.35	$ (2.95)	$ 0.07

(1) *Represents the incremental shares from in-the-money non-qualified restricted stock awards, performance shares, and stock options. Weighted average options and restricted shares that were out-of-the money were excluded from diluted earnings per share and totaled 0.9 million, 1.5 million, and 0.9 million, for the December 31, 2013, 2012 and 2011 periods, respectively. Additionally, in 2013 there were approximately 0.2 million performance shares that were out of the money and also excluded from diluted earnings per share.*

NOTE 15 — NON-INTEREST INCOME

The following table sets forth the components of non-interest income:

Non-interest Income (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Rental income on operating leases	$1,770.3	$1,784.6	$1,667.5
Other Income:			
Gains on sales of leasing equipment	$ 130.5	$ 117.6	$ 148.4
Factoring commissions	122.3	126.5	132.5
Fee revenues	101.5	86.1	97.5
Gains on loan and portfolio sales	48.6	192.3	305.9
Recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale	21.9	55.0	124.1
Counterparty receivable accretion	9.3	96.1	109.9
Gain on investments	8.2	40.2	45.7
Gains (losses) on derivatives and foreign currency exchange	1.0	(5.7)	(5.2)
Impairment on assets held for sale	(124.0)	(115.6)	(113.1)
Other revenues	62.8	60.6	107.1
Total other income	382.1	653.1	952.8
Total non-interest income	$2,152.4	$2,437.7	$2,620.3

NOTE 16 — OTHER EXPENSES

The following table sets forth the components of other expenses:

Other Expenses (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Depreciation on operating lease equipment	$ 573.5	$ 533.2	$ 575.1
Operating expenses:			
Compensation and benefits	536.1	538.7	494.8
Technology	83.3	81.6	75.3
Professional fees	69.6	64.8	120.9
Provision for severance and facilities exiting activities	36.9	22.7	13.1
Net occupancy expense	35.3	36.2	39.4
Advertising and marketing	25.2	36.5	10.5
Other expenses[(1)]	198.3	137.7	142.6
Total operating expenses	984.7	918.2	896.6
Loss on debt extinguishments	–	61.2	134.8
Total other expenses	$1,558.2	$1,512.6	$1,606.5

(1) *Includes $50 million related to a tax settlement agreement with Tyco International Ltd.*

NOTE 17 — INCOME TAXES

The following table presents the U.S. and non-U.S. components of income (loss) before provision for income taxes:

Income (Loss) Before Provision for Income Taxes (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
U.S.	$467.8	$(1,043.7)	$(660.5)
Non-U.S.	306.3	588.9	838.9
Income (loss) before provision for income taxes	$774.1	$ (454.8)	$ 178.4

The provision for income taxes is comprised of the following:

Provision for Income Taxes (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Current federal income tax provision	$ 0.1	$ 1.5	$ 1.1
Deferred federal income tax provision	18.9	9.5	18.6
Total federal income tax provision	19.0	11.0	19.7
Current state and local income tax provision	6.0	16.1	10.8
Deferred state and local income tax provision/(benefit)	1.0	(2.1)	1.0
Total state and local income tax provision	7.0	14.0	11.8
Total foreign income tax provision	66.5	108.8	127.1
Total provision for income taxes	$92.5	$133.8	$158.6

A reconciliation from the U.S. Federal statutory rate to the Company's actual effective income tax rate is as follows:

Percentage of Pretax Income Years Ended December 31 (dollars in millions)

	Effective Tax Rate								
	2013			2012			2011		
	Pretax Income	Income tax expense (benefit)	Percent of pretax income	Pretax (loss)	Income tax expense (benefit)	Percent of pretax (loss)	Pretax income	Income tax expense (benefit)	Percent of pretax income
Federal income tax rate	$774.1	$ 270.9	35.0%	$(454.8)	$(159.1)	35.0%	$178.4	$ 62.4	35.0%
Increase (decrease) due to:									
State and local income taxes, net of federal income tax benefit		6.9	0.9		14.0	(3.1)		11.8	6.6
Lower tax rates applicable to non-U.S. earnings		(81.7)	(10.6)		(140.9)	31.0		(177.4)	(99.5)
Foreign income subject to U.S. tax		37.8	4.9		305.1	(67.1)		306.9	172.1
Unrecognized tax benefits		0.3	–		(227.8)	50.1		101.3	56.8
Deferred income taxes on foreign unremitted earnings		(24.7)	(3.2)		112.0	(24.6)		86.3	48.4
Valuation allowances		(104.2)	(13.5)		247.2	(54.4)		(201.8)	(113.2)
International tax settlements		(11.2)	(1.4)		–	–		–	–
Other		(1.6)	(0.2)		(16.7)	3.7		(30.9)	(17.2)
Total Effective Tax Rate		$ 92.5	11.9%		$ 133.8	(29.4)%		$ 158.6	89.0%

The tax effects of temporary differences that give rise to deferred income tax assets and liabilities are presented below:

Components of Deferred Income Tax Assets and Liabilities (dollars in millions)

	December 31, 2013	December 31, 2012
Deferred Tax Assets:		
Net operating loss (NOL) carry forwards	$ 2,694.7	$ 2,552.9
Loans and direct financing leases	166.4	232.7
Provision for credit losses	147.9	153.4
Accrued liabilities and reserves	97.2	116.8
FSA adjustments – aircraft and rail contracts	52.8	73.6
Other	114.0	176.2
Total gross deferred tax assets	3,273.0	3,305.6
Deferred Tax Liabilities:		
Operating leases	(1,549.3)	(1,317.6)
Foreign unremitted earnings	(168.5)	(198.4)
Debt	(97.7)	(115.7)
Goodwill and intangibles	(47.3)	(32.8)
Other	(71.4)	(152.8)
Total deferred tax liabilities	(1,934.2)	(1,817.3)
Total net deferred tax asset before valuation allowances	1,338.8	1,488.3
Less: Valuation allowances	(1,495.3)	(1,578.9)
Net deferred tax liability after valuation allowances	$ (156.5)	$ (90.6)

2009 Bankruptcy

CIT filed prepackaged voluntary petitions for bankruptcy for relief under the U.S. bankruptcy Code on November 1, 2009 and emerged from bankruptcy on December 10, 2009. As a consequence of the bankruptcy, CIT realized cancellation of indebtedness income ("CODI"). The Internal Revenue Service Code generally requires CODI to be recognized and included in taxable income. However, if CODI is realized pursuant to a confirmed plan of reorganization, then CODI is not recognized in taxable income but instead reduces certain favorable tax attributes. CIT tax attribute reductions included a reduction to the Company's federal net operating loss carry-forwards ("NOLs") of approximately $5.1 billion and the tax bases in its assets of $2.6 billion. In 2009, the Company established a deferred tax liability of $3.1 billion to account for the future tax effects of the CODI adjustments. This deferred tax liability was applied as a reduction to our domestic net deferred tax assets at the beginning of 2010.

CIT's reorganization in 2009 constituted an ownership change under Section 382 of the Code, which placed an annual dollar limit on the use of the remaining pre-bankruptcy NOLs. Under the relief provision elected by the Company, Sec. 382(l)(6), the NOLs that the Company may use annually is limited to the product of a prescribed rate of return applied against the value of equity immediately after any ownership change. Based on an equity value determined by the Company's opening stock price on December 10, 2009, the Company's estimated usage of pre-bankruptcy NOLs will be limited to $230 million per annum. NOLs arising in post-emergence years are not subject to this limitation absent another ownership change as defined by the Internal Revenue Service (IRS) for U.S. tax purposes.

Net Operating Loss Carry-forwards

As of December 31, 2013, CIT has deferred tax assets totaling $2.7 billion on its global NOLs. This includes a deferred tax asset of: (1) $1.8 billion relating to its cumulative U.S. Federal NOLs of $5.2 billion, after the CODI reduction described in the paragraph above; (2) $453 million relating to cumulative state NOLs of $9.6 billion, and (3) $408 million relating to cumulative foreign NOLs of $3.0 billion.

Of the $5.2 billion U.S. Federal NOLs, approximately $2.6 billion relates to the pre-emergence period which is subject to the Sec. 382 limitation discussed above. Domestic taxable income was essentially break-even for the current year, primarily due to one-time items in the fourth quarter, such as the Tyco tax agreement settlement, and the realization of tax losses from the sale of certain loan portfolios. The net increase in the U.S. Federal NOLs from the prior year balance of $4.9 billion is primarily attributable to ongoing audit adjustments related to prior years as well as certain adjustments related to the finalization of the 2012 tax return filed during 2013. The U.S. Federal NOL's will expire beginning in 2027 through 2033. $308 million of state NOLs will expire in 2014, and certain of the foreign NOLs will expire over various periods, with an insignificant amount expiring in 2014.

The Company has not recognized any tax benefit on its prior year domestic losses and certain prior year foreign losses due to uncertainties related to its ability to realize its net deferred tax assets in the future. Due to the future uncertainties, combined with the recent three years of cumulative losses by certain domestic and foreign reporting entities, the Company has concluded that it does not currently meet the criteria to recognize its net deferred tax assets, inclusive of the deferred tax assets related to NOLs in these entities. Accordingly, the Company maintained valuation allowances of $1.5 billion and $1.6 billion against their net deferred tax assets at December 31, 2013 and 2012, respectively. Of the $1.5 billion valuation allowance at December 31, 2013, approximately $1.3 billion relates to domestic reporting entities and $211 million relates to the foreign reporting entities.

Management's decision to maintain the valuation allowances on certain reporting entities' net deferred tax assets requires significant judgment and an analysis of all the positive and negative evidence regarding the likelihood that these future benefits will be realized. The most recent three years of cumulative losses, adjusted for any non-recurring items, was considered a significant negative factor supporting the need for a valuation allowance. At the point when any of these reporting entities transition into a cumulative three year income position, Management will consider this profitability measure along with other facts and circumstances in determining whether to release any of the valuation allowances. The other facts and circumstances that are considered in evaluating the need for or release of a valuation allowance include sustained profitability, both historical and forecast, tax planning strategies, and the carry-forward periods for the NOLs.

While certain foreign and domestic entities with net operating loss carry-forwards have been profitable, the Company continues to record a full valuation allowance on these entities' net deferred tax assets due to their history of losses. Given the continued improvement in earnings in certain foreign and domestic reporting entities, which is one factor considered in the evaluation process, it is possible that the valuation allowance for those entities may be reduced if these trends continue and other factors do not outweigh this positive evidence.

At the point a determination is made that it is "more likely than not" that a reporting entity generates sufficient future taxable income to realize its respective net deferred tax assets, the Company will reduce the entity's respective valuation allowance (in full or in part), resulting in an income tax benefit in the period such a determination is made. Subsequently, the provision for income taxes will be provided for future earnings; however, there will be a minimal impact on cash taxes paid for until the NOL carry-forward is fully utilized.

Indefinite Reinvestment Assertion

In 2011, management decided to no longer assert its intent to indefinitely reinvest its foreign earnings, except for foreign subsidiaries in select jurisdictions. This decision was driven by events during the course of the year that culminated in Management's conclusion that it may need to repatriate foreign earnings to address certain long-term investment and funding strategies.

As of December 31, 2013, Management continues to maintain the position with regards to its assertion. During 2013, the Company reduced its deferred tax liabilities for foreign withholding taxes by $10.2 million and the domestic deferred income tax liabilities by $19.6 million. As of December 31, 2013, the Company has recorded $1.4 million for foreign withholding taxes and $167.1

million for domestic deferred income tax liabilities which represents the Company's best estimate of the tax cost associated with the potential future repatriation of undistributed earnings of its foreign subsidiaries. The $167.1 million of cumulative deferred income taxes were offset by a corresponding adjustment to the domestic valuation allowance resulting in no impact to the income tax provision.

Liabilities for Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Unrecognized Tax Benefits (dollars in millions)

	Liabilities for Unrecognized Tax Benefits	Interest/ Penalties	Grand Total
Balance at December 31, 2012	$317.8	$12.6	$330.4
Additions for tax positions related to current year	1.4	0.2	1.6
Additions for tax positions related to prior years	2.0	0.8	2.8
Settlements and payments	(0.5)	–	(0.5)
Expiration of statutes of limitations	(0.8)	–	(0.8)
Foreign currency revaluation	0.2	(0.3)	(0.1)
Balance at December 31, 2013	$320.1	$13.3	$333.4

During the year ended December 31, 2013, the Company recorded a $3.0 million income tax expense on uncertain tax positions, including interest, penalties, and net of a $0.1 million decrease attributable to foreign currency revaluation. The majority of the current year additions relate to prior-year uncertain tax positions. As required by ASC 740, Income Taxes, the deferred tax assets shown in the deferred tax asset and liability table above do not include any benefits associated with these uncertain tax positions.

During the year ended December 31, 2013, the Company recognized a $0.7 million income tax expense relating to interest and penalties on its uncertain tax positions, net of a $0.3 million decrease attributable to foreign currency translation. As of December 31, 2013, the accrued liability for interest and penalties is $13.3 million. The Company recognizes accrued interest and penalties on unrecognized tax benefits in income tax expense.

The entire $320.1 million of unrecognized tax benefits at December 31, 2013 would lower the Company's effective tax rate, if realized, absent a corresponding adjustment of the Company's valuation allowance for net deferred tax assets. The Company believes that the total unrecognized tax benefits may decrease, in the range of $0 to $5 million, due to the settlements of audits and the expiration of various statutes of limitations prior to December 31, 2014.

Income Tax Audits

On April 3, 2012, the Company and Internal Revenue Service (IRS) concluded the audit examination of the Company's U.S. federal income tax returns for the taxable years ended December 31, 2005 through December 31, 2007. The audit settlement resulted in the imposition of a $1.4 million alternative minimum tax that can be used in the future as a credit to offset the Company's regular tax liability. In 2012, the IRS commenced its audit examination of the Company's U.S. Federal income tax returns for the taxable years ending December 31, 2008 through December 31, 2010. The IRS is currently targeting completing the examination during 2014.

The Company and its subsidiaries are under examination in various states, provinces and countries for years ranging from 2005 through 2011. Management does not anticipate that these examination results will have any material financial impact.

NOTE 18 — RETIREMENT, POSTRETIREMENT AND OTHER BENEFIT PLANS

CIT provides various benefit programs, including defined benefit retirement and postretirement plans, and defined contribution savings incentive plans. A summary of major plans is provided below.

Retirement and Postretirement Benefit Plans

Retirement Benefits

CIT has both funded and unfunded noncontributory defined benefit pension plans covering certain U.S. and non-U.S. employees, each of which is designed in accordance with practices and regulations in the related countries. Retirement benefits under defined benefit pension plans are based on an employee's age, years of service and qualifying compensation.

The Company's largest plan is the CIT Group Inc. Retirement Plan (the "Plan"), which accounts for 73.4% of the Company's total pension projected benefit obligation at December 31, 2013.

The Company also maintains a U.S. noncontributory supplemental retirement plan, the CIT Group Inc. Supplemental Retirement Plan (the "Supplemental Plan"), for participants whose benefit in the Plan is subject to Internal Revenue Code limitations, and an executive retirement plan, which has been closed to new members since 2006. In aggregate, these two plans account for 18.2% of the total pension projected benefit obligation at December 31, 2013.

On October 16, 2012, the Board of Directors of the Company approved amendments to freeze the benefits earned under both the Plan and the Supplemental Plan. These actions became effective on December 31, 2012. These changes resulted in a reduction in the pension liability, a gain to AOCI and eliminated future service cost accruals. The freeze discontinued credit for services after December 31, 2012; however, accumulated balances under the cash balance formula will continue to receive periodic interest, subject to certain government limits. The interest credit was 2.47%, 2.67%, and 4.17% for the years ended December 31, 2013, 2012, and 2011, respectively. Participants under the traditional formula accrued a benefit through December 31, 2012, after which the benefit amount was frozen, and no further credits will be earned.

Employees generally become vested in both plans after completing three years of service, or upon attaining normal retirement age, as defined. Upon termination or retirement, vested participants under the "cash balance" formula have the option of receiving their benefit in a lump sum, deferring their payment to age 65 or converting their vested benefit to an annuity. Traditional formula participants can only receive an annuity upon a qualifying retirement.

During 2012, CIT offered a voluntary cash out option to Plan participants who are former employees of the Company and who had not yet started to receive monthly pension benefit payments. The payments made from the Plan in 2012 as a result of this offer totaled $19.8 million.

Postretirement Benefits

CIT provides healthcare and life insurance benefits to eligible retired employees. U.S. retiree healthcare and life insurance benefits account for 46.8% and 48.4% of the total postretirement benefit obligation, respectively. For most eligible retirees, healthcare is contributory and life insurance is non-contributory. The U.S. retiree healthcare plan pays a stated percentage of most medical expenses, reduced by a deductible and any payments made by the government and other programs. The U.S. retiree healthcare benefit includes a maximum limit on CIT's share of costs for employees who retired after January 31, 2002. All postretirement benefit plans are funded on a pay-as-you-go basis.

On October 16, 2012, the Board of Directors of the Company approved amendments that discontinue benefits under CIT's postretirement benefit plans. These changes resulted in a gain to AOCI and will reduce future service cost accruals. CIT will no longer offer retiree medical, dental and life insurance benefits to those who did not meet the eligibility criteria for these benefits by December 31, 2013. Employees who met the eligibility requirements for retiree health insurance by December 31, 2013 will be offered retiree medical and dental coverage upon retirement. To receive retiree life insurance, employees must have met the eligibility criteria for retiree life insurance by December 31, 2013 and must have retired from CIT on or before December 31, 2013.

Obligations and Funded Status

The following tables set forth changes in benefit obligation, plan assets, funded status and net periodic benefit cost of the retirement plans and postretirement plans:

Obligations and Funded Status (dollars in millions)

	Retirement Benefits		Post-Retirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	$480.8	$ 470.3	$ 42.3	$ 50.2
Service cost[1]	0.5	14.5	0.1	0.8
Interest cost	17.8	19.9	1.6	1.9
Plan amendments, curtailments and settlements	(1.7)	(22.4)	0.6	(9.0)
Actuarial loss/(gain)	(20.1)	41.7	(2.8)	1.2
Benefits paid	(25.3)	(44.7)	(4.7)	(4.7)
Other[2]	0.4	1.5	1.7	1.9
Benefit obligation at end of year	452.4	480.8	38.8	42.3
Change in plan assets				
Fair value of plan assets at beginning of period	346.3	324.6	–	–
Actual return on plan assets	16.0	41.3	–	–
Employer contributions	21.1	24.0	3.0	3.4
Plan settlements	(1.7)	(0.2)	(0.1)	(0.7)
Benefits paid	(25.3)	(44.7)	(4.7)	(4.7)
Other[2]	0.5	1.3	1.8	2.0
Fair value of plan assets at end of period	356.9	346.3	–	–
Funded status at end of year[3][4]	$ (95.5)	$(134.5)	$(38.8)	$(42.3)

(1) *The retirement benefit plan was frozen and the post-retirement benefit plan discontinued benefits effective December 31, 2012, as such, there was no service cost incurred on those plans in the year ended December 31, 2013.*

(2) *Consists of any of the following: plan participants' contributions, termination benefits, retiree drug subsidy, and currency translation adjustments.*

(3) *These amounts were recognized as liabilities in the Consolidated Balance Sheet at December 31, 2013 and 2012.*

(4) *Company assets of $95.7 million and $99.2 million as of December 31, 2013 and December 31, 2012, respectively, related to the non-qualified U.S. executive retirement plan obligation are not included in plan assets but related liabilities are in the benefit obligation.*

During 2013, the Company entered into a buy-in/buy-out transaction in the United Kingdom with an insurance company that is expected to result in a full buy-out of the related pension plan in 2014. This contract did not meet the settlement requirements in ASC 715, *Compensation – Retirement Benefits* as of the year ended December 31, 2013 and resulted in an $8 million actuarial loss that is included in the net actuarial gain of $20.1 million as of December 31, 2013, as the plan's pension liabilities were valued at their buy-in value basis. The loss of $8 million will be recognized in the Statement of Operations when the transaction meets settlement accounting requirements, which is expected in 2014.

The accumulated benefit obligation for all defined benefit pension plans was $449.8 million and $477.5 million, at December 31, 2013 and 2012, respectively. Information for those defined benefit plans with an accumulated benefit obligation in excess of plan assets is as follows:

Defined Benefit Plans with an Accumulated Benefit Obligation in Excess of Plan Assets (dollars in millions)

	December 31,	
	2013	2012
Projected benefit obligation	$421.4	$458.8
Accumulated benefit obligation	418.8	455.6
Fair value of plan assets	325.9	319.0

The net periodic benefit cost and other amounts recognized in AOCI consisted of the following:

Net Periodic Benefit Costs and Other Amounts (dollars in millions)

	Retirement Benefits			Post-Retirement Benefits		
	2013	2012	2011	2013	2012	2011
Service cost	$ 0.5	$ 14.5	$ 13.0	$ 0.1	$ 0.8	$ 0.9
Interest cost	17.8	19.9	22.5	1.6	1.9	2.4
Expected return on plan assets	(18.9)	(18.4)	(20.3)	–	–	–
Amortization of prior service cost	–	–	–	(0.6)	(0.3)	–
Amortization of net loss/(gain)	1.0	2.1	–	(0.2)	(0.4)	(0.2)
Settlement and curtailment (gain)/loss	0.2	(0.6)	0.9	(0.3)	–	–
Termination benefits	–	0.3	–	–	–	–
Net periodic benefit cost	0.6	17.8	16.1	0.6	2.0	3.1
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income						
Net (gain)/loss	(17.1)	(2.6)	58.0	(2.5)	0.6	1.6
Prior service cost (credit)	–	–	–	–	(7.7)	–
Amortization, settlement or curtailment recognition of net gain/(loss)	(1.1)	(2.2)	(0.3)	0.1	0.4	0.2
Amortization, settlement or curtailment recognition of prior service (cost)/credit	–	–	–	1.4	0.2	–
Total recognized in OCI	(18.2)	(4.8)	57.7	(1.0)	(6.5)	1.8
Total recognized in net periodic benefit cost and OCI	$(17.6)	$ 13.0	$ 73.8	$(0.4)	$(4.5)	$ 4.9

The amounts recognized in AOCI during the year ended December 31, 2013 were net gains (before taxes) of $18.2 million for retirement benefits. The net retirement benefits AOCI gains were primarily driven by a reduction in benefit obligations of $17.1 million resulting from changes in assumptions. The discount rate for the U.S. pension and postretirement plans increased by 100 basis points from 3.75% at December 31, 2012 to 4.75% at December 31, 2013 and accounted for the majority of the AOCI gains arising from assumption changes.

The postretirement AOCI net gains (before taxes) of $1.0 million during the year ended December 31, 2013 were primarily driven by a 75 basis point increase in the discount rate from 3.75% at December 31, 2012 to 4.50% at December 31, 2013.

The plan changes approved on October 16, 2012 resulted in plan curtailments and amendments which reduced the liability for the affected plans as indicated in the table above. Each of the amended plans was re-measured at October 1, 2012 using a discount rate of 3.75%.

The amounts recognized in AOCI during the year ended December 31, 2012 were net gains (before taxes) of $4.8 million for retirement benefits. The net retirement benefits AOCI gains were primarily driven by a reduction in benefit obligations of $20.4 million resulting from the decision to freeze benefits under certain plans, an increase in asset values of $23.8 million due to favorable asset performance, and the settlement of obligations of approximately $8.7 million as a result of the lump sum cash out offering. These gains were largely offset by changes in assumptions, which resulted in an increase in plan obligations of approximately $48.1 million.

The postretirement AOCI net gains (before taxes) of $6.5 million during the year ended December 31, 2012 were primarily driven by the reduction in benefit obligations of $8.3 million primarily due to the discontinuation of benefits under certain plans, partially offset by the impacts of assumption changes of approximately $1.8 million.

The discount rate for the majority of the U.S. pension and post-retirement plans decreased by 75 basis points from 4.50% at December 31, 2011 to 3.75% at December 31, 2012. The decrease in the discount rate assumption represents the majority of the offset to the reduction of the pension and postretirement benefit obligations driven by plan changes.

Assumptions

Discount rate assumptions used for pension and post-retirement benefit plan accounting reflect prevailing rates available on high-quality, fixed-income debt instruments with maturities that match the benefit obligation. The rate of compensation used in the actuarial model is based upon the Company's long-term plans for any increases, taking into account both market data and historical increases.

Expected long-term rate of return assumptions on assets are based on projected asset allocation and historical and expected future returns for each asset class. Independent analysis of historical and projected asset returns, inflation, and interest rates are provided by the Company's investment consultants and actuaries as part of the Company's assumptions process.

The weighted average assumptions used in the measurement of benefit obligations are as follows:

Weighted Average Assumptions

	Retirement Benefits		Post-Retirement Benefits	
	2013	2012	2013	2012
Discount rate	4.59%	3.80%	4.50%	3.74%
Rate of compensation increases	3.03%	3.03%	(1)	3.00%
Health care cost trend rate				
Pre-65	(1)	(1)	7.40%	7.60%
Post-65	(1)	(1)	7.60%	7.80%
Ultimate health care cost trend rate	(1)	(1)	4.50%	4.50%
Year ultimate reached	(1)	(1)	2029	2029

The weighted average assumptions used to determine net periodic benefit costs for the years ended December 31, 2013 and 2012 are as follows:

Weighted Average Assumptions

	Retirement Benefits		Post-Retirement Benefits	
	2013	2012	2013	2012
Discount rate	3.81%	4.30%	3.86%	4.31%
Expected long-term return on plan assets	5.57%	5.56%	(1)	(1)
Rate of compensation increases	3.03%	3.00%	3.00%	3.00%

(1) *Not applicable.*

Healthcare rate trends have a significant effect on healthcare plan costs. The Company uses both external and historical data to determine healthcare rate trends. An increase (decrease) of one-percentage point in assumed healthcare rate trends would increase (decrease) the postretirement benefit obligation by $1.2 million and ($1.0 million), respectively. The service and interest cost are not material.

Plan Assets

CIT maintains a "Statement of Investment Policies and Objectives" which specifies guidelines for the investment, supervision and monitoring of pension assets in order to manage the Company's objective of ensuring sufficient funds to finance future retirement benefits. The asset allocation policy allows assets to be invested between 15% to 35% in Equities, 35% to 65% in Fixed-Income, 15% to 25% in Global Asset Allocations, and 5% to 10% in Hedge Funds. The asset allocation follows a Liability Driven Investing ("LDI") strategy. The objective of LDI is to allocate assets in a manner that their movement will more closely track the movement in the benefit liability. The policy provides specific guidance on asset class objectives, fund manager guidelines and identification of prohibited and restricted transactions. It is reviewed periodically by the Company's Investment Committee and external investment consultants.

Members of the Investment Committee are appointed by the Chief Executive Officer and include the Chief Financial Officer as the committee Chairman, and other senior executives.

There were no direct investments in equity securities of CIT or its subsidiaries included in pension plan assets in any of the years presented.

Plan investments are stated at fair value. Common stock traded on security exchanges as well as mutual funds and exchange traded funds are valued at closing market prices; when no trades are reported, they are valued at the most recent bid quotation (Level 1). Investments in common/collective trusts are carried at fair value based upon net asset value ("NAV") (Level 2). Funds that invest in alternative assets that do not have quoted market prices are valued at estimated fair value based on capital and financial statements received from fund managers (Level 3). Given the valuation of Level 3 assets is dependent upon assumptions and expectations, management, with the assistance of third party experts, periodically assesses the controls and governance employed by the investment firms that manage Level 3 assets.

The tables below set forth asset fair value measurements.

Fair Value Measurements (dollars in millions)

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Cash	$ 0.2	$ –	$ –	$ 0.2
Mutual Funds	70.4	–	–	70.4
Common Collective Trusts	–	179.3	–	179.3
Common Stock	18.1	–	–	18.1
Exchange Traded Funds	21.2	–	–	21.2
Short Term Investment Fund	–	4.1	–	4.1
Partnership	–	–	9.7	9.7
Hedge Fund	–	–	22.9	22.9
Insurance Contracts	–	–	31.0	31.0
	$109.9	$183.4	$63.6	$356.9
December 31, 2012				
Cash	$ 0.3	$ –	$ –	$ 0.3
Mutual Funds	62.7	–	–	62.7
Common Collective Trusts	–	183.0	–	183.0
Common Stock	23.3	–	–	23.3
Exchange Traded Funds	19.6	–	–	19.6
Short Term Investment Fund	–	5.5	–	5.5
Partnership	–	–	10.5	10.5
Hedge Fund	–	–	13.9	13.9
Unitized Insurance Fund	–	27.2	–	27.2
Insurance Contracts	–	–	0.3	0.3
	$105.9	$215.7	$24.7	$346.3

Certain reclassifications were made to prior year investment classifications and fair value levels to conform to the current year presentation.

The table below sets forth changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2013:

Fair Value of Level 3 Assets (dollars in millions)

	Total	Partnership	Hedge Funds	Insurance Contracts
December 31, 2012	$24.7	$10.5	$13.9	$ 0.3
Realized and Unrealized Gains (Losses)	1.1	(0.8)	1.9	–
Purchases, sales, and settlements, net	37.8	–	7.1	30.7
December 31, 2013	$63.6	$ 9.7	$22.9	$31.0
Change in Unrealized Gains (Losses) for Investments still held at December 31, 2013	$ 1.0	$ (0.8)	$ 1.8	$ –

Contributions

The Company's policy is to make contributions so that they exceed the minimum required by laws and regulations, are consistent with the Company's objective of ensuring sufficient funds to finance future retirement benefits and are tax deductible. CIT currently expects to contribute $22.0 million to the U.S. Retirement Plan during 2014. For all other plans, CIT currently expects to contribute $10.0 million during 2014.

Estimated Future Benefit Payments

The following table depicts benefits projected to be paid from plan assets or from the Company's general assets calculated using current actuarial assumptions. Actual benefit payments may differ from projected benefit payments.

Projected Benefits (dollars in millions)

For the years ended December 31,	Retirement Benefits	Gross Postretirement Benefits	Medicare Subsidy
2014	$ 26.3	$ 3.5	$0.4
2015	26.4	3.4	0.4
2016	26.3	3.3	0.4
2017	25.9	3.3	0.4
2018	26.5	3.2	0.5
2019–2023	136.1	14.1	1.2

Savings Incentive Plan

CIT has a number of defined contribution retirement plans covering certain of its U.S. and non-U.S. employees designed in accordance with conditions and practices in the respective countries. The U.S. plan, which qualifies under section 401(k) of the Internal Revenue Code, is the largest and accounts for 87% of the Company's total defined contribution retirement expense for the year ended December 31, 2013. Generally, employees may contribute a portion of their eligible compensation, as defined, subject to regulatory limits and plan provisions, and the Company matches these contributions up to a threshold.
On October 16, 2012, the Board of Directors of the Company approved plan enhancements which provide participants with additional company contributions in the plan effective January 1, 2013. The cost of these plans totaled $24.9 million, $16.9 million and $15.1 million for the years ended December 31, 2013, 2012, and 2011, respectively.

Stock-Based Compensation

In December 2009, the Company adopted the Amended and Restated CIT Group Inc. Long-Term Incentive Plan (the "LTIP"), which provides for grants of stock-based awards to employees, executive officers and directors, and replaced the Predecessor CIT Group Inc. Long-Term Incentive Plan (the "Prior Plan"). The number of shares of common stock that may be issued for all purposes under the LTIP is 10,526,316.

Compensation expense related to equity-based awards are measured and recorded in accordance with ASC 718, *Stock Compensation*. The fair value of equity-based and stock purchase equity awards are measured at the date of grant using a Black-Scholes option pricing model, and the fair value of restricted stock and unit awards is based on the fair market value of CIT's common stock on the date of grant. Compensation expense is recognized over the vesting period (requisite service period), which is generally three years for stock options and restricted stock/units, under the graded vesting method, whereby each vesting tranche of the award is amortized separately as if each were a separate award. Valuation assumptions for new equity awards are established at the start of each fiscal year.

Operating expenses includes $52.5 million of compensation expense related to equity-based awards granted to employees or members of the Board of Directors for the year ended December 31, 2013, including $52.3 million related to restricted and retention stock and unit awards and the remaining related to stock purchases. Compensation expense related to equity-based awards included $41.9 million in 2012 and $24.8 million in 2011, respectively.

Stock Options

Stock options were not significant and no stock options were granted during 2013, 2012 and 2011.

Employee Stock Purchase Plan

In December 2010, the Company adopted the CIT Group Inc. 2011 Employee Stock Purchase Plan (the "ESPP"), which was approved by shareholders in May 2011. Eligibility for participation in the ESPP includes employees of CIT and its participating subsidiaries who are customarily employed for at least 20 hours per week, except that any employees designated as highly compensated are not eligible to participate in the ESPP. The ESPP is available to employees in the United States and to certain international employees. Under the ESPP, CIT is authorized to issue up to 2,000,000 shares of common stock to eligible employees. Eligible employees can choose to have between 1% and 10% of their base salary withheld to purchase shares quarterly, at a purchase price equal to 85% of the fair market value of CIT common stock on the last business day of the quarterly offering period. The amount of common stock that may be purchased by a participant through the ESPP is generally limited to $25,000 per year. A total of 25,490 and 29,609 shares were purchased under the plan in 2013 and 2012, respectively.

Restricted Stock / Performance Units

Under the LTIP, Restricted Stock Units ("RSUs") are awarded at no cost to the recipient upon grant. RSUs are generally granted annually at the discretion of the Company, but may also be granted during the year to new hires or for retention or other purposes. RSUs granted to employees and restricted stock granted to members of the Board during 2013 and 2012 generally were scheduled to vest either one third per year for three years or 100% after three years. Certain vested stock awards were scheduled to remain subject to transfer restrictions through the first anniversary of the grant date for members of the Board who elected to receive stock in lieu of cash compensation for their retainer. Vested stock salary awards granted to a limited number of executives were scheduled to remain subject to transfer restrictions through the first and/or third anniversaries of the grant date. Certain RSUs granted to directors, and in limited instances to employees, are designed to settle in cash and are accounted for as "liability" awards as prescribed by ASC 718. The values of these cash-settled RSUs are re-measured at the end of each reporting period until the award is settled.

During 2013 and 2012, Performance Stock Units ("PSUs") were awarded to certain senior executives. The awards become payable only if CIT achieves certain growth and margin targets over a three-year performance period. PSU share payouts may increase or decrease from the target grant based on performance against these pre-established performance measures, with the actual number of shares ranging from 0% to a maximum of 150% of the target grant for PSUs granted in 2013, and a maximum of 200% of the target grant for PSUs granted in 2012. Both performance measures have a minimum threshold level of performance that must be achieved to trigger any payout; if the threshold level of performance is not achieved for either performance measure, then no portion of the PSU target will be payable. Achievement against either performance measures is calculated independently of the other performance measure and each measure is weighted equally.

The fair value of restricted stock and RSUs that vested and settled in stock during 2013 and 2012 was $38.6 million and $10.8 million, respectively. The fair value of RSUs that vested and settled in cash during 2013 and 2012 was $0.4 million in both periods.

The following tables summarize restricted stock and RSU activity for 2013 and 2012:

Stock and Cash – Settled Awards Outstanding

	Stock-Settled Awards		Cash-Settled Awards	
	Number of Shares	Weighted Average Grant Date Value	Number of Shares	Weighted Average Grant Date Value
December 31, 2013				
Unvested at beginning of period	1,883,292	$40.15	9,677	$39.56
Vested / unsettled Stock Salary at beginning of period	114,119	38.20	3,247	39.05
PSUs – granted to employees	111,046	42.55	–	–
RSUs – granted to employees	1,015,861	42.76	–	–
RSUs – granted to directors	23,551	44.27	2,549	44.14
Forfeited / cancelled	(40,697)	41.62	–	n/a
Vested / settled awards	(872,643)	39.81	(7,800)	39.31
Vested / unsettled Stock Salary Awards	(15,066)	41.46	(2,165)	39.05
Unvested at end of period	2,219,463	$41.51	5,508	$41.93
December 31, 2012				
Unvested at beginning of period	979,393	$42.40	13,964	$40.12
Vested / unsettled Stock Salary at beginning of period	72,238	39.27	–	–
PSUs – granted to employees	106,511	41.31	–	–
RSUs – granted to employees	1,130,494	38.90	8,117	39.05
RSUs – granted to directors	30,409	35.84	1,815	35.80
Forfeited / cancelled	(56,735)	40.28	–	–
Vested / settled awards	(264,899)	43.68	(10,972)	39.42
Vested / unsettled Stock Salary Awards	(114,119)	38.20	(3,247)	39.05
Unvested at end of period	1,883,292	$40.15	9,677	$39.56

NOTE 19 — COMMITMENTS

The accompanying table summarizes credit-related commitments, as well as purchase and funding commitments:

Commitments (dollars in millions)

	December 31, 2013			December 31, 2012
	Due to Expire			
	Within One Year	After One Year	Total Outstanding	Total Outstanding
Financing Commitments				
Financing and leasing assets	$ 799.7	$3,526.1	$4,325.8	$3,301.2
Letters of credit				
Standby letters of credit	36.8	265.5	302.3	238.5
Other letters of credit	35.9	–	35.9	53.6
Guarantees				
Deferred purchase credit protection agreements	1,771.6	–	1,771.6	1,841.5
Guarantees, acceptances and other recourse obligations	3.9	–	3.9	17.4
Purchase and Funding Commitments				
Aerospace manufacturer purchase commitments	729.3	8,015.2	8,744.5	9,168.3
Rail and other manufacturer purchase commitments	648.9	405.1	1,054.0	927.4
Commercial loan portfolio purchase commitment	–	–	–	1,258.3

Financing commitments, referred to as loan commitments or lines of credit, reflect CIT's agreements to lend to its customers, subject to the customers' compliance with contractual obligations. Included in the table above are commitments that have been extended to and accepted by customers, clients or agents, but on which the criteria for funding have not been completed of $548 million at December 31, 2013 and $325 million at December 31, 2012. Financing commitments also include credit line agreements to Trade Finance clients that are cancellable by us only after a notice period. The notice period is typically 90 days or less. The amount available under these credit lines, net of amount of receivables assigned to us, is $157 million at December 31, 2013. As financing commitments may not be fully drawn, may expire unused, may be reduced or cancelled at the customer's request, and may require the customer to be in compliance with certain conditions, total commitment amounts do not necessarily reflect actual future cash flow requirements.

The table above includes approximately $0.9 billion of undrawn financing commitments at December 31, 2013 and $0.6 billion at December 31, 2012 for instances where the customer is not in compliance with contractual obligations, and therefore CIT does not have the contractual obligation to lend.

At December 31, 2013, substantially all undrawn financing commitments were senior facilities. Most of the Company's undrawn and available financing commitments are in Corporate Finance.

The table above excludes uncommitted revolving credit facilities extended by Trade Finance to its clients for working capital purposes. In connection with these facilities, Trade Finance has the sole discretion throughout the duration of these facilities to determine the amount of credit that may be made available to its clients at any time and whether to honor any specific advance requests made by its clients under these credit facilities.

Letters of Credit

In the normal course of meeting the needs of clients, CIT sometimes enters into agreements to provide financing and letters of credit. Standby letters of credit obligate the issuer of the letter of credit to pay the beneficiary if a client on whose behalf the letter of credit was issued does not meet its obligation. These financial instruments generate fees and involve, to varying degrees, elements of credit risk in excess of amounts recognized in the Consolidated Balance Sheets. To minimize potential credit risk, CIT generally requires collateral and in some cases additional forms of credit support from the client.

Deferred Purchase Agreements

A Deferred Purchase Agreement ("DPA") is provided in conjunction with factoring, whereby CIT provides a client with credit protection for trade receivables without purchasing the receivables. The trade receivable terms are generally sixty days or less. If the client's customer is unable to pay an undisputed receivable solely as the result of credit risk, then CIT purchases the receivable from the client. The outstanding amount in the table above is the maximum potential exposure that CIT would be required to pay under all DPAs. This maximum amount would only occur if all receivables subject to DPAs default in the manner described above, thereby requiring CIT to purchase all such receivables from the DPA clients.

The table above includes $1,690 million of DPA credit protection at December 31, 2013, related to receivables which have been presented to us for credit protection after shipment of goods has occurred and the customer has been invoiced. The table also includes $82 million available under DPA credit line agreements, net of amount of DPA credit protection provided at December 31, 2013. The DPA credit line agreements specify a contractually committed amount of DPA credit protection and are cancellable by us only after a notice period. The notice period is typically 90 days or less.

The methodology used to determine the DPA liability is similar to the methodology used to determine the allowance for loan losses associated with the finance receivables, which reflects embedded losses based on various factors, including expected losses reflecting the Company's internal customer and facility credit ratings. The liability recorded in Other Liabilities related to the DPAs totaled $6.0 million and $5.6 million at December 31, 2013 and December 31, 2012, respectively.

Purchase and Funding Commitments

CIT's purchase commitments relate primarily to purchases of commercial aircraft and rail equipment. Commitments to purchase new commercial aircraft are predominantly with Airbus Industries ("Airbus"), The Boeing Company ("Boeing"), and Embraer S.A. ("Embraer"). CIT may also commit to purchase an aircraft directly from an airline. Aerospace equipment purchases are contracted for specific models, using baseline aircraft specifications at fixed prices, which reflect discounts from fair market purchase prices prevailing at the time of commitment. The delivery price of an aircraft may change depending on final specifications. Equipment purchases are recorded at the delivery date. The estimated commitment amounts in the preceding table are based on contracted purchase prices reduced for pre-delivery payments to date and exclude buyer furnished equipment selected by the lessee. Pursuant to existing contractual commitments, 147 aircraft remain to be purchased from Airbus, Boeing and Embraer at December 31, 2013. Aircraft deliveries are scheduled periodically through 2020. Commitments exclude unexercised options to order additional aircraft.

The Company's rail business entered into commitments to purchase railcars from multiple manufacturers. At December 31, 2013, approximately 7,500 railcars remain to be purchased with deliveries through 2015. Rail equipment purchase commitments are at fixed prices subject to price increases for certain materials.

Other vendor purchase commitments relate to Vendor Finance equipment.

The prior year amount includes $1.3 billion related to December 2012 agreement to acquire commercial loan commitments.

NOTE 20 — CONTINGENCIES

Litigation

CIT is currently involved, and from time to time in the future may be involved, in a number of judicial, regulatory, and arbitration proceedings relating to matters that arise in connection with the conduct of its business (collectively, "Litigation"). In view of the inherent difficulty of predicting the outcome of Litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, CIT cannot state with confidence what the eventual outcome of the pending Litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter will be, if any. In accordance with applicable accounting guidance, CIT establishes reserves for Litigation when those matters present loss contingencies as to which it is both probable that a loss will occur and the amount of such loss can be reasonably estimated. Based on currently available information, CIT believes that the results of Litigation that is currently pending, taken together, will not have a material adverse effect on the Company's financial condition, but may be material to the Company's operating results or cash flows for any particular period, depending in part on its operating results for that period. The actual results of resolving such matters may be substantially higher than the amounts reserved.

For certain Litigation matters in which the Company is involved, the Company is able to estimate a range of reasonably possible losses in excess of established reserves and insurance. For other matters for which a loss is probable or reasonably possible, such an estimate cannot be determined. For Litigation where losses are reasonably possible, management currently estimates the aggregate range of reasonably possible losses as up to $90 million in excess of established reserves and insurance related to those matters, if any. This estimate represents reasonably possible losses (in excess of established reserves and insurance) over the life of such Litigation, which may span a currently indeterminable number of years, and is based on information currently available as of December 31, 2013. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from this estimate.

Those Litigation matters for which an estimate is not reasonably possible or as to which a loss does not appear to be reasonably possible, based on current information, are not included within this estimated range and, therefore, this estimated range does not represent the Company's maximum loss exposure.

The foregoing statements about CIT's Litigation are based on the Company's judgments, assumptions, and estimates and are necessarily subjective and uncertain. Several of the Company's Litigation matters are described below.

TYCO TAX AGREEMENT

In connection with the Company's separation from Tyco International Ltd ("Tyco") in 2002, CIT and Tyco entered into a Tax Agreement pursuant to which, among other things, CIT agreed to pay Tyco for tax savings actually realized by CIT, if any, as a result of the use of certain net operating losses arising during the period that Tyco owned CIT (the "Tyco Tax Attribute"), which savings would not have been realized absent the existence of the Tyco Tax Attribute. During CIT's bankruptcy, CIT rejected the Tax Agreement. Tyco filed a Notice of Arbitration during the second quarter of 2011, seeking arbitration of its alleged contractual damages resulting from rejection of the Tax Agreement. The arbitration hearing was scheduled to begin in December 2013. In November 2013, the parties engaged in a mediation and settlement negotiations resulting in a settlement of the matter. Pursuant to the settlement, CIT paid Tyco $60 million in December 2013 and Tyco released all claims that it had with respect to the federal Tyco Tax Attribute, which could have been as much as approximately $794 million and the state Tyco Tax Attribute which could have been as much as approximately $180 million. The settlement has been fully consummated and the matter is resolved.

LAC-MÉGANTIC, QUEBEC DERAILMENT

On July 6, 2013, a freight train including five locomotives and seventy-two tank cars carrying crude oil derailed in the town of Lac-Mégantic, Quebec. Nine of the tank cars were owned by The CIT Group/Equipment Financing, Inc. ("CIT/EF") (a wholly-owned subsidiary of the Company) and leased to Western Petroleum Company ("WPC"), a subsidiary of World Fuel Services Corp. ("WFS"). Two of the locomotives are owned by CIT/EF and were leased to Montreal, Maine & Atlantic Railway, Ltd. ("MMA"), the railroad operating the freight train at the time of the derailment, a subsidiary of Rail World, Inc.

The derailment was followed by explosions and fire, which resulted in the deaths of over forty people and an unknown number of injuries, the destruction of more than thirty buildings in Lac-Mégantic, and the release of crude oil on land and into the Chaudière River. The extent of the property and environmental damage has not yet been determined. Twenty lawsuits have been filed in Illinois by representatives of the deceased in connection with the derailment. The Company is named as a defendant in seven of the twenty lawsuits, together with 13 other defendants, including WPC, MMA (who has since been dismissed without prejudice as a result of its chapter 11 bankruptcy filing on August 7, 2013), and the lessors of the other locomotives and tank cars. Liability could be joint and several among some or all of the defendants. All but two of these cases have been consolidated in the U.S. District Court in the Northern District of Illinois. The Company has joined a motion to move these cases to the U.S. District Court in Maine. The Company has been named as an additional defendant in a pending class action in the Superior Court of Quebec, Canada. Other cases may be filed in U.S. and Canadian courts. The plaintiffs in the pending U.S. and Canadian actions assert claims of negligence and strict liability based upon alleged design defect against the Company in connection with the CIT/EF tank cars. The Company has rights of indemnification and defense against its lessees, WPC and MMA, and also has rights as an additional insured under liability coverage maintained by the lessees. In addition, the Company and its subsidiaries maintain contingent and general liability insurance for claims of this nature, and the Company and its insurers are working cooperatively with respect to these claims.

The Lac-Mégantic derailment has triggered a number of regulatory investigations and actions. The Transportation Safety Board of Canada is investigating the cause of the derailment, with assistance from Transport Canada. In addition, Quebec's Environment Ministry has issued an order to WFS, WPC, MMA, and Canadian Pacific Railway (which allegedly subcontracted with MMA) to pay for the full cost of environmental clean-up and damage assessment related to the derailment.

As the Company is unable to predict the outcome of the foregoing legal proceedings or whether and the extent to which additional lawsuits or claims will be brought against the Company or its subsidiaries, the regulatory investigations have not been concluded, the total damages have not been quantified, there are a large number of parties named as defendants, and the extent to which resulting liability will be assessed against other parties and their financial ability to bear such responsibilities is unknown, the Company cannot reasonably estimate the amount or range of loss that may be incurred in connection with the derailment. The Company is vigorously defending the claims that have been asserted, including pursuing its rights under indemnification agreements and insurance policies.

BRAZILIAN TAX MATTERS

Banco CIT, CIT's Brazilian bank subsidiary, is pursuing seven tax appeals relating to disputed local tax assessments on leasing services and importation of equipment. The disputes primarily involve questions of whether the correct taxing authorities were paid and whether the proper tax rate was applied.

ISS Tax Appeals

Notices of infraction were received relating to the payment of Imposto sobre Serviços ("ISS"), charged by municipalities in connection with services. The Brazilian municipalities of Itu and Cascavale claim that Banco CIT should have paid them ISS tax on leasing services for tax years 2006-2011. Instead, Banco CIT paid the ISS tax to Barueri, the municipality in which it is domiciled in São Paulo, Brazil. The disputed issue is whether the ISS tax should be paid to the municipality in which the leasing company is located or the municipality in which the services were rendered or the customer is located. The amounts claimed by the taxing authorities of Itu and Cascavel collectively for tax assessments and penalties are approximately 850 thousand Reais (approximately $350 thousand). Recent favorable legal precedent in a similar tax appeal has been issued by Brazil's highest court resolving the conflict between the municipalities.

ICMS Tax Appeals

Notices of infraction were received relating to the payment of Imposto sobre Circulaco de Mercadorias e Servicos ("ICMS") taxes charged by states in connection with the importation of equipment. The state of São Paulo claims that Banco CIT should have paid it ICMS tax for tax years 2006-2009 because Banco CIT, the purchaser, is located in São Paulo. Instead, Banco CIT paid ICMS tax to the states of Espirito Santo, Espirito Santa Caterina, and Alagoas, where the imported equipment arrived. A recent regulation issued by São Paulo in December 2013 reaffirms a 2009 agreement by São Paulo to conditionally recognize ICMS tax payments made to Espirito Santo. The amounts claimed by São Paulo collectively for tax assessments and penalties are approximately: (i) 79 million Reais (approximately $34 million) for goods imported into the state of Espirito Santo from 2006–2009 and the states of Espirito Santa Caterina and Alagoas in 2007 and 2008.

A notice of infraction was received relating to São Paulo's challenge of the ICMS tax rate paid by Banco CIT for tax years 2004–2007. São Paulo alleges that Banco CIT paid a lower rate of ICMS tax on imported equipment than was required (8.8% instead of 18%). Banco CIT challenged the notice of infraction and was partially successful – the period from January 1, 2004 through December 22, 2004 has been excluded from the amounts claimed to be due by São Paulo.Banco CIT has commenced a judicial proceeding challenging the unfavorable portion of the administrative ruling. The amount claimed by São Paulo for tax assessments and penalties is approximately 4 million Reais (approximately $1.6 million).

The current potential aggregate exposure in taxes, fines and interest for the ISS and the ICMS tax matters could be up to approximately 84 million Reais (approximately $36 million).

NOTE 21 — PLEDGED ASSETS AND LEASE COMMITMENTS

Pledged Assets

As part of our liquidity management strategy, we pledge assets to secure financing transactions (which include securitizations), borrowings from the FHLB and FRB, and for other purposes as required or permitted by law. Our financing transactions do not meet accounting requirements for sale treatment and are recorded as secured borrowings, with the assets remaining on-balance sheet for GAAP. The debt associated with these transactions is collateralized by receivables, leases and/or equipment. Certain related cash balances are restricted. The amounts that follow reflect pledged assets associated with secured financing transactions, which include pledged assets related to variable interest entities ("VIEs") and borrowings from the FHLB. We do not have outstanding borrowings with the FRB. See *Note 8 — Long Term Borrowings* for associated debt balances.

At December 31, 2013 we had pledged assets of $15.3 billion, which included $9.4 billion of loans (including amounts held for sale), $4.8 billion of operating lease assets, $1.0 billion of cash and $0.1 billion of investment securities.

Lease Commitments

The following table presents future minimum rental payments under non-cancellable long-term lease agreements for premises and equipment at December 31, 2013:

Future Minimum Rentals (dollars in millions)

Years Ended December 31,	
2014	$ 31.6
2015	29.5
2016	26.8
2017	23.1
2018	22.4
Thereafter	53.2
Total	$186.6

In addition to fixed lease rentals, leases generally require payment of maintenance expenses and real estate taxes, both of which are subject to escalation provisions. Minimum payments include $85.3 million ($13.1 million for 2014) which will be recorded against the facility exiting liability when paid and therefore will not be recorded as rental expense in future periods. Minimum payments have not been reduced by minimum sublease rentals of $63.6 million due in the future under non-cancellable subleases which will be recorded against the facility exiting liability when received. See *Note 25 — "Severance and Facility Exiting Liabilities"* for the liability related to closing facilities.

Rental expense for premises, net of sublease income (including restructuring charges from exiting office space), and equipment, was as follows.

	Years Ended December 31,		
(dollars in millions)	2013	2012	2011
Premises	$19.0	$19.8	$22.7
Equipment	3.0	2.9	2.7
Total	$22.0	$22.7	$25.4

NOTE 22 — CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

CIT invests in various trusts, partnerships, and limited liability corporations established in conjunction with structured financing transactions of equipment, power and infrastructure projects. CIT's interests in these entities were entered into in the ordinary course of business. Other assets included approximately $65 million and $69 million at December 31, 2013 and 2012, respectively, of investments in non-consolidated entities relating to such transactions that are accounted for under the equity or cost methods.

The combination of investments in and loans to non-consolidated entities represents the Company's maximum exposure to loss, as the Company does not provide guarantees or other forms of indemnification to non-consolidated entities.

Certain shareholders of CIT provide investment management, banking and investment banking services in the normal course of business.

NOTE 23 — BUSINESS SEGMENT INFORMATION

Management's Policy in Identifying Reportable Segments

CIT's reportable segments are comprised of strategic business units that are aggregated into segments primarily based upon industry categories and to a lesser extent, the core competencies relating to product origination, distribution methods, operations and servicing and the nature of their regulatory environment. This segment reporting is consistent with the presentation of financial information to management.

Types of Products and Services

CIT has five reportable segments: Corporate Finance, Transportation Finance, Trade Finance, Vendor Finance and Consumer. Corporate Finance and Trade Finance offer secured lending as well as other financial products and services predominately to small and midsize companies. These include secured revolving lines of credit and term loans, factoring, accounts receivable credit protection, accounts receivable collection, import and export financing, debtor-in-possession and turnaround financing and receivable advisory services. Transportation Finance offers leasing products and secured lending to midsize and larger companies across the aerospace, rail and maritime industries. Vendor Finance partners with manufacturers and distributors to offer secured lending and leasing products predominantly to small and mid-size companies primarily in information technology, telecommunication and office equipment markets. Consumer includes a liquidating portfolio of government-guaranteed student loans, which are all in assets held for sale at December 31, 2013.

Segment Profit and Assets

Certain activities are not attributed to operating segments and are included in Corporate and Other. Some of the more significant items include loss on debt extinguishments, costs associated with excess cash liquidity (Interest Expense), mark-to-market adjustments on non-qualifying derivatives (Other Income) and restructuring charges for severance and facilities exit activities (Operating Expenses). In 2011, Corporate and Other also included prepayment penalties associated with debt repayments (Interest Expense).

CIT GROUP AND SUBSIDIARIES — NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in millions)	Corporate Finance	Transportation Finance	Trade Finance	Vendor Finance	Commercial Segments	Consumer	Total Segments	Corporate and Other	Total CIT
For the year ended December 31, 2013									
Interest income	$ 525.1	$ 145.9	$ 54.9	$ 509.0	$ 1,234.9	$ 130.7	$ 1,365.6	$ 17.2	$ 1,382.8
Interest expense	(244.6)	(510.4)	(26.2)	(219.4)	(1,000.6)	(77.2)	(1,077.8)	(60.2)	(1,138.0)
Provision for credit losses	(19.0)	1.0	4.4	(51.3)	(64.9)	–	(64.9)	–	(64.9)
Rental income on operating leases	18.0	1,546.9	–	205.4	1,770.3	–	1,770.3	–	1,770.3
Other income	147.8	77.0	138.2	11.3	374.3	0.9	375.2	6.9	382.1
Depreciation on operating lease equipment	(10.3)	(459.4)	–	(103.8)	(573.5)	–	(573.5)	–	(573.5)
Operating expenses	(233.2)	(200.6)	(115.7)	(327.9)	(877.4)	(23.4)	(900.8)	(83.9)	(984.7)
Income (loss) before (provision) benefit for income taxes	$ 183.8	$ 600.4	$ 55.6	$ 23.3	$ 863.1	$ 31.0	$ 894.1	$(120.0)	$ 774.1
Select Period End Balances									
Loans	$9,465.9	$ 2,181.3	$ 2,262.4	$4,719.6	$18,629.2	$ –	$18,629.2	$ –	$18,629.2
Credit balances of factoring clients	–	–	(1,336.1)	–	(1,336.1)	–	(1,336.1)	–	(1,336.1)
Assets held for sale	413.7	152.0	–	437.7	1,003.4	3,374.5	4,377.9	–	4,377.9
Operating lease equipment, net	79.1	12,771.8	–	184.5	13,035.4	–	13,035.4	–	13,035.4
For the year ended December 31, 2012									
Interest income	$ 623.6	$ 135.2	$ 57.6	$ 553.5	$ 1,369.9	$ 179.6	$ 1,549.5	$ 19.6	$ 1,569.1
Interest expense	(564.6)	(1,233.5)	(80.0)	(473.6)	(2,351.7)	(231.7)	(2,583.4)	(314.0)	(2,897.4)
Provision for credit losses	(7.3)	(18.0)	0.9	(26.5)	(50.9)	(0.7)	(51.6)	–	(51.6)
Rental income on operating leases	8.9	1,536.6	–	239.1	1,784.6	–	1,784.6	–	1,784.6
Other income	387.9	56.3	144.0	27.6	615.8	40.3	656.1	(3.0)	653.1
Depreciation on operating lease equipment	(4.3)	(419.7)	–	(109.2)	(533.2)	–	(533.2)	–	(533.2)
Operating expenses	(244.0)	(179.6)	(118.4)	(318.8)	(860.8)	(39.5)	(900.3)	(17.9)	(918.2)
Loss on debt extinguishments	–	–	–	–	–	–	–	(61.2)	(61.2)
Income (loss) before (provision) benefit for income taxes	$ 200.2	$ (122.7)	$ 4.1	$ (107.9)	$ (26.3)	$ (52.0)	$ (78.3)	$(376.5)	$ (454.8)
Select Period End Balances									
Loans	$8,175.9	$ 1,853.2	$ 2,305.3	$4,818.7	$17,153.1	$3,694.5	$20,847.6	$ –	$20,847.6
Credit balances of factoring clients	–	–	(1,256.5)	–	(1,256.5)	–	(1,256.5)	–	(1,256.5)
Assets held for sale	56.8	173.6	–	414.5	644.9	1.5	646.4	–	646.4
Operating lease equipment, net	23.9	12,173.6	–	214.2	12,411.7	–	12,411.7	–	12,411.7
For the year ended December 31, 2011									
Interest income	$ 923.7	$ 155.9	$ 73.3	$ 788.4	$ 1,941.3	$ 266.5	$ 2,207.8	$ 20.9	$ 2,228.7
Interest expense	(706.1)	(885.2)	(90.9)	(505.1)	(2,187.3)	(290.6)	(2,477.9)	(316.5)	(2,794.4)
Provision for credit losses	(173.3)	(12.8)	(11.2)	(69.3)	(266.6)	(3.1)	(269.7)	–	(269.7)
Rental income on operating leases	18.0	1,375.6	–	273.9	1,667.5	–	1,667.5	–	1,667.5
Other income	546.5	99.1	156.1	154.8	956.5	2.0	958.5	(5.7)	952.8
Depreciation on operating lease equipment	(7.8)	(382.2)	–	(185.1)	(575.1)	–	(575.1)	–	(575.1)
Operating expenses	(232.7)	(160.2)	(110.4)	(312.8)	(816.1)	(65.4)	(881.5)	(15.1)	(896.6)
Loss on debt extinguishments	–	–	–	–	–	–	–	(134.8)	(134.8)
Income (loss) before (provision) benefit for income taxes	$ 368.3	$ 190.2	$ 16.9	$ 144.8	$ 720.2	$ (90.6)	$ 629.6	$(451.2)	$ 178.4
Select Period End Balances									
Loans	$6,865.4	$ 1,487.0	$ 2,431.4	$4,442.0	$15,225.8	$4,680.1	$19,905.9	$ –	$19,905.9
Credit balances of factoring clients	–	–	(1,225.5)	–	(1,225.5)	–	(1,225.5)	–	(1,225.5)
Assets held for sale	214.0	84.0	–	371.6	669.6	1,662.7	2,332.3	–	2,332.3
Operating lease equipment, net	35.0	11,754.2	–	217.2	12,006.4	–	12,006.4	–	12,006.4

In December 2013 we announced organization changes effective January 1, 2014. In conjunction with management's plans to (i) realign and simplify its businesses and organizational structure, (ii) streamline and consolidate certain business processes to achieve greater operating efficiencies, and (iii) leverage CIT's operational capabilities for the benefit of its clients and customers, CIT will manage its business and report its financial results in three operating segments (the "New Segments"): (1) Transportation and International Finance; (2) North American Commercial Finance; and (3) Non-Strategic Portfolios. CIT's New Segments will be established based on how CIT's business units will be managed prospectively and how products and services will be provided to clients and customers by each business unit.

The change in segment reporting will have no effect on CIT's historical consolidated results of operations.

- "Transportation and International Finance" will include CIT's commercial aircraft, business aircraft, rail, and maritime finance business units. Each of these businesses is currently included in CIT's Transportation Finance segment. CIT's transportation lending business, which offers cash flow and asset-based loan products to commercial businesses in the transportation sector, is currently part of the Transportation Segment and will be included in the North American Commercial Finance segment. The Transportation and International Finance segment will also include corporate lending businesses outside of North America (currently part of the Corporate Finance Segment) and vendor finance businesses outside of North America (currently part of the Vendor Finance Segment).
- "North American Commercial Finance" will consist of CIT's former Trade Finance segment, North American business units currently in the Corporate Finance and Vendor Finance segments, and the transportation lending business, which is currently reflected in the Transportation Finance segment.
- "Non-Strategic Portfolios" will consist of CIT's run-off government-guaranteed student loan portfolio plus the small business lending portfolio, and other portfolios, including the subscale platforms identified in our international rationalization actions.

Geographic Information

The following table presents information by major geographic region based upon the location of the Company's legal entities.

Geographic Regions (dollars in millions)

		Total Assets	Total Revenue	Income (loss) before income taxes	Income (loss) before noncontrolling interests
U.S.	2013	$34,121.0	$2,213.5	$ 467.8	$ 438.9
	2012	30,829.1	2,566.0	(1,043.7)	(1,102.7)
	2011	32,338.3	3,042.6	(660.5)	(687.6)
Europe	2013	7,679.6	807.4	167.3	121.5
	2012	7,274.9	822.7	224.7	195.4
	2011	6,938.2	897.6	238.8	196.3
Other foreign[(1)(2)]	2013	5,338.4	514.3	139.0	121.2
	2012	5,908.0	618.1	364.2	318.7
	2011	5,986.9	908.8	600.1	511.1
Total consolidated	2013	47,139.0	3,535.2	774.1	681.6
	2012	44,012.0	4,006.8	(454.8)	(588.6)
	2011	45,263.4	4,849.0	178.4	19.8

(1) *Includes Canada region results which had income before income taxes of $79.5 million in 2013, $164.3 million in 2012 and $257.7 million in 2011 and income before noncontrolling interests of $69.2 million in 2013, $112.0 million in 2012 and $207.0 million in 2011.*

(2) *Includes Caribbean region results which had income before income taxes of $49.6 million in 2013, $203.5 million in 2012 and $230.4 million in 2011 and income before noncontrolling interests of $50.4 million in 2013, $199.7 million in 2012 and $228.2 million in 2011.*

NOTE 24 — GOODWILL AND INTANGIBLE ASSETS

The following tables summarize goodwill and intangible assets, net balances by segment:

Goodwill (dollars in millions)

	Transportation Finance	Trade Finance	Vendor Finance	Total
December 31, 2011	$183.1	$43.4	$119.4	$345.9
December 31, 2012	183.1	43.4	119.4	345.9
Activity	–	–	(11.3)	(11.3)
December 31, 2013	$183.1	$43.4	$108.1	$334.6

Goodwill was recorded in conjunction with FSA and represented the excess of reorganization equity value over the fair value of tangible and identifiable intangible assets, net of liabilities. Goodwill was allocated to the Transportation Finance, Trade Finance and Vendor Finance segments based on the respective segment's estimated fair value of equity. Goodwill is assigned to a segment (or "reporting unit") at the date the goodwill is initially recorded. Once goodwill has been assigned, it no longer retains its association with a particular event or acquisition, and all of the activities within a reporting unit, whether acquired or internally generated, are available to support the value of the goodwill. The activity in Vendor Finance reflected the allocated amounts to non-U.S. portfolios that were either sold during the year or included in assets held for sale at December 31, 2013.

The Company periodically reviews and evaluates its goodwill and intangible assets for potential impairment. In 2013, CIT performed Step 1 goodwill impairment testing utilizing estimated fair value based on peer price to earnings (PE) and tangible book value (TBV) multiples for Transportation Finance, Trade Finance and Vendor Finance. Management concluded, based on performing the Step 1 analysis, that the fair values of each of the reporting units exceeded their respective carrying values, including goodwill. As the results of the first step test showed no indication of impairment in any of the reporting units, the Company did not perform the second step of the impairment test for any of the reporting units.

CIT performed the qualitative assessment for Trade Finance goodwill impairment testing in 2012. In such assessment, the Company concluded that it was more likely than not that the fair value of the Trade Finance reporting unit was more than its carrying amount, including goodwill as of December 31, 2012. The qualitative factors considered in this assessment included the Company's market valuation, the reporting unit's profitability and the general economic outlook.

For the Transportation Finance and Vendor Finance segments, Step 1 of goodwill impairment testing was completed by comparing the segments' estimated fair value with their carrying values, including goodwill as of December 31, 2012. The Company concluded that for Transportation Finance and Vendor Finance, fair value was in excess of carrying value, including goodwill. For the purposes of this first step impairment analysis, the Company primarily utilized valuation multiples for publicly traded companies comparable to its reporting segments to determine the fair market value of its reporting units. As the results of the impairment assessment and first step test showed no indication of impairment in either of the reporting units, the Company did not perform the second step of the impairment test for either of the reporting units.

Intangible Assets (dollars in millions)

	Transportation Finance
December 31, 2011	$ 63.6
Amortization	(24.8)
Activity	(6.9)
December 31, 2012	31.9
Amortization	(11.6)
December 31, 2013	$ 20.3

The Transportation Finance intangible assets recorded in conjunction with FSA is comprised of amounts related to favorable (above current market rates) operating leases. The net intangible asset will be amortized as an offset to rental income over the remaining life of the leases, generally 5 years or less.

Accumulated amortization totaled $198.3 million at December 31, 2013. Projected amortization for the years ended December 31, 2014 through December 31, 2018 is approximately $7.5 million, $5.3 million, $2.8 million, $1.0 million, and $1.2 million, respectively.

NOTE 25 — SEVERANCE AND FACILITY EXITING LIABILITIES

The following table summarizes liabilities (pre-tax) related to closing facilities and employee severance:

Severance and Facility Exiting Liabilities (dollars in millions)

	Severance		Facilities		
	Number of Employees	Liability	Number of Facilities	Liability	Total Liabilities
December 31, 2011	79	$ 3.5	19	$44.8	$ 48.3
Additions and adjustments	193	20.5	5	3.4	23.9
Utilization	(209)	(16.7)	(8)	(9.4)	(26.1)
December 31, 2012	63	7.3	16	38.8	46.1
Additions and adjustments	274	33.4	3	3.7	37.1
Utilization	(212)	(23.0)	(3)	(9.2)	(32.2)
December 31, 2013	125	$ 17.7	16	$33.3	$ 51.0

CIT continued to implement various organization efficiency and cost reduction initiatives, such as our international rationalization activities. The severance additions primarily relate to employee termination benefits incurred in conjunction with these initiatives. The facility additions primarily relate to location closings and consolidations in connection with these initiatives. These additions, along with charges related to accelerated vesting of equity and other benefits, were recorded as part of the $36.9 million and $22.7 million provisions for the years ended December 31, 2013 and 2012, respectively.

NOTE 26 — PARENT COMPANY FINANCIAL STATEMENTS

The following tables present the Parent Company only financial statements:

Condensed Parent Company Only Balance Sheet (dollars in millions)

	December 31, 2013	December 31, 2012
Assets:		
Cash and deposits	$ 1,533.5	$ 1,307.4
Cash held at bank subsidiary	62.0	15.2
Investment securities	2,096.6	750.3
Receivables from nonbank subsidiaries	12,871.1	15,197.9
Receivables from bank subsidiaries	5.6	15.6
Investment in nonbank subsidiaries	6,533.4	6,547.2
Investment in bank subsidiaries	2,599.6	2,437.2
Goodwill	334.6	345.9
Other assets	853.2	547.7
Total Assets	$26,889.6	$27,164.4
Liabilities and Equity:		
Long-term borrowings	$12,531.6	$11,822.6
Liabilities to nonbank subsidiaries	4,840.9	6,386.8
Other liabilities	678.3	620.2
Total Liabilities	18,050.8	18,829.6
Total Stockholders' Equity	8,838.8	8,334.8
Total Liabilities and Equity	$26,889.6	$27,164.4

Condensed Parent Company Only Statements of Operations and Comprehensive Income (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Income			
Interest income from nonbank subsidiaries	$ 636.6	$ 737.6	$ 730.0
Interest and dividends on interest bearing deposits and investments	2.0	2.6	3.2
Dividends from nonbank subsidiaries	551.1	834.0	–
Other income from subsidiaries	50.8	181.0	413.7
Other income	(4.6)	(37.7)	47.8
Total income	1,235.9	1,717.5	1,194.7
Expenses			
Interest expense	(686.9)	(2,345.9)	(2,141.5)
Interest expense on liabilities to subsidiaries	(199.6)	(293.6)	(568.1)
Other expenses	(220.4)	(242.3)	(420.4)
Total expenses	(1,106.9)	(2,881.8)	(3,130.0)
Income (loss) before income taxes and equity in undistributed net income of subsidiaries	129.0	(1,164.3)	(1,935.3)
Benefit for income taxes	367.9	482.2	656.6
Income (loss) before equity in undistributed net income of subsidiaries	496.9	(682.1)	(1,278.7)
Equity in undistributed net income of bank subsidiaries	95.9	41.3	67.2
Equity in undistributed net income of nonbank subsidiaries	82.9	48.5	1,226.3
Net income (loss)	675.7	(592.3)	14.8
Other Comprehensive income (loss), net of tax	4.1	4.9	(81.5)
Comprehensive income (loss)	$ 679.8	$ (587.4)	$ (66.7)

CIT GROUP AND SUBSIDIARIES — NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Parent Company Only Statements of Cash Flows (dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Cash Flows From Operating Activities:			
Net income (loss)	$ 675.7	$ (592.3)	$ 14.8
Equity in undistributed (earnings) losses of subsidiaries	(178.8)	(89.8)	(1,293.5)
Other operating activities, net	(88.2)	1,524.3	2,704.1
Net cash flows provided by operations	408.7	842.2	1,425.4
Cash Flows From Investing Activities:			
Decrease (Increase) in investments and advances to subsidiaries	21.0	4,053.1	17,291.2
(Increase) decrease in Investment securities	(1,346.2)	89.1	(839.4)
Net cash flows (used in) provided by investing activities	(1,325.2)	4,142.2	16,451.8
Cash Flows From Financing Activities:			
Proceeds from the issuance of term debt	735.2	9,750.0	2,000.0
Repayments of term debt	(60.5)	(15,239.8)	(6,020.6)
Repurchase of common stock	(193.4)	–	–
Dividends paid	(20.1)	–	–
Net change in liabilities to subsidiaries	728.2	(1,139.5)	(13,614.7)
Net cash flows provided by (used in) financing activities	1,189.4	(6,629.3)	(17,635.3)
Net increase (decrease) in unrestricted cash and cash equivalents	272.9	(1,644.9)	241.9
Unrestricted cash and cash equivalents, beginning of period	1,322.6	2,967.5	2,725.6
Unrestricted cash and cash equivalents, end of period	$ 1,595.5	$ 1,322.6	$ 2,967.5

NOTE 27 — SELECTED QUARTERLY FINANCIAL DATA

Selected Quarterly Financial Data (dollars in millions)

	Unaudited			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
For the year ended December 31, 2013				
Interest income	$ 338.0	$ 337.4	$ 351.6	$ 355.8
Interest expense	(286.7)	(278.0)	(281.4)	(291.9)
Provision for credit losses	(14.4)	(16.4)	(14.6)	(19.5)
Rental income on operating leases	431.9	441.1	452.4	444.9
Other income	127.9	104.8	79.3	70.1
Depreciation on operating lease equipment	(145.9)	(143.0)	(141.3)	(143.3)
Operating expenses	(287.5)	(232.2)	(229.7)	(235.3)
Provision for income taxes	(31.2)	(13.9)	(32.2)	(15.2)
Noncontrolling interests, after tax	(2.2)	(0.2)	(0.5)	(3.0)
Net income	$ 129.9	$ 199.6	$ 183.6	$ 162.6
Net income per diluted share	$ 0.65	$ 0.99	$ 0.91	$ 0.81
For the year ended December 31, 2012				
Interest income	$ 357.0	$ 375.5	$ 410.3	$ 426.3
Interest expense	(366.6)	(816.0)	(634.2)	(1,080.6)
Provision for credit losses	(0.1)	–	(8.9)	(42.6)
Rental income on operating leases	452.0	445.8	446.2	440.6
Other income	171.7	86.7	139.4	255.3
Depreciation on operating lease equipment	(130.3)	(134.5)	(130.8)	(137.6)
Operating expenses	(231.9)	(235.2)	(226.8)	(224.3)
Loss on debt extinguishments	–	(16.8)	(21.5)	(22.9)
Provision for income taxes	(44.2)	(3.9)	(45.4)	(40.3)
Noncontrolling interests, after tax	(0.8)	(0.8)	(1.2)	(0.9)
Net income (loss)	$ 206.8	$(299.2)	$ (72.9)	$ (427.0)
Net income (loss) per diluted share	$ 1.03	$ (1.49)	$ (0.36)	$ (2.13)

NOTE 28 — SUBSEQUENT EVENTS

Unsecured Debt Issuance

On February 19, 2014, CIT issued $1 billion aggregate principal amount of senior unsecured notes due 2019 (the "Notes") that will bear interest at a per annum rate of 3.875%.

Rail Acquisition

On January 31, 2014, CIT acquired Paris-based Nacco SAS (Nacco), an independent full service railcar lessor in Europe. Leasing assets acquired totaled approximately $650 million, which were acquired with existing secured debt, and include more than 9,500 railcars.

Revolving Credit Facility Amendment

On January 27, 2014, the Revolving Credit Facility was amended to reduce the total commitment amount from $2.0 billion to $1.5 billion and to extend the maturity date of the commitments to January 27, 2017. The total commitment amount now consists of a $1.15 billion revolving loan tranche and a $350 million revolving loan tranche that can also be utilized for issuance of letters of credit.

On the closing date, no amounts were drawn under the Revolving Credit Facility. However, there was approximately $0.1 billion utilized for the issuance of letters of credit. Any amounts drawn under the facility will be used for general corporate purposes.

The Revolving Credit Agreement is unsecured and is guaranteed by eight of the Company's domestic operating subsidiaries. The facility was amended to modify the covenant requiring a minimum guarantor asset coverage ratio and the criteria for calculating the ratio. The amended covenant requires a minimum guarantor asset coverage ratio ranging from 1.25:1.0 to 1.5:1.0 depending on the Company's long-term senior unsecured, non-credit enhanced debt rating.

Dividend Declared and Share Repurchase Authorization

On January 21, 2014, the Board of Directors declared a quarterly dividend of $0.10 per share payable on February 28, 2014. On January 21, 2014, the Board of Directors approved the repurchase of up to $300 million of common stock through December 31, 2014. In addition, the Board also approved the repurchase of an additional $7 million of common stock, the amount that was unused at the expiration of the Company's prior share repurchase authorization.

Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision of and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2013. Based on such evaluation, the principal executive officer and the principal financial officer have concluded that the Company's disclosure controls and procedures were effective.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of CIT is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). 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: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) 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 (iii) 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.

Management of CIT, including our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework (1992). Management concluded that the Company's internal control over financial reporting was effective as of December 31, 2013, based on the criteria established in Internal Control — Integrated Framework (1992).

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING:

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None

PART THREE

Item 10. Directors, Executive Officers and Corporate Governance

The information called for by Item 10 is incorporated by reference from the information under the captions "Directors", "Corporate Governance" and "Executive Officers" in our Proxy Statement for our 2014 annual meeting of stockholders.

Item 11. Executive Compensation

The information called for by Item 11 is incorporated by reference from the information under the captions "Director Compensation", "Executive Compensation", including "Compensation Discussion and Analysis" and "2014 Compensation Committee Report" in our Proxy Statement for our 2014 annual meeting of stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information called for by Item 12 is incorporated by reference from the information under the caption "Security Ownership of Certain Beneficial Owners and Management" in our Proxy Statement for our 2014 annual meeting of stockholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information called for by Item 13 is incorporated by reference from the information under the captions "Corporate Governance-Director Independence" and "Related Person Transactions Policy" in our Proxy Statement for our 2014 annual meeting of stockholders.

Item 14. Principal Accountant Fees and Services

The information called for by Item 14 is incorporated by reference from the information under the caption "Proposal 2 — Ratification of Independent Registered Public Accounting Firm" in our Proxy Statement for our 2014 annual meeting of stockholders.

PART FOUR

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed with the Securities and Exchange Commission as part of this report (see *Item 8*):

1. The following financial statements of CIT and Subsidiaries:
   Report of Independent Registered Public Accounting Firm Consolidated Balance Sheets at December 31, 2013 and December 31, 2012.
   Consolidated Statements of Operations for the years ended December 31, 2013, 2012 and 2011.
   Consolidated Statements of Stockholders' Equity for the years ended December 31, 2013, 2012 and 2011.
   Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011.
   Notes to Consolidated Financial Statements.
2. All schedules are omitted because they are not applicable or because the required information appears in the Consolidated Financial Statements or the notes thereto.

(b) Exhibits

3.1 Third Amended and Restated Certificate of Incorporation of the Company, dated December 8, 2009 (incorporated by reference to Exhibit 3.1 to Form 8-K filed December 9, 2009).

3.2 Amended and Restated By-laws of the Company, as amended through December 8, 2009 (incorporated by reference to Exhibit 3.2 to Form 8-K filed December 9, 2009).

4.1 Indenture dated as of January 20, 2006 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) for the issuance of senior debt securities (incorporated by reference to Exhibit 4.3 to Form S-3 filed January 20, 2006).

4.2 First Supplemental Indenture dated as of February 13, 2007 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) for the issuance of senior debt securities (incorporated by reference to Exhibit 4.1 to Form 8-K filed on February 13, 2007).

4.3 Third Supplemental Indenture dated as of October 1, 2009, between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) relating to senior debt securities (incorporated by reference to Exhibit 4.4 to Form 8-K filed on October 7, 2009).

4.4 Fourth Supplemental Indenture dated as of October 16, 2009 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) relating to senior debt securities (incorporated by reference to Exhibit 4.1 to Form 8-K filed October 19, 2009).

4.5 Framework Agreement, dated July 11, 2008, among ABN AMRO Bank N.V., as arranger, Madeleine Leasing Limited, as initial borrower, CIT Aerospace International, as initial head lessee, and CIT Group Inc., as guarantor, as amended by the Deed of Amendment, dated July 19, 2010, among The Royal Bank of Scotland N.V. (f/k/a ABN AMRO Bank N.V.), as arranger, Madeleine Leasing Limited, as initial borrower, CIT Aerospace International, as initial head lessee, and CIT Group Inc., as guarantor, as supplemented by Letter Agreement No. 1 of 2010, dated July 19, 2010, among The Royal Bank of Scotland N.V., as arranger, CIT Aerospace International, as head lessee, and CIT Group Inc., as guarantor, as amended and supplemented by the Accession Deed, dated July 21, 2010, among The Royal Bank of Scotland N.V., as arranger, Madeleine Leasing Limited, as original borrower, and Jessica Leasing Limited, as acceding party, as supplemented by Letter Agreement No. 2 of 2010, dated July 29, 2010, among The Royal Bank of Scotland N.V., as arranger, CIT Aerospace International, as head lessee, and CIT Group Inc., as guarantor, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets (incorporated by reference to Exhibit 4.11 to Form 10-K filed March 10, 2011).

4.6 Form of All Parties Agreement among CIT Aerospace International, as head lessee, Madeleine Leasing Limited, as borrower and lessor, CIT Group Inc., as guarantor, various financial institutions, as original ECA lenders, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, and CIT Aerospace International, as servicing agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.12 to Form 10-K filed March 10, 2011).

4.7 Form of ECA Loan Agreement among Madeleine Leasing Limited, as borrower, various financial institutions, as original ECA lenders, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, and CIT Aerospace International, as servicing agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.13 to Form 10-K filed March 10, 2011).

4.8 Form of Aircraft Head Lease between Madeleine Leasing Limited, as lessor, and CIT Aerospace International, as head lessee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.14 to Form 10-K filed March 10, 2011).

4.9 Form of Proceeds and Intercreditor Deed among Madeleine Leasing Limited, as borrower and lessor, various financial institutions, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.15 to Form 10-K filed March 10, 2011).

4.10 Form of All Parties Agreement among CIT Aerospace International, as head lessee, Jessica Leasing Limited, as borrower and lessor, CIT Group Inc., as guarantor, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, CIT Aerospace International, as servicing agent, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.16 to Form 10-K filed March 10, 2011).

4.11 Form of ECA Loan Agreement among Jessica Leasing Limited, as borrower, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.17 to Form 10-K filed March 10, 2011).

4.12 Form of Aircraft Head Lease between Jessica Leasing Limited, as lessor, and CIT Aerospace International, as head lessee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.18 to Form 10-K filed March 10, 2011).

4.13 Form of Proceeds and Intercreditor Deed among Jessica Leasing Limited, as borrower and lessor, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.19 to Form 10-K filed March 10, 2011).

4.14 Indenture, dated as of March 30, 2011, between CIT Group Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed June 30, 2011).

4.15 First Supplemental Indenture, dated as of March 30, 2011, between CIT Group Inc., the Guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee (including the Form of 5.250% Note due 2014 and the Form of 6.625% Note due 2018) (incorporated by reference to Exhibit 4.2 to Form 8-K filed June 30, 2011).

4.16 Third Supplemental Indenture, dated as of February 7, 2012, between CIT Group Inc., the Guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee (including the Form of Notes) (incorporated by reference to Exhibit 4.4 of Form 8-K dated February 13, 2012).

4.17 Registration Rights Agreement, dated as of February 7, 2012, among CIT Group Inc., the Guarantors named therein, and JP Morgan Securities LLC, as representative for the initial purchasers named therein (incorporated by reference to Exhibit 10.1 of Form 8-K dated February 13, 2012).

4.18 Amended and Restated Revolving Credit and Guaranty Agreement, dated as of January 27, 2014 among CIT Group Inc., certain subsidiaries of CIT Group Inc., as Guarantors, the Lenders party thereto from time to time and Bank of America, N.A., as Administrative Agent and L/C Issuer (incorporated by reference to Exhibit 10.1 to Form 8-K filed January 28, 2014).

4.19	Indenture, dated as of March 15, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (incorporated by reference to Exhibit 4.1 of Form 8-K filed March 16, 2012).
4.20	First Supplemental Indenture, dated as of March 15, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.25% Senior Unsecured Note due 2018) (incorporated by reference to Exhibit 4.2 of Form 8-K filed March 16, 2012).
4.21	Second Supplemental Indenture, dated as of May 4, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.000% Senior Unsecured Note due 2017 and the Form of 5.375% Senior Unsecured Note due 2020) (incorporated by reference to Exhibit 4.2 of Form 8-K filed May 4, 2012).
4.22	Third Supplemental Indenture, dated as of August 3, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 4.25% Senior Unsecured Note due 2017 and the Form of 5.00% Senior Unsecured Note due 2022) (incorporated by reference to Exhibit 4.2 to Form 8-K filed August 3, 2012).
4.23	Fourth Supplemental Indenture, dated as of August 1, 2013, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.00% Senior Unsecured Note due 2023) (incorporated by reference to Exhibit 4.2 to Form 8-K filed August 1, 2013).
4.24	Fifth Supplemental Indenture, dated as of February 19, 2014, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 3.875% Senior Unsecured Note due 2019) (incorporated by reference to Exhibit 4.2 to Form 8-K filed February 19, 2014).
10.1*	Amended and Restated CIT Group Inc. Long-Term Incentive Plan (as amended and restated effective December 10, 2009) (incorporated by reference to Exhibit 4.1 to Form S-8 filed January 11, 2010).
10.2*	CIT Group Inc. Supplemental Retirement Plan (As Amended and Restated Effective as of January 1, 2008) (incorporated by reference to Exhibit 10.27 to Form 10-Q filed May 12, 2008).
10.3*	CIT Group Inc. Supplemental Savings Plan (As Amended and Restated Effective as of January 1, 2008) (incorporated by reference to Exhibit 10.28 to Form 10-Q filed May 12, 2008).
10.4*	New Executive Retirement Plan of CIT Group Inc. (As Amended and Restated as of January 1, 2008) (incorporated by reference to Exhibit 10.29 to Form 10-Q filed May 12, 2008).
10.5*	Letter Agreement, effective February 8, 2010, between CIT Group Inc. and John A. Thain (incorporated by reference to Exhibit 10.1 to Form 8-K filed February 8, 2010).
10.6*	Form of CIT Group Inc. Three Year Stock Salary Award Agreement, dated February 8, 2010 (incorporated by reference to Exhibit 10.2 to Form 8-K filed February 8, 2010).
10.7	Written Agreement, dated August 12, 2009, between CIT Group Inc. and the Federal Reserve Bank of New York (incorporated by reference to Exhibit 10.1 of Form 8-K filed August 13, 2009).
10.8*	Letter Agreement, dated June 2, 2010, between CIT Group Inc. and Scott T. Parker (incorporated by reference to Exhibit 99.3 to Form 8-K filed July 6, 2010).
10.9*	Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Retention Award Agreement (incorporated by reference to Exhibit 10.33 to Form 10-Q filed August 9, 2010).
10.10*	Form of CIT Group Inc. Long-term Incentive Plan Stock Option Award Agreement (One Year Vesting) (incorporated by reference to Exhibit 10.35 to Form 10-Q filed August 9, 2010).
10.11*	Form of CIT Group Inc. Long-term Incentive Plan Stock Option Award Agreement (Three Year Vesting) (incorporated by reference to Exhibit 10.36 to Form 10-Q filed August 9, 2010).
10.12*	Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Award Agreement (Three Year Vesting) (incorporated by reference to Exhibit 10.38 to Form 10-Q filed August 9, 2010).
10.13*	Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Director Award Agreement (Initial Grant) (incorporated by reference to Exhibit 10.39 to Form 10-Q filed August 9, 2010).

10.14*	Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Director Award Agreement (Annual Grant) (incorporated by reference to Exhibit 10.40 to Form 10-Q filed August 9, 2010).
10.15	Form of Tax Agreement by and between Tyco International Ltd. and CIT (incorporated by reference to Exhibit 10.27 to Amendment No. 2 to the Registration Statement on Form S-1 filed June 12, 2002).
10.16*	Amended and Restated Employment Agreement, dated as of May 7, 2008, between CIT Group Inc. and C. Jeffrey Knittel (incorporated by reference to Exhibit 10.35 to Form 10-K filed March 2, 2009).
10.17*	Amendment to Employment Agreement, dated December 22, 2008, between CIT Group Inc. and C. Jeffrey Knittel (incorporated by reference to Exhibit 10.37 to Form 10-K filed March 2, 2009).
10.18*	Letter Agreement, dated April 21, 2010, between CIT Group Inc. and Nelson J. Chai (incorporated by reference to Exhibit 10.31 of Form 10-Q filed August 9, 2011).
10.19*	Letter Agreement, dated April 8, 2010, between CIT Group Inc. and Lisa K. Polsky (incorporated by reference to Exhibit 10.32 of Form 10-Q filed August 9, 2011).
10.20*	Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (with Good Reason) (incorporated by reference to Exhibit 10.33 of Form 10-Q filed August 9, 2011).
10.21*	Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (without Good Reason) (incorporated by reference to Exhibit 10.34 of Form 10-Q filed August 9, 2011).
10.22**	Airbus A320 NEO Family Aircraft Purchase Agreement, dated as of July 28, 2011, between Airbus S.A.S. and C.I.T. Leasing Corporation (incorporated by reference to Exhibit 10.35 of Form 10-Q/A filed February 1, 2012).
10.23**	Amended and Restated Confirmation, dated June 28, 2012, between CIT TRS Funding B.V. and Goldman Sachs International, and Credit Support Annex and ISDA Master Agreement and Schedule, each dated October 26, 2011, between CIT TRS Funding B.V. and Goldman Sachs International, evidencing a $625 billion securities based financing facility.
10.24**	Third Amended and Restated Confirmation, dated June 28, 2012, between CIT Financial Ltd. and Goldman Sachs International, and Amended and Restated ISDA Master Agreement Schedule, dated October 26, 2011 between CIT Financial Ltd. and Goldman Sachs International, evidencing a $1.5 billion securities based financing facility.
10.25**	ISDA Master Agreement and Credit Support Annex, each dated June 6, 2008, between CIT Financial Ltd. and Goldman Sachs International related to a $1.5 billion securities based financing facility (incorporated by reference to Exhibit 10.34 to Form 10-Q filed August 11, 2008).
10.26*	Letter Agreement, dated February 24, 2012, between CIT Group Inc. and Andrew T. Brandman (incorporated by reference to Exhibit 99.2 of Form 8-K filed April 12, 2012).
10.27	Form of CIT Group Inc. Long-Term Incentive Plan Performance Stock Unit Award Agreement (with Good Reason) (incorporated by reference to Exhibit 10.36 to Form 10-K filed May 10, 2012).
10.28	Form of CIT Group Inc. Long-Term Incentive Plan Performance Stock Unit Award Agreement (without Good Reason) (incorporated by reference to Exhibit 10.37 to Form 10-K filed May 10, 2012).
10.29*	Assignment and extension of Employment Agreement, dated February 6, 2013, by and among CIT Group Inc., C. Jeffrey Knittel and C.I.T. Leasing Corporation (incorporated by reference to Exhibit 10.34 to Form 10-Q filed November 6, 2013).
10.30*	Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.36 to Form 10-K filed March 1, 2013).
10.31*	Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Executives with Employment Agreements) (incorporated by reference to Exhibit 10.37 to Form 10-K filed March 1, 2013) (incorporated by reference to Exhibit 10.37 to Form 10-Q filed November 6, 2013).
10.32*	CIT Employee Severance Plan (Effective as of November 6, 2013).
12.1	CIT Group Inc. and Subsidiaries Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of CIT Group Inc.
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Powers of Attorney.
31.1	Certification of John A. Thain pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Commission, as promulgated pursuant to Section 13(a) of the Securities Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002.

31.2	Certification of Scott T. Parker pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Commission, as promulgated pursuant to Section 13(a) of the Securities Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certification of John A. Thain pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2***	Certification of Scott T. Parker pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (Includes the following financial information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.)
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

* *Indicates a management contract or compensatory plan or arrangement.*

** *Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for granting confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.*

*** *This information is furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any filing under the Securities Act of 1933.*

SIGNATURES

Pursuant to the requirements of Section 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.

CIT GROUP INC.

February 28, 2014

By: /s/ John A. Thain

John A. Thain
Chairman and Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on February 28, 2014 in the capacities indicated below.

NAME	NAME
/s/ John A. Thain	Gerald Rosenfeld*
John A. Thain **Chairman and Chief Executive Officer and Director**	**Gerald Rosenfeld** **Director**
Ellen R. Alemany*	Sheila A. Stamps*
Ellen R. Alemany **Director**	**Sheila A. Stamps** **Director**
Michael J. Embler*	Seymour Sternberg*
Michael J. Embler **Director**	**Seymour Sternberg** **Director**
William M. Freeman*	Peter J. Tobin*
William M. Freeman **Director**	**Peter J. Tobin** **Director**
David M. Moffett*	Laura S. Unger*
David M. Moffett **Director**	**Laura S. Unger** **Director**
R. Brad Oates*	/s/ Scott T. Parker
R. Brad Oates **Director**	**Scott T. Parker** **Executive Vice President and Chief Financial Officer**
Marianne Miller Parrs*	/s/ E. Carol Hayles
Marianne Miller Parrs **Director**	**E. Carol Hayles** **Executive Vice President and Controller**
John A. Ryan*	/s/ James P. Shanahan
John R. Ryan **Director**	**James P. Shanahan** **Senior Vice President,** **Chief Regulatory Counsel Attorney-in-Fact**

* *Original powers of attorney authorizing Robert J. Ingato, Christopher H. Paul, and James P. Shanahan and each of them to sign on behalf of the above-mentioned directors are held by the Corporation and available for examination by the Securities and Exchange Commission pursuant to Item 302(b) of Regulation S-T.*

EXHIBIT 12.1

CIT Group Inc. and Subsidiaries Computation of Ratio of Earnings to Fixed Charges (dollars in millions)

	Years Ended December 31,				
	CIT				Predecessor CIT
	2013	2012	2011	2010	2009
Earnings:					
Net income (loss) available (attributable) to common shareholders	$ 675.7	$ (592.3)	$ 14.8	$ 521.3	$ (3.9)
(Benefit) provision for income taxes – continuing operations	92.5	133.8	158.6	245.7	(147.6)
Earnings (loss) from continuing operations, before provision (benefit) for income taxes	768.2	(458.5)	173.4	767.0	(151.5)
Fixed Charges:					
Interest and debt expenses on indebtedness	1,138.0	2,897.4	2,794.4	3,079.7	2,664.6
Interest factor: one-third of rentals on real and personal properties	7.8	8.2	9.3	23.2	17.5
Total fixed charges for computation of ratio	1,145.8	2,905.6	2,803.7	3,102.9	2,682.1
Total earnings before provision for income taxes and fixed charges	$1,914.0	$2,447.1	$2,977.1	$3,869.9	$2,530.6
Ratios of earnings to fixed charges	1.67x	(1)	1.06x	1.25x	(1)

(1) Earnings were insufficient to cover fixed charges by $458.5 million and $151.5 million for the years ended December 31, 2012 and December 31, 2009, respectively.

EXHIBIT 31.1

CERTIFICATIONS

I, John A. Thain, certify that:

1. I have reviewed this annual report on Form 10-K of CIT Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2014

/s/ John A. Thain

John A. Thain
Chairman and Chief Executive Officer
CIT Group Inc.

EXHIBIT 31.2

CERTIFICATIONS

I, Scott T. Parker, certify that:

1. I have reviewed this annual report on Form 10-K of CIT Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2014

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and Chief Financial Officer
CIT Group Inc.

EXHIBIT 32.1

Certification Pursuant to Section 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of CIT Group Inc. ("CIT") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John A. Thain, the Chief Executive Officer of CIT, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(i) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CIT.

/s/ John A. Thain

Dated: February 28, 2014

John A. Thain
Chairman and Chief Executive Officer
CIT Group Inc.

EXHIBIT 32.2

Certification Pursuant to Section 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of CIT Group Inc. ("CIT") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott T. Parker, the Chief Financial Officer of CIT, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(i) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CIT.

/s/ Scott T. Parker

Dated: February 28, 2014

Scott T. Parker
Executive Vice President and
Chief Financial Officer
CIT Group Inc.

PUBLIC EXHIBIT 5

CIT Group Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

|X| Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2014

| | Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 001-31369

CIT GROUP INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

65-1051192
(IRS Employer Identification Number)

11 West 42nd Street New York, New York
(Address of Registrant's principal executive offices)

10036
(Zip Code)

(212) 461-5200
(Registrant's telephone number)

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 reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes |X| No |_|

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 the definitions of 'large accelerated filer,' 'accelerated filer' and 'smaller reporting company' in Rule 12b-2 of the Exchange Act. (Check One): Large accelerated filer |X| Accelerated filer |_| Non-accelerated filer |_| Smaller reporting company |_|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes |_| No |X|

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes |X| No |_|

As of July 31, 2014 there were 185,651,618 shares of the registrant's common stock outstanding.

CONTENTS

Part One—Financial Information:

Part Two—Other Information:

Part One—Financial Information

ITEM 1. Consolidated Financial Statements

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Unaudited) (dollars in millions – except share data)

	June 30, 2014	December 31, 2013
Assets		
Cash and due from banks, including restricted balances of $244.8 and $178.1 at June 30, 2014 and December 31, 2013[(1)], respectively	$ 1,055.0	$ 680.1
Interest bearing deposits, including restricted balances of $557.8 and $785.5 at June 30, 2014 and December 31, 2013[(1)], respectively	5,372.6	5,364.6
Investment securities	823.1	2,630.7
Assets held for sale[(1)]	1,328.9	1,003.4
Loans (see Note 6 for amounts pledged)	18,604.4	18,629.2
Allowance for loan losses	(341.0)	(356.1)
Total loans, net of allowance for loan losses[(1)]	18,263.4	18,273.1
Operating lease equipment, net (see Note 6 for amounts pledged)[(1)]	14,788.3	13,035.4
Unsecured counterparty receivable	565.8	301.6
Goodwill	403.1	334.6
Other assets, including $36.4 and $50.3 at June 30, 2014 and December 31, 2013, respectively, at fair value	1,551.5	1,694.1
Assets of discontinued operation[(1)]	1.0	3,821.4
Total Assets	**$44,152.7**	**$47,139.0**
Liabilities		
Deposits	$ 13,939.0	$ 12,526.5
Credit balances of factoring clients	1,296.5	1,336.1
Other liabilities, including $118.4 and $111.0 at June 30, 2014 and December 31, 2013, respectively, at fair value	2,741.5	2,664.3
Long-term borrowings, including $2,571.1 and $2,510.4 contractually due within twelve months at June 30, 2014 and December 31, 2013, respectively	17,545.5	18,484.5
Liabilities of discontinued operation[(1)]	0.9	3,277.6
Total Liabilities	**35,523.4**	**38,289.0**
Stockholders' Equity		
Common stock: $0.01 par value, 600,000,000 authorized		
Issued: 203,092,918 and 202,182,395 at June 30, 2014 and December 31, 2013, respectively	2.0	2.0
Outstanding: 185,645,226 and 197,403,751 at June 30, 2014 and December 31, 2013, respectively		
Paid-in capital	8,582.0	8,555.4
Retained earnings	905.8	581.0
Accumulated other comprehensive loss	(77.5)	(73.6)
Treasury stock: 17,447,692 and 4,778,644 shares at June 30, 2014 and December 31, 2013 at cost, respectively	(794.7)	(226.0)
Total Common Stockholders' Equity	8,617.6	8,838.8
Noncontrolling minority interests	11.7	11.2
Total Equity	**8,629.3**	**8,850.0**
Total Liabilities and Equity	**$44,152.7**	**$47,139.0**

(1) *The following table presents information on assets and liabilities related to Variable Interest Entities (VIEs) that are consolidated by the Company. The difference between VIE total assets and total liabilities represents the Company's interests in those entities, which were eliminated in consolidation. The assets of the consolidated VIEs will be used to settle the liabilities of those entities and, except for the Company's interest in the VIEs, are not available to the creditors of CIT or any affiliates of CIT.*

Assets		
Cash and interest bearing deposits, restricted	$ 357.1	$ 516.4
Assets held for sale	–	96.7
Total loans, net of allowance for loan losses	2,802.2	3,109.7
Operating lease equipment, net	3,514.5	4,569.9
Other	9.4	11.9
Assets of discontinued operation	–	3,438.2
Total Assets	**$ 6,683.2**	**$11,742.8**
Liabilities		
Beneficial interests issued by consolidated VIEs (classified as long-term borrowings)	$ 4,112.3	$ 5,156.4
Liabilities of discontinued operation	–	3,265.6
Total Liabilities	**$ 4,112.3**	**$ 8,422.0**

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (dollars in millions – except share data)

	Quarters Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Interest income				
Interest and fees on loans	$ 301.4	$ 312.0	$ 594.8	$ 628.1
Interest and dividends on interest bearing deposits and investments	8.4	7.1	17.2	13.5
Interest income	309.8	319.1	612.0	641.6
Interest expense				
Interest on long-term borrowings	(206.1)	(217.8)	(426.1)	(449.6)
Interest on deposits	(56.1)	(44.8)	(108.0)	(87.1)
Interest expense	(262.2)	(262.6)	(534.1)	(536.7)
Net interest revenue	47.6	56.5	77.9	104.9
Provision for credit losses	(10.2)	(14.6)	(46.9)	(34.1)
Net interest revenue, after credit provision	37.4	41.9	31.0	70.8
Non-interest income				
Rental income on operating leases	519.6	484.3	1,011.5	960.7
Other income	93.7	79.2	164.8	149.2
Total non-interest income	613.3	563.5	1,176.3	1,109.9
Total revenue, net of interest expense and credit provision	650.7	605.4	1,207.3	1,180.7
Other expenses				
Depreciation on operating lease equipment	(157.3)	(133.6)	(306.1)	(266.9)
Maintenance and other operating lease expenses	(49.0)	(40.3)	(100.6)	(82.7)
Operating expenses	(225.0)	(226.1)	(458.5)	(457.0)
Loss on debt extinguishment	(0.4)	–	(0.4)	–
Total other expenses	(431.7)	(400.0)	(865.6)	(806.6)
Income from continuing operations before provision for income taxes	219.0	205.4	341.7	374.1
Provision for income taxes	(18.1)	(29.3)	(31.6)	(42.1)
Income from continuing operations, before attribution of noncontrolling interests	200.9	176.1	310.1	332.0
Net income attributable to noncontrolling interests, after tax	(5.7)	(0.5)	–	(3.5)
Income from continuing operations	195.2	175.6	310.1	328.5
Discontinued Operation				
Income (loss) from discontinued operation, net of taxes	(231.1)	8.0	(228.8)	17.7
Gain on sale of discontinued operation	282.8	–	282.8	–
Income from discontinued operation, net of taxes	51.7	8.0	54.0	17.7
Net Income	$ 246.9	$ 183.6	$ 364.1	$ 346.2
Basic income per common share				
Income from continuing operations	$ 1.03	$ 0.87	$ 1.61	$ 1.63
Income from discontinued operation	0.27	0.04	0.28	0.09
Basic income per share	$ 1.30	$ 0.91	$ 1.89	$ 1.72
Diluted income per common share				
Income from continuing operations	$ 1.02	$ 0.87	$ 1.60	$ 1.62
Income from discontinued operation	0.27	0.04	0.28	0.09
Diluted income per share	$ 1.29	$ 0.91	$ 1.88	$ 1.71
Average number of common shares (thousands)				
Basic	190,231	201,313	193,134	201,231
Diluted	191,077	202,313	194,036	202,046
Dividends declared per common share	$ 0.10	$ –	$ 0.20	$ –

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited) (dollars in millions)

	Quarters Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Income from continuing operations, before attribution of noncontrolling interests	$200.9	$176.1	$310.1	$332.0
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(3.0)	(2.3)	(7.3)	(7.3)
Changes in fair values of derivatives qualifying as cash flow hedges	(0.1)	–	(0.1)	–
Net unrealized gains (losses) on available for sale securities	0.1	(0.9)	0.3	(1.3)
Changes in benefit plans net gain (loss) and prior service (cost)/credit	1.6	0.9	3.2	0.8
Other comprehensive loss, net of tax	(1.4)	(2.3)	(3.9)	(7.8)
Comprehensive income before noncontrolling interests and discontinued operation	199.5	173.8	306.2	324.2
Comprehensive loss (income) attributable to noncontrolling interests	(5.7)	(0.5)	–	(3.5)
Income from discontinued operation, net of taxes	51.7	8.0	54.0	17.7
Comprehensive income	$245.5	$181.3	$360.2	$338.4

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited) (dollars in millions)

	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Minority Interests	Total Equity
December 31, 2013	**$2.0**	**$8,555.4**	**$581.0**	**$(73.6)**	**$(226.0)**	**$11.2**	**$8,850.0**
Net income			364.1				364.1
Other comprehensive loss, net of tax				(3.9)			(3.9)
Dividends paid			(39.3)				(39.3)
Amortization of restricted stock, stock option and performance shares expenses and shares withheld to cover taxes upon vesting		25.9			(16.6)		9.3
Repurchase of common stock					(552.1)		(552.1)
Employee stock purchase plan		0.7					0.7
Distribution of earnings and capital						0.5	0.5
June 30, 2014	**$2.0**	**$8,582.0**	**$905.8**	**$(77.5)**	**$(794.7)**	**$11.7**	**$8,629.3**
December 31, 2012	**$2.0**	**$8,501.8**	**$ (74.6)**	**$(77.7)**	**$ (16.7)**	**$ 4.7**	**$8,339.5**
Net income (loss)			346.2			3.5	349.7
Other comprehensive income, net of tax				(7.8)			(7.8)
Amortization of restricted stock and stock option expenses		27.9			(11.9)		16.0
Repurchase of common stock					(12.5)		(12.5)
Employee stock purchase plan		0.5					0.5
Distribution of earnings and capital						0.1	0.1
June 30, 2013	**$2.0**	**$8,530.2**	**$271.6**	**$(85.5)**	**$ (41.1)**	**$ 8.3**	**$8,685.5**

The accompanying notes are an integral part of these consolidated financial statements.

CIT GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (dollars in millions)

	Six Months Ended June 30, 2014	2013
Cash Flows From Operations		
Net income	$ 364.1	$ 346.2
Adjustments to reconcile net income to net cash flows from operations:		
Provision for credit losses	46.9	34.1
Net depreciation, amortization and (accretion)	586.3	331.4
Net gains on equipment, receivable and investment sales	(308.7)	(60.4)
Provision for deferred income taxes	5.6	30.8
Increase in finance receivables held for sale	(64.5)	(22.6)
Decrease in other assets	148.1	31.8
Increase (decrease) in accrued liabilities and payables	27.9	(163.7)
Net cash flows provided by operations	805.7	527.6
Cash Flows From Investing Activities		
Loans originated and purchased	(7,839.8)	(9,170.7)
Principal collections of loans	6,627.2	7,614.7
Purchases of investment securities	(7,188.8)	(8,332.1)
Proceeds from maturities of investment securities	9,007.5	7,837.3
Proceeds from asset and receivable sales	2,120.5	867.5
Purchases of assets to be leased and other equipment	(1,725.7)	(743.3)
Net increase in short-term factoring receivables	(15.8)	(66.4)
Acquisitions, net of cash received	(245.5)	–
Change in restricted cash	255.5	221.7
Net cash flows provided by (used in) investing activities	995.1	(1,771.3)
Cash Flows From Financing Activities		
Proceeds from the issuance of term debt	1,356.4	170.5
Repayments of term debt	(3,475.0)	(1,281.9)
Net increase in deposits	1,412.8	1,489.5
Collection of security deposits and maintenance funds	261.3	278.3
Use of security deposits and maintenance funds	(221.0)	(281.6)
Repurchase of common stock	(552.1)	(12.5)
Dividends paid	(39.3)	–
Net cash flows (used in) provided by financing activities	(1,256.9)	362.3
Increase (decrease) in unrestricted cash and cash equivalents	543.9	(881.4)
Unrestricted cash and cash equivalents, beginning of period	5,081.1	5,636.2
Unrestricted cash and cash equivalents, end of period	**$ 5,625.0**	**$ 4,754.8**
Supplementary Cash Flow Disclosure		
Interest paid	$ (524.7)	$ (507.3)
Federal, foreign, state and local income taxes paid, net	$ (16.3)	$ (68.6)
Supplementary Non Cash Flow Disclosure		
Transfer of assets from held for investment to held for sale	$ 1,213.9	$ 950.3
Transfer of assets from held for sale to held for investment	$ 31.0	$ 8.0

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 — BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CIT Group Inc., together with its subsidiaries (collectively "CIT" or the "Company"), has provided financial solutions to its clients since its formation in 1908. The Company provides financing, leasing and advisory services principally to middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. CIT became a bank holding company ("BHC") in December 2008 and a financial holding company ("FHC") in July 2013. CIT is regulated by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Reserve Bank of New York ("FRBNY") under the U.S. Bank Holding Company Act of 1956. CIT Bank (the "Bank"), a wholly-owned subsidiary, is a state-chartered bank located in Salt Lake City, Utah, and is regulated by the Federal Deposit Insurance Corporation ("FDIC") and the Utah Department of Financial Institutions ("UDFI"). The Company operates primarily in North America, with locations in Europe and Asia.

BASIS OF PRESENTATION

Principles of Consolidation

The accompanying consolidated financial statements include financial information related to CIT Group Inc., a Delaware corporation, and its majority owned subsidiaries, including the Bank, and those variable interest entities ("VIEs") where the Company is the primary beneficiary. Assets held in an agency or fiduciary capacity are not included in the consolidated financial statements.

In preparing the consolidated financial statements, all significant intercompany accounts and transactions have been eliminated. These consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q for interim financial information and accordingly, do not include all information and note disclosures required by generally accepted accounting principles in the United States of America ("GAAP") for complete financial statements. The financial statements in this Form 10-Q have not been audited by an independent registered public accounting firm in accordance with standards of the Public Company Accounting Oversight Board (U.S.), but in the opinion of management include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of CIT's financial position, results of operations and cash flows in accordance with GAAP. These consolidated financial statements should be read in conjunction with our current Form 10-K on file.

The consolidated financial statements include the effects of adopting Fresh Start Accounting ("FSA") upon emergence from bankruptcy on December 10, 2009, as required by GAAP, based on a convenience date of December 31, 2009. Accretion and amortization of certain FSA adjustments are included in the Consolidated Statements of Operations and Cash Flows.

The accounting and financial reporting policies of CIT Group Inc. conform to GAAP and the preparation of the consolidated financial statements requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates and assumptions. Some of the more significant estimates include: allowance for loan losses, loan impairment, fair value determination, lease residual values, liabilities for uncertain tax positions, realizability of deferred tax assets and goodwill assets. Additionally where applicable, the policies conform to accounting and reporting guidelines prescribed by bank regulatory authorities.

Discontinued Operation

On April 25, 2014, the Company completed the sale of its student lending business. As a result, the student lending business is reported as a discontinued operation. The business had been included in the Non-Strategic Portfolios segment and consisted of a portfolio of U.S. Government-guaranteed student loans. The portfolio was in run-off and had been transferred to assets held for sale ("AHFS") at the end of 2013. See *Note 2 — Discontinued Operation*.

Revisions

In preparing the financial statements for the quarter ended March 31, 2014, the Company discovered and corrected in its first quarter report on Form 10-Q an immaterial error impacting the classification of Interest Bearing Deposits and Cash and due from Banks in the amount of $300 million as of December 31, 2013.

The Company also discovered and corrected an immaterial error impacting the classification of railcar maintenance expenses. Management determined that railcar maintenance expenses, which reduced "Rental income on operating leases", should be reflected as a separate line item in the "Other expenses" section of the Company's Consolidated Statement of Operations (i.e., gross presentation). These classification errors had no impact on the Company's Consolidated Balance Sheet or Consolidated Statement of Cash Flows in any period.

NEW ACCOUNTING PRONOUNCEMENTS

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

On April 10, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity,* which changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The final guidance raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. The ASU is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or will have a major effect on an entity's operations and financial results. In another change from current US GAAP, the guidance permits companies to have continuing cash flows and significant continuing involvement with the disposed component.

The ASU eliminates most of the scope exceptions in current US GAAP. Under the revised standard, a discontinued operation is (1) a component of an entity or group of components that has been disposed of by sale, disposed of other than by sale or is classified as held for sale that represents a strategic shift that has or will have a major effect on an entity's operations and financial results or (2) an acquired business or nonprofit activity that is classified as held for sale on the date of the acquisition. The guidance does not change the presentation requirements for discontinued operations in the statement where net income is presented. Although it permits significant continuing involvement, the standard does not address how companies should present continuing involvement with a discontinued operation prior to the disposal. Also, the ASU requires the reclassification of assets and liabilities of a discontinued operation in the statement of financial position for all prior periods presented.

The standard expands the disclosures for discontinued operations and requires new disclosures related to individually material disposals that do not meet the definition of a discontinued operation, an entity's continuing involvement with a discontinued operation following the disposal date, and retained equity method investments in a discontinued operation.

For public entities, the guidance is effective for annual periods beginning on or after December 15, 2014 and interim periods within that year. The ASU is applied prospectively. However, all entities may early adopt the guidance for new disposals (or new classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. CIT did not early adopt the ASU as it pertains to the student lending business, which was classified as held for sale since December 2013 and reported as a discontinued operation as of June 30, 2014. CIT will evaluate any future dispositions under this ASU.

Revenue Recognition

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customer, which will supersede virtually all of the revenue recognition guidance in US GAAP*.

The core principle of the five-step model is that a company will recognize revenue when it transfers control of goods or services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. In doing so, many companies will have to make more estimates and use more judgment than they do under current US GAAP. The five-step analysis of transactions, to determine when and how revenue is recognized, includes:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognize revenue when or as each performance obligation is satisfied.

Companies can choose to apply the standard using either the full retrospective approach or a modified retrospective approach. Under the modified approach, financial statements will be prepared for the year of adoption using the new standard, but prior periods won't be adjusted. Instead, companies will recognize a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for contracts that still require performance by the company and disclose all line items in the year of adoption as if they were prepared under today's revenue guidance.

The FASB has set an effective date of fiscal years beginning after December 15, 2016 for public entities. However, public companies that choose full retrospective application will need to apply the standard to amounts they report for 2015 and 2016 on the face of their 2017 financial statements. They also will have to apply the standard to earlier periods to produce the five-year selected financial data table unless SEC staff provides relief from this requirement. CIT is currently evaluating the impact of adopting this ASU.

Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period

The FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*, in June 2014.

The ASU directs that a performance target that affects vesting and can be achieved after the requisite service period is a performance condition. That is, compensation cost would be recognized over the required service period if it is probable that the performance condition would be achieved. The total amount of compensation cost recognized during and after the requisite service period would reflect the number of awards that are expected to vest and would be adjusted to reflect those awards that ultimately vest.

The ASU does not require additional disclosures. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this ASU as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.

The ASU is effective for annual periods beginning after December 15, 2015 and interim periods within those years. Early adoption is permitted. CIT is currently evaluating the impact of adopting this ASU and is reviewing existing awards for applicability.

NOTE 2 — DISCONTINUED OPERATION

On April 25, 2014 the Company completed the sale of its student lending business, along with certain secured debt and servicing rights. As a result, the student lending business is reported as a discontinued operation for all periods presented. The business was in run-off and $3.4 billion in portfolio assets were classified as assets held for sale as of December 31, 2013.

The operating results and the assets and liabilities of the discontinued operation, which was formerly included in the Non-Strategic Portfolios segment, are presented separately in the Company's Consolidated Financial Statements. Summarized financial information for the discontinued business is shown below. Prior period balances have been adjusted to present the operations of the student lending business as a discontinued operation.

In connection with the classification of the student lending business as a discontinued operation, certain indirect operating expenses that previously had been allocated to the business, have instead been allocated to Corporate and Other as part of continuing operations and are not included in the summary of discontinued operation presented in the table below. The total incremental pretax amounts of indirect overhead expense that were previously allocated to the student lending business and remain in continuing operations were approximately $0.8 million and $2.2 million for the quarters ended June 30, 2014 and 2013 and $1.7 million and $4.4 million for the six months ended June 30, 2014 and 2013, respectively.

Interest expense allocated to discontinued operation corresponds to debt of approximately $3.2 billion, net of $224 million of FSA, including $0.8 billion that was repaid using a portion of the cash proceeds. Salaries and general operating expenses included in discontinued operation consists of direct expenses of the student lending business that are separate from ongoing CIT operations and will not continue post disposal.

Income from the discontinued operation was $51.7 million for the quarter ended June 30, 2014, reflecting the benefit of proceeds received in excess of the net carrying value of assets and liabilities sold. The interest expense primarily reflects the acceleration of FSA accretion of $224 million on the extinguishment of the debt, while the gain on sale mostly reflects the excess of purchase price over net assets, and amounts received for the sale of servicing rights.

Assets and Liabilities of Discontinued Operation (dollars in millions)

	June 30, 2014	December 31, 2013
Assets:		
Assets held for sale	$ –	$3,374.5
Cash	0.9	94.5
Other assets	0.1	352.4
Total assets	$1.0	$3,821.4
Liabilities:		
Long-term borrowings (secured)	$ –	$3,265.6
Other liabilities	0.9	12.0
Total Liabilities	$0.9	$3,277.6

Operating Results of Discontinued Operation (dollars in millions)

	Quarters Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Total interest income	$ 5.8	$ 33.3	$ 27.0	$ 67.4
Total interest expense	(229.2)	(18.9)	(248.2)	(36.7)
Other income	(5.1)	0.2	(2.1)	0.3
Operating expenses	(1.3)	(3.7)	(3.5)	(8.0)
Income (loss) from discontinued operation before provision for income taxes	(229.8)	10.9	(226.8)	23.0
Provision for income taxes	(1.3)	(2.9)	(2.0)	(5.3)
Income (loss) from discontinued operation, net of taxes	(231.1)	8.0	(228.8)	17.7
Gain on sale of discontinued operation	282.8	–	282.8	–
Income from discontinued operation, net of taxes	$ 51.7	$ 8.0	$ 54.0	$ 17.7

The individual assets and liabilities of the discontinued Student Lending operation are combined in the captions "Assets of discontinued operation" and "Liabilities of discontinued operation" in the consolidated Balance Sheet.

NOTE 3 — LOANS

Finance receivables consist of the following:

Finance Receivables by Product (dollars in millions)

	June 30, 2014	December 31, 2013
Loans	$ 13,895.6	$ 13,814.3
Direct financing leases and leveraged leases	4,708.8	4,814.9
Finance receivables	**18,604.4**	**18,629.2**
Finance receivables held for sale	1,102.4	794.3
Finance and held for sale receivables[(1)]	$ 19,706.8	$ 19,423.5

(1) *Assets held for sale on the Balance Sheet includes finance receivables and operating lease equipment. As discussed in subsequent tables, since the Company manages the credit risk and collections of finance receivables held for sale consistently with its finance receivables held for investment, the aggregate amount is presented in this table.*

The following table presents finance receivables by segment, based on obligor location:

Finance Receivables (dollars in millions)

	June 30, 2014			December 31, 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Transportation & International Finance	$ 765.8	$2,462.5	$ 3,228.3	$ 666.6	$2,827.8	$ 3,494.4
North American Commercial Finance	13,893.2	1,482.9	15,376.1	13,196.7	1,496.4	14,693.1
Non-Strategic Portfolios	–	–	–	117.9	323.8	441.7
Total	$14,659.0	$3,945.4	$18,604.4	$13,981.2	$4,648.0	$18,629.2

The following table presents selected components of the net investment in finance receivables:

Components of Net Investment in Finance Receivables (dollars in millions)

	June 30, 2014	December 31, 2013
Unearned income	$(935.3)	$(942.0)
Unamortized (discounts)	(27.1)	(47.9)
Net unamortized deferred costs and (fees)	58.9	49.7

Certain of the following tables present credit-related information at the "class" level in accordance with ASC 310-10-50, *Disclosures about the Credit Quality of Finance Receivables and the Allowance for Credit Losses*. A class is generally a disaggregation of a portfolio segment. In determining the classes, CIT considered the finance receivable characteristics and methods it applies in monitoring and assessing credit risk and performance.

Credit Quality Information

The following table summarizes finance receivables by the risk ratings that bank regulatory agencies utilize to classify credit exposure and which are consistent with indicators the Company monitors. Customer risk ratings are reviewed on a regular basis by Credit Risk Management and are adjusted as necessary for updated information affecting the borrowers' ability to fulfill their obligations.

The definitions of these ratings are as follows:

- Pass – finance receivables in this category do not meet the criteria for classification in one of the categories below.
- Special mention – a special mention asset exhibits potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects.
- Classified – a classified asset ranges from: (1) assets that exhibit a well-defined weakness and are inadequately protected by the current sound worth and paying capacity of the borrower, and are characterized by the distinct possibility that some loss will be sustained if the deficiencies are not corrected to (2) assets with weaknesses that make collection or liquidation in full unlikely on the basis of current facts, conditions, and values. Assets in this classification can be accruing or on non-accrual depending on the evaluation of these factors.

Finance and Held for Sale Receivables — by Risk Rating (dollars in millions)

	Transportation & International Finance		North American Commercial Finance						
Grade:	Transportation Finance	International Finance	Corporate Finance	Equipment Finance	Real Estate Finance	Commercial Services	Subtotal	Non-Strategic Portfolios	Total
June 30, 2014									
Pass	$2,065.6	$1,382.4	$6,403.3	$3,547.6	$1,661.0	$1,798.3	$16,858.2	$ 478.5	$17,336.7
Special mention	11.8	98.9	677.8	258.3	76.6	273.6	1,397.0	68.4	1,465.4
Classified – accruing	48.7	59.3	189.0	215.4	–	176.6	689.0	25.3	714.3
Classified – non-accrual	15.1	25.7	58.9	73.4	–	–	173.1	17.3	190.4
Total	$2,141.2	$1,566.3	$7,329.0	$4,094.7	$1,737.6	$2,248.5	$19,117.3	$ 589.5	$19,706.8
December 31, 2013									
Pass	$1,627.4	$1,530.3	$5,783.1	$3,355.2	$1,554.8	$1,804.6	$15,655.4	$ 685.5	$16,340.9
Special mention	28.6	145.8	769.5	363.5	–	314.7	1,622.1	350.1	1,972.2
Classified – accruing	97.2	36.2	233.6	266.0	–	138.9	771.9	97.8	869.7
Classified – non-accrual	14.3	21.0	83.8	59.4	–	4.2	182.7	58.0	240.7
Total	$1,767.5	$1,733.3	$6,870.0	$4,044.1	$1,554.8	$2,262.4	$18,232.1	$1,191.4	$19,423.5

Past Due and Non-accrual Loans

The table that follows presents portfolio delinquency status, regardless of accrual/non-accrual classification:

Finance and Held for Sale Receivables — Delinquency Status (dollars in millions)

	30–59 Days Past Due	60–89 Days Past Due	90 Days or Greater	Total Past Due 30 Days or Greater	Current	Total Finance Receivables
June 30, 2014						
Transportation Finance	$ –	$ 0.6	$16.4	$ 17.0	$ 2,124.2	$ 2,141.2
International Finance	45.5	25.2	16.7	87.4	1,478.9	1,566.3
Corporate Finance	–	–	6.6	6.6	7,322.4	7,329.0
Equipment Finance	101.7	28.0	20.5	150.2	3,944.5	4,094.7
Real Estate Finance	–	–	–	–	1,737.6	1,737.6
Commercial Services	30.2	2.2	1.3	33.7	2,214.8	2,248.5
Sub-total	177.4	56.0	61.5	294.9	18,822.4	19,117.3
Non-Strategic Portfolios	19.0	5.8	5.6	30.4	559.1	589.5
Total	$196.4	$61.8	$67.1	$325.3	$19,381.5	$19,706.8
December 31, 2013						
Transportation Finance	$ 18.3	$ 0.9	$ 0.5	$ 19.7	$ 1,747.8	$ 1,767.5
International Finance	30.6	11.6	12.6	54.8	1,678.5	1,733.3
Corporate Finance	–	–	17.8	17.8	6,852.2	6,870.0
Equipment Finance	116.6	30.0	18.6	165.2	3,878.9	4,044.1
Real Estate Finance	–	–	–	–	1,554.8	1,554.8
Commercial Services	47.9	2.4	1.0	51.3	2,211.1	2,262.4
Sub-total	213.4	44.9	50.5	308.8	17,923.3	18,232.1
Non-Strategic Portfolios	29.7	7.9	16.2	53.8	1,137.6	1,191.4
Total	$243.1	$52.8	$66.7	$362.6	$19,060.9	$19,423.5

The following table sets forth non-accrual loans and assets received in satisfaction of loans (repossessed assets). Non-accrual loans include loans that are individually evaluated and determined to be impaired (generally loans with balances greater than $500,000), as well as other, smaller balance loans placed on non-accrual due to delinquency (generally 90 days or more).

Finance Receivables on Non-accrual Status (dollars in millions)

	June 30, 2014			December 31, 2013		
	Held for Investment	Held for Sale	Total	Held for Investment	Held for Sale	Total
Transportation Finance	$ 15.1	$ –	$ 15.1	$ 14.3	$ –	$ 14.3
International Finance	25.7	–	25.7	21.0	–	21.0
Corporate Finance	58.9	–	58.9	83.5	0.3	83.8
Equipment Finance	73.4	–	73.4	59.4	–	59.4
Commercial Services	–	–	–	4.2	–	4.2
Sub-total	173.1	–	173.1	182.4	0.3	182.7
Non-Strategic Portfolios	–	17.3	17.3	17.6	40.4	58.0
Total	$173.1	$17.3	$190.4	$200.0	$40.7	$240.7
Repossessed assets			1.2			7.0
Total non-performing assets			$191.6			$247.7
Total Accruing loans past due 90 days or more			$ 10.6			$ 9.9

Payments received on non-accrual financing receivables are generally applied first against outstanding principal, though in certain instances where the remaining recorded investment is deemed fully collectible, interest income is recognized on a cash basis.

Impaired Loans

The Company's policy is to review for impairment finance receivables greater than $500,000 that are on non-accrual status. Consumer loans and small-ticket loan and lease receivables that have not been modified in a troubled debt restructuring, as well as short-term factoring receivables, are included (if appropriate) in the reported non-accrual balances above, but are excluded from the impaired finance receivables disclosure below as charge-offs are typically determined and recorded for such loans when they are more than 120 – 150 days past due.

The following table contains information about impaired finance receivables and the related allowance for loan losses, exclusive of finance receivables that were identified as impaired at the Convenience Date for which the Company is applying the income recognition and disclosure guidance in ASC 310-30 (*Loans and Debt Securities Acquired with Deteriorated Credit Quality*), which are disclosed further below in this note.

Impaired Loans (dollars in millions)

	June 30, 2014			Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Average Recorded Investment
With no related allowance recorded:					
Transportation Finance	$ –	$ –	$ –	$ –	$ 3.6
International Finance	13.6	20.9	–	8.5	5.5
Corporate Finance	132.2	139.5	–	131.1	159.5
Equipment Finance	5.9	6.9	–	6.1	7.8
Real Estate Finance	–	–	–	–	–
Commercial Services	7.0	7.0	–	8.2	10.5
Non-Strategic Portfolios	–	–	–	5.6	32.1
With an allowance recorded:					
Transportation Finance	15.1	15.1	0.7	15.0	15.8
International Finance	2.4	2.4	2.0	0.8	–
Corporate Finance	46.0	47.2	19.3	48.9	95.4
Equipment Finance	1.1	1.1	0.2	0.4	–
Real Estate Finance	–	–	–	–	–
Commercial Services	–	–	–	2.0	4.1
Non-Strategic Portfolios	–	–	–	–	1.7
Total Impaired Loans[(1)]	223.3	240.1	22.2	226.6	336.0
Total Loans Impaired at Convenience Date[(2)]	20.8	50.0	0.6	43.2	90.3
Total	$244.1	$290.1	$22.8	$269.8	$426.3

Impaired Loans (dollars in millions) continued

	December 31, 2013			Year Ended December 31, 2013
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With no related allowance recorded:				
Transportation Finance	$ –	$ –	$ –	$ 2.2
International Finance	6.9	24.5	–	6.9
Corporate Finance	136.1	150.1	–	152.8
Equipment Finance	5.8	7.9	–	7.0
Commercial Services	9.1	9.1	–	10.0
Non-Strategic Portfolios	10.2	12.5	–	24.0
With an allowance recorded:				
Transportation Finance	14.3	14.3	0.6	12.4
Corporate Finance	50.6	51.7	28.8	79.7
Commercial Services	4.2	4.2	1.0	4.6
Non-Strategic Portfolios	–	–	–	1.0
Total Impaired Loans(1)	237.2	274.3	30.4	300.6
Total Loans Impaired at Convenience date(2)	54.1	95.8	1.0	77.9
Total	$291.3	$370.1	$31.4	$378.5

(1) *Interest income recorded for the six months ended June 30, 2014 and 2013 while the loans were impaired was $6.2 million and $8.8 million, respectively, of which $0.8 million was interest recognized using the cash-basis method of accounting in both years. Interest income recorded for the year ended December 31, 2013 while the loans were impaired was $17.7 million, of which $3.5 million was interest recognized using the cash-basis method of accounting.*

(2) *Details of finance receivables that were identified as impaired at the Convenience Date are presented under Loans and Debt Securities Acquired with Deteriorated Credit Quality.*

Impairment occurs when, based on current information and events, it is probable that CIT will be unable to collect all amounts due according to contractual terms of the agreement. The Company has established review and monitoring procedures designed to identify, as early as possible, customers that are experiencing financial difficulty. Credit risk is captured and analyzed based on the Company's internal probability of obligor default (PD) and loss given default (LGD) ratings. A PD rating is determined by evaluating borrower credit-worthiness, including analyzing credit history, financial condition, cash flow adequacy, financial performance and management quality. An LGD rating is predicated on transaction structure, collateral valuation and related guarantees or recourse. Further, related considerations in determining probability of collection include the following:

- Instances where the primary source of payment is no longer sufficient to repay the loan in accordance with terms of the loan document;
- Lack of current financial data related to the borrower or guarantor;
- Delinquency status of the loan;
- Borrowers experiencing problems, such as operating losses, marginal working capital, inadequate cash flow, excessive financial leverage or business interruptions;
- Loans secured by collateral that is not readily marketable or that has experienced or is susceptible to deterioration in realizable value; and
- Loans to borrowers in industries or countries experiencing severe economic instability.

Impairment is measured as the shortfall between estimated value and recorded investment in the finance receivable. A specific allowance or charge-off is recorded for the shortfall. In instances where the estimated value exceeds the recorded investment, no specific allowance is recorded. The estimated value is determined using fair value of collateral and other cash flows if the finance receivable is collateralized, the present value of expected future cash flows discounted at the contract's effective interest rate, or market price. In instances when the Company measures impairment based on the present value of expected future cash flows, the change in present value is reported in the provision for credit losses.

The following summarizes key elements of the Company's policy regarding the determination of collateral fair value in the measurement of impairment:

- "Orderly liquidation value" is the basis for collateral valuation;
- Appraisals are updated annually or more often as market conditions warrant; and

- Appraisal values are discounted in the determination of impairment if the:
  - appraisal does not reflect current market conditions; or
  - collateral consists of inventory, accounts receivable, or other forms of collateral that may become difficult to locate, collect or subject to pilferage in a liquidation.

Loans and Debt Securities Acquired with Deteriorated Credit Quality

For purposes of this presentation, finance receivables that were identified as impaired at the Convenience Date are discussed below. The Company is applying the income recognition and disclosure guidance in ASC 310-30 (*Loans and Debt Securities Acquired with Deteriorated Credit Quality*) to loans considered impaired under FSA at the time of emergence.

At June 30, 2014 and December 31, 2013, the carrying amounts approximated $20 million and $55 million, respectively, and the outstanding balance approximated $50 million and $95 million, respectively. The outstanding balance represents the sum of contractual principal, interest and fees earned at the reporting date, calculated as pre-FSA net investment plus inception to date charge-offs. The allowance for loan losses on these loans was $0.6 million and $1.0 million at June 30, 2014 and December 31, 2013.

Troubled Debt Restructurings

The Company periodically modifies the terms of finance receivables in response to borrowers' difficulties. Modifications that include a financial concession to the borrower are accounted for as troubled debt restructurings (TDRs).

CIT uses a consistent methodology across all loans to determine if a modification is with a borrower that has been determined to be in financial difficulty and was granted a concession. Specifically, the Company's policies on TDR identification include the following examples of indicators used to determine whether the borrower is in financial difficulty:

- Borrower is in default with CIT or other material creditor
- Borrower has declared bankruptcy
- Growing doubt about the borrower's ability to continue as a going concern
- Borrower has (or is expected to have) insufficient cash flow to service debt
- Borrower is de-listing securities
- Borrower's inability to obtain funds from other sources
- Breach of financial covenants by the borrower.

If the borrower is determined to be in financial difficulty, then CIT utilizes the following criteria to determine whether a concession has been granted to the borrower:

- Assets used to satisfy debt are less than CIT's recorded investment in the receivable
- Modification of terms – interest rate changed to below market rate
- Maturity date extension at an interest rate less than market rate
- The borrower does not otherwise have access to funding for debt with similar risk characteristics in the market at the restructured rate and terms
- Capitalization of interest
- Increase in interest reserves
- Conversion of credit to Payment-In-Kind (PIK)
- Delaying principal and/or interest for a period of three months or more
- Partial forgiveness of the balance.

Modified loans that meet the definition of a TDR are subject to the Company's standard impaired loan policy, namely that non-accrual loans in excess of $500,000 are individually reviewed for impairment, while non-accrual loans less than $500,000 are considered as part of homogenous pools and are included in the determination of the non-specific allowance.

The recorded investment of TDRs at June 30, 2014 and December 31, 2013 was $162.8 million and $220.9 million, of which 22% and 33%, respectively were on non-accrual. North American Commercial Finance receivables accounted for 98% of the total TDRs at June 30, 2014 and 80% at December 31, 2013, and there were $6.1 million and $7.1 million, respectively, of commitments to lend additional funds to borrowers whose loan terms have been modified in TDRs.

Recorded investment related to modifications qualifying as TDRs that occurred during the quarters ended June 30, 2014 and 2013 were $2.1 million and $19.9 million, respectively, and $10.7 million and $22.3 million for the six month periods. The recorded investment of TDRs that experience a payment default (payment default is one missed payment) at the time of default, during the quarters ended June 30, 2014 and 2013, and for which the payment default occurred within one year of the modification totaled $0.2 million and $0.1 million, respectively, and $0.5 million and $3.3 million for the six month periods. The June 30, 2014 defaults related to Equipment Financing and Non-Strategic Portfolios and essentially all of the June 30, 2013 defaults related to Corporate Finance.

The financial impact of the various modification strategies that the Company employs in response to borrower difficulties is described below. While the discussion focuses on the second quarter of 2014 amounts, the overall nature and impact of modification programs were comparable in the prior year.

- The nature of modifications qualifying as TDR's based upon recorded investment at June 30, 2014 was comprised of payment deferrals for 92% and covenant relief and/or other for 8%. December 31, 2013 TDR recorded investment was comprised of payment deferrals for 88%, covenant relief and/or other for 11%, and interest rate reductions and debt forgiveness for 1%;
- Payment deferrals, the Company's most common type of modification program, result in lower net present value of cash flows and increased provision for credit losses to the extent applicable. The financial impact of these modifications is not significant given the moderate length of deferral periods;
- Interest rate reductions result in lower amounts of interest being charged to the customer, but are a relatively small part of the Company's restructuring programs. Additionally, in some instances, modifications improve the Company's economic return through increased interest rates and fees, but are reported as TDRs due to assessments regarding the borrowers' ability to independently obtain similar funding in the market and assessments of the relationship between modified rates and terms and comparable market rates and terms. The weighted average change in interest rates for all TDRs occurring during the quarter ended June 30, 2014 was immaterial;
- Debt forgiveness, or the reduction in amount owed by borrower, results in incremental provision for credit losses, in the form of higher charge-offs. While these types of modifications have the greatest individual impact on the allowance, the amounts of principal forgiveness for TDRs occurring during the quarter ended June 30, 2014 were not significant, as debt forgiveness is a relatively small component of the Company's modification programs; and
- The other elements of the Company's modification programs do not have a significant impact on financial results given their relative size, or do not have a direct financial impact, as in the case of covenant changes.

NOTE 4 — ALLOWANCE FOR LOAN LOSSES

The following table presents changes in the allowance for loan losses:

Allowance for Loan Losses and Recorded Investment in Finance Receivables (dollars in millions)

	Quarter Ended June 30, 2014					Quarter Ended June 30, 2013				
	Transportation & International Finance	North American Commercial Finance	Non-Strategic Portfolios	Corporate and Other	Total	Transportation & International Finance	North American Commercial Finance	Non-Strategic Portfolios	Corporate and Other	Total
Beginning balance	$ 45.7	$ 306.9	$ –	$ –	$ 352.6	$ 37.1	$ 310.0	$ 38.9	$ –	$ 386.0
Provision for credit losses	8.3	2.6	(0.7)	–	10.2	3.7	4.8	6.1	–	14.6
Other(1)	(1.2)	0.6	–	–	(0.6)	(0.1)	(3.0)	(1.2)	–	(4.3)
Gross charge-offs(2)	(15.9)	(13.2)	–	–	(29.1)	(1.3)	(17.3)	(29.5)	–	(48.1)
Recoveries	2.8	4.4	0.7	–	7.9	2.2	13.0	3.8	–	19.0
Allowance balance – end of period	$ 39.7	$ 301.3	$ –	$ –	$ 341.0	$ 41.6	$ 307.5	$ 18.1	$ –	$ 367.2
	Six Months Ended June 30, 2014					Six Months Ended June 30, 2013				
Beginning balance	$ 46.7	$ 303.8	$ 5.6	$ –	$ 356.1	$ 44.3	$ 293.7	$ 41.3	$ –	$ 379.3
Provision for credit losses	20.7	25.8	0.3	0.1	46.9	(1.9)	29.7	6.4	(0.1)	34.1
Other(1)	(1.6)	(3.5)	–	(0.1)	(5.2)	(0.6)	(5.8)	(1.3)	0.1	(7.6)
Gross charge-offs(2)	(30.2)	(35.8)	(7.5)	–	(73.5)	(5.5)	(31.5)	(35.4)	–	(72.4)
Recoveries	4.1	11.0	1.6	–	16.7	5.3	21.4	7.1	–	33.8
Allowance balance – end of period	$ 39.7	$ 301.3	$ –	$ –	$ 341.0	$ 41.6	$ 307.5	$ 18.1	$ –	$ 367.2
	June 30, 2014					June 30, 2013				
Allowance balance:										
Loans individually evaluated for impairment	$ 2.7	$ 19.5	$ –	$ –	$ 22.2	$ 2.7	$ 38.8	$ –	$ –	$ 41.5
Loans collectively evaluated for impairment	37.0	281.2	–	–	318.2	38.9	267.8	18.1	–	324.8
Loans acquired with deteriorated credit quality(3)	–	0.6	–	–	0.6	–	0.9	–	–	0.9
Allowance balance – end of period	$ 39.7	$ 301.3	$ –	$ –	$ 341.0	$ 41.6	$ 307.5	$ 18.1	$ –	$ 367.2
Other reserves(1)	$ 0.5	$ 30.9	$ –	$ –	$ 31.4	$ –	$ 26.7	$ 0.1	$ 0.1	$ 26.9
Finance receivables:										
Loans individually evaluated for impairment	$ 31.1	$ 192.2	$ –	$ –	$ 223.3	$ 19.9	$ 241.4	$ 12.8	$ –	$ 274.1
Loans collectively evaluated for impairment	3,197.1	15,163.2	–	–	18,360.3	3,094.5	13,737.8	976.6	–	17,808.9
Loans acquired with deteriorated credit quality(3)	0.1	20.7	–	–	20.8	0.2	69.9	2.2		72.3
Ending balance	$3,228.3	$15,376.1	$ –	$ –	$18,604.4	$3,114.6	$14,049.1	$991.6	$ –	$18,155.3
Percent of loans to total loans	17.4%	82.6%	–	–	100.0%	17.2%	77.4%	5.5%	–	100.0%

(1) *"Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit and for deferred purchase agreements, all of which is recorded in Other liabilities. "Other" also includes changes relating to sales and foreign currency translations.*

(2) *Gross charge-offs include $3 million and $9 million charged directly to the Allowance for loan losses for the quarter and six months ended June 30, 2014, respectively, related to North American Commercial Finance. Gross charge-offs include $9 million and $10 million charged directly to the Allowance for the loan losses for the quarter and six months ended June 30, 2013, respectively, of which $8 million related to North American Commercial Finance and $2 million related to Non-Strategic Portfolios.*

(3) *Represents loans considered impaired in FSA and are accounted for under the guidance in ASC 310-30 (Loans and Debt Securities Acquired with Deteriorated Credit Quality).*

NOTE 5 — INVESTMENT SECURITIES

Investments include debt and equity securities. The Company's debt securities primarily include U.S. Treasury securities, U.S. Government Agency securities, supranational and foreign government securities that typically mature in 91 days or less, and the carrying value approximates fair value. Equity securities include common stock and warrants.

Investment Securities (dollars in millions)

	June 30, 2014	June 30, 2013
Debt securities available-for-sale	$380.7	$1,487.8
Equity securities available-for-sale	14.2	13.7
Debt securities held-to-maturity(1)	337.4	1,042.3
Non-marketable equity investments(2)	90.8	86.9
Total investment securities	$823.1	$2,630.7

(1) *Recorded at amortized cost less impairment on securities that have credit-related impairment.*

(2) *Non-marketable equity investments include $26.4 million and $23.6 million in limited partnerships at June 30, 2014 and December 31, 2013, respectively, accounted for under the equity method. The remaining investments are carried at cost and include qualified Community Reinvestment Act ("CRA") investments, equity fund holdings and shares issued by customers during loan work out situations or as part of an original loan investment.*

Debt securities and equity securities classified as available-for-sale ("AFS") are carried at fair value with changes in fair value reported in other comprehensive income ("OCI"), net of applicable income taxes.

Debt securities classified as held-to-maturity ("HTM") represent securities that the Company has both the ability and intent to hold until maturity, and are carried at amortized cost.

Non-marketable equity investments include ownership interests greater than 3% in limited partnership investments that are accounted for under the equity method. Equity method investments are recorded at cost, adjusted to reflect the Company's portion of income, loss or dividends of the investee. All other non-marketable equity investments are carried at cost and periodically assessed for other-than-temporary impairment ("OTTI").

The Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is OTTI. For debt securities classified as HTM that are considered to have OTTI that the Company does not intend to sell and it is more likely than not that the Company will not be required to sell before recovery, the OTTI is separated into an amount representing the credit loss, which is recognized in other income in the Consolidated Statement of Operations, and the amount related to all other factors, which is recognized in OCI. OTTI on debt securities and equity securities classified as AFS and non-marketable equity investments are recognized in the Consolidated Statement of Operations in the period determined.

Realized investment gains totaled $5.6 million and $1.4 million for the quarters and $9.1 million and $3.9 million for the six month periods ended June 30, 2014 and 2013, respectively, and exclude losses from OTTI. OTTI impairments on equity securities recognized in earnings were not material for the quarters and six month periods ended June 30, 2014 and 2013. Impairment amounts in accumulated other comprehensive income ("AOCI") were not material at June 30, 2014 or December 31, 2013.

In addition, the Company maintained $5.4 billion of interest bearing deposits at June 30, 2014 and December 31, 2013, that are cash equivalents and are classified separately on the balance sheet.

The following table presents interest and dividends on interest bearing deposits and investments:

Interest and Dividend Income (dollars in millions)

	Quarters Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Interest income – interest bearing deposits	$4.5	$4.3	$ 9.1	$ 7.8
Interest income – investments	3.1	1.8	6.4	3.7
Dividends – investments	0.8	1.0	1.7	2.0
Total interest and dividends	$8.4	$7.1	$17.2	$13.5

Securities Available-for-Sale

The following table presents amortized cost and fair value of securities AFS at June 30, 2014 and December 31, 2013.

Securities Available for Sale — Amortized Cost and Fair Value (dollars in millions)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2014				
Debt securities AFS				
U.S. government agency obligations	$ 344.3	$ –	$ –	$ 344.3
Supranational and foreign government securities	36.4	–	–	36.4
Total debt securities AFS	380.7	–	–	380.7
Equity securities AFS	13.6	0.6	–	14.2
Total securities AFS	$ 394.3	$ 0.6	$ –	$ 394.9
December 31, 2013				
Debt securities AFS				
U.S. Treasury securities	$ 649.1	$ –	$ –	$ 649.1
U.S. government agency obligations	711.9	–	–	711.9
Supranational and foreign government securities	126.8	–	–	126.8
Total debt securities AFS	1,487.8	–	–	1,487.8
Equity securities AFS	13.5	0.4	(0.2)	13.7
Total securities AFS	**$1,501.3**	**$0.4**	**$(0.2)**	**$1,501.5**

Debt Securities Held-to-Maturity

The carrying value and fair value of debt securities HTM at June 30, 2014 and December 31, 2013 were as follows:

Debt Securities Held-to-Maturity — Carrying Value and Fair Value (dollars in millions)

	Carrying Value	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
June 30, 2014				
Mortgage-backed securities – U.S. government owned and sponsored agencies	$ 136.1	$ 2.2	$ (3.2)	$ 135.1
State and municipal	51.6	–	(2.1)	49.5
Foreign government	35.5	–	–	35.5
Corporate – foreign	114.2	13.4	–	127.6
Total debt securities held-to-maturity	$ 337.4	$15.6	$ (5.3)	$ 347.7
December 31, 2013				
U.S. government agency obligations	$ 735.5	$ 0.1	$ –	$ 735.6
Mortgage-backed securities – U.S. government owned and sponsored agencies	96.3	1.7	(5.8)	92.2
State and municipal	57.4	–	(6.5)	50.9
Foreign government	38.3	–	–	38.3
Corporate – foreign	114.8	9.0	–	123.8
Total debt securities held-to-maturity	$1,042.3	$10.8	$(12.3)	$1,040.8

The following table presents the carrying value and fair value of debt securities HTM by contractual maturity dates:

Debt Securities Held-to-Maturity — Carrying Value and Fair Value Maturities (dollars in millions)

	June 30, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
U.S. government agency obligations				
Total – Due within 1 year	$ –	$ –	$ 735.5	$ 735.6
Mortgage-backed securities – U.S. government owned and sponsored agencies				
Due after 5 but within 10 years	1.3	1.3	–	–
Due after 10 years[(1)]	134.8	133.8	96.3	92.2
Total	136.1	135.1	96.3	92.2
State and municipal				
Due within 1 year	0.6	0.6	0.7	0.7
Due after 1 but within 5 years	3.9	3.9	4.4	4.4
Due after 5 but within 10 years	0.6	0.6	0.7	0.7
Due after 10 years[(1)]	46.5	44.4	51.6	45.1
Total	51.6	49.5	57.4	50.9
Foreign government				
Due within 1 year	29.9	29.9	29.8	29.8
Due after 1 but within 5 years	5.6	5.6	8.5	8.5
Total	35.5	35.5	38.3	38.3
Corporate – Foreign				
Due within 1 year	0.8	0.9	0.8	0.8
Due after 1 but within 5 years	48.1	55.6	48.6	56.1
After 5 but within 10 years	65.3	71.1	65.4	66.9
Total	114.2	127.6	114.8	123.8
Total debt securities held-to-maturity	$337.4	$347.7	$1,042.3	$1,040.8

(1) *Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to exercise of call or prepayment rights.*

NOTE 6 — LONG-TERM BORROWINGS

The following table presents outstanding long-term borrowings:

Long-term Borrowings (dollars in millions)

	June 30, 2014			December 31, 2013
	CIT Group Inc.	Subsidiaries	Total	Total
Senior Unsecured Notes[(1)]	$12,232.0	$ 0.4	$12,232.4	$12,531.6
Secured Borrowings	–	5,313.1	5,313.1	5,952.9
Total Long-term Borrowings	$12,232.0	$5,313.5	$17,545.5	$18,484.5

(1) *Senior Unsecured Notes at June 30, 2014 were comprised of $8,243.2 million of Unsecured Notes, $3,950.0 million of Series C Notes and $39.2 million of other unsecured debt.*

Revolving Credit Facility

There were no outstanding borrowings under the Revolving Credit Facility at June 30, 2014 and December 31, 2013. The amount available to draw upon at June 30, 2014 was approximately $1.4 billion, with the remaining amount of approximately $0.1 billion being utilized for issuance of letters of credit.

The Revolving Credit Facility has a total commitment amount of $1.5 billion and the maturity date of the commitment is January 27, 2017. The total commitment amount consists of a $1.15 billion revolving loan tranche and a $350 million revolving loan tranche that can also be utilized for issuance of letters of credit. The applicable margin charged under the facility is 2.50% for LIBOR-based loans and 1.50% for Base Rate loans.

The Revolving Credit Facility may be drawn and prepaid at the option of CIT. The unutilized portion of any commitment under the Revolving Credit Facility may be reduced permanently or terminated by CIT at any time without penalty.

The Revolving Credit Facility is unsecured and is guaranteed by eight of the Company's domestic operating subsidiaries. The facility was amended to modify the covenant requiring a minimum guarantor asset coverage ratio and the criteria for calculating the ratio. The amended covenant requires a minimum guarantor asset coverage ratio ranging from 1.25:1.0 to the current requirement of 1.5:1.0 depending on the Company's long-term senior unsecured debt rating.

The Revolving Credit Facility is subject to a $6 billion minimum consolidated net worth covenant of the Company, tested quarterly, and also limits the Company's ability to create liens, merge or consolidate, sell, transfer, lease or dispose of all or substantially all of its assets, grant a negative pledge or make certain restricted payments during the occurrence and continuance of an event of default.

Senior Unsecured Notes

Senior unsecured notes include notes issued under the "shelf" registration filed in March 2012, and Series C Unsecured Notes. The notes filed under the shelf registration rank equal in right of payment with the Series C Unsecured Notes and the Revolving Credit Facility.

The following tables present the principal amounts of Senior Unsecured Notes issued under the Company's shelf registration and Series C Unsecured Notes by maturity date.

Senior Unsecured Notes (dollars in millions)

Maturity Date	Rate (%)	Date of Issuance	Par Value
February 2015*	4.750%	February 2012	$ 1,500.0
May 2017	5.000%	May 2012	1,250.0
August 2017	4.250%	August 2012	1,750.0
March 2018	5.250%	March 2012	1,500.0
April 2018*	6.625%	March 2011	700.0
February 2019*	5.500%	February 2012	1,750.0
February 2019	3.875%	February 2014	1,000.0
May 2020	5.375%	May 2012	750.0
August 2022	5.000%	August 2012	1,250.0
August 2023	5.000%	August 2013	750.0
Weighted average and total	4.99%		$12,200.0

* *Series C Unsecured Notes*

The Indentures for the Senior Unsecured Notes and Series C Unsecured Notes limit the Company's ability to create liens, merge or consolidate, or sell, transfer, lease or dispose of all or substantially all of its assets. Upon a Change of Control Triggering Event as defined in the Indentures for the Senior Unsecured Notes and Series C Unsecured Notes, holders of the Senior Unsecured Notes and Series C Unsecured Notes will have the right to require the Company, as applicable, to repurchase all or a portion of the Senior Unsecured Notes and Series C Unsecured Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest to the date of such repurchase.

Other debt of $39.2 million includes senior unsecured notes issued prior to CIT's reorganization.

Secured Borrowings

Set forth below are borrowings and pledged assets primarily owned by consolidated variable interest entities ("VIE"). Creditors of these entities received ownership and/or security interests in the assets. The assets of the consolidated VIEs will be used to settle the liabilities of those entities and, except for the Company's interest in the VIEs, are not available to the creditors or any affiliates of CIT.

Secured Borrowings and Pledged Assets Summary[(1)(2)] (dollars in millions)

	June 30, 2014		December 31, 2013	
	Secured Borrowing	Pledged Assets	Secured Borrowing	Pledged Assets
Rail[(3)]	$1,269.1	$1,815.3	$ 931.0	$1,163.1
Aerospace	1,894.3	2,929.9	2,366.1	4,126.7
International Finance	601.2	751.6	583.5	748.1
Subtotal – Transportation & International Finance	3,764.6	5,496.8	3,880.6	6,037.9
Corporate Finance	199.6	292.5	320.2	447.4
Real Estate Finance	125.0	179.7	–	–
Commercial Services	334.7	1,661.0	334.7	1,453.2
Equipment Finance	889.2	1,164.2	1,227.2	1,499.7
Subtotal – North American Commercial Finance	1,548.5	3,297.4	1,882.1	3,400.3
Small Business Loans – Non-Strategic Portfolios	–	–	190.1	220.1
Total	$5,313.1	$8,794.2	$5,952.8	$9,658.3

(1) *As part of our liquidity management strategy, the Company pledges assets to secure financing transactions (which include securitizations), and for other purposes as required or permitted by law, while CIT Bank also pledges assets to secure borrowings from the FHLB and FRB.*

(2) *At June 30, 2014 we had pledged assets (including collateral for the FRB discount window not in the table above) of $10.1 billion, which included $4.9 billion of loans (including amounts held for sale), $4.3 billion of operating lease equipment, $0.7 billion of cash and $0.2 billion of investment securities.*

(3) *At June 30, 2014 the GSI TRS related borrowings and pledged assets, respectively, of $613.7 million and $874.5 million were included in Transportation & International Finance. The GSI TRS is described in Note 7 — Derivative Financial Instruments.*

The Bank is a member of the FHLB of Seattle and may borrow under a line of credit that is secured by collateral pledged to FHLB Seattle. During the second quarter, CIT Bank made a draw of $125 million and approximately $180 million of commercial real estate assets were pledged as collateral. A subsidiary of the Bank is a member of FHLB Des Moines and may borrow under lines of credit that are secured by a blanket lien on the subsidiary's assets and collateral pledged to FHLB Des Moines. At June 30, 2014, $136 million of collateral was pledged and $69 million of advances were outstanding with FHLB Des Moines. These secured borrowings are included in the table above.

Variable Interest Entities

The Company utilizes VIEs in the ordinary course of business to support its own and its customers' financing needs.

The most significant types of VIEs that CIT utilizes are 'on balance sheet' secured financings of pools of leases and loans originated by the Company where the Company is the primary beneficiary. The Company originates pools of assets and sells these to special purpose entities, which, in turn, issue debt instruments backed by the asset pools or sell individual interests in the assets to investors. CIT retains the servicing rights and participates in certain cash flows. These VIEs are typically organized as trusts or limited liability companies, and are intended to be bankruptcy remote, from a legal standpoint.

The main risks inherent in these secured borrowing structures are deterioration in the credit performance of the vehicle's underlying asset portfolio and risk associated with the servicing of the underlying assets.

Lenders typically have recourse to the assets in the VIEs and may benefit from other credit enhancements, such as:
(1) a reserve or cash collateral account that requires the Company to deposit cash in an account, which will first be used to cover any defaulted obligor payments,
(2) over-collateralization in the form of excess assets in the VIE, or (3) subordination, whereby the Company retains a subordinate position in the secured borrowing which would absorb losses due to defaulted obligor payments before the senior certificate holders. The VIE may also enter into derivative contracts in order to convert the debt issued by the VIEs to match the underlying assets or to limit or change the risk of the VIE.

With respect to events or circumstances that could expose CIT to a loss, as these are accounted for as on balance sheet, the Company records an allowance for loan losses for the credit risks associated with the underlying leases and loans. The VIE has an obligation to pay the debt in accordance with the terms of the underlying agreements.

Generally, third-party investors in the obligations of the consolidated VIEs have legal recourse only to the assets of the VIEs and do not have recourse to the Company beyond certain specific provisions that are customary for secured financing transactions, such as asset repurchase obligations for breaches of representations and warranties. In addition, the assets are generally restricted to pay only such liabilities.

NOTE 7 — DERIVATIVE FINANCIAL INSTRUMENTS

As part of managing economic risk and exposure to interest rate and foreign currency risk, the Company enters into derivative transactions in over-the-counter markets with other financial institutions. The Company does not enter into derivative financial instruments for speculative purposes.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives, and imposing margin, reporting and registration requirements for certain market participants. Since the Company does not meet the definition of a Swap Dealer or Major Swap Participant under the Act, the new reporting and clearing obligations, which became effective April 10, 2013, apply to a limited number of derivative transactions executed with its lending customers in order to manage their interest rate risk.

See *Note 1 — "Business and Summary of Significant Accounting Policies"* in our December 31, 2013 Form 10-K for further description of the Company's derivative transaction policies.

The following table presents fair values and notional values of derivative financial instruments:

Fair and Notional Values of Derivative Financial Instruments[(1)] (dollars in millions)

	June 30, 2014			December 31, 2013		
Qualifying Hedges	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
Cross currency swaps – net investment hedges	$ –	$ –	$ –	$ 47.1	$ 1.1	$ –
Foreign currency forward contracts – cash flow hedges	3.9	–	(0.4)	3.8	–	(0.3)
Foreign currency forward contracts – net investment hedges	1,525.7	2.3	(37.7)	1,436.8	11.8	(23.8)
Total Qualifying Hedges	1,529.6	2.3	(38.1)	1,487.7	12.9	(24.1)
Non-Qualifying Hedges						
Cross currency swaps	–	–	–	131.8	6.3	–
Interest rate swaps	1,364.3	9.7	(20.6)	1,386.0	5.7	(25.4)
Written options	629.5	–	(0.5)	566.0	–	(1.0)
Purchased options	830.9	0.6	–	816.8	1.2	–
Foreign currency forward contracts	2,243.8	23.5	(59.2)	1,979.9	23.4	(50.8)
TRS	1,576.6	–	–	485.2	–	(9.7)
Equity Warrants	1.0	0.3	–	1.0	0.8	–
Total Non-qualifying Hedges	6,646.1	34.1	(80.3)	5,366.7	37.4	(86.9)
Total Hedges	$8,175.7	$36.4	$(118.4)	$6,854.4	$50.3	$(111.0)

(1) *Presented on a gross basis*

Total Return Swaps

Two financing facilities between two wholly-owned subsidiaries of CIT and Goldman Sachs International ("GSI") are structured as total return swaps ("TRS"), under which amounts available for advances are accounted for as derivatives. Pursuant to applicable accounting guidance, only the unutilized portion of the TRS is accounted for as a derivative and recorded at its estimated fair value. The size of the CIT Financial Ltd. ("CFL") facility is $1.5 billion and the CIT TRS Funding B.V. ("BV") facility is $625 million.

The aggregate "notional amounts" of the TRS of $1,576.6 million at June 30, 2014 and $485.2 million at December 31, 2013 represent the aggregate unused portions under the CFL and BV facilities and constitute derivative financial instruments. These notional amounts are calculated as the maximum aggregate facility commitment amounts, currently $2,125.0 million, less the aggregate actual adjusted qualifying borrowing base outstanding of $548.4 million at June 30, 2014 and $1,639.8 million at December 31, 2013. The notional amounts of the derivatives will increase as the adjusted qualifying borrowing base decreases due to repayment of the underlying asset-backed securities ("ABS") to investors. If CIT funds additional ABS under the CFL or BV facilities, the aggregate adjusted qualifying borrowing base of the total return swaps will increase and the notional amount of the derivatives will decrease accordingly.

In April 2014, the Company sold its student loan assets and extinguished the debt of $787 million, which was secured by these loans. This debt served as reference obligations under the TRS. In addition, two aircraft securitizations financed through the TRS with $300 million of debt as reference obligations were extinguished during the second quarter, which accelerated FSA accretion. The extinguishment of the debt resulted in an increase of the notional amount related to the TRS to $1.6 billion.

Valuation of the derivatives related to the GSI facilities is based on several factors using a discounted cash flow ("DCF") methodology, including:

- CIT's funding costs for similar financings based on current market conditions;
- Forecasted usage of the facilities through the final maturity date in 2028; and
- Forecasted amortization, including prepayment assumptions, due to principal payments on the underlying ABS, which impacts the amount of the unutilized portion.

Based on the Company's valuation, the liability related to the GSI facilities was reduced to zero at June 30, 2014 from $11.4 million at March 31, 2014 and $9.7 million at December 31, 2013. The change in value of $11.4 million was recognized as a benefit in Other Income in the second quarter, while the six month amount was a benefit of $9.7 million.

Impact of Collateral and Netting Arrangements on the Total Derivative Portfolio

The following tables present a summary, at June 30, 2014 and December 31, 2013, of the gross amounts of recognized financial assets and liabilities; the amounts offset in the consolidated balance sheet; the net amounts presented in the consolidated balance sheet; the amounts subject to an enforceable master netting arrangement or similar agreement that were not included in the offset amount above, and the amount of cash collateral received or pledged. Substantially all of the derivative transactions are under an International Swaps and Derivatives Association ("ISDA") agreement.

Offsetting of Derivative Assets and Liabilities (dollars in millions)

				Gross Amounts not offset in the Consolidated Balance Sheet		
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Offset in the Consolidated Balance Sheet	Net Amount Presented in the Consolidated Balance Sheet	Derivative Financial Instruments[(1)]	Cash Collateral Pledged/(Received)[(1)(2)]	Net Amount
June 30, 2014						
Derivative assets	$ 36.4	$ –	$ 36.4	$(25.3)	$ (1.8)	$ 9.3
Derivative liabilities	(118.4)	–	(118.4)	25.3	71.2	(21.9)
December 31, 2013						
Derivative assets	$ 50.3	$ –	$ 50.3	$(33.4)	$ (5.0)	$ 11.9
Derivative liabilities	(111.0)	–	(111.0)	33.4	41.0	(36.6)

(1) *The Company's derivative transactions are governed by ISDA agreements that allow for net settlements of certain payments as well as offsetting of all contracts ("Derivative Financial Instruments") with a given counterparty in the event of bankruptcy or default of one of the two parties to the transaction. We believe our ISDA agreements meet the definition of a master netting arrangement or similar agreement for purposes of the above disclosure. In conjunction with the ISDA agreements, the Company has entered into collateral arrangements with its counterparties which provide for the exchange of cash depending on the change in the market valuation of the derivative contracts outstanding. Such collateral is available to be applied in settlement of the net balances upon an event of default by one of the counterparties.*

(2) *Collateral pledged or received is included in Other assets or Other liabilities, respectively.*

The following table presents the impact of derivatives on the statements of operations:

Derivative Instrument Gains and Losses (dollars in millions)

Derivative Instruments	Gain / (Loss) Recognized	Quarters Ended June 30, 2014	Quarters Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Qualifying Hedges					
Foreign currency forward contracts – cash flow hedges	Other income	$ –	$ 1.0	$ –	$ 0.7
Total Qualifying Hedges		–	1.0	–	0.7
Non Qualifying Hedges					
Cross currency swaps	Other income	(1.0)	3.2	4.1	10.0
Interest rate swaps	Other income	–	8.0	3.8	11.7
Interest rate options	Other income	(0.1)	0.1	(0.2)	0.2
Foreign currency forward contracts	Other income	(42.6)	20.7	(13.5)	45.4
Equity warrants	Other income	(0.3)	–	(0.5)	0.2
TRS	Other income	11.4	(4.9)	9.7	(2.2)
Total Non-qualifying Hedges		(32.6)	27.1	3.4	65.3
Total derivatives-income statement impact		$(32.6)	$28.1	$ 3.4	$66.0

The following table presents the changes in AOCI relating to derivatives:

Changes in AOCI Relating to Derivatives (dollars in millions)

Contract Type	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly in income	Total income statement impact	Derivatives – effective portion recorded in OCI	Total change in OCI for period
Quarter Ended June 30, 2014					
Foreign currency forward contracts – cash flow hedges	$ –	$ –	$ –	$ –	$ –
Foreign currency forward contracts – net investment hedges	(3.0)	–	(3.0)	(23.0)	(20.0)
Cross currency swaps – net investment hedges	–	–	–	(0.7)	(0.7)
Total	(3.0)	–	(3.0)	(23.7)	(20.7)
Quarter Ended June 30, 2013					
Foreign currency forward contracts – cash flow hedges	$ 1.0	$ –	$ 1.0	$ 1.0	$ –
Foreign currency forward contracts – net investment hedges	(4.6)	–	(4.6)	24.7	29.3
Cross currency swaps – net investment hedges	(0.1)	–	(0.1)	4.9	5.0
Total	(3.7)	–	(3.7)	30.6	34.3
Six Months Ended June 30, 2014					
Foreign currency forward contracts – cash flow hedges	$ –	$ –	$ –	$ (0.1)	$ (0.1)
Foreign currency forward contracts – net investment hedges	(6.1)	–	(6.1)	(18.5)	(12.4)
Cross currency swaps – net investment hedges	–	–	–	1.1	1.1
Total	(6.1)	–	(6.1)	(17.5)	(11.4)
Six Months Ended June 30, 2013					
Foreign currency forward contracts – cash flow hedges	$ 0.7	$ –	$ 0.7	$ 0.6	$ (0.1)
Foreign currency forward contracts – net investment hedges	(7.8)	–	(7.8)	44.0	51.8
Cross currency swaps – net investment hedges	(0.1)	–	(0.1)	8.7	8.8
Total	(7.2)	–	(7.2)	53.3	60.5

The estimated amount of net losses on cash flow hedges recorded in AOCI at June 30, 2014 expected to be recognized in income over the next 12 months is $0.2 million.

NOTE 8 — FAIR VALUE

Fair Value Hierarchy

The Company is required to report fair value measurements for specified classes of assets and liabilities. See *Note 1 — "Business and Summary of Significant Accounting Policies"* in our December 31, 2013 Form 10-K for further description of the Company's fair value measurement policy.

The Company characterizes inputs in the determination of fair value according to the fair value hierarchy. The fair value of the Company's assets and liabilities where the measurement objective specifically requires the use of fair value are set forth in the tables below:

Assets and Liabilities Measured at Fair Value on a Recurring Basis (dollars in millions)

June 30, 2014	Total	Level 1	Level 2	Level 3
Assets				
Debt Securities AFS	$ 380.7	$ 36.4	$ 344.3	$ –
Equity Securities AFS	14.2	14.2	–	–
Trading assets at fair value – derivatives	34.1	–	34.1	–
Derivative counterparty assets at fair value	2.3	–	2.3	–
Total Assets	$ 431.3	$ 50.6	$ 380.7	$ –
Liabilities				
Trading liabilities at fair value – derivatives	$ (80.3)	$ –	$ (80.3)	$ –
Derivative counterparty liabilities at fair value	(38.1)	–	(38.1)	–
Total Liabilities	$ (118.4)	$ –	$(118.4)	$ –
December 31, 2013				
Assets				
Debt Securities AFS	$1,487.8	$675.9	$ 811.9	$ –
Equity Securities AFS	13.7	13.7	–	–
Trading assets at fair value – derivatives	37.4	–	37.4	–
Derivative counterparty assets at fair value	12.9	–	12.9	–
Total	$1,551.8	$689.6	$ 862.2	$ –
Liabilities				
Trading liabilities at fair value – derivatives	$ (86.9)	$ –	$ (77.2)	$(9.7)
Derivative counterparty liabilities at fair value	(24.1)	–	(24.1)	–
Total	$ (111.0)	$ –	$(101.3)	$(9.7)

The following table presents financial instruments for which a non-recurring change in fair value has been recorded:

Assets Measured at Fair Value on a Non-recurring Basis with a Change in Fair Value Recorded (dollars in millions)

		Fair Value Measurements at Reporting Date Using:			
	Total	Level 1	Level 2	Level 3	Total Gains and (Losses)
Assets					
June 30, 2014					
Assets held for sale	$249.5	$ –	$ –	$249.5	$(13.6)
Impaired loans	28.7	–	–	28.7	(1.6)
Total	$278.2	$ –	$ –	$278.2	$(15.2)
December 31, 2013					
Assets held for sale	$731.1	$ –	$ –	$731.1	$(59.4)
Impaired loans	18.5	–	–	18.5	(1.6)
Total	$749.6	$ –	$ –	$749.6	$(61.0)

Loans are transferred from held for investment ("HFI") to Assets held for sale ("HFS") at the lower of cost or fair value. At the time of transfer, a write-down of the loan is recorded as a charge-off, if applicable. Once classified as HFS, the amount by which the carrying value exceeds fair value is recorded as a valuation allowance.

Impaired finance receivables of $500,000 or greater that are placed on non-accrual status are subject to periodic individual review in conjunction with the Company's ongoing problem loan management (PLM) function. Impairment occurs when, based on current information and events, it is probable that CIT will be unable to collect all amounts due according to contractual terms of the agreement. Impairment is measured as the shortfall between estimated value and recorded investment in the finance receivable, with the estimated value determined using fair value of collateral and other cash flows if the finance receivable is collateralized, or the present value of expected future cash flows discounted at the contract's effective interest rate.

Level 3 Gains and Losses

The tables below set forth a summary of changes in the estimated fair value of the Company's Level 3 financial assets and liabilities measured on a recurring basis:

Changes in Fair Value of Level 3 Financial Assets and Liabilities Measured on a Recurring Basis (dollars in millions)

	Total	Derivatives
December 31, 2013	$(9.7)	$(9.7)
Gains or losses realized/unrealized		
Included in Other Income	9.7	9.7
June 30, 2014	$ –	$ –
December 31, 2012	$(5.8)	$(5.8)
Gains or losses realized/unrealized		
Included in Other Income	(2.2)	(2.2)
June 30, 2013	$(8.0)	$(8.0)

Level 3 liabilities at June 30, 2014 and 2013 represent the valuation of the derivatives related to the GSI facilities.

Fair Values of Financial Instruments

The carrying and estimated fair values of financial instruments presented below exclude leases and certain other assets and liabilities, for which disclosure is not required.

Estimated Fair Value of Assets and Liabilities (dollars in millions)

	June 30, 2014		December 31, 2013	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Assets				
Trading assets at fair value – derivatives	$ 34.1	$ 34.1	$ 37.4	$ 37.4
Derivative counterparty assets at fair value	2.3	2.3	12.9	12.9
Assets held for sale (excluding leases)	538.8	550.2	415.2	416.4
Loans (excluding leases)	13,317.0	13,452.0	12,619.4	12,681.6
Investment securities	823.1	833.4	2,630.7	2,629.2
Other assets subject to fair value disclosure and unsecured counterparty receivables(1)	942.3	942.3	606.9	606.9
Liabilities				
Deposits(2)	(13,982.8)	(14,171.5)	(12,565.0)	(12,751.9)
Trading liabilities at fair value – derivatives	(80.3)	(80.3)	(86.9)	(86.9)
Derivative counterparty liabilities at fair value	(38.1)	(38.1)	(24.1)	(24.1)
Long-term borrowings(2)	(17,751.5)	(18,634.8)	(18,693.1)	(19,340.8)
Other liabilities subject to fair value disclosure(3)	(1,856.0)	(1,856.0)	(1,919.1)	(1,919.1)

(1) *Other assets subject to fair value disclosure primarily include accrued interest receivable and miscellaneous receivables. These assets have carrying values that approximate fair value generally due to the short-term nature and are classified as level 3. The unsecured counterparty receivables primarily consist of amounts owed to CIT from GSI for debt discount, return of collateral posted to GSI and settlements resulting from market value changes to asset-backed securities underlying the GSI Facilities*

(2) *Deposits and long-term borrowings include accrued interest, which is included in "Other liabilities" in the Balance Sheet.*

(3) *Other liabilities subject to fair value disclosure include accounts payable, accrued liabilities, customer security and maintenance deposits and miscellaneous liabilities. The fair value of these approximate carrying value and are classified as level 3.*

Assumptions Used to Value Financial Instruments

Derivatives – The estimated fair values of derivatives were calculated internally using observable market data and represent the net amount receivable or payable to terminate, taking into account current market rates, which represent Level 2 inputs, except for the TRS derivative that utilized Level 3 inputs. See *Note 7 — Derivative Financial Instruments* for notional principal amounts and fair values.

Investment Securities – Debt and equity securities classified as AFS are carried at fair value, as determined either by Level 1 or Level 2 inputs. Debt securities classified as AFS included investments in U.S. Treasury and federal government agency securities and were valued using Level 2 inputs, primarily quoted prices for similar securities. Certain equity securities classified as AFS were valued using Level 1 inputs, primarily quoted prices in active markets, while other equity securities used Level 2 inputs, due to being less frequently traded or having limited quoted market prices. Debt securities classified as HTM are securities that the Company has both the ability and the intent to hold until maturity and are carried at amortized cost and periodically assessed for OTTI, with the cost basis reduced when impairment is deemed to be other-than-temporary. Non-marketable equity investments are generally recorded under the cost or equity method of accounting and are periodically assessed for OTTI, with the net asset values reduced when impairment is deemed to be other-than-temporary. For investments in limited equity partnership interests, we use the net asset value provided by the fund manager as an appropriate measure of fair value.

Assets held for sale – Assets held for sale are recorded at lower of cost or fair value on the balance sheet. Most of the assets are subject to a binding contract, current letter of intent or other third-party valuation, which are Level 3 inputs. For the remaining assets, the fair value is generally determined using internally generated valuations or discounted cash flow analysis, which are considered Level 3 inputs. Commercial loans are generally valued individually, while small-ticket commercial loans are valued on an aggregate portfolio basis.

Loans – Since there is no liquid secondary market for most loans in the Company's portfolio, the fair value is estimated based on discounted cash flow analyses which use Level 3 inputs. In addition to the characteristics of the underlying contracts, key inputs to the analysis include interest rates, prepayment rates, and credit spreads. For the commercial loan portfolio, the market based credit spread inputs are derived from instruments with comparable credit risk characteristics obtained from independent third party vendors. As these Level 3 unobservable inputs are specific to individual loans / collateral types, management does not believe that sensitivity analysis of individual inputs is meaningful, but rather that sensitivity is more meaningfully assessed through the evaluation of aggregate carrying values of the loans. The fair value of loans at June 30, 2014 was $13.5 billion, which is 101.0% of carrying value.

Impaired Loans – The value of impaired loans is estimated using the fair value of collateral (on an orderly liquidation basis) if the loan is collateralized, or the present value of expected cash flows utilizing the current market rate for such loan. As these Level 3 unobservable inputs are specific to individual loans / collateral types, management does not believe that sensitivity analysis of individual inputs is meaningful, but rather that sensitivity is more meaningfully assessed through the evaluation of aggregate carrying values of impaired loans relative to contractual amounts owed (unpaid principal balance or "UPB") from customers. As of June 30, 2014, the UPB related to impaired loans, including loans for which the Company is applying the income recognition and disclosure guidance in ASC 310-30 (Loans and Debt Securities Acquired with Deteriorated Credit Quality), totaled $290.1 million. Including related allowances, these loans are carried at $221.3 million, or 76% of UPB. Of these amounts, $174.3 million and $158.7 million of UPB and carrying value, respectively, relate to loans with no specific allowance. The difference between UPB and carrying value reflects cumulative charge-offs on accounts remaining in process of collection, FSA discounts and allowances. See *Note 3 — Loans* for more information.

Deposits – The fair value of deposits was estimated based upon a present value discounted cash flow analysis. Discount rates used in the present value calculation are based on the Company's average current deposit rates for similar terms, which are Level 3 inputs.

Long-term borrowings – Unsecured borrowings of approximately $12.3 billion par value at June 30, 2014, were valued based on quoted market prices, which are Level 1 inputs. Approximately $1.6 billion par value of the secured borrowings at June 30, 2014 utilized market inputs to estimate fair value, which are Level 2 inputs. Where market estimates were not available for approximately $3.7 billion par value at June 30, 2014, fair values were estimated using a discounted cash flow analysis with a discount rate approximating current market rates for issuances by CIT of similar term debt, which are Level 3 inputs.

NOTE 9 — REGULATORY CAPITAL

The Company and the Bank are each subject to various regulatory capital requirements administered by the Federal Reserve Bank ("FRB") and the Federal Deposit Insurance Corporation ("FDIC").

Quantitative measures established by regulation to ensure capital adequacy require that the Company and the Bank each maintain minimum amounts and ratios of Total and Tier 1 capital to risk-weighted assets, and of Tier 1 capital to average assets, subject to any agreement with regulators to maintain higher capital levels.

The calculation of the Company's regulatory capital ratios are subject to review and consultation with the FRB, which may result in refinements to amounts reported at June 30, 2014.

Tier 1 Capital and Total Capital Components (dollars in millions)

	CIT		CIT Bank	
Tier 1 Capital	**June 30, 2014**	**December 31, 2013**	**June 30, 2014**	**December 31, 2013**
Total stockholders' equity	$ 8,617.6	$ 8,838.8	$ 2,669.8	$ 2,596.6
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 Capital	32.5	24.2	–	–
Adjusted total equity	8,650.1	8,863.0	2,669.8	2,596.6
Less: Goodwill[(1)]	(406.8)	(338.3)	–	–
Disallowed intangible assets[(1)]	(16.6)	(20.3)	–	–
Investment in certain unconsolidated subsidiaries	(32.2)	(32.3)	–	–
Other Tier 1 components[(2)]	(32.8)	(32.6)	–	–
Tier 1 Capital	8,161.7	8,439.5	2,669.8	2,596.6
Tier 2 Capital				
Qualifying allowance for credit losses and other reserves[(3)]	372.4	383.9	219.8	193.6
Less: Investment in certain unconsolidated subsidiaries	(32.2)	(32.3)	–	–
Other Tier 2 components[(4)]	0.3	0.1	–	–
Total qualifying capital	$ 8,502.2	$ 8,791.2	$ 2,889.6	$ 2,790.2
Risk-weighted assets	$51,001.8	$50,571.2	$17,555.7	$15,451.9
Total Capital (to risk-weighted assets):				
Actual	16.7%	17.4%	16.5%	18.1%
Required Ratio for Capital Adequacy Purposes to be well capitalized	10.0%	10.0%	10.0%	10.0%
Tier 1 Capital (to risk-weighted assets):				
Actual	16.0%	16.7%	15.2%	16.8%
Required Ratio for Capital Adequacy Purposes to be well capitalized	6.0%	6.0%	6.0%	6.0%
Tier 1 Leverage Ratio:				
Actual	18.3%	18.1%	15.4%	16.9%
Required Ratio for Capital Adequacy Purposes	4.0%	4.0%	5.0%	5.0%

(1) *The adjustments for Goodwill and Disallowed intangible assets also reflect the portion included within assets held for sale.*

(2) *Includes the portion of net deferred tax assets that does not qualify for inclusion in Tier 1 capital based on the capital guidelines, the Tier 1 capital charge for nonfinancial equity investments, qualifying noncontrolling interests and the Tier 1 capital deduction for net unrealized losses on available-for-sale marketable securities (net of tax).*

(3) *"Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit, and deferred purchase agreements, all of which are recorded in Other Liabilities.*

(4) *Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pretax gains on available-for-sale equity securities with readily determinable fair values.*

NOTE 10 — INCOME TAXES

The Company's second quarter and six months ended June 30, 2014 income tax provision from continuing operations was $18.1 million and $31.6 million, respectively. This compares to $29.3 million in the year-ago second quarter and $42.1 million in the year-ago six month period. Excluding discrete items, the income tax provisions primarily reflected income tax expense on the earnings of certain international operations and state income tax expense in the U.S. The higher year-ago second quarter income tax provision was primarily driven by net discrete tax items of $22 million, of which approximately $24 million related to the establishment of valuation allowances on certain international deferred tax assets due to our international platform rationalizations. Included in the year-ago six month period income tax provision was approximately $16 million of net discrete tax expense that primarily related to the establishment of aforementioned valuation allowances partially offset by incremental tax benefits associated with favorable settlements of prior year international tax audits.

The change in the effective tax rate each period is impacted by a number of factors, including the relative mix of domestic and foreign earnings, adjustments to the valuation allowances, and discrete items. The actual year-end 2014 effective tax rate may vary from the currently projected tax rate due to changes in these factors.

As of December 31, 2013, CIT had cumulative U.S. federal net operating loss carry-forwards (NOLs) of $5.2 billion, of which $2.6 billion was related to pre-emergence losses. These NOLs will expire between 2027 and 2033. The Company generated a modest amount of domestic taxable income year-to-date, which marginally decreases the U.S. federal net operating loss carry-forwards and its respective valuation allowance. Pursuant to Section 382 of the Internal Revenue Code, the Company is generally subject to a $230 million annual limitation on the use of its $2.6 billion of pre-emergence NOLs, of which approximately $685 million is no longer subject to the limitation. NOLs arising in post-emergence years are not subject to this limitation absent another ownership change as defined by the Internal Revenue Service (IRS) for U.S. tax purposes.

The Company has not recognized any tax benefit on its prior year domestic losses and certain prior year foreign losses due to uncertainties related to its ability to realize its net deferred tax assets in the future. Due to these uncertainties, combined with the recent three years of cumulative losses by certain domestic and foreign reporting entities, the Company has concluded that it does not currently meet the criteria to recognize its net deferred tax assets, inclusive of the deferred tax assets related to NOLs in these entities. Accordingly, the Company maintained a valuation allowance of $1.5 billion against its net deferred tax assets at December 31, 2013. Of the $1.5 billion valuation allowance, approximately $1.3 billion relates to domestic reporting entities and $211 million relates to foreign reporting entities.

Management's decision to maintain the valuation allowances on certain reporting entities' net deferred tax assets requires significant judgment and an analysis of all the positive and negative evidence regarding the likelihood that these future benefits will be realized. ASC 740-10-30-18 states that "future realization of the tax benefit of an existing deductible temporary difference or NOL carry-forward ultimately depends on the existence of sufficient taxable income within the carryback and carry-forward periods available under the tax law." As such, the Company has considered the following potential sources of taxable income in its assessment of a reporting entity's ability to recognize its net deferred tax asset:

- Taxable income in carryback years,
- Future reversals of existing taxable temporary differences (deferred tax liabilities),
- Prudent and feasible tax planning strategies, and
- Future taxable income forecasts.

The above types of positive evidence are weighed against other negative evidence, including a recent history of losses, in determining the need for a valuation allowance. Specifically, Management considers a reporting entity's most recent three years of cumulative losses, adjusted for any non-recurring items, as significant objective and verifiable negative evidence. Such evidence is heavily weighted and difficult to overcome and supports the need for a valuation allowance. At the point in time when any of these reporting entities transition into a cumulative three year income position, Management will take this trend into consideration along with the other aforementioned factors in its evaluation of the valuation allowances.

The domestic reporting entities with net operating loss carry-forwards have been profitable in some of the most recent periods but remain in a cumulative three year loss position. In the U.S., the Company files a U.S. consolidated federal tax return and combined unitary state tax returns in various jurisdictions. Thus, the tax reporting entity for U.S. GAAP reporting purposes is the "U.S. Affiliated Group". As the loss from 2011 rolls off the three year rolling analysis and is replaced by expected profitability in 2014, Management anticipates that the "U.S. Affiliated Group" will achieve three year income position later in 2014. However, as of June 30, 2014, sustained profitability was not demonstrated and the Company did not have sufficient objective and verifiable positive evidence on which to place a significant weight on forecasts of future taxable income. Furthermore, the Company has yet to demonstrate the ability to consistently generate sufficient taxable income to utilize the NOLs and has not concluded on any prudent and feasible tax planning strategies to ensure the utilization of the U.S. NOLs before they expire. Thus, the negative evidence continues to outweigh the positive evidence, and the Company continues to maintain a full valuation allowance on these entities' net deferred tax assets.

In the evaluation process related to the net deferred tax assets of the Company's foreign reporting entities, uncertainties surrounding the international business plans, the recent international platform rationalizations, and the "cumulative losses in recent years" have made it challenging to reliably project future taxable income. The primary inputs for the forecast of future taxable income will continue to be identified as the business plans for the international operations evolve, and potential tax planning strategies are identified. Thus, as of this reporting period, the negative evidence continues to outweigh the positive evidence, and the Company continues to maintain a full valuation allowance on these entities' net deferred tax assets.

At the point a determination is made that it is "more likely than not" that a reporting entity will generate sufficient future taxable income to realize its respective net deferred tax assets, the Company will reduce the entity's respective valuation allowance (in full or in part), resulting in an income tax benefit in the period such a determination is made. Subsequently, income tax expense will be reported on future earnings; however there will be a minimal impact on cash taxes paid until the related NOL carry-forward is fully utilized. In addition, while GAAP equity will increase as a result of a valuation allowance reversal and recognition of the net deferred tax asset, we expect minimal benefit, if any, on regulatory capital.

Liabilities for Uncertain Tax Positions

The Company's potential liability for uncertain tax positions totaled $320.5 million at June 30, 2014 and $320.1 million at December 31, 2013. Management estimates that this liability may be reduced by up to $275 million within the next twelve months. Approximately $5 million of the reduction would impact the total income tax provision. The remaining $270 million reduction may impact the total income tax provision or could result in an increase to the Company's deferred tax asset with an offsetting increase to its valuation allowance depending on the Company's determination of the need for a valuation allowance. The Company's accrued liability for interest and penalties totaled $14.2 million at June 30, 2014 and $13.3 million at December 31, 2013. The Company recognizes accrued interest and penalties on unrecognized tax benefits in income tax expense.

NOTE 11 — STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income (Loss)

The following table details the components of Accumulated Other Comprehensive Income (Loss):

Components of Accumulated Other Comprehensive Income (Loss) (dollars in millions)

	June 30, 2014			December 31, 2013		
	Gross Unrealized	Income Taxes	Net Unrealized	Gross Unrealized	Income Taxes	Net Unrealized
Foreign currency translation adjustments	$(56.7)	$ –	$(56.7)	$(49.4)	$ –	$(49.4)
Changes in benefit plan net gain (loss) and prior service (cost)/credit	(21.0)	0.1	(20.9)	(24.3)	0.2	(24.1)
Changes in fair values of derivatives qualifying as cash flow hedges	(0.3)	–	(0.3)	(0.2)	–	(0.2)
Unrealized net gains (losses) on available for sale securities	0.6	(0.2)	0.4	0.2	(0.1)	0.1
Total accumulated other comprehensive loss	$(77.4)	$(0.1)	$(77.5)	$(73.7)	$ 0.1	$(73.6)

The following table details the changes in the components of Accumulated Other Comprehensive Income (Loss):

Changes in Accumulated Other Comprehensive Income (Loss) by Component[1] (dollars in millions)

	Foreign currency translation adjustments	Changes in benefit plan net gain (loss) and prior service (cost) credit	Changes in fair values of derivatives qualifying as cash flow hedges	Unrealized net gains (losses) on available for sale securities	Total AOCI
Balance as of December 31, 2013	$(49.4)	$(24.1)	$(0.2)	$ 0.1	$(73.6)
AOCI activity before reclassifications	(9.6)	(0.1)	(0.1)	0.1	(9.7)
Amounts reclassified from AOCI	2.3	3.3	–	0.2	5.8
Net current period AOCI	(7.3)	3.2	(0.1)	0.3	(3.9)
Balance as of June 30, 2014	$(56.7)	$(20.9)	$(0.3)	$ 0.4	$(77.5)
Balance as of December 31, 2012	$(36.6)	$(43.1)	$(0.1)	$ 2.1	$(77.7)
AOCI activity before reclassifications	(14.9)	1.2	0.7	(1.7)	(14.7)
Amounts reclassified from AOCI	7.6	(0.4)	(0.7)	0.4	6.9
Net current period AOCI	(7.3)	0.8	–	(1.3)	(7.8)
Balance as of June 30, 2013	$(43.9)	$(42.3)	$(0.1)	$ 0.8	$(85.5)

(1) *All amounts are net-of-tax.*

Other Comprehensive Income (Loss)

The amounts included in the Statement of Comprehensive Income (Loss) are net of income taxes. The change in income taxes associated with changes in benefit plans net gain/(loss) and prior service (cost)/credit were not significant for the quarters and year-to-date periods ended June 30, 2014 and June 30, 2013. The change in income taxes associated with net unrealized gains on available for sale securities was not significant for the quarter ended June 30, 2014 and $(0.6) million for the quarter ended June 30, 2013. The change in income taxes associated with net unrealized gains on available for sale securities was $0.2 million for the six months ended June 30, 2014 and $(0.9) million for the six months ended June 30, 2013. There were no income taxes associated with foreign currency translation adjustments and changes in fair values of derivatives qualifying as cash flow hedges for the quarters and year-to-date periods ended June 30, 2014 and June 30, 2013.

The changes in benefit plans net gain/(loss) and prior service (cost)/credit reclassification adjustments impacting net income was $1.7 million and $(0.5) million for the quarters ended June 30, 2014 and June 30, 2013 and $3.3 million and $(0.4) million for the six months ended June 30, 2014 and June 30, 2013, respectively. Foreign currency translation reclassification adjustments impacting net income were $0.5 million and $4.4 million for the quarters ended June 30, 2014 and June 30, 2013 and were $2.3 million and $7.6 million for the six months ended June 30, 2014 and June 30, 2013, respectively. Reclassification adjustments impacting net income for unrealized gains (losses) on investments was $0.2 million and $0.4 million for the quarters and six months ended June 30, 2014 and June 30, 2013, respectively. Reclassification adjustments impacting net income related to changes in fair value of derivatives qualifying as cash flow hedges was insignificant for the quarter and six months ended June 30, 2014 and was $(1.0) million for the prior year quarter and $(0.7) million for the six months ended June 30, 2013.

The Company has operations in Canada and other countries. The functional currency for foreign operations is generally the local currency. The value of assets and liabilities of these operations is translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense items are translated at the average exchange rates during the year. The resulting foreign currency translation gains and losses, as well as offsetting gains and losses on hedges of net investments in foreign operations, are reflected in AOCI. Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency are recorded in Other Income.

Reclassifications out of Accumulated Other Comprehensive Income (dollars in millions)

	Quarters Ended June 30,						Six Months Ended June 30,						Affected Income Statement line item
	2014			2013			2014			2013			
	Gross Amount	Tax	Net Amount	Gross Amount	Tax	Net Amount	Gross Amount	Tax	Net Amount	Gross Amount	Tax	Net Amount	
Foreign currency translation adjustments gains (losses)	$0.5	$ –	$0.5	$ 4.4	$ –	$ 4.4	$2.3	$ –	$2.3	$ 7.6	$ –	$ 7.6	Operating Expenses
Changes in benefit plan net gain/(loss) and prior service (cost)/credit gains (losses)	1.7	–	1.7	(0.5)	–	(0.5)	3.3	–	3.3	(0.4)	–	(0.4)	Other Income
Changes in fair value of derivatives qualifying as cash flow hedges gains (losses)	–	–	–	(1.0)	–	(1.0)	–	–	–	(0.7)	–	(0.7)	Other Income
Unrealized net gains (losses) on available for sale securities	0.3	(0.1)	0.2	0.7	(0.3)	0.4	0.3	(0.1)	0.2	0.7	(0.3)	0.4	Other Income
Total Reclassifications out of AOCI	$2.5	$(0.1)	$2.4	$ 3.6	$(0.3)	$ 3.3	$5.9	$(0.1)	$5.8	$ 7.2	$(0.3)	$ 6.9	

NOTE 12 — COMMITMENTS

Commitments (dollars in millions)

	June 30, 2014			December 31, 2013
	Due to Expire			
	Within One Year	After One Year	Total Outstanding	Total Outstanding
Financing Commitments				
Financing and leasing assets	$ 658.2	$3,747.7	$4,405.9	$4,325.8
Letters of credit				
Standby letters of credit	26.7	342.5	369.2	302.3
Other letters of credit	37.7	–	37.7	35.9
Guarantees				
Deferred purchase agreements	1,508.5	–	1,508.5	1,771.6
Guarantees, acceptances and other recourse obligations	3.1	–	3.1	3.9
Purchase and Funding Commitments				
Aerospace manufacturer purchase commitments	830.1	7,599.1	8,429.2	8,744.5
Rail and other manufacturer purchase commitments	635.4	425.4	1,060.8	1,054.0

Financing Commitments

Financing commitments, referred to as loan commitments or lines of credit, reflect CIT's agreements to lend to its customers, subject to the customers' compliance with contractual obligations. Included in the above are commitments that have been extended to and accepted by customers, clients or agents, but on which the criteria for funding have not been completed of $435 million at June 30, 2014 and $548 million at December 31, 2013. Financing commitments also include credit line agreements to Commercial Services clients that are cancellable by us only after a notice period. The notice period is typically 90 days or less. The amount available under these credit lines, net of amount of receivables assigned to us, is $231 million at June 30, 2014. As financing commitments may not be fully drawn, may expire unused, may be reduced or cancelled at the customer's request, or may require the customer to be in compliance with certain conditions, total commitment amounts do not necessarily reflect actual future cash flow requirements.

The table above includes approximately $1.3 billion of undrawn financing commitments at June 30, 2014 and $0.9 billion at December 31, 2013 where CIT does not have the contractual obligation to lend as the customer is not in compliance with contractual obligations.

At June 30, 2014, substantially all undrawn financing commitments were senior facilities. Most of the Company's undrawn and available financing commitments are in the Corporate Finance division.

The table above excludes uncommitted revolving credit facilities extended by Commercial Services to its clients for working capital purposes. In connection with these facilities, Commercial Services has the sole discretion throughout the duration of these facilities to determine the amount of credit that may be made available to its clients at any time and whether to honor any specific advance requests made by its clients under these credit facilities.

Letters of Credit

In the normal course of meeting the needs of clients, CIT sometimes enters into agreements to provide financing and letters of credit. Standby letters of credit obligate the issuer of the letter of credit to pay the beneficiary if a client on whose behalf the letter of credit was issued does not meet its obligation. These financial instruments generate fees and involve, to varying degrees, elements of credit risk in excess of amounts recognized in the Consolidated Balance Sheets. To minimize potential credit risk, CIT generally requires collateral and in some cases additional forms of credit support from the client. Most of the Company's letters of credit are in the Corporate Finance division.

Deferred Purchase Agreements

A Deferred Purchase Agreement ("DPA") is provided in conjunction with Commercial Services factoring, whereby CIT provides a client with credit protection for trade receivables without purchasing the receivables. The trade receivable terms are generally sixty days or less. If the client's customer is unable to pay an undisputed receivable solely as the result of credit risk, then CIT purchases the receivable from the client. The outstanding amount in the table above is the maximum potential exposure that CIT would be required to pay under all DPAs. This maximum amount would only occur if all receivables subject to DPAs default in the manner described above, thereby requiring CIT to purchase all such receivables from the DPA clients.

The table above includes $1,425 million of DPA credit protection at June 30, 2014, related to receivables which have been presented to us for credit protection after shipment of goods has occurred and the customer has been invoiced. The table also includes $84 million available under DPA credit line agreements, net of amount of DPA credit protection provided at June 30, 2014. The DPA credit line agreements specify a contractually committed amount of DPA credit protection and are cancellable by us only after a notice period. The notice period is typically 90 days or less.

The methodology used to determine the DPA liability is similar to the methodology used to determine the allowance for loan losses associated with the finance receivables, which reflects embedded losses based on various factors, including expected losses reflecting the Company's internal customer and facility credit ratings. The liability recorded in Other Liabilities related to the DPAs totaled $4.9 million and $6.0 million at June 30, 2014 and December 31, 2013, respectively.

Purchase Commitments

CIT's equipment purchase commitments relate primarily to purchases of commercial aircraft and rail equipment. Commitments to purchase new commercial aircraft are predominantly with Airbus Industries ("Airbus"), The Boeing Company ("Boeing") and Embraer S.A. ("Embraer"). Aerospace equipment purchases are contracted for specific models, using baseline aircraft specifications at fixed prices, which reflect discounts from list prices prevailing at the time of commitment. The delivery price of an aircraft may change depending on final specifications. Equipment purchases are recorded at the delivery date. The estimated commitment amounts in the preceding table are based on contracted purchase prices reduced for pre-delivery payments to date and exclude buyer furnished equipment selected by the lessee. Pursuant to existing contractual commitments, at June 30, 2014, 130 aircraft remain to be purchased from Airbus, Boeing and Embraer. Aircraft deliveries are scheduled periodically through 2020. Commitments exclude unexercised options to order additional aircraft. As discussed in *Note 16 — Subsequent Events*, the Company entered into purchase commitments for 30 commercial aircraft in July 2014. These are not included in the above table.

The Company's rail business entered into commitments to purchase railcars from multiple manufacturers. Pursuant to these contractual commitments, at June 30, 2014, approximately 7,400 railcars remain to be purchased with deliveries through 2016. Rail equipment purchase commitments are at fixed prices subject to price increases for certain materials. Other purchase commitments primarily relate to Equipment Finance.

Purchase commitments also include $0.3 billion of equipment to be purchased in 2014 pursuant to sale and lease-back agreements with airlines.

NOTE 13 — CONTINGENCIES

Litigation

CIT is currently involved, and from time to time in the future may be involved, in a number of judicial, regulatory, and arbitration proceedings relating to matters that arise in connection with the conduct of its business (collectively, "Litigation"). In view of the inherent difficulty of predicting the outcome of Litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, CIT cannot state with confidence what the eventual outcome of the pending Litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter will be, if any. In accordance with applicable accounting guidance, CIT establishes reserves for Litigation when those matters present loss contingencies as to which it is both probable that a loss will occur and the amount of such loss can be reasonably estimated. Based on currently available information, CIT believes that the results of Litigation that is currently pending, taken together, will not have a material adverse effect on the Company's financial condition, but may be material to the Company's operating results or cash flows for any particular period, depending in part on its operating results for that period. The actual results of resolving such matters may be substantially higher than the amounts reserved.

For certain Litigation matters in which the Company is involved, the Company is able to estimate a range of reasonably possible losses in excess of established reserves and insurance. For other matters for which a loss is probable or reasonably possible, such an estimate cannot be determined. For Litigation where losses are reasonably possible, management currently estimates the aggregate range of reasonably possible losses as up to $95 million in excess of established reserves and insurance related to those matters, if any. This estimate represents reasonably possible losses (in excess of established reserves and insurance) over the life of such Litigation, which may span a currently indeterminable number of years, and is based on information currently available as of June 30, 2014. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from this estimate.

Those Litigation matters for which an estimate is not reasonably possible or as to which a loss does not appear to be reasonably possible, based on current information, are not included within this estimated range and, therefore, this estimated range does not represent the Company's maximum loss exposure.

The foregoing statements about CIT's Litigation are based on the Company's judgments, assumptions, and estimates and are necessarily subjective and uncertain. Several of the Company's Litigation matters are described below.

LAC-MÉGANTIC, QUEBEC DERAILMENT

On July 6, 2013, a freight train including five locomotives and seventy-two tank cars carrying crude oil derailed in the town of Lac-Mégantic, Quebec. Nine of the tank cars were owned by The CIT Group/Equipment Financing, Inc. ("CIT/EF") (a wholly-owned subsidiary of the Company) and leased to Western Petroleum Company ("WPC"), a subsidiary of World Fuel Services Corp. ("WFS"). Two of the locomotives are owned by CIT/EF and were leased to Montreal, Maine & Atlantic Railway, Ltd. ("MMA"), the railroad operating the freight train at the time of the derailment, a subsidiary of Rail World, Inc.

The derailment was followed by explosions and fire, which resulted in the deaths of over forty people and an unknown number of injuries, the destruction of more than thirty buildings in Lac-Mégantic, and the release of crude oil on land and into the Chaudiègere River. The extent of the property and environmental damage has not yet been determined. Twenty lawsuits have been filed in Illinois by representatives of the deceased in connection with the derailment. The Company is named as a defendant in seven of the Illinois lawsuits, together with 13 other defendants, including WPC, MMA (who has since been dismissed without prejudice as a result of its chapter 11 bankruptcy filing on August 7, 2013), and the lessors of the other locomotives and tank cars. Liability could be joint and several among some or all of the defendants. All but two of these cases have been consolidated in the U.S. District Court in the Northern District of Illinois and transferred to the U.S. District Court in Maine. The Company has been named as an additional defendant in a pending class action in the Superior Court of Quebec, Canada. Other cases may be filed in U.S. and Canadian courts. The plaintiffs in the pending U.S. and Canadian actions assert claims of negligence and strict liability based upon alleged design defect against the Company in connection with the CIT/EF tank cars. The Company has rights of indemnification and defense against its lessees, WPC and MMA (a debtor in bankruptcy), and also has rights as an additional insured under liability coverage maintained by the lessees. On July 28, 2014, the Company commenced a lawsuit against WPC in the U.S. District Court in the District of Minnesota to enforce its rights of indemnification and defense. In addition to its indemnification and insurance rights against its lessees, the Company and its subsidiaries maintain contingent and general liability insurance for claims of this nature, and the Company and its insurers are working cooperatively with respect to these claims.

The Lac-Mégantic derailment triggered a number of regulatory investigations and actions. The Transportation Safety Board of Canada continues its investigation into the cause of the derailment, with assistance from Transport Canada. In addition, Quebec's Environment Ministry has issued an order to WFS, WPC, MMA, and Canadian Pacific Railway (which allegedly subcontracted with MMA) to pay for the full cost of environmental clean-up and damage assessment related to the derailment.

As the Company is unable to predict the outcome of the foregoing legal proceedings or whether and the extent to which additional lawsuits or claims will be brought against the Company or its subsidiaries, the regulatory investigations have not been concluded, the total damages have not been quantified, there are a large number of parties named as defendants, and the extent to which resulting liability will be assessed against other parties and their financial ability to bear such responsibilities is unknown, the Company cannot reasonably estimate the amount or range of loss that may be incurred in connection with the derailment. The Company is vigorously defending the claims that have been asserted, including pursuing its rights under indemnification agreements and insurance policies. MMA's U.S. bankruptcy trustee together with its Canadian bankruptcy monitor are exploring potential settlement with various parties, including CIT.

BRAZILIAN TAX MATTERS

Banco Commercial Investment Trust do Brasil S.A. ("Banco CIT"), CIT's Brazilian bank subsidiary, is pursuing a number of tax appeals relating to disputed local tax assessments on leasing services and importation of equipment. The disputes primarily involve questions of whether the correct taxing authorities were paid and whether the proper tax rate was applied.

ISS Tax Appeals

Notices of infraction were received relating to the payment of Imposto sobre Serviços ("ISS"), charged by municipalities in connection with services. The Brazilian municipalities of Itu and Cascavel claim that Banco CIT should have paid them ISS tax on leasing services for tax years 2006 – 2011. Instead, Banco CIT paid the ISS tax to Barueri, the municipality in which it is domiciled in São Paulo, Brazil. The disputed issue is whether the ISS tax should be paid to the municipality in which the leasing company is located or the municipality in which the services were rendered or the customer is located. One of the pending ISS tax matters was resolved in favor of Banco CIT in April 2014. The amounts claimed by the taxing authorities of Itu and Cascavel collectively for open tax assessments and penalties are approximately 600,000 Reais (approximately $270,000). Favorable legal precedent in a similar tax appeal has been issued by Brazil's highest court resolving the conflict between municipalities.

ICMS Tax Appeals

Notices of infraction were received relating to the payment of Imposto sobre Circulaco de Mercadorias e Servicos ("ICMS") taxes charged by states in connection with the importation of equipment. The state of São Paulo claims that Banco CIT should have paid it ICMS tax for tax years 2006 – 2009 because Banco CIT, the purchaser, is located in São Paulo. Instead, Banco CIT paid ICMS tax to the states of Espirito Santo, Espirito Santa Caterina, and Alagoas, where the imported equipment arrived. A recent regulation issued by São Paulo in December 2013 reaffirms a 2009 agreement by São Paulo to conditionally recognize ICMS tax payments made to Espirito Santo. One of the pending notices of infraction against Banco CIT was extinguished in May 2014. Petitions seeking recognition of the taxes paid to Espirito Santo have been filed with respect to the remaining notices of infraction. The amounts claimed by São Paulo collectively for open tax assessments and penalties are approximately 71 million Reais (approximately $32.0 million) for goods imported into the state of Espirito Santo from 2006 – 2009 and the states of Espirito Santa Caterina and Alagoas in 2007 and 2008.

A notice of infraction was received relating to São Paulo's challenge of the ICMS tax rate paid by Banco CIT for tax years 2004 – 2007. São Paulo alleges that Banco CIT paid a lower rate of ICMS tax on imported equipment than was required (8.8% instead of 18%). Banco CIT challenged the notice of infraction and was partially successful based upon the type of equipment imported. Banco CIT has commenced a judicial proceeding challenging the unfavorable portion of the administrative ruling. The amount claimed by São Paulo for tax assessments and penalties is approximately 4 million Reais (approximately $1.8 million).

The current potential aggregate exposure in taxes, fines and interest for the ISS and the ICMS tax matters is approximately 76 million Reais (approximately $34.3 million).

NOTE 14 — BUSINESS SEGMENT INFORMATION

Management's Policy in Identifying Reportable Segments

CIT's reportable segments are comprised of business units that are aggregated into segments primarily based upon industry categories, geography, target markets and customers served, and, to a lesser extent, the core competencies relating to product origination, distribution methods, operations and servicing and the nature of their regulatory environment. This segment reporting is consistent with the presentation of financial information to management.

Types of Products and Services

In December 2013, the Company announced organization changes that became effective January 1, 2014. Management changed its operating segments to (i) realign and simplify its businesses and organizational structure, (ii) streamline and consolidate certain business processes to achieve greater operating efficiencies, and (iii) leverage CIT's operational capabilities for the benefit of its clients and customers. Effective January 1, 2014, CIT manages its business and reports financial results in three operating segments: (1) Transportation & International Finance ("TIF"); (2) North American Commercial Finance ("NACF"); and (3) Non-Strategic Portfolios ("NSP").

The change in segment reporting does not affect CIT's historical consolidated results of operations. The discussions below reflect the new reporting segments; all prior period comparisons have been conformed and are consistent with the presentation of financial information to management.

TIF offers secured lending and leasing products to midsize and larger companies across the aerospace, rail and maritime industries, as well as international finance, which includes corporate lending and equipment financing businesses in China and the U.K. Revenues generated by TIF include rents collected on leased assets, interest on loans, fees, and gains from assets sold.

NACF offers secured lending as well as other financial products and services predominately to small and midsize companies in the U.S. and Canada. These include secured revolving lines of credit and term loans, leases, accounts receivable credit protection, accounts receivable collection, import and export financing, factoring, debtor-in-possession and turnaround financing and receivable advisory services. Revenues generated by NACF include interest earned on loans, rents collected on leased assets, fees and other revenue from leasing activities and capital markets transactions, and commissions earned on factoring and related activities.

NSP consists of portfolios that were determined to be subscale or no longer part of our long-term strategy. NSP at June 30, 2014 is primarily comprised of international portfolios, including certain portfolios in Latin America and Europe.

Segment Income Statement and Assets

In the table that follows, Corporate and Other includes certain non-allocated items such as unallocated interest expense, primarily related to corporate liquidity costs (Interest Expense), mark-to-market adjustments on non-qualifying derivatives (Other Income) and restructuring charges for severance and facilities exit activities (Operating Expenses).

Business Segments (dollars in millions)

	Transportation & International Finance	North American Commercial Finance	Non-Strategic Portfolios	Corporate & Other	Total CIT
Quarter Ended June 30, 2014					
Interest income	$ 72.2	$ 208.8	$ 25.6	$ 3.2	$ 309.8
Interest expense	(155.1)	(68.1)	(23.0)	(16.0)	(262.2)
Provision for credit losses	(8.3)	(2.6)	0.7	–	(10.2)
Rental income on operating leases	485.1	25.1	9.4	–	519.6
Other income	10.4	69.7	3.9	9.7	93.7
Depreciation on operating lease equipment	(131.6)	(20.0)	(5.7)	–	(157.3)
Maintenance and other operating lease expenses	(49.0)	–	–	–	(49.0)
Operating expenses	(75.5)	(120.2)	(20.5)	(8.8)	(225.0)
Loss on debt extinguishments	–	–	–	(0.4)	(0.4)
Income (loss) before (provision) benefit for income taxes	$ 148.2	$ 92.7	$ (9.6)	$(12.3)	$ 219.0
Quarter Ended June 30, 2013					
Interest income	$ 62.6	$ 210.0	$ 42.8	$ 3.7	$ 319.1
Interest expense	(143.9)	(71.6)	(32.8)	(14.3)	(262.6)
Provision for credit losses	(3.7)	(4.8)	(6.1)	–	(14.6)
Rental income on operating leases	423.8	25.8	34.7	–	484.3
Other income	26.9	64.8	(16.0)	3.5	79.2
Depreciation on operating lease equipment	(106.2)	(18.6)	(8.8)	–	(133.6)
Maintenance and other operating lease expenses	(40.2)	–	(0.1)	–	(40.3)
Operating expenses	(61.5)	(118.4)	(34.2)	(12.0)	(226.1)
Income (loss) before (provision) benefit for income taxes	$ 157.8	$ 87.2	$ (20.5)	$(19.1)	$ 205.4
Six Months Ended June 30, 2014					
Interest income	$ 148.9	$ 402.2	$ 54.0	$ 6.9	$ 612.0
Interest expense	(315.8)	(137.0)	(47.9)	(33.4)	(534.1)
Provision for credit losses	(20.7)	(25.8)	(0.3)	(0.1)	(46.9)
Rental income on operating leases	944.7	47.9	18.9	–	1,011.5
Other income	17.6	131.5	8.3	7.4	164.8
Depreciation on operating lease equipment	(253.3)	(41.9)	(10.9)	–	(306.1)
Maintenance and other operating lease costs	(100.6)	–	–	–	(100.6)
Operating expenses	(155.0)	(241.7)	(39.7)	(22.1)	(458.5)
Loss on debt extinguishments	–	–	–	(0.4)	(0.4)
Income (loss) before (provision) benefit for income taxes	$ 265.8	$ 135.2	$ (17.6)	$(41.7)	$ 341.7
Select Period End Balances					
Loans	$ 3,228.3	$15,376.1	$ –	$ –	$18,604.4
Credit balances of factoring clients	–	(1,296.5)	–	–	(1,296.5)
Assets held for sale	671.7	33.7	623.5	–	1,328.9
Operating lease equipment, net	14,512.9	240.2	35.2	–	14,788.3

Business Segments (dollars in millions) continued

	Transportation & International Finance	North American Commercial Finance	Non-Strategic Portfolios	Corporate & Other	Total CIT
Six Months Ended June 30, 2013					
Interest income	$ 119.2	$ 429.3	$ 86.7	$ 6.4	$ 641.6
Interest expense	(288.0)	(150.2)	(69.6)	(28.9)	(536.7)
Provision for credit losses	1.9	(29.7)	(6.4)	0.1	(34.1)
Rental income on operating leases	841.2	49.6	69.9	–	960.7
Other income	43.7	128.5	(25.9)	2.9	149.2
Depreciation on operating lease equipment	(214.2)	(34.9)	(17.8)	–	(266.9)
Maintenance and other operating lease costs	(82.6)	–	(0.1)	–	(82.7)
Operating expenses	(124.9)	(246.5)	(72.7)	(12.9)	(457.0)
Income (loss) before (provision) benefit for income taxes	$ 296.3	$ 146.1	$ (35.9)	$(32.4)	$ 374.1
Select Period End Balances					
Loans	$ 3,114.6	$14,049.1	$991.6	$ –	$18,155.3
Credit balances of factoring clients	–	(1,205.0)	–	–	(1,205.0)
Assets held for sale	273.4	18.1	895.1	–	1,186.6
Operating lease equipment, net	12,041.9	218.5	65.8	–	12,326.2

NOTE 15 — GOODWILL

The following table summarizes goodwill assets by segment:

Goodwill (dollars in millions)

	Transportation & International Finance	North American Commercial Finance	Total
Balance at December 31, 2013	$183.1	$151.5	$334.6
Acquisitions, other[(1)]	68.5	–	68.5
Balance at June 30, 2014	$251.6	$151.5	$403.1

[(1)] *Includes foreign exchange translation.*

Goodwill balances as of December 31, 2013 were recorded in conjunction with FSA and represented the excess of reorganization equity value over the fair value of tangible and identifiable intangible assets, net of liabilities. Effective January 1, 2014, this goodwill was reallocated to the Company's new TIF and NACF reporting units based on the respective reporting unit's estimated fair value of equity. The Company evaluated goodwill for impairment immediately before and after the reallocation of goodwill to the reporting units and identified no impairment.

On January 31, 2014, CIT acquired 100% of the outstanding shares of Paris-based Nacco, an independent full service railcar lessor in Europe. The Nacco acquisition was accounted for under the purchase method. The purchase price was approximately $250 million and the acquired assets and liabilities were recorded at their estimated fair values as of the acquisition date resulting in approximately $70 million of goodwill. The assets acquired included approximately $650 million of leasing assets along with existing secured debt.

Once goodwill has been assigned, it no longer retains its association with a particular event or acquisition, and all of the activities within a reporting unit, whether acquired or internally generated, are available to support the value of the goodwill.

NOTE 16 — SUBSEQUENT EVENTS

Announcement of Definitive Agreement to Acquire OneWest Bank

On July 22, 2014, CIT announced that it had entered into a definitive agreement and plan of merger with IMB Holdco LLC, the parent company of OneWest Bank N.A. (“OneWest Bank”), for $3.4 billion in cash and stock. Under the terms of the Agreement, IMB Holdco LLC shareholders will receive $2.0 billion in cash and 31.3 million shares of CIT Group Inc. common stock valued at $1.4 billion using the fixed CIT stock price of $44.33 specified in the Merger Agreement. The transaction is subject to customary closing conditions and regulatory approvals. At June 30, 2014, OneWest Bank had 73 branches in Southern California, with approximately $23 billion of assets and $15 billion of deposits.

Direct Capital Corporation Acquisition

On August 1, 2014, CIT Bank completed the acquisition of Capital Direct Group, Inc. and its wholly owned subsidiary Direct Capital Corporation (together “Direct Capital”), a provider of financing to small and mid-sized businesses. Direct Capital has assets of approximately $500 million and employs 250 individuals.

Aircraft Purchase Commitments

On July 15, 2014, CIT announced it had entered into commitments to purchase 30 commercial aircraft from two aircraft manufacturers. Actual purchase prices at delivery will be lower than the list prices based upon available discount levels, offset by price escalators based on changes in certain specified price indexes, and will be further affected by the aircraft specifications. Deliveries of these new commercial aircraft are scheduled to begin in 2014.

Share Repurchase

On July 22, 2014, CIT announced that its Board of Directors approved the repurchase of up to $500 million of common stock through June 30, 2015.

Dividend Declared

On July 15, 2014, the Board approved an increase to CIT’s quarterly cash dividend from $0.10 per share to $0.15 per share. The dividend is payable on August 29, 2014 to shareholders of record on August 15, 2014.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

and

Item 3. Quantitative and Qualitative Disclosures about Market Risk

OVERVIEW

CIT Group Inc., together with its subsidiaries ("we", "our", "CIT" or the "Company") has provided financial solutions to its clients since its formation in 1908. We provide financing, leasing and advisory services principally to middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. We had approximately $35 billion of financing and leasing assets at June 30, 2014. CIT became a bank holding company ("BHC") in December 2008 and a financial holding company in July 2013.

CIT is regulated by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Reserve Bank of New York ("FRBNY") under the U.S. Bank Holding Company Act of 1956. CIT Bank (the "Bank"), a wholly-owned subsidiary, is a state chartered bank located in Salt Lake City, Utah, that offers commercial financing and leasing products as well as a suite of savings options and is subject to regulation by the Federal Depository Insurance Corporation ("FDIC") and the Utah Department of Financial Institutions ("UDFI").

On July 22, 2014, CIT announced that it had entered into a definitive agreement and plan of merger to acquire IMB Holdco LLC, the parent company of OneWest Bank N.A. for $3.4 billion in cash and stock. IMB Holdco is regulated by the FRB and OneWest is regulated by the Office of the Comptroller of the Currency, U.S. Department of the Treasury. The transaction is subject to certain customary closing conditions and regulatory approval by the Federal Reserve Board and the Office of the Comptroller of the Currency. Following the closing, based on current definitions and requirements at the time of the announcement, CIT will become subject to the enhanced regulatory mandates applicable to bank holding companies with $50 billion or more in total consolidated assets, commonly referred to as systemically important financial institutions, or SIFIs, including but not limited to submitting an annual capital plan, undergoing an annual supervisory stress test and two company-run stress tests, submitting a resolution plan, implementation of an enhanced compliance program under the Volcker Rule, and payment of additional FRB assessments. The date on which CIT becomes subject to each SIFI requirement will vary depending on the terms of the individual regulation.

"Management's Discussion and Analysis of Financial Condition and Results of Operations" and *"Quantitative and Qualitative Disclosures about Market Risk"* contain financial terms that are relevant to our business. You can find a glossary of key financial terms that we use in Part I *Item 1. Business Overview* in our Form 10-K for the year ended December 31, 2013 (the "2013 Form 10-K"), and any new terms used are defined within this Form 10-Q.

Management uses certain non-GAAP financial measures in its analysis of the financial condition and results of operations of the Company. See *"Non-GAAP Financial Measurements"* for a reconciliation of these to comparable financial measures based on accounting principles generally accepted in the United States of America ("GAAP").

Segment Changes

As discussed in our 2014 first quarter Form 10-Q, we announced organization changes that became effective January 1, 2014. Management changed our operating segments to (i) realign and simplify its businesses and organizational structure, (ii) streamline and consolidate certain business processes to achieve greater operating efficiencies, and (iii) leverage CIT's operational capabilities for the benefit of its clients and customers. Effective January 1, 2014, CIT manages its business and reports financial results in three operating segments:
(1) Transportation & International Finance ("TIF");
(2) North American Commercial Finance ("NACF"); and
(3) Non-Strategic Portfolios ("NSP"). These are discussed further in *"Results By Business Segments"*.

The change in segment reporting does not affect CIT's historical consolidated results of operations. The discussions below reflect the new reporting segments; all prior period comparisons have been conformed and are consistent with the presentation of financial information to management.

Discontinued Operation

On April 25, 2014, the Company completed the sale of the $3.3 billion student lending business along with certain secured debt and servicing rights. Income from discontinued operation was $52 million for the quarter ended June 30, 2014, which included a $283 million gain on sale, partially offset by the $231 million loss on discontinued operation. The gain on sale reflected proceeds received in excess of the net carrying value of assets and liabilities sold and amounts received for the sale of servicing rights, while the loss on discontinued operation was driven primarily by the acceleration of fresh start accounting (FSA) accretion of $224 million on extinguishment of the debt.

The business had previously been included in the NSP segment. Approximately $3.2 billion of debt was extinguished, including $0.8 billion that was repaid using a portion of the cash proceeds. The student lending business consisted of a portfolio of U.S. Government-guaranteed student loans that was in run-off and had been transferred to assets held for sale ("AHFS") at the end of 2013. The Company had ceased offering private student loans in 2007 and government-guaranteed student loans in 2008. All prior period data has been adjusted to reflect the student lending business as a discontinued operation.

Unless specifically noted, the discussions throughout the following sections reflect CIT results on a continuing operations basis.

2014 FINANCIAL OVERVIEW

We grew commercial financing and leasing assets, new business activity continued to be solid and credit quality remained at cyclical lows.

Net income of $247 million, $1.29 per diluted share, for the second quarter of 2014, compared to net income of $184 million, $0.91 per diluted share, for the year-ago quarter and $117 million, $0.59 per diluted share, in the prior quarter. Income from continuing operations (after taxes) for the second quarter was $195 million, $1.02 per diluted share compared to $176 million, $0.87 per diluted share, for the year-ago quarter and $115 million, $0.58 per diluted share in the prior quarter.

Net Income for the six months ended June 30, 2014 was $364 million, $1.88 per diluted share, compared to $346 million, $1.71 per diluted share, for the 2013 period. Income from continuing operations for the six month period ended June 30, 2014 was $310 million, $1.60 per diluted share, compared to $329 million, $1.62 per diluted share for the 2013 period.

Income from continuing operations, before income taxes totaled $219 million for the second quarter of 2014, compared to $205 million for the year-ago quarter and $123 million for the prior quarter. Second quarter results reflect growth in earning assets and a further shift to deposit funding. Additionally, income from continuing operations reflected benefits from loan prepayments, lower credit costs as well as the restructuring of an aircraft securitization in our TRS facility that positively impacted interest expense and other income. First quarter results were primarily impacted by lower levels of interest income, higher maintenance and other operating lease expenses, and an increase in the provision for credit losses. Pre-tax income from continuing operations was $342 million for the six months ended June 30, 2014, down from $374 million for the 2013 period.

Net finance revenue[(1)] ("NFR") was $361 million compared to $367 million in the year-ago quarter and $322 million in the prior quarter. Average earning assets were $33.2 billion in the current quarter, up from $30.1 billion in the year-ago quarter and $32.1 billion in the prior quarter. NFR as a percentage of average earning assets ("net finance margin") was 4.35%, compared to 4.87% in the year-ago quarter and 4.01% in the prior quarter. Excluding the impact of debt redemptions[(2)], net finance margin was 4.26% compared to 4.97% in the year-ago quarter and 4.01% in the prior quarter. The reduction from the year-ago quarter primarily reflects portfolio re-pricing, the sale of higher-yielding Dell Europe assets, and declines in net FSA accretion. The increase from the prior quarter reflects lower funding costs, lower maintenance and other operating lease expenses, and higher prepayment benefits. NFR was $683 million for the six months ended June 30, 2014, down from $716 million for the 2013 period.

While other financial institutions may use net interest margin ("NIM") to measure earnings on interest bearing assets, defined as interest income less interest expense, we discuss NFR, which includes net operating lease revenue (operating lease rental revenue, depreciation expense and maintenance and other operating lease expenses), due to the significant impact of operating lease equipment on revenue and expense. Net operating lease revenue was up modestly from the year-ago quarter, as increased revenue earned on higher average assets and consistently high aircraft and railcar utilization rates offset higher depreciation expense and maintenance and other operating lease expenses and pressure on revenues from lower remarketing rates. Compared to the prior quarter, the modest increase in net operating lease revenue reflected lower maintenance and other operating lease expenses.

Provision for credit losses was $10 million, down from $15 million in the year-ago quarter and $37 million in the prior quarter reflecting lower net charge-offs and lower reserve build due to portfolio composition. The provision for credit losses was $47 million for the six months ended June 30, 2014, up from $34 million for the 2013 period.

Other income of $94 million increased from $79 million in the year-ago quarter and from $71 million in the prior quarter. The current quarter includes an acceleration of counterparty receivable accretion of $9 million related to the aircraft securitization restructuring as well as a positive mark to market on the TRS derivative of $11 million. Other income was $165 million for the six months ended June 30, 2014, up from $149 million for the 2013 period.

Operating expenses were $225 million compared to $226 million in the year-ago quarter and $234 million in the prior quarter. Excluding restructuring costs[(3)], operating expenses were $219 million, relatively flat to $217 million in the year-ago quarter and down from $224 million in the prior quarter. The decline from the prior quarter is primarily due to lower employee costs while the year-ago quarter also included lower deposit related costs and a benefit in professional fees. Operating expenses were $459 million for the six months ended June 30, 2014, relatively flat to $457 million for the 2013 period. Headcount at June 30, 2014 was approximately 3,170, down from approximately 3,420 and 3,200 at June 30, 2013 and March 31, 2014, respectively.

---

(1) *Net finance revenue and average earning assets are non-GAAP measures; see "Non-GAAP Financial Measurements" for reconciliation of non-GAAP to GAAP financial information.*

(2) *Debt redemption impacts include accelerated FSA net discount/(premium) accretion and accelerated original issue discount. See "Non-GAAP Measurements" for reconciliation of non-GAAP to GAAP financial information.*

(3) *Operating expenses excluding restructuring costs is a non-GAAP measure. See "Non-GAAP Measurements" for reconciliation of non-GAAP to GAAP financial information.*

Provision for income taxes was $18 million, primarily reflecting the recognition of income tax expense on international earnings, down from $29 million in the year-ago quarter and up from $14 million in the prior quarter. The year-ago quarter included over $20 million related to the establishment of valuation allowances on certain international deferred tax assets. The provision for income taxes was $32 million for the six months ended June 30, 2014, down from $42 million for the 2013 period.

Total assets from continuing operations[(4)] at June 30, 2014 were $44.2 billion, down from $44.9 billion at March 31, 2014, reflecting the use of cash to repay the $1.3 billion debt maturity on April 1, 2014, and up from $40.7 billion at June 30, 2013. Financing and leasing assets in NACF and TIF increased to $34.1 billion, an increase of $1.3 billion (4%) from March 31, 2014 and $4.3 billion (15%) from a year ago. The sequential quarter increase was driven by solid origination volumes while the increase from the year-ago quarter also included the acquisition of Nacco in the first quarter of 2014, which added approximately $0.65 billion of financing and leasing assets. NSP, declined by approximately $0.5 billion from March 31, 2014, and by $1.3 billion from a year ago, to $0.7 billion, reflecting portfolio run off and asset sales, including the completion of the sale of the Small Business Lending portfolio in June 2014. Total loans of $18.6 billion increased slightly from March 31, 2014 and by $0.4 billion from a year ago, reflecting new loan originations partially offset by asset sales. Operating lease equipment increased $0.6 billion from March 31, 2014 and $2.5 billion from a year ago to $14.8 billion, reflecting the Nacco acquisition and other equipment purchases. Cash and investments of $7.3 billion were down $1.7 billion from March 31, 2014 and were relatively flat from June 30, 2013.

Credit metrics remained at or near cycle lows. Non-accrual loans declined to $190 million, or 1.02% of finance receivables, at June 30, 2014 from $218 million (1.18%) at March 31, 2014 and $279 million (1.53%) at June 30, 2013. Net charge-offs were $21 million, or 0.45% of average finance receivables (AFR), versus $29 million (0.63%) in the year-ago quarter and $36 million (0.76%) in the prior quarter. Recoveries of $8 million were lower than the $19 million recorded in the year-ago quarter and essentially flat with the prior quarter.

2014 PRIORITIES

Our priorities continue to be focused on achieving our profitability targets by growing earning assets and managing expenses, growing CIT Bank assets and deposits, and returning capital to our shareholders. Enhancing internal control functions and maintaining relationships with our regulators also remain a priority.

[(4)] *Total assets from continuing operations is a non-GAAP measure. See "Non-GAAP Measurements" for reconciliation of non-GAAP to GAAP financial information.*

1. Grow Earning Assets

We plan to grow earning assets, organically and through portfolio acquisitions, by focusing on existing products and markets as well as newer initiatives.

- Financing and leasing assets ("FLA") totaled $34.7 billion, of which TIF and NACF totaled $34.1 billion, up $0.8 billion from the prior quarter and $3.1 billion from the year-ago quarter. The sequential increase was driven by solid second quarter origination volumes in both segments and an acquisition in TIF in the 2014 first quarter contributed to the increase from the year-ago quarter. NSP makes up the remaining balance of FLA and is expected to decline as portfolios are sold or otherwise liquidated.
- On August 1, 2014, CIT Bank completed the acquisition of Capital Direct Group, Inc. and its wholly owned subsidiary Direct Capital Corporation (together, "Direct Capital"), a provider of financing to small and mid-sized businesses. Direct Capital has assets of approximately $500 million and employs 250 individuals.

2. Achieve Profit Targets

The 2014 second quarter and six months pre-tax return on AEA were 2.6% and 2.1%, respectively. While these are above our near-term outlook of approximately 2.00%, and were driven by a sequential improvement in credit costs, net finance margin and lower operating expenses, they were also benefited by notable items.

- NFM adjusted for accelerated debt costs for the second quarter was at the top end of our near term target range of 3.75%-4.25%. The quarter benefited from a sequential decline in funding costs, lower maintenance and other operating lease expenses, and higher prepayment benefits. The quarter also benefited from accelerated FSA net discount/(premium) accretion and accelerated original issue discount ("OID") that impacted funding costs. The benefits to NFM this quarter were offset by portfolio repricing as the yield on new loans and leases originated are generally lower than yields on the current portfolio.
- Other Income was above our near-term outlook range of 0.75%-1.00% and included acceleration of counterparty receivable accretion of $9 million triggered by the restructure of two aircraft securitizations, as well as a positive mark to market on the TRS derivative of $11 million.
- Operating expenses were $225 million, including restructuring charges of $6 million. Excluding restructuring charges, operating expenses were 2.64% of AEA, above the near-term outlook range of 2.00%-2.50%. Although operating expenses were down sequentially, the lower employee costs were slightly offset by increases in deposit related costs and Nacco integration costs, as we re-invested part of our savings in growth and funding initiatives. We lowered headcount by about 30 persons during the 2014 second quarter to 3,170, a 7% decline from a year-ago.

- We continue to make progress reducing NSP, and have exited all the sub-scale countries in Asia, and several in Latin America and Europe. Our primary focus is now on exiting Brazil, Mexico and smaller portfolios in Europe. Upon completion of the exits, we expect to eliminate approximately $15 million from our quarterly expenses.

3. Expand Bank Assets and Funding

CIT Bank funds most of our U.S. lending and leasing volume and continues to expand on-line deposit offerings. CIT Bank will expand its banking activities upon the closing of its recently announced bank acquisition.

- Total assets were $18.3 billion at June 30, 2014, up from $16.8 billion at March 31, 2014. CIT Bank funded $2.0 billion of new business volume, up 11% from the year-ago quarter and up 23% sequentially.
- Deposits at quarter-end were $13.9 billion, up from $13.1 billion at March 31, 2014. Online retail deposits surpassed $7.0 billion. The weighted average rate on outstanding deposits was 1.57% at June 30, 2014.
- On July 22, 2014, CIT announced that it entered into a definitive agreement and plan of merger with IMB Holdco LLC, the parent company of OneWest Bank N.A. ("OneWest Bank"), for $3.4 billion in cash and stock. At June 30, 2014, OneWest Bank had 73 branches in Southern California, with approximately $23 billion of assets and $15 billion of deposits.

4. Continue to Return Capital

We continue to prudently deploy our capital, as well as return capital to our shareholders through share repurchases and dividends, while maintaining our strong capital ratios.

- During the second quarter, we repurchased over 9.4 million shares for an aggregate purchase price of $416 million, bringing the total repurchases for 2014 to approximately 12.3 million shares at an average price of $44.81, or an aggregate of approximately $552 million. Approximately $55 million of the 2014 $607 million authorized repurchase capacity remains.
- On July 22, 2014, CIT announced that its Board of Directors approved the repurchase of up to an additional $500 million of common stock through June 30, 2015.
- On July 15, 2014, the Board approved an increase to CIT's quarterly cash dividend from $0.10 per share to $0.15 per share. The dividend is payable on August 29, 2014 to shareholders of record on August 15, 2014.

NET FINANCE REVENUE

The following tables present management's view of consolidated NFR and NFM:

Net Finance Revenue[(1)] and Net Finance Margin (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Interest income	$ 309.8	$ 302.2	$ 319.1	$ 612.0	$ 641.6
Rental income on operating leases	519.6	491.9	484.3	1,011.5	960.7
Finance revenue	829.4	794.1	803.4	1,623.5	1,602.3
Interest expense	(262.2)	(271.9)	(262.6)	(534.1)	(536.7)
Depreciation on operating lease equipment	(157.3)	(148.8)	(133.6)	(306.1)	(266.9)
Maintenance and other operating lease expenses	(49.0)	(51.6)	(40.3)	(100.6)	(82.7)
Net finance revenue	$ 360.9	$ 321.8	$ 366.9	$ 682.7	$ 716.0
Average Earning Assets[(1)(2)] ("AEA")	$33,186.7	$32,070.2	$30,121.4	$32,669.0	$29,712.8
As a % of AEA:					
Interest income	3.74%	3.77%	4.24%	3.75%	4.32%
Rental income on operating leases	6.26%	6.13%	6.43%	6.19%	6.47%
Finance revenue	10.00%	9.90%	10.67%	9.94%	10.79%
Interest expense	(3.16)%	(3.39)%	(3.49)%	(3.27)%	(3.61)%
Depreciation on operating lease equipment	(1.90)%	(1.86)%	(1.77)%	(1.87)%	(1.80)%
Maintenance and other operating lease expenses	(0.59)%	(0.64)%	(0.54)%	(0.62)%	(0.56)%
Net finance margin	4.35%	4.01%	4.87%	4.18%	4.82%

(1) *NFR and AEA are non-GAAP measures; see reconciliation of non-GAAP to GAAP financial information.*

(2) *AEA balances are less than comparable balances displayed in this document in 'Select Data' (Quarterly Average Balances) due to the exclusion of deposits with banks and other investments and the inclusion of credit balances of factoring clients.*

NFR and NFM are key metrics used by management to measure the profitability of our lending and leasing assets. NFR includes interest and yield-related fee income on our loans and capital leases, rental income on our operating lease equipment and interest and dividend income on cash and investments, reduced by funding costs, depreciation from our operating lease equipment, and maintenance and other operating lease expenses. Since our asset composition includes a high level of operating lease equipment (44% of AEA for the quarter ended June 30, 2014), NFM is a more appropriate metric for CIT than net interest margin ("NIM") (a common metric used by other financial institutions), as NIM does not fully reflect the earnings of our portfolio, because it includes the impact of debt costs on all our assets, but excludes the net operating lease revenue (rental income less depreciation and maintenance and other operating lease expenses).

NFR decreased from the year-ago quarter and year-to-date, as higher earning assets were offset by compression on portfolio yields across many of our businesses, sales of portfolios, higher maintenance and other operating lease expenses, and lower net FSA accretion. The $39 million sequential increase was largely driven by higher revenues on increased earning assets and prepayment benefits, and also included a net benefit of $7 million related to accelerated FSA discount and original issue discount ("OID") related to certain debt transactions.

Adjusted NFR ($) and Net Finance Margin (NFM) (%) (dollars in millions)

	Quarters Ended					
	June 30, 2014		March 31, 2014		June 30, 2013	
NFR / NFM	$360.9	4.35%	$321.8	4.01%	$366.9	4.87%
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	34.7	0.42%	–	–	7.7	0.10%
Accelerated OID on debt extinguishments related to the GSI facility	(42.0)	(0.51)%	–	–	–	–
Adjusted NFR / NFM	$353.6	4.26%	$321.8	4.01%	$374.6	4.97%

	Six Months Ended June 30,			
	2014		2013	
NFR / NFM	$682.7	4.18%	$716.0	4.82%
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	34.7	0.21%	24.8	0.17%
Accelerated OID on debt extinguishments related to the GSI facility	(42.0)	(0.26)%	–	–
Adjusted NFR / NFM	$675.4	4.13%	$740.8	4.99%

The accelerated debt FSA accretion and accelerated OID on debt extinguishment related to the GSI facility ("accelerated OID accretion"), when discussed in combination, is referred to as "accelerated debt FSA and OID accretion".

Adjusted NFM increased 25 basis points (bps) to 4.26% from the prior quarter. Improved interest expense from recent debt transactions and a higher proportion of deposit funding were the largest contributors, along with lower operating lease expenses due to timing and end of lease strategies in Aerospace, and to a lesser extent, prepayment benefits, largely in Corporate Finance. These were partially offset by continued portfolio repricing.

Adjusted NFM was down 71 bps from the year-ago quarter.

- Finance revenue, though up in 2014 on increased earning assets, reflected lower yields in most of the TIF and NACF divisions (as detailed in the following table) and the sale of the Dell Europe portfolio (within NSP) in the second half of 2013, which contained high-yielding assets.
- NFM had a diminished benefit from suspended depreciation on operating lease equipment held for sale, as depreciation is not recorded while this equipment is held for sale (detailed further below).
- Net FSA benefit on adjusted NFM was down. FSA accretion on loans continues to have a diminishing impact, as the FSA accretion benefit to interest income in the second quarter of 2014 was $5 million, down from $18 million in the year-ago quarter. The remaining accretable FSA discount on loans is not significant. See *Fresh Start Accounting* section.
- Higher prepayment benefits in the second quarter of 2014.
- The second quarter of 2014 benefited from recent debt actions, which included the repayment of maturing $1.3 billion 5.25% notes. Weighted average coupon rate of outstanding deposits and long-term borrowings of 3.20% at June 30, 2014 was down from 3.39% at June 30, 2013, as the portion of our funding derived from deposits increased to 44% from 39% at June 30, 2013.

The following table depicts select yields and margin related data for our segments, plus select divisions within TIF and NACF.

Select Segment and Division Margin Metrics (dollars in millions)

	June 30, 2014	March 31, 2014	June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Transportation & International Finance					
AEA	$18,066.2	$17,119.7	$15,316.4	$17,624.8	$15,188.3
Gross yield	12.34%	12.53%	12.70%	12.41%	12.65%
NFM	4.91%	4.73%	5.12%	4.81%	4.95%
Adjusted NFM	4.75%	4.73%	5.24%	4.73%	5.14%
AEA					
Aerospace	$10,260.7	$ 9,773.9	$ 9,346.6	$10,038.7	$ 9,383.2
Rail	$ 5,578.0	$ 5,137.9	$ 4,254.2	$ 5,373.8	$ 4,234.0
Maritime Finance	$ 576.2	$ 473.9	$ 305.7	$ 524.4	$ 238.6
International Finance	$ 1,651.3	$ 1,734.0	$ 1,409.9	$ 1,687.9	$ 1,332.5
Gross yield					
Aerospace	12.18%	12.56%	12.40%	12.34%	12.28%
Rail	14.44%	14.56%	14.75%	14.46%	14.67%
Maritime Finance	5.58%	4.88%	7.12%	5.27%	7.81%
International Finance	8.59%	8.46%	9.77%	8.55%	9.71%
North American Commercial Finance					
AEA	$14,132.4	$13,764.7	$12,843.2	$13,962.1	$12,543.9
Gross yield	6.62%	6.28%	7.34%	6.45%	7.64%
NFM	4.13%	3.64%	4.53%	3.88%	4.68%
Adjusted NFM	4.13%	3.64%	4.61%	3.88%	4.82%
AEA					
Real Estate Finance	$ 1,668.5	$ 1,592.9	$ 1,069.9	$ 1,632.9	$ 911.4
Corporate Finance	$ 7,220.8	$ 6,991.6	$ 6,607.4	$ 7,113.8	$ 6,572.1
Equipment Finance	$ 4,269.2	$ 4,239.5	$ 4,106.8	$ 4,258.0	$ 3,998.0
Commercial Services	$ 973.9	$ 940.7	$ 1,059.1	$ 957.4	$ 1,062.4
Gross yield					
Real Estate Finance	4.10%	3.99%	4.08%	4.04%	4.22%
Corporate Finance	5.71%	5.02%	5.94%	5.37%	6.26%
Equipment Finance	9.52%	9.54%	10.92%	9.52%	11.24%
Commercial Services	4.99%	4.86%	5.51%	4.93%	5.49%
Non-Strategic Portfolios					
AEA	$ 988.1	$ 1,185.8	$ 1,961.8	$ 1,082.1	$ 1,980.6
Gross yield	14.17%	12.78%	15.80%	13.47%	15.81%
NFM	2.55%	2.63%	7.30%	2.61%	6.98%
Adjusted NFM	2.55%	2.63%	7.36%	2.61%	7.06%

Compared to the 2013 quarter and six month periods, gross yields (interest income plus rental income on operating leases as a % of AEA) and NFM in TIF were down, reflecting lower rental rates. NACF gross yields and NFM reflect continued pressures on the portfolios. NSP declines reflect the sales of higher yielding portfolios.

Interest expense was relatively flat compared to the 2013 periods, but the year-ago quarter included $8 million of accelerated debt FSA accretion, while the 2014 second quarter had a net benefit of $7 million of debt FSA and OID accretion. At June 30, 2014, the remaining FSA discount on long-term borrowings is not significant, approximately $5 million.

The weighted average coupon rate of outstanding deposits and long-term borrowings was 3.20% at June 30, 2014, down from 3.33% at March 31, 2014 and 3.39% at June 30, 2013, benefiting from a higher proportion of deposit funding. The weighted average coupon rate of long-term borrowings at June 30, 2014 was 4.44%, essentially unchanged from March 31, 2014 and down slightly from 4.52% at June 30, 2013.

Deposits represented 44% of the total deposits and long-term borrowing at June 30, 2014, while unsecured debt was 39% and secured debt was 17%. These proportions will fluctuate in the future depending upon our capital markets activities.

Deposits have increased, both in dollars and proportion of total CIT funding. The weighted average rate of total CIT deposits was 1.64%, 1.67% and 1.59% at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Deposits and long-term borrowings are also discussed in *Funding and Liquidity*. See *Select Data and Average Balances* section for more information on Long-term borrowing rates.

The following table sets forth the details on net operating lease revenue[5]. We changed the presentation of net operating lease revenue in the first quarter of 2014 and have revised the prior periods for the new presentation. A new line item reflects maintenance and other operating lease expenses associated with our operating lease equipment. Previously, maintenance costs reduced rental income, while other operating lease expenses were included with depreciation. Total net operating lease revenue did not change with the new presentation.

Net Operating Lease Revenue as a % of Average Operating Leases (dollars in millions)

	Quarters Ended					
	June 30, 2014		March 31, 2014		June 30, 2013	
Rental income on operating leases	$ 519.6	14.33%	$ 491.9	14.32%	$ 484.3	15.76%
Depreciation on operating lease equipment	(157.3)	(4.34)%	(148.8)	(4.33)%	(133.6)	(4.35)%
Maintenance and other operating lease expenses	(49.0)	(1.35)%	(51.6)	(1.50)%	(40.3)	(1.31)%
Net operating lease revenue	$ 313.3	8.64%	$ 291.5	8.49%	$ 310.4	10.10%
Average Operating Lease Equipment ("AOL")	$14,505.9		$13,735.8		$12,295.8	

	Six Months Ended June 30,			
	2014		2013	
Rental income on operating leases	$ 1,011.5	14.31%	$ 960.7	15.57%
Depreciation on operating lease equipment	(306.1)	(4.33)%	(266.9)	(4.32)%
Maintenance and other operating lease expenses	(100.6)	(1.42)%	(82.7)	(1.34)%
Net operating lease revenue	$ 604.8	8.56%	$ 611.1	9.91%
Average Operating Lease Equipment ("AOL")	$14,137.0		$12,338.4	

Net operating lease revenue was primarily generated from the commercial air and rail portfolios. Net operating lease revenue was essentially flat with the prior-year quarter, as the benefit of increased assets from the growing aerospace and rail portfolios offset lower rental rates, higher depreciation expense and increased maintenance and other operating lease expenses. Rental income increased from the year-ago periods as did depreciation expense, reflecting the growing portfolio. The increase from 2013 in maintenance and other operating lease expenses reflects the growing rail portfolio, and aerospace remarketing expenses resulting from the elevated levels of aircraft re-leasing activity in 2014. During the quarter, on average, lease renewal rates in the rail portfolio were re-pricing slightly higher, while the commercial air portfolio has been re-pricing slightly lower, putting pressure on overall rental revenue, compared to the 2013 periods. These factors are also reflected in the net operating lease revenue as a percent of AOL. The sequential improvement reflects higher AOL and slightly lower maintenance and operating lease expenses. We expect costs related to the remarketing of aircraft, which are reflected in operating lease expenses, to remain at a level in the second half of 2014 that is consistent with the first half. The 2014 first quarter European rail acquisition also impacted net yields, as the acquired portfolio's net yields were lower.

Utilization and asset levels remained strong in 2014. All but one of our commercial aircraft was leased, or under a commitment. Including commitments, rail fleet utilization was 98% at June 30, 2014, at about the same level as last quarter and June 30, 2013.

All but one new aircraft delivery scheduled for the next twelve months are placed. We expect delivery of approximately 4,600 railcars from our order book over the next twelve months, essentially all of which are placed.

Depreciation on operating lease equipment increased from the prior-year and prior quarters in amount, reflecting higher asset balances and lower suspended depreciation (compared to the year-ago quarter), but remained relatively flat as a % of AOL. Net operating lease revenue includes rental income on operating lease equipment classified as AHFS, but there is no related depreciation expense. Once a long-lived asset is classified as AHFS, depreciation expense is no longer recognized, but the asset is evaluated periodically for impairment with any such charge recorded in other income. (See *"Non-interest Income — Impairment on assets held for sale"* for discussion on impairment charges). As such, the year-ago quarter benefited from suspended depreciation, primarily in NSP as a result of certain operating lease equipment being recorded as AHFS. The amount of suspended depreciation on operating lease equipment in AHFS totaled $4 million for the second quarter of 2014, $24 million for the year-ago quarter and $3 million for the prior quarter. Year-to-date, the amount of suspended depreciation totaled $7 million, down from $49 million in 2013. The decreases from 2013 primarily reflect the sale of the Dell Europe portfolio in the second half of 2013.

Operating lease equipment in AHFS totaled $223 million at June 30, 2014, $448 million at June 30, 2013, and $46 million at March 31, 2014.

See *"Non-interest Income — Impairment on assets held for sale"*, *"Expenses — Depreciation on operating lease equipment"* and *"Concentrations — Operating Leases"* for additional information.

[5] *Net operating lease revenue and average operating lease equipment are non-GAAP measures; see reconciliation of non-GAAP to GAAP financial information.*

CREDIT METRICS

Credit metrics remain at or near cyclical lows, and given current levels, sequential quarterly movements in non-accrual loans and charge-offs are subject to volatility as individual larger accounts migrate in and out of non-accrual status or get resolved.

Net charge-offs were $21 million, or 0.45% of average finance receivables (AFR), versus $29 million (0.63%) in the year-ago quarter and $36 million (0.76%) in the prior quarter. Recoveries of $8 million were lower than the $19 million recorded in the year-ago quarter and essentially flat with the prior quarter. Net charge-offs in TIF of $13 million (1.48%) include $9 million related to the transfer of receivables to AHFS. TIF had a net recovery of $1 million (0.12%) a year-ago and net charge-offs of $13 million (1.47%) in the prior quarter. Net charge-offs in NACF were $9 million, (0.23%), up from $4 million (0.12%) a year-ago and below $16 million (0.43%) in the prior quarter. NSP had a net recovery of $1 million, compared to a net charge-off of $26 million in the year-ago quarter and $7 million in the prior quarter, as both prior periods were impacted by the transfer of receivables to AHFS.

Non-accrual loans declined to $190 million (1.02% of Finance receivables) from $279 million (1.53%) at June 30, 2013 and $241 million (1.29%) at December 31, 2013. The decrease reflects repayments, charge-offs, as well as returns to accrual status where appropriate, and the sale of the Small Business Lending unit.

The provision for credit losses was $10 million, down from $15 million in the year-ago quarter and $37 million in the prior quarter, reflecting lower net charge-offs and lower reserve build due to portfolio composition.

The allowance for loan losses is intended to provide for losses inherent in the portfolio based on estimates of the ultimate outcome of collection efforts, realization of collateral values, and other pertinent factors, such as estimation risk related to performance in prospective periods. We may make adjustments to the allowance depending on general economic conditions and specific industry weakness or trends in our portfolio credit metrics, including non-accrual loans, charge-off levels, and realization rates on collateral.

Our allowance for loan losses includes: (1) specific reserves for impaired loans, (2) non-specific reserves for losses inherent in non-impaired loans utilizing the Company's internal probability of default/loss given default ratings system, generally with a two year loss emergence period assumption, to determine estimated loss levels, and (3) a qualitative adjustment to the non-specific reserve for economic risks, industry and geographic concentrations, and other factors not adequately captured in our methodology. Our policy is to recognize losses through charge-offs when there is a high likelihood of loss after considering the borrower's financial condition, underlying collateral and guarantees, and the finalization of collection activities.

For all presentation periods, qualitative adjustments largely related to instances where management believed that the Company's current risk ratings in selected portfolios did not yet fully reflect the corresponding inherent risk. The qualitative adjustments did not exceed 10% of the total allowance for any of such periods and are recorded by class and included in the allowance for loan losses.

The following table presents detail on our allowance for loan losses, including charge-offs and recoveries and provides summarized components of the provision and allowance:

Allowance for Loan Losses and Provision for Credit Losses (dollars in millions)

	Quarters Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Allowance – beginning of period	$ 352.6	$ 356.1	$ 386.0	$356.1	$379.3
Provision for credit losses[1]	10.2	36.7	14.6	46.9	34.1
Other[1]	(0.6)	(4.6)	(4.3)	(5.2)	(7.6)
Net additions	9.6	32.1	10.3	41.7	26.5
Gross charge-offs[2]	(29.1)	(44.4)	(48.1)	(73.5)	(72.4)
Recoveries	7.9	8.8	19.0	16.7	33.8
Net Charge-offs	(21.2)	(35.6)	(29.1)	(56.8)	(38.6)
Allowance – end of period	$ 341.0	$ 352.6	$ 367.2	$341.0	$367.2
Loans					
Transportation & International Finance	$ 3,228.3	$ 3,553.5	$ 3,114.6		
North American Commercial Finance	15,376.1	14,902.8	14,049.1		
Non-Strategic Portfolios	–	115.4	991.6		
Total loans	$18,604.4	$18,571.7	$18,155.3		
Allowance					
Transportation & International Finance	$ 39.7	$ 45.7	$ 41.6		
North American Commercial Finance	301.3	306.9	307.5		
Non-Strategic Portfolios	–	–	18.1		
Total allowance	$ 341.0	$ 352.6	$ 367.2		

	Provision for Credit Losses					Allowance for Loan Losses	
	Quarters Ended			Six Months Ended			
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	December 31, 2013
Specific reserves on impaired loans	$ (3.5)	$ (4.7)	$ 1.3	$ (8.2)	$ (2.3)	$ 22.2	$ 30.4
Non-specific reserves	(7.5)	5.8	(15.8)	(1.7)	(2.2)	318.8	325.7
Net charge-offs	21.2	35.6	29.1	56.8	38.6	–	–
Total	$ 10.2	$ 36.7	$ 14.6	$ 46.9	$ 34.1	$341.0	$356.1
Allowance for loan losses as a percentage of total loans						1.83%	1.91%

(1) *Includes amounts related to reserves on unfunded loan commitments and letters of credit, and for deferred purchase agreements, which are reflected in other liabilities, as well as foreign currency translation adjustments. These related other liabilities totaled $31 million, $28 million and $27 million at June 30, 2014, December 31, 2013 and June 30, 2013, respectively.*

(2) *Gross charge-offs included $12 million, $14 million and $21 million related to the transfer of receivables to assets held for sale for the quarters ended June 30, 2014, March 31, 2014, and June 30, 2013, respectively. Year to date, gross charge-offs include $26 million in 2014 and $22 million in 2013 related to the transfer of receivables to assets held for sale.*

The allowance rate reflects the relatively benign credit environment. Reserves in both TIF and NACF segments have continued to decline, reflective of the current credit environment. NSP currently carries no reserves, as the portfolio consists entirely of AHFS. The decline in specific reserves is consistent with reduced non-accrual inflows and balances.

Segment Finance Receivables and Allowance for Loan Losses (dollars in millions)

	Finance Receivables	Allowance for Loan Losses	Net Carrying Value
June 30, 2014			
Transportation & International Finance	$ 3,228.3	$ (39.7)	$ 3,188.6
North American Commercial Finance	15,376.1	(301.3)	15,074.8
Non-Strategic Portfolios	–	–	–
Total	$18,604.4	$(341.0)	$18,263.4
December 31, 2013			
Transportation & International Finance	$ 3,494.4	$ (46.7)	$ 3,447.7
North American Commercial Finance	14,693.1	(303.8)	14,389.3
Non-Strategic Portfolios	441.7	(5.6)	436.1
Total	$18,629.2	$(356.1)	$18,273.1

The following table presents charge-offs, by class. See *Results by Business Segment* for additional information.

Charge-offs as a Percentage of Average Finance Receivables by Class (dollars in millions)

	Quarters Ended						Six Months Ended June 30,			
	June 30, 2014		March 31, 2014		June 30, 2013		2014		2013	
Gross Charge-offs[(1)]										
Transportation Finance	$ –	–	$ –	–	$ –	–	$ –	–	$ –	–
International Finance	15.9	4.23%	14.3	3.35%	1.3	0.37%	30.2	3.78%	5.5	0.83%
Transportation & International Finance	15.9	1.79%	14.3	1.61%	1.3	0.17%	30.2	1.70%	5.5	0.38%
Corporate Finance	4.0	0.22%	10.4	0.60%	8.1	0.49%	14.4	0.41%	12.7	0.39%
Equipment Finance	8.3	0.83%	9.2	0.91%	8.5	0.86%	17.5	0.88%	17.3	0.90%
Commercial Services	0.9	0.15%	3.0	0.53%	0.7	0.13%	3.9	0.34%	1.5	0.13%
North American Commercial Finance	13.2	0.35%	22.6	0.61%	17.3	0.50%	35.8	0.48%	31.5	0.46%
Non-Strategic Portfolios	–	–	7.5	9.94%	29.5	8.17%	7.5	5.29%	35.4	4.84%
Total	$29.1	0.62%	$44.4	0.95%	$48.1	1.04%	$73.5	0.78%	$72.4	0.80%
Recoveries										
Transportation Finance	$ 0.2	0.05%	$ –	–	$ 0.1	0.04%	$ 0.2	0.03%	$ 0.1	0.02%
International Finance	2.6	0.69%	1.3	0.28%	2.1	0.60%	3.9	0.48%	5.2	0.79%
Transportation & International Finance	2.8	0.31%	1.3	0.14%	2.2	0.29%	4.1	0.23%	5.3	0.37%
Corporate Finance	0.4	0.02%	0.1	0.01%	0.9	0.06%	0.5	0.02%	1.5	0.05%
Equipment Finance	3.5	0.36%	5.2	0.51%	10.9	1.11%	8.7	0.44%	16.1	0.84%
Commercial Services	0.5	0.07%	1.3	0.23%	1.2	0.21%	1.8	0.15%	3.8	0.32%
North American Commercial Finance	4.4	0.12%	6.6	0.18%	13.0	0.38%	11.0	0.15%	21.4	0.31%
Non-Strategic Portfolios	0.7	3.16%	0.9	1.17%	3.8	1.04%	1.6	1.07%	7.1	0.97%
Total	$ 7.9	0.17%	$ 8.8	0.19%	$19.0	0.41%	$16.7	0.18%	$33.8	0.37%
Net Charge-offs[(1)]										
Transportation Finance	$ (0.2)	(0.05)%	$ –	–	$ (0.1)	(0.04)%	$ (0.2)	(0.03)%	$ (0.1)	(0.02)%
International Finance	13.3	3.54%	13.0	3.07%	(0.8)	(0.23)%	26.3	3.30%	0.3	0.04%
Transportation & International Finance	13.1	1.48%	13.0	1.47%	(0.9)	(0.12)%	26.1	1.47%	0.2	0.01%
Corporate Finance	3.6	0.20%	10.3	0.59%	7.2	0.43%	13.9	0.39%	11.2	0.34%
Equipment Finance	4.8	0.47%	4.0	0.40%	(2.4)	(0.25)%	8.8	0.44%	1.2	0.06%
Commercial Services	0.4	0.08%	1.7	0.30%	(0.5)	(0.08)%	2.1	0.19%	(2.3)	(0.19)%
North American Commercial Finance	8.8	0.23%	16.0	0.43%	4.3	0.12%	24.8	0.33%	10.1	0.15%
Non-Strategic Portfolios	(0.7)	(3.16)%	6.6	8.77%	25.7	7.13%	5.9	4.22%	28.3	3.87%
Total	$21.2	0.45%	$35.6	0.76%	$29.1	0.63%	$56.8	0.60%	$38.6	0.43%

(1) *TIF charge-offs included $9 million and $3 million related to the transfer of receivables to assets held for sale for the quarters ended June 30, 2014 and March 31, 2014, respectively, and none for the year-ago quarter or six month period. NACF charge-offs included $3 million and $4 million related to the transfer of receivables to assets held for sale for the quarters ended June 30, 2014 and March 31, 2014, respectively, and $2 million for the six months ended June 30, 2013. NSP charge-offs included approximately $7 million and $21 million, respectively, related to the transfer of receivables to assets held for sale for the quarters ended March 31, 2014 and June 30, 2013 and $7 million and $21 million for the six months ended June 30, 2014 and 2013.*

Charge-offs remain at relatively low levels absent the amount related to assets transferred to AHFS. While current quarter charge-offs are consistent with longer term trends, the higher charge-offs in the first quarter of 2014 are reflective of the episodic volatility that is to be expected with credit metrics at such low levels and does not represent a change in the credit quality of the portfolio. Recoveries are down in amount from prior periods and are expected to continue to decline as the low level of more recent charge-offs afford fewer opportunities for recoveries. Additionally, charge-offs associated with AHFS do not generate future recoveries as the loans are generally sold before recoveries can be realized.

The tables below present information on non-performing loans, which includes non-performing loans related to AHFS for each period:

Non-accrual and Accruing Past Due Loans (dollars in millions)

	June 30, 2014	December 31, 2013
Non-accrual loans		
U.S.	$120.7	$176.3
Foreign	69.7	64.4
Non-accrual loans	$190.4	$240.7
Troubled Debt Restructurings		
U.S.	$158.1	$218.0
Foreign	4.7	2.9
Restructured loans	$162.8	$220.9
Accruing loans past due 90 days or more		
Total accruing loans past due 90 days or more	$ 10.6	$ 9.9

Non-accrual Loans as a Percentage of Finance Receivables by Class (dollars in millions)

	June 30, 2014		December 31, 2013	
Transportation Finance	$ 15.1	0.71%	$ 14.3	0.81%
International Finance	25.7	2.32%	21.0	1.21%
Transportation & International Finance	40.8	1.26%	35.3	1.01%
Corporate Finance	58.9	0.81%	83.8	1.23%
Equipment Finance	73.4	1.79%	59.4	1.47%
Commercial Services	–	–	4.2	0.19%
North American Commercial Finance	132.3	0.86%	147.4	1.00%
Non-Strategic Portfolios	17.3	(1)	58.0	13.14%
Total	$190.4	1.02%	$240.7	1.29%

(1) *Non-accrual loans include loans held for sale. The June 2014 NSP amount reflected non-accrual loans held for sale; there were no portfolio loans, therefore no % is displayed.*

Non-accrual loans declined from the prior period, both in amount and as a percentage of finance receivables. The improvements reflect the sale of the Small Business Lending unit in NSP, as well as repayments, charge-offs, and returns to accrual status.

Approximately 55% of our non-accrual accounts were paying currently at June 30, 2014, and our impaired loan carrying value (including specific reserves and charge-offs) to estimated outstanding contractual balances approximated 85%. For this purpose, impaired loans are comprised principally of non-accrual loans over $500,000 and TDRs.

Total delinquency (30 days or more) increased to 1.75% of finance receivables compared to 1.68% last quarter, but remains below the recent high of 1.95% at December 2013 when non-credit (administrative) delinquencies in the Equipment Finance portfolio resulted in an increase from prior periods.

Foregone Interest on Non-accrual Loans and Troubled Debt Restructurings (dollars in millions)

	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Interest revenue that would have been earned at original terms	$17.0	$ 6.3	$23.3	$41.0	$ 6.4	$47.4
Less: Interest recorded	(5.9)	(0.6)	(6.5)	(8.1)	(1.2)	(9.3)
Foregone interest revenue	$11.1	$ 5.7	$16.8	$32.9	$ 5.2	$38.1

The Company periodically modifies the terms of loans/finance receivables in response to borrowers' difficulties. Modifications that include a financial concession to the borrower, which otherwise would not have been considered, are accounted for as troubled debt restructurings ("TDRs"). For those accounts that were modified but were not considered to be TDRs, it was determined that no concessions had been granted by CIT to the borrower. Borrower compliance with the modified terms is the primary measurement that we use to determine the success of these programs.

The tables that follow reflect loan carrying values as of June 30, 2014 and December 31, 2013 of accounts that have been modified.

Troubled Debt Restructurings and Modifications (dollars in millions)

	June 30, 2014		December 31, 2013	
		% Compliant		% Compliant
Troubled Debt Restructurings[(1)]				
Deferral of principal and/or interest	$150.5	100%	$194.6	99%
Debt forgiveness	–	–	2.4	77%
Covenant relief and other	12.3	80%	23.9	74%
Total TDRs	$162.8	98%	$220.9	96%
Percent non-accrual	22%		33%	
		% Compliant		% Compliant
Modifications[(1)]				
Extended maturity	$ 0.1	100%	$ 14.9	37%
Covenant relief	114.1	100%	50.6	100%
Interest rate increase/additional collateral	10.9	100%	21.8	100%
Other	65.5	100%	62.6	87%
Total Modifications	$190.6	100%	$149.9	91%
Percent non-accrual	7%		23%	

(1) *Table depicts the predominant element of each modification, which may contain several of the characteristics listed.*

See *Note 3 — Loans* for additional information regarding TDRs and other credit quality information.

NON-INTEREST INCOME

Non-interest Income (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Rental income on operating leases	$519.6	$491.9	$484.3	$1,011.5	$ 960.7
Other Income:					
Factoring commissions	$ 28.3	$ 28.6	$ 29.0	$ 56.9	$ 59.0
Fee revenues	21.8	21.6	27.4	43.4	47.8
Gains on sales of leasing equipment	16.0	8.4	33.8	24.4	56.1
Counterparty receivable accretion	8.7	2.0	1.9	10.7	4.8
Recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale	5.0	5.2	6.3	10.2	10.5
Gain on investments	5.6	3.5	1.2	9.1	3.6
Gains (losses) on loan and portfolio sales	4.5	3.5	(4.5)	8.0	1.0
Gains (losses) on derivatives and foreign currency exchange	8.3	(7.1)	2.4	1.2	1.8
Impairment on assets held for sale	(14.3)	(1.1)	(22.1)	(15.4)	(44.7)
Other revenues	9.8	6.5	3.8	16.3	9.3
Total other income	93.7	71.1	79.2	164.8	149.2
Total non-interest income	$613.3	$563.0	$563.5	$1,176.3	$1,109.9

Non-interest Income includes Rental Income on Operating Leases and Other Income.

Rental income on operating leases from equipment we lease is recognized on a straight line basis over the lease term. Rental income is discussed in *"Net Finance Revenues"* and *"Results by Business Segment"*. See also *"Concentrations — Operating Leases"* for additional information on operating leases.

Other income increased from the prior quarter and the year-ago quarter reflecting the following:

Factoring commissions were down slightly from both the year-ago and prior quarters, and down modestly year-to-date as changes in the underlying portfolio mix offset increased year-to-date factoring volume. Factoring volume was $6.3 billion for the current and prior quarter and $6.0 billion for the year-ago quarter.

Fee revenues include fees on lines of credit and letters of credit, capital markets-related fees, agent and advisory fees, and servicing fees for the loans we sell but retain servicing. Fee revenues are mainly driven by our NACF segment. The prior year quarter included modestly higher fees from capital markets activities. NSP segment fee revenues generated for servicing the small business lending ("SBL") portfolio totaled approximately $2 million each in the current and prior quarters and $3 million for the year-ago quarter. These fees will no longer be earned as the sale of the SBL portfolio was completed in June 2014.

Gains on sales of leasing equipment resulted from approximately $125 million of equipment sales in the second quarter of 2014, $255 million in the prior quarter and $420 million in the year-ago quarter. Gains as a percentage of equipment sold increased from last quarter and the year-ago quarter and will vary based on the type and age of equipment sold. The carrying amount of equipment sold for the second quarter 2014 included approximately $80 million in NACF and $35 million in TIF (which generated 50% of the gains). The carrying amount of equipment sold for the prior quarter consisted of approximately $185 million in TIF (which generated 50% of the gains) and $70 million in NACF. The carrying amount of equipment sold for the year-ago quarter consisted of approximately $340 million in TIF (which generated 80% of the gains in the quarter), $75 million in NACF and $5 million in NSP.

Counterparty receivable accretion relates to the FSA accretion of a fair value discount on the receivable from Goldman Sachs International ("GSI") related to the GSI Facilities, which are total return swaps (as discussed in *Funding and Liquidity* and *Note 6 — Long-term Borrowings* and *Note 7 — Derivative Financial Instruments*). The discount is accreted into income over the expected term of the payout of the associated receivables. The current quarter includes acceleration of accretion of the remaining balance of FSA counterparty receivable, reflecting the restructuring of two aircraft securitization facilities. There was no remaining FSA on the counterparty receivable at June 30, 2014.

Recoveries of loans charged off pre-emergence and loans charged off prior to transfer to held for sale reflects repayments or other workout resolutions on loans charged off prior to emergence from bankruptcy and loans charged off prior to classification as held for sale. These recoveries are recorded as other income, unlike recoveries on loans charged off after our restructuring, which are recorded as a reduction to the provision for loan losses.

Gains on investments reflected sales of equity investments, primarily in NACF.

Gains on loan and portfolio sales in the second quarter of 2014 reflected approximately $440 million of sales, with approximately $300 million in NSP, primarily as a result of the SBL sale (gains on which were minimal), $95 million in NACF, and $45 million in TIF. The prior quarter sales totaled approximately $150 million of sales, which included approximately $70 million in NACF, $65 million in NSP, and $15 million in TIF. The year-ago quarter sales included approximately $55 million, which consisted of approximately $35 million in NSP and $15 million in NACF. NSP incurred a loss on portfolio sales in the year-ago quarter related to international platform rationalization which resulted in a $5 million loss primarily due to the recognition of foreign currency translations that were previously recorded in OCI.

Gains (losses) on derivatives and foreign currency exchange in the current quarter include gains of $11 million related to the valuation of the derivatives within the GSI facility, as compared to a loss of $(2) million last quarter and a loss of $(5) million in the year-ago quarter. Activity also includes the impact of transactional foreign currency movements, which resulted in gains of $41 million in the second quarter of 2014, as the US dollar weakened against other currency exposures, and losses of $(41) million and $(26) million in the prior and year-ago quarters, respectively. The impact of these transactional foreign currency movements were partially offset by losses of $(44) million in the second quarter of 2014 and gains of $37 million and $33 million in the prior and year-ago quarters, respectively, on derivatives that economically hedge foreign currency movements and other exposures. Gains and losses from realization of cumulative translation adjustment (CTA) were not significant for the current quarter or year-ago and prior quarters. For additional information on the impact of derivatives on the income statement, please refer to *Note 7 — Derivative Financial Instruments.*

Impairment on assets held for sale in the second quarter of 2014 of $14 million reflects $10 million from TIF, with $5 million related to commercial aircraft operating leases and the remainder related to the transfer of an international portfolio to AHFS. The prior quarter impairment of $1 million reflects minor amounts in TIF and NSP impairment charges. The prior year quarter included $22 million of charges related to NSP including $21 million related to NSP Europe assets, essentially all of which related to operating lease equipment for which there was a similar offsetting benefit in depreciation expense. When a long-lived asset is classified as held for sale, depreciation expense is suspended and the asset is evaluated periodically for impairment, with any such charge recorded in other income. (See *Expenses* for related discussion of *Depreciation on operating lease equipment.*)

Other revenues include items that are more episodic in nature, such as proceeds received in excess of carrying value on non-accrual accounts held for sale, which were repaid or had another workout resolution, and insurance proceeds in excess of carrying value on damaged leased equipment, and also includes income from joint ventures.

EXPENSES

Other Expenses (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Depreciation on operating lease equipment	$(157.3)	$(148.8)	$(133.6)	$(306.1)	$(266.9)
Maintenance and other operating lease expenses	(49.0)	(51.6)	(40.3)	(100.6)	(82.7)
Operating expenses:					
Compensation and benefits	$(125.7)	$(138.9)	$(135.8)	$(264.6)	$(272.6)
Technology	(20.8)	(21.1)	(20.1)	(41.9)	(39.9)
Professional fees	(16.9)	(18.0)	(12.1)	(34.9)	(30.5)
Net occupancy expense	(8.5)	(8.9)	(8.6)	(17.4)	(18.0)
Advertising and marketing	(8.3)	(7.9)	(6.3)	(16.2)	(14.0)
Provision for severance and facilities exiting activities	(5.6)	(9.9)	(9.5)	(15.5)	(15.2)
Other expenses	(39.2)	(28.8)	(33.7)	(68.0)	(66.8)
Total operating expenses	(225.0)	(233.5)	(226.1)	(458.5)	(457.0)
Loss on debt extinguishments	(0.4)	–	–	(0.4)	–
Total other expenses	$(431.7)	$(433.9)	$(400.0)	$(865.6)	$(806.6)
Headcount	3,170	3,200	3,420		

Depreciation on operating lease equipment is recognized on owned equipment over the lease term or estimated useful life of the asset. Depreciation expense is primarily driven by the TIF operating lease equipment portfolio, which includes long-lived assets such as aircraft and railcars. To a lesser extent, depreciation expense includes amounts on smaller ticket equipment, such as office equipment. Impairments recorded on equipment held in portfolio are reported as depreciation expense. AHFS also impacts the balance (as depreciation expense is suspended on operating lease equipment once it is transferred to AHFS). Depreciation expense is discussed further in *"Net Finance Revenues,"* as it is a component of our asset margin. See *"Non-interest Income"* for impairment charges on operating lease equipment classified as held for sale.

Maintenance and other operating lease expenses primarily relate to the TIF operating lease portfolio. Prior to 2014 these maintenance expenses were included as a reduction to rental income on operating leases, while other operating lease expenses were recorded as an increase to depreciation expense on operating lease equipment. The majority of the maintenance expenses are railcar fleet related. CIT Rail provides railcars primarily pursuant to full-service lease contracts under which CIT Rail as lessor is responsible for railcar maintenance and repair. Under our aircraft leases, the lessee is generally responsible for normal maintenance and repairs, airframe and engine overhauls, compliance with airworthiness directives, and compliance with return conditions of aircraft on lease. As a result, aircraft operating lease expenses primarily relate to transition costs incurred in connection with re-leasing an aircraft.

The increase in maintenance and other operating lease expenses from the prior year reflects the growing rail portfolio and aerospace remarketing expenses resulting from the elevated levels of aircraft re-leasing activity in 2014.

Operating expenses were essentially flat as compared to the year-ago periods and down 4% sequentially, as the decline in compensation and benefits was offset by higher Bank deposit-raising costs and 2014 included amounts related to the European rail business that was acquired during the first quarter. Operating expenses include Bank deposit-raising costs, which totaled $14 million in the second quarter of 2014, compared to $8 million for the year-ago quarter and $13 million for the prior quarter. These are reflected across various expense categories, but mostly within advertising and marketing and in other expenses, reflecting deposit insurance costs. Year-to-date, the deposit-raising costs were $27 million for 2014 and $17 million in 2013. Operating expenses reflect the following changes:

- *Compensation and benefits* decreased from the 2013 quarter and six months, as we made progress on various expense initiatives and reduced headcount by approximately 250 from June 30, 2013. The sequential decline also includes normalization of employee benefit costs that restart at the beginning of each year.
- *Professional fees* include legal and other professional fees such as tax, audit, and consulting services and were flat compared to the prior quarters and six month periods. The year-ago quarter benefited from a workout-related settlement.
- *Advertising and marketing* expenses include CIT Bank advertising and marketing costs associated with raising deposits, which totaled $5 million in the second quarter of 2014, $4 million in the year-ago quarter, and $6 million in the prior quarter. Year-to-date, CIT Bank advertising and marketing costs totaled $11 million in 2014 and $9 million in 2013.
- *Provision for severance and facilities exiting activities* reflects employee termination charges and other costs associated with various organization efficiency initiatives.

- *Other expenses* include items such as travel and entertainment, insurance, FDIC costs, office equipment and supply costs and taxes (other than income taxes). About half of the sequential increase was due to higher miscellaneous taxes and FDIC costs.

We continue to make progress reducing non-strategic portfolios, and have exited all the sub-scale countries in Asia, and several in Latin America and Europe. In April 2014 we sold the remaining student lending business, and in June closed the sale of the remaining SBL portfolio. During the 2014 second quarter we moved an international portfolio in TIF to AHFS. Our primary focus is on exiting Brazil, Mexico and smaller portfolios in Europe. The primary driver for our cost reductions will be the exit of our non-strategic portfolios, which will eliminate about $15 million from our quarterly expenses.

FRESH START ACCOUNTING

Upon emergence from bankruptcy in 2009, CIT applied Fresh Start Accounting (FSA) in accordance with GAAP. FSA had a significant impact on our operating results in prior years but the impact has significantly lessened. NFR includes the accretion of the FSA adjustments to the loans, leases and debt, as well as to depreciation and, to a lesser extent rental income related to operating lease equipment.

The most significant remaining discount at June 30, 2014, related to operating lease equipment ($1.4 billion related to rail operating lease equipment and $0.8 billion to aircraft operating lease equipment). The discount on the operating lease equipment was, in effect, an impairment of the operating lease equipment upon emergence from bankruptcy, as the assets were recorded at their fair value, which was less than their carrying value. The recording of the FSA adjustment reduced the asset balances subject to depreciation and thus decreases depreciation expense over the remaining useful life of the operating lease equipment or until it is sold.

At June 30, 2014 the remaining accretable balance on loans was $27 million, and is expected to accrete into income within the next 2 years. The remaining FSA discount on borrowings at June 30, 2014 was $5 million, down from $44 million at March 31, 2014. The decline resulted from the redemption of borrowings secured by aircraft during the second quarter, which resulted in the acceleration of FSA discount of $35 million. Also, the $9 million FSA discount on the counterparty receivable at March 31, 2014 was accelerated in conjunction with the debt redemptions and recorded in other income. At June 30, 2014 there was no remaining FSA discount on the counterparty receivable.

INCOME TAXES

Income Tax Data (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Provision for income taxes, before discrete items	$15.4	$10.2	$ 7.6	$25.6	$25.7
Discrete items	2.7	3.3	21.7	6.0	16.4
Provision for income taxes	$18.1	$13.5	$29.3	$31.6	$42.1
Effective tax rate	8.3%	11.0%	14.3%	9.2%	11.3%

The Company's second quarter and six months ended June 30, 2014 income tax provision from continuing operations was $18.1 million and $31.6 million, respectively. This compares to $29.3 million in the year-ago second quarter, $42.1 million in the year-ago six months period, and $13.5 million last quarter. Excluding discrete items, the income tax provisions primarily reflected income tax expense on the earnings of certain international operations and state income tax expense in the U.S. The higher year-ago second quarter income tax provision was primarily driven by net discrete tax items of $22 million, of which approximately $24 million related to the establishment of valuation allowances on certain international deferred tax assets due to our international platform rationalizations. Included in the year-ago six months period income tax provision was approximately $16 million of net discrete tax expense that primarily related to the establishment of aforementioned valuation allowances partially offset by incremental tax benefits associated with favorable settlements of prior year international tax audits.

The change in the effective tax rate each period is impacted by a number of factors, including the relative mix of domestic and foreign earnings, adjustments to the valuation allowances, and discrete items. The actual year-end 2014 effective tax rate may vary from the currently projected tax rate due to changes in these factors.

The Company has not recognized any tax benefit on its prior year domestic losses and certain prior year foreign losses due to uncertainties related to its ability to realize its net deferred tax assets in the future. Due to these uncertainties, combined with the recent three years of cumulative losses by certain domestic and foreign reporting entities, the Company has concluded that it does not currently meet the criteria to recognize its net deferred tax assets, inclusive of the deferred tax assets related to NOLs in these entities. Accordingly, the Company maintained a valuation allowance of $1.5 billion against its net deferred tax assets at December 31, 2013. Of the $1.5 billion valuation allowance, approximately $1.3 billion relates to domestic reporting entities and $211 million relates to foreign reporting entities.

Management's decision to maintain the valuation allowances on certain reporting entities' net deferred tax assets requires significant judgment and an analysis of all the positive and negative evidence regarding the likelihood that these future benefits will be realized. ASC 740-10-30-18 states that "future realization of the tax benefit of an existing deductible temporary difference or NOL carry-forward ultimately depends on the existence of sufficient taxable income within the carryback and carry-forward periods available under the tax law." As such, the Company has considered the following potential sources of taxable income in its assessment of a reporting entity's ability to recognize its net deferred tax asset:

- Taxable income in carryback years,
- Future reversals of existing taxable temporary differences (deferred tax liabilities),
- Prudent and feasible tax planning strategies, and
- Future taxable income forecasts.

The above types of positive evidence are weighed against other negative evidence, including a recent history of losses, in determining the need for a valuation allowance. Specifically, Management considers a reporting entity's most recent three years of cumulative losses, adjusted for any non-recurring items, as significant objective and verifiable negative evidence. Such evidence is heavily weighted and difficult to overcome and supports the need for a valuation allowance. At the point in time when any of these reporting entities transition into a cumulative three year income position, Management will take this trend into consideration along with the other aforementioned factors in its evaluation of the valuation allowances.

The domestic reporting entities with net operating loss carry-forwards have been profitable in some of the most recent periods but remain in a cumulative three year loss position. In the U.S., the Company files a U.S. consolidated federal tax return and combined unitary state tax returns in various jurisdictions. Thus, the tax reporting entity for U.S. GAAP reporting purposes is the "U.S. Affiliated Group". As the loss from 2011 rolls off the three year rolling analysis and is replaced by expected profitability in 2014, Management anticipates that the "U.S. Affiliated Group" will achieve three year income position later in 2014. However, as of June 30, 2014, sustained profitability was not demonstrated and the Company did not have sufficient objective and verifiable positive evidence on which to place a significant weight on forecasts of future taxable income. Furthermore, the Company has yet to demonstrate the ability to consistently generate sufficient taxable income to utilize the NOLs and has not concluded on any prudent and feasible tax planning strategies to ensure the utilization of the U.S. NOLs before they expire. Thus, the negative evidence continues to outweigh the positive evidence, and the Company continues to maintain a full valuation allowance on these entities' net deferred tax assets.

In the evaluation process related to the net deferred tax assets of the Company's foreign reporting entities, uncertainties surrounding the international business plans, the recent international platform rationalizations, and the "cumulative losses in recent years" have made it challenging to reliably project future taxable income. The primary inputs for the forecast of future taxable income will continue to be identified as the business plans for the international operations evolve, and potential tax planning strategies are identified. Thus, as of this reporting period, the negative evidence continues to outweigh the positive evidence, and the Company continues to maintain a full valuation allowance on these entities' net deferred tax assets.

At the point a determination is made that it is "more likely than not" that a reporting entity will generate sufficient future taxable income to realize its respective net deferred tax assets, the Company will reduce the entity's respective valuation allowance (in full or in part), resulting in an income tax benefit in the period such a determination is made. Subsequently, income tax expense will be reported on future earnings; however there will be a minimal impact on cash taxes paid until the related NOL carry-forward is fully utilized. In addition, while GAAP equity will increase as a result of a valuation allowance reversal and recognition of the net deferred tax asset, we expect minimal benefit, if any, on regulatory capital.

See *Note 10 — Income Taxes* for additional information, including deferred tax assets.

RESULTS BY BUSINESS SEGMENT

As discussed in our 2014 first quarter Form 10-Q, we announced organization changes that became effective January 1, 2014. Management changed our operating segments to (i) realign and simplify its businesses and organizational structure, (ii) streamline and consolidate certain business processes to achieve greater operating efficiencies, and (iii) leverage CIT's operational capabilities for the benefit of its clients and customers. Effective January 1, 2014, CIT manages its business and reports financial results in three operating segments: (1) TIF; (2) NACF; and (3) NSP.

The change in segment reporting does not affect CIT's historical consolidated results of operations. The discussions below reflect the new reporting segments, and all prior period comparisons have been conformed and are consistent with the presentation of financial information to management.

On April 25, 2014, the Company completed the sale of the student lending business. The business had previously been included in the NSP segment. All prior period data has been adjusted to reflect the student lending business as a discontinued operation.

See *Note 14 — Business Segment Information* for additional details.

Transportation & International Finance

TIF includes several divisions: aerospace (commercial aircraft and business aircraft), rail, and maritime finance, as well as international finance, which includes corporate lending and equipment financing businesses in China and the U.K. Revenues generated by TIF include rents collected on leased assets, interest on loans, fees, and gains from assets sold.

Aerospace–Commercial Air provides leasing and financing solutions — including operating leases, capital leases, loans and structuring and advisory services — for commercial airlines worldwide. We own and finance a fleet of more than 300 commercial aircraft and have about 100 customers in approximately 50 countries.

Aerospace–Business Air provides financing solutions to business jet operators. Serving clients around the globe, we provide financing that is tailored to our clients' unique business requirements. Products include term loans, leases, predelivery financing, fractional share financing and vendor/manufacturer financing.

Rail offers customized leasing and financing solutions and a highly efficient, diversified fleet of railcar assets to freight shippers and carriers throughout North America and Europe. We expanded our operations to Europe through a 2014 acquisition. See *"Concentrations — Leased Railcars"* section.

Maritime Finance offers senior secured loans, sale-leasebacks and bareboat charters to owners and operators of oceangoing cargo vessels, including tankers, bulkers, container ships, car carriers, and offshore vessels and drilling rigs.

International Finance offers corporate lending and advisory services as well as equipment financing and leasing to small and middle market businesses in China and the U.K.

Transportation & International Finance – Financial Data and Metrics (dollars in millions)

	Quarters Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Earnings Summary					
Interest income	$ 72.2	$ 76.7	$ 62.6	$ 148.9	$ 119.2
Interest expense	(155.1)	(160.7)	(143.9)	(315.8)	(288.0)
Provision for credit losses	(8.3)	(12.4)	(3.7)	(20.7)	1.9
Rental income on operating leases	485.1	459.6	423.8	944.7	841.2
Other income	10.4	7.2	26.9	17.6	43.7
Depreciation on operating lease equipment	(131.6)	(121.7)	(106.2)	(253.3)	(214.2)
Maintenance and other operating lease expenses	(49.0)	(51.6)	(40.2)	(100.6)	(82.6)
Operating expenses	(75.5)	(79.5)	(61.5)	(155.0)	(124.9)
Income before provision for income taxes	$ 148.2	$ 117.6	$ 157.8	$ 265.8	$ 296.3
Select Average Balances					
Average finance receivables (AFR)	$ 3,547.0	$ 3,555.0	$ 3,040.9	$ 3,550.8	$ 2,880.9
Average operating leases (AOL)	$14,234.7	$13,457.5	$12,022.1	$13,863.4	$12,079.0
Average earning assets (AEA)	$18,066.2	$17,119.7	$15,316.4	$17,624.8	$15,188.3
Statistical Data					
Net finance margin – net finance revenue (interest and rental income, net of interest and depreciation and maintenance and other operating lease expenses) as a % of AEA	4.91%	4.73%	5.12%	4.81%	4.95%
Operating lease margin (rental income less depreciation and maintenance and other operating lease expenses) as a % of AOL	8.56%	8.51%	9.23%	8.52%	9.01%
New business volume	$ 1,404.7	$ 1,054.6	$ 907.3	$ 2,459.3	$ 1,330.3

Pre-tax earnings for the quarter and year-to-date periods were down from the year-ago periods mostly due to higher operating expenses and lower gains on asset sales, partially offset by higher net finance revenue. Pre-tax earnings this quarter included a $5 million impairment upon the transfer to AHFS of an international loan portfolio of approximately $0.5 billion and a net benefit to interest expense of $7 million due to the refinancing of secured debt within the

TRS, while the prior year quarter included a $5 million FSA charge on debt refinancing.

Financing and leasing assets grew to $18.4 billion at June 30, 2014, up sequentially from $17.6 billion and from $15.4 billion a year ago. The sequential increase reflected growth in all divisions except International Finance with Aerospace accounting for approximately 80% of the growth. The $3.0 billion, or 19% increase from June 2013 included $1.4 billion of growth in Rail, including the European rail acquisition in the 2014 first quarter, $1.2 billion in Aerospace, and $0.3 billion in Maritime. We entered the European rail leasing market with the January 31, 2014 acquisition of Nacco, an independent full service railcar lessor in Europe, which included more than 9,500 railcars, consisting of tank cars, flat cars, gondolas and hopper cars.

New business volume remained strong and asset utilization remained high. New business volume outpaced the year-ago and prior quarters and consisted of $0.9 billion of lease equipment, including the delivery of 13 aircraft and approximately 2,500 railcars and the funding of $0.5 billion of finance receivables.

Other highlights included:

- Net finance revenue was $222 million, up from $196 million in the year-ago quarter and from $202 million sequentially, primarily due to asset growth. NFM was 4.91% compared to 5.12% in the year-ago quarter and 4.73% in the prior quarter. Excluding the accelerated FSA and OID accretion, NFM was 4.75%, down from the prior year reflecting lower net rental yields in air, and flat sequentially, as lower maintenance and operating lease expense offset reduced loan prepayment benefits.
- Net operating lease revenue (rental income on operating leases less depreciation on operating lease equipment and maintenance and other operating lease expenses), which is a component of NFR, was $305 million, up from $277 million from the year-ago quarter and $286 million in the prior quarter. Increased rent from growth in the Aerospace and Rail portfolios and combined strong utilization offset an increase in depreciation and maintenance and operating lease expense compared to the year-ago quarter. Net operating lease revenue was $591 million year-to-date in 2014, up from $544 million in 2013. The declines from 2013 in the net operating lease margin (as a % of average operating lease equipment) reflected pressure on renewal rents on certain aircraft, higher maintenance costs and operating lease expenses and higher depreciation rates. We entered 2014 with approximately 50 aircraft to remarket due to lease expirations, a level that was higher than in recent years, and have made good progress placing these aircraft. Lease commitments have been renewed or entered into for approximately 80% of those aircraft. Most of these have been renewed with the existing carrier, which lowers the remarketing costs.
- At June 30, 2014, TIF had 284 commercial aircraft, and approximately 119,000 railcars and 350 locomotives on operating lease.
- Utilization remained strong with all but one commercial aircraft and over 98% of rail equipment on lease or under a commitment at June 30, 2014.
- At June 30, 2014, we had 130 aircraft on order from manufacturers (down from 147 at December 31, 2013), with deliveries scheduled through 2020. We had future purchase commitments for approximately 7,400 railcars, with scheduled deliveries through 2016. All but one aircraft scheduled for delivery in the next 12 months, and approximately 87% of all railcars on order, have lease commitments. See *Item 1. Consolidated Financial Statements, Note 12 — Commitments.*

  In July, CIT signed memorandums of understanding with Airbus for the purchase of 15 A330-900neo (new engine option) aircraft and five A321-200ceo (current engine option) aircraft. Deliveries of the A330-900neo are scheduled to begin in 2018 and deliveries of the A321-200ceo are scheduled to begin in 2015. CIT also placed an order with Boeing for the purchase of 10 787-9 Dreamliner aircraft, with deliveries beginning in 2018.
- Other income primarily includes gains on equipment and receivable sales, partially offset by impairment charges. For the second quarter of 2014, gains totaled $11 million on $81 million of equipment and receivable sales, compared to $27 million of gains on $339 million of sales in the year-ago quarter and $4 million of gains on $199 million of sales last quarter. Year-to-date, gains totaled $15 million on $280 million of sales in 2014 and $42 million of gains on $474 million of sales in 2013. Gains can vary significantly quarter to quarter, depending on various factors, including types of equipment sold. Impairment charges totaled $10 million in the second quarter of 2014, primarily reflecting aircraft equipment held for sale and transfers of international assets to assets held for sale, compared to an insignificant amount in the year-ago quarter and less than $1 million last quarter. Year-to-date, impairment charges were $11 million in 2014 and $2 million in 2013.
- Provision for credit losses was $8 million, compared to $4 million in the year-ago quarter and $12 million in the prior quarter, reflecting fluctuations in the international portfolio charge-offs. Non-accrual loans were $41 million (1.26% of finance receivables) at June 30, 2014, up from 36 million (1.01%) at March 31, 2014 and $28 million (0.91%) at June 30, 2013. Net charge-offs were $13 million (1.48% of average finance receivables) in the second quarter of 2014, up from a net recovery in the year-ago quarter and unchanged from the prior quarter. Charge-offs for the quarters ended June 30 and March 31, 2014, included approximately $9 million and $3 million, respectively, related to the transfer of receivables to AHFS. The year-ago quarter and six month balances were not significant. Net charge-offs year-to-date were $26 million in 2014, compared to less than $1 million in 2013. Charge-offs were concentrated in the International portfolio.

- Operating expenses were $76 million and $155 million for the quarter and year-to-date 2014, up from the 2013 periods reflecting the European rail acquisition and our continued investment in growth initiatives. Operating expenses were down from the prior quarter, reflecting lower legal and employee costs.

North American Commercial Finance

The NACF segment is comprised of four divisions: Corporate Finance, Equipment Finance, Real Estate Finance and Commercial Services. Revenue is generated from interest earned on loans, rents on leases, fees and other revenue from lending activities and capital markets transactions, and commissions earned on factoring and related activities.

Corporate Finance provides a range of financing options and offers advisory services to small and medium size companies. Its core products include both loan and fee-based products. Loans offered are primarily senior secured loans collateralized by accounts receivable, inventory, machinery & equipment and/or intangibles that are often used for working capital, plant expansion, acquisitions or recapitalizations. These loans include revolving lines of credit and term loans and, depending on the nature and quality of the collateral, may be referred to as asset-based loans or cash flow loans. We provide financing to customers in a wide range of industries, including Commercial & Industrial, Communications, Media & Entertainment, Energy and Healthcare.

Equipment Finance provides leasing and equipment loan solutions to small businesses and middle market companies in a wide range of industries. We provide financing solutions for our borrowers and lessees, and assist manufacturers and distributors in growing sales, profitability and customer loyalty by providing customized, value-added finance solutions to their commercial clients. We offer both capital and operating leases.

Real Estate Finance provides senior secured commercial real estate loans to developers and other commercial real estate professionals. We focus on stable, cash flowing properties and originate construction loans to highly experienced and well capitalized developers.

Commercial Services provides factoring, receivable management products, and secured financing to businesses (our clients, generally manufacturers or importers of goods) that operate in several industries, including apparel, textile, furniture, home furnishings and consumer electronics. Factoring entails the assumption of credit risk with respect to trade accounts receivable arising from the sale of goods by our clients to their customers (generally retailers) that have been factored (i.e. sold or assigned to the factor). Although primarily U.S.-based, Commercial Services also conducts business with clients and their customers internationally.

North American Commercial Finance – Financial Data and Metrics (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Earnings Summary					
Interest income	$ 208.8	$ 193.4	$ 210.0	$ 402.2	$ 429.3
Interest expense	(68.1)	(68.9)	(71.6)	(137.0)	(150.2)
Provision for credit losses	(2.6)	(23.2)	(4.8)	(25.8)	(29.7)
Rental income on operating leases	25.1	22.8	25.8	47.9	49.6
Other income	69.7	61.8	64.8	131.5	128.5
Depreciation on operating lease equipment	(20.0)	(21.9)	(18.6)	(41.9)	(34.9)
Operating expenses	(120.2)	(121.5)	(118.4)	(241.7)	(246.5)
Income before provision for income taxes	$ 92.7	$ 42.5	$ 87.2	$ 135.2	$ 146.1
Select Average Balances					
Average finance receivables (AFR)	$15,181.0	$14,800.1	$13,963.9	$14,952.2	$13,651.1
Average earning assets (AEA)	$14,132.4	$13,764.7	$12,843.2	$13,962.1	$12,543.9
Statistical Data					
Net finance revenue as a % of AEA	4.13%	3.64%	4.53%	3.88%	4.68%
New business volume	$ 1,600.1	$ 1,372.9	$ 1,709.4	$ 2,973.0	$ 3,042.4
Factoring volume	$ 6,282.8	$ 6,271.1	$ 5,955.6	$12,553.9	$12,310.1

AEA is lower than AFR as it is reduced by the average credit balances for factoring clients.

Pre-tax earnings were up from both the year-ago and prior quarters. The increase from the year-ago quarter reflected higher assets partially offset by lower interest income that resulted from lower yields in certain portfolios. The sequential quarter increase reflected lower credit costs and a prepayment benefit. For the period ending June 30, 2014, the decline in pre-tax earnings reflected yield compression that offset asset growth and lower funding costs.

Financing and leasing assets grew 10% from a year ago, and 3% sequentially, to $15.7 billion, reflecting strong growth in our corporate finance and real estate finance divisions. Funded new business volume for the quarter was down 6% from the year-ago quarter, and up 17% from the prior quarter, in line with typical seasonal trends. The decrease in new business volume from the year-ago quarter reflected modest declines in Corporate Finance and Real Estate Finance partially offset by an increase in Equipment Finance. The sequential quarterly improvement in volume was across all divisions.

CIT Bank originated the vast majority of the U.S. funded volume in each of the presented quarters. At June 30, 2014, approximately 75% of financing and leasing assets were in CIT Bank.

Other highlights included:

- Net finance revenue was $146 million, unchanged from the year-ago quarter and up from $125 million in the prior quarter. Net finance margin was 4.13% for the quarter and 3.88% year-to-date. The declines from the respective 2013 periods reflect the reduction of benefits from prepayment benefits, lower portfolio yields in Corporate Finance and Equipment Finance, as well as a lower benefit from net FSA accretion. The sequential quarterly increase was largely due to the benefits of a prepayment in the current quarter.
- Other income was up from the year-ago quarter and prior quarter and included benefits from both investment gains and counterparty receivable accretion.
  - Factoring commissions were $28 million, down slightly from the year-ago and prior quarters. For the six months ended June 30, 2014, factoring commissions were $57 million, down modestly from $59 million in the comparable period in 2013.
  - Fee revenue was $18 million, down from $23 million in the year-ago quarter, and flat with the prior quarter. The decline from the prior year reflected lower syndication and arranger fees. For the year-to-date period, fee revenue totaled $35 million, down from $38 million in 2013.
  - Gains on equipment, receivables and investments totaled $13 million, up from $4 million in the year-ago quarter and $10 million in the prior quarter. Equipment and receivables sold totaled $175 million, compared to $92 million in the year-ago quarter and $138 million in the prior quarter. For the six months ended June 30, 2014, gains totaled $23 million, up from $16 million in 2013.
- Credit metrics remained at or near cycle lows. Non-accrual loans were $132 million (0.86% of finance receivables), essentially unchanged from March 31, 2014 and down from $178 million (1.27%) a year ago. The provision for credit losses was $3 million, modestly lower than the year-ago quarter, and significantly lower than the prior quarter. The current quarter provision for credit losses primarily reflects sequentially lower charge-offs, primarily in Corporate Finance, and improvements related to portfolio mix. Net charge-offs were $9 million (0.23% of average finance receivables), compared to $4 million (0.12%) in the year-ago quarter and $16 million (0.43%) last quarter. For the year-to-date period, net charge-offs were $25 million (0.33%) compared to $10 million (0.15%) in 2013, reflecting a lower level of recoveries and a higher level of charged-off accounts that had specific reserves in Corporate Finance. Charge-offs for the quarters ended June 30 and March 31, 2014, included approximately $3 million and $4 million, respectively, related to the transfer of receivables to assets held for sale. The respective amounts for the six months ended June 30, 2014 and 2013 were $7 million and $2 million.
- Operating expenses were up slightly from year-ago quarter, which benefited from a litigation settlement, and improved slightly from the prior quarter. The decline in operating expenses for the year-to-date period largely reflected lower employee costs related to reduced headcount.

Non-Strategic Portfolios

NSP consists of portfolios that we no longer consider strategic. Included in NSP at June 30, 2014 are several international equipment finance portfolios, including Brazil, Mexico and smaller portfolios in Europe that we identified as subscale platforms during our international rationalization. On April 25, 2014, we completed the sale of the student lending business. In our March 31, 2014 Form 10-Q, that business was included in NSP. Upon sale, the business was classified as a discontinued operation, and all prior period data has been adjusted.

Non-Strategic Portfolios—Financial Data and Metrics (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Earnings Summary					
Interest income	$ 25.6	$ 28.4	$ 42.8	$ 54.0	$ 86.7
Interest expense	(23.0)	(24.9)	(32.8)	(47.9)	(69.6)
Provision for credit losses	0.7	(1.0)	(6.1)	(0.3)	(6.4)
Rental income on operating leases	9.4	9.5	34.7	18.9	69.9
Other income	3.9	4.4	(16.0)	8.3	(25.9)
Depreciation on operating lease equipment	(5.7)	(5.2)	(8.8)	(10.9)	(17.8)
Maintenance and other operating lease expenses	–	–	(0.1)	–	(0.1)
Operating expenses	(20.5)	(19.2)	(34.2)	(39.7)	(72.7)
Loss before provision for income taxes	$ (9.6)	$ (8.0)	$ (20.5)	$ (17.6)	$ (35.9)
Select Average Balances					
Average finance receivables (AFR)	$ 83.9	$ 300.0	$1,443.0	$ 280.7	$1,464.0
Average earning assets (AEA)	$988.1	$1,185.8	$1,961.8	$1,082.1	$1,980.6
Statistical Data					
Net finance revenue as a % of AEA	2.55%	2.63%	7.30%	2.61%	6.98%
New business volume	$ 64.1	$ 51.8	$ 259.9	$ 115.9	$ 445.3

Pre-tax losses for the quarter were $10 million, compared to pre-tax losses of $21 million in the year-ago quarter, as lower operating expenses offset a decline in net revenues from lower asset levels. The higher sequential pre-tax loss reflects higher costs associated with exiting activities.

Financing and leasing assets at June 30, 2014 totaled $0.7 billion, primarily related to international small ticket platforms identified as subscale platforms during our international rationalization, with the majority of the assets in AHFS. The financing and leasing assets were down from $1.1 billion at March 31, 2014, primarily due to the sale of the remaining small business loan portfolio and from $2.0 billion at June 30, 2013, primarily due to loan sales and runoff.

We have exited all the sub-scale countries in Asia, and several countries in Latin America and Europe and continue to market the remaining non-strategic portfolios in Europe and Latin America.

Corporate and Other

Certain items are not allocated to operating segments and are included in Corporate and Other, including unallocated interest expense, primarily related to corporate liquidity costs (Interest Expense), mark-to-market adjustments on non-qualifying derivatives (Other Income), restructuring charges for severance and facilities exit activities and certain legal costs (Operating Expenses).

Corporate and Other – Financial Data (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Earnings Summary					
Interest income	$ 3.2	$ 3.7	$ 3.7	$ 6.9	$ 6.4
Interest expense	(16.0)	(17.4)	(14.3)	(33.4)	(28.9)
Provision for credit losses	–	(0.1)	–	(0.1)	0.1
Other income	9.7	(2.3)	3.5	7.4	2.9
Operating expenses, including loss on debt extinguishments	(9.2)	(13.3)	(12.0)	(22.5)	(12.9)
Loss before provision for income taxes	$(12.3)	$(29.4)	$(19.1)	$(41.7)	$(32.4)

- Interest income consists of interest and dividend income, primarily from deposits held at other depository institutions and U.S. Treasury Securities.
- Other income primarily reflects gains and (losses) on derivatives and foreign currency exchange.
- Operating expenses reflects salary and general and administrative expenses in excess of amounts allocated to the business segments, litigation-related costs and provision for severance and facilities exiting activities. Restructuring charges totaled $6 million in the second quarter of 2014, compared to $10 million in each of the year-ago quarter and prior quarter. Year-to-date, restructuring charges totaled $16 million, up slightly from 2013.

FINANCING AND LEASING ASSETS

The following table presents our financing and leasing assets by segment and divisions within these segments.

Financing and Leasing Asset Composition (dollars in millions)

	June 30, 2014	December 31, 2013	% Change
Transportation & International Finance			
Segment Total			
Loans	$ 3,228.3	$ 3,494.4	(7.6)%
Operating lease equipment, net	14,512.9	12,778.5	13.6%
Assets held for sale	671.7	158.5	323.8%
Financing and leasing assets	18,412.9	16,431.4	12.1%
Aerospace			
Loans	1,432.2	1,247.7	14.8%
Operating lease equipment, net	8,912.8	8,267.9	7.8%
Assets held for sale	191.8	148.8	28.9%
Financing and leasing assets	10,536.8	9,664.4	9.0%
Rail			
Loans	121.4	107.2	13.2%
Operating lease equipment, net	5,593.4	4,503.9	24.2%
Assets held for sale	0.7	3.3	(78.8)%
Financing and leasing assets	5,715.5	4,614.4	23.9%
Maritime Finance			
Loans	566.4	412.6	37.3%
Assets held for sale	21.2	–	–
Financing and leasing assets	587.6	412.6	42.4%
International Finance			
Loans	1,108.3	1,726.9	(35.8)%
Operating lease equipment, net	6.7	6.7	–
Assets held for sale	458.0	6.4	>100%
Financing and leasing assets	1,573.0	1,740.0	(9.6)%
North American Commercial Finance			
Segment Total			
Loans	15,376.1	14,693.1	4.6%
Operating lease equipment, net	240.2	240.5	(0.1)%
Assets held for sale	33.7	38.2	(11.8)%
Financing and leasing assets	15,650.0	14,971.8	4.5%
Real Estate Finance			
Loans	1,737.6	1,554.8	11.8%
Financing and leasing assets	1,737.6	1,554.8	11.8%
Corporate Finance			
Loans	7,295.3	6,831.8	6.8%
Operating lease equipment, net	10.0	6.2	61.3%
Assets held for sale	33.7	38.2	(11.8)%
Financing and leasing assets	7,339.0	6,876.2	6.7%
Equipment Finance			
Loans	4,094.7	4,044.1	1.3%
Operating lease equipment, net	230.2	234.3	(1.7)%
Financing and leasing assets	4,324.9	4,278.4	1.1%
Commercial Services			
Loans and factoring receivables	2,248.5	2,262.4	(0.6)%
Financing and leasing assets	2,248.5	2,262.4	(0.6)%
Non-Strategic Portfolios			
Loans	–	441.7	(100.0)%
Operating lease equipment, net	35.2	16.4	>100%
Assets held for sale	623.5	806.7	(22.7)%
Financing and leasing assets	658.7	1,264.8	(47.9)%
Consolidated Totals:			
Loans	$18,604.4	$18,629.2	(0.1)%
Operating lease equipment, net	14,788.3	13,035.4	13.4%
Assets held for sale	1,328.9	1,003.4	32.4%
Total financing and leasing assets	$34,721.6	$32,668.0	6.3%

Growth in TIF financing and leasing assets reflects solid new business volume, which included the delivery of 22 aircraft and approximately 3,900 railcars and funding of $0.9 billion of loans, and supplemented with the acquisition of a European railcar lessor of approximately $650 million of assets (operating lease equipment). NACF growth was led by its Corporate Finance division, which included solid commercial and industrial and energy activity, while Real Estate Finance had double-digit growth year-to-date.

Loans were down slightly from December 31, 2013, reflecting transfers to AHFS of a TIF international portfolio of approximately $0.5 billion in the second quarter, and an international portfolio of approximately $0.3 billion in NSP in the first quarter. AHFS totaled $1.3 billion at June 30, 2014. AHFS in TIF were mainly comprised of loans in the international portfolio and aircraft and related equipment in the aerospace division. Most of the remaining AHFS at June 30, 2014 were in NSP and included various equipment financing portfolios primarily in Latin America.

Financing and leasing asset trends are also discussed in the respective segment descriptions in *"Results by Business Segment"*.

The following table presents the changes to our financing and leasing assets:

Financing and Leasing Assets Roll forward (dollars in millions)

	Transportation & International Finance	North American Commercial Finance	Non-Strategic Portfolios	Total
Balance at March 31, 2014	$17,573.0	$15,179.9	$1,120.6	$33,873.5
New business volume	1,404.7	1,600.1	64.1	3,068.9
Loan and portfolio sales	(45.9)	(92.9)	(299.9)	(438.7)
Equipment sales	(35.2)	(82.0)	(7.5)	(124.7)
Depreciation	(131.6)	(20.0)	(5.7)	(157.3)
Gross charge-offs	(15.9)	(13.2)	–	(29.1)
Collections and other	(336.2)	(921.9)	(212.9)	(1,471.0)
Balance at June 30, 2014	$18,412.9	$15,650.0	$ 658.7	$34,721.6
Balance at December 31, 2013	$16,431.4	$14,971.8	$1,264.8	$32,668.0
New business volume	2,459.3	2,973.0	115.9	5,548.2
Portfolio / business acquisitions	649.2	–	–	649.2
Loan and portfolio sales	(60.1)	(162.7)	(363.5)	(586.3)
Equipment sales	(219.5)	(150.4)	(11.3)	(381.2)
Depreciation	(253.3)	(41.9)	(10.9)	(306.1)
Gross charge-offs	(30.2)	(35.8)	(7.5)	(73.5)
Collections and other	(563.9)	(1,904.0)	(328.8)	(2,796.7)
Balance at June 30, 2014	$18,412.9	$15,650.0	$ 658.7	$34,721.6

The following tables present our segment volumes and loan and equipment sales:

Total Business Volumes (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Transportation & International Finance	$1,404.7	$1,054.6	$ 907.3	$ 2,459.3	$ 1,330.3
North American Commercial Finance	1,600.1	1,372.9	1,709.4	2,973.0	3,042.4
Non-Strategic Portfolios	64.1	51.8	259.9	115.9	445.3
Total	$3,068.9	$2,479.3	$2,876.6	$ 5,548.2	$ 4,818.0
Factored Volume	$6,282.8	$6,271.1	$5,955.6	$12,553.9	$12,310.1

Funded new business volume increased nearly 7% from the year-ago quarter as an increase in TIF offset a decline in NACF activity. Sequentially, the 24% increase reflects solid activity and some normal seasonality in NACF and additional equipment deliveries in TIF.

Factoring volume was up from the year-ago quarter, and increased slightly from the prior quarter.

Business volumes are discussed in the respective segment descriptions in *"Results by Business Segment"*.

Loan and Portfolio Sales (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Transportation & International Finance	$ 45.9	$ 14.2	$ –	$ 60.1	$ –
North American Commercial Finance	92.9	69.8	16.9	162.7	83.7
Non-Strategic Portfolios	299.9	63.6	36.5	363.5	36.5
Total	$438.7	$147.6	$53.4	$586.3	$120.2

The current quarter sales in NSP primarily consisted of small business portfolio loans, along with some international portfolios.

Equipment Sales (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Transportation & International Finance	$ 35.2	$184.3	$339.2	$219.5	$474.5
North American Commercial Finance	82.0	68.4	75.5	150.4	152.9
Non-Strategic Portfolios	7.5	3.8	7.7	11.3	15.7
Total	$124.7	$256.5	$422.4	$381.2	$643.1

Asset sales in Transportation Finance primarily reflect aerospace and rail assets. Asset and loan and portfolio sales are discussed in Non-interest Income section, along with the related gains and losses.

CONCENTRATIONS

Ten Largest Accounts

Our ten largest financing and leasing asset accounts in the aggregate represented 10.6% of our total financing and leasing assets at June 30, 2014 (the largest account was less than 2.0%). The largest accounts represent aerospace and rail assets.

The ten largest financing and leasing asset accounts were 9.8% at December 31, 2013.

Geographic Concentrations

The following table represents the financing and leasing assets by obligor geography:

Financing and Leasing Assets by Obligor – Geographic Region (dollars in millions)

	June 30, 2014		December 31, 2013	
Northeast	$ 6,078.2	17.5%	$ 5,933.1	18.2%
Southwest	3,901.7	11.2%	3,606.9	11.1%
Midwest	3,845.8	11.1%	3,762.5	11.5%
West	3,209.0	9.2%	3,238.6	9.9%
Southeast	3,156.5	9.1%	2,690.2	8.2%
Total U.S.	20,191.2	58.1%	19,231.3	58.9%
Asia / Pacific	4,226.3	12.2%	4,017.9	12.3%
Europe	4,030.6	11.6%	3,692.4	11.3%
Canada	2,537.6	7.3%	2,287.0	7.0%
Latin America	1,837.6	5.3%	1,743.1	5.3%
All other countries	1,898.3	5.5%	1,696.3	5.2%
Total	$34,721.6	100.0%	$32,668.0	100.0%

The following table summarizes both state concentrations greater than 5.0% and international country concentrations in excess of 1.0% of our financing and leasing assets:

Financing and Leasing Assets by Obligor – State and Country (dollars in millions)

	June 30, 2014		December 31, 2013	
State				
Texas	$ 3,287.6	9.5%	$ 3,022.4	9.3%
New York	2,266.8	6.5%	2,323.3	7.1%
All other states	14,636.8	42.1%	13,885.6	42.5%
Total U.S.	$20,191.2	58.1%	$19,231.3	58.9%
Country				
Canada	$ 2,537.6	7.3%	$ 2,287.0	7.0%
England	1,180.5	3.4%	1,166.5	3.6%
China	958.5	2.8%	969.1	2.9%
Australia	954.1	2.8%	974.4	3.0%
Mexico	769.4	2.2%	819.9	2.5%
Brazil	721.1	2.1%	710.3	2.2%
France	478.4	1.4%	294.6	0.9%
Korea	448.4	1.3%	460.1	1.4%
Spain	389.8	1.1%	450.7	1.4%
Russia	388.8	1.1%	355.9	1.1%
Germany	383.3	1.1%	250.9	0.8%
Philippines	354.6	1.0%	255.9	0.8%
All other countries	4,965.9	14.3%	4,441.4	13.5%
Total International	$14,530.4	41.9%	$13,436.7	41.1%

Industry Concentrations

The following table represents financing and leasing assets by industry of obligor:

Financing and Leasing Assets by Obligor – Industry (dollars in millions)

	June 30, 2014		December 31, 2013	
Commercial airlines (including regional airlines)[(1)]	$ 9,875.2	28.4%	$ 8,972.4	27.5%
Manufacturing[(2)]	6,099.6	17.6%	5,542.1	17.0%
Service industries	2,914.7	8.4%	3,144.3	9.6%
Retail[(3)]	2,867.1	8.2%	3,063.1	9.4%
Transportation[(4)]	2,838.9	8.2%	2,404.2	7.4%
Real Estate	1,448.4	4.2%	1,351.4	4.1%
Energy and utilities	1,405.5	4.0%	1,256.7	3.8%
Oil and gas extraction / services	1,284.2	3.7%	1,018.7	3.1%
Healthcare	1,274.6	3.7%	1,393.1	4.3%
Wholesaling	730.8	2.1%	685.7	2.1%
Finance and insurance	688.0	2.0%	760.1	2.3%
Other (no industry greater than 2%)	3,294.6	9.5%	3,076.2	9.4%
Total	$34,721.6	100.0%	$32,668.0	100.0%

(1) *Includes the Commercial Aerospace Portfolio and additional financing and leasing assets that are not commercial aircraft.*

(2) *At June 30, 2014, includes manufacturers of chemicals, including pharmaceuticals (3.6%), petroleum and coal, including refining (3.2%), and food (2.0%).*

(3) *At June 30, 2014, includes retailers of apparel (3.7%) and general merchandise (1.6%).*

(4) *At June 30, 2014, included rail (4.2%), maritime (1.8%) and trucking and shipping (1.4%).*

Commercial Aerospace

The following tables present details on our commercial and regional aerospace portfolio concentrations, which we call our Commercial Aerospace portfolio. The net investment in regional aerospace financing and leasing assets was $50.1 million and $52.1 million at June 30, 2014 and December 31, 2013, respectively, and was substantially comprised of loans and capital leases.

Commercial Aerospace Portfolio (dollars in millions)

	June 30, 2014		December 31, 2013	
	Net Investment	Number	Net Investment	Number
By Product:				
Operating lease[(1)]	$9,070.9	284	$8,379.3	270
Loan[(2)]	529.4	51	505.3	39
Capital lease	197.4	15	31.7	8
Total	$9,797.7	350	$8,916.3	317

The information presented below by region, manufacturer, and body type, is based on our operating lease aircraft portfolio, which comprises 93% of our total commercial aerospace portfolio and substantially all of our owned fleet of leased aircraft at June 30, 2014.

Commercial Aerospace Operating Lease Portfolio (dollars in millions)[(1)]

	June 30, 2014		December 31, 2013	
	Net Investment	Number	Net Investment	Number
By Region:				
Asia / Pacific	$3,322.6	87	$3,065.1	81
Europe	2,298.7	87	2,408.8	91
U.S. and Canada	1,761.9	54	1,276.5	43
Latin America	1,050.6	40	940.3	38
Africa / Middle East	637.1	16	688.6	17
Total	$9,070.9	284	$8,379.3	270
By Manufacturer:				
Airbus	$6,115.6	169	$5,899.1	167
Boeing	2,427.8	96	2,038.7	87
Embraer	527.5	19	441.5	16
Total	$9,070.9	284	$8,379.3	270
By Body Type[(3)]:				
Narrow body	$6,638.8	242	$6,080.6	230
Intermediate	2,430.7	41	2,297.3	39
Regional and other	1.4	1	1.4	1
Total	$9,070.9	284	$8,379.3	270
Number of customers		101		98
Weighted average age of fleet (years)		6		5

(1) *Includes operating lease equipment held for sale.*

(2) *Plane count excludes aircraft in which our net investment consists of syndicated financings against multiple aircraft. The net investment associated with such financings was $42.5 million at June 30, 2014 and $45 million at December 31, 2013.*

(3) *Narrow body are single aisle design and consist primarily of Boeing 737 and 757 series, Airbus A320 series, and Embraer E170 and E190 aircraft. Intermediate body are smaller twin aisle design and consist primarily of Boeing 767 series and Airbus A330 series aircraft. Regional and Other includes aircraft and related equipment, such as engines.*

Our top five commercial aerospace outstanding exposures totaled $2,254.2 million at June 30, 2014. The largest individual outstanding exposure totaled $619.3 million at June 30, 2014. The largest individual outstanding exposure to a U.S. carrier totaled $538.1 million at June 30, 2014. See *Note 12 — Commitments* for additional information regarding commitments to purchase additional aircraft.

Leased Railcars

TIF's Rail business has a fleet of approximately 119,000 railcars, including approximately 30,000 tank cars, of which approximately 19,000 are used in the transport of crude oil, ethanol and other flammable liquids (collectively, "Flammable Liquids") in North America. TIF's fleet of tank cars in Flammable Liquids service is comprised of legacy tank cars used to transport Flammable Liquids, and tank cars meeting the CPC-1232 design standards, which standards were voluntarily adopted by the rail industry in 2011 and include design enhancements intended to improve tank car safety. Of the approximately 19,000 tank cars in our North American fleet currently in Flammable Liquids service, approximately 10,500 were manufactured prior to adoption of the CPC-1232 standard.

Following several highly-publicized derailments of tank cars since mid-2013, U.S. and Canadian government agencies and industry groups agreed to implement a number of operational changes, including requiring multiple crew members on all trains carrying hazardous materials, prohibiting unattended trains on main lines, increasing track inspections, reducing speeds in populated areas, redirecting trains around high-risk areas, and mandating the testing and classification of crude oil prior to shipment. In addition, in April, 2014, Transport Canada ("TC") issued an order prohibiting the use of certain older tank cars in dangerous goods service in Canada effective immediately. We do not expect these operational changes and restrictions will have a material impact on our business or financial results.

On June 27, 2014, TC announced proposed amendments under the Transportation of Dangerous Goods Act, the Railway Safety Management System Regulations, and the Transportation Information Regulations that will, among other safety requirements for railways, formalize new DOT-111 tank car standards. On July 23, 2014, the U.S. Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Notice of Proposed Rulemaking ("NPRM") on Enhanced Tank Car Standards and Operational Controls for High Hazard Flammable Trains seeking public comment on tank cars standards, braking systems, speed restrictions, rail routing and notifications to state emergency responders. The NPRM also requested comment on retrofit standards and schedule for existing tank cars in high-hazard flammable trains.

The NPRM is complex and will require extensive review. In addition, the PHMSA proposed three different options for new tank car standards in the NPRM and raised questions to which public comment and discussion is requested. Until PHMSA and TC release their proposed rules, we will be unable to assess how any final regulations may impact CIT and what changes may be required with respect to our tank cars in Flammable Liquids service, including the scope and cost to CIT of any retrofit program and the timing of required implementation of any retrofitting requirements.

OTHER ASSETS / OTHER LIABILITIES

The following tables present components of other assets and other liabilities.

Other Assets (dollars in millions)

	June 30, 2014	December 31, 2013
Deposits on commercial aerospace equipment	$ 667.2	$ 831.3
Deferred debt costs and other deferred charges	153.4	158.5
Tax receivables, other than income taxes	118.7	132.2
Executive retirement plan and deferred compensation	98.8	101.3
Other[(1)]	513.4	470.8
Total other assets	$1,551.5	$1,694.1

(1) *Other includes items such as: accrued interest/dividends, fixed assets, prepaid expenses, investments in and receivables from non-consolidated entities, deferred federal and state tax assets, and other miscellaneous assets, none of which are individually in excess of $100 million.*

Other Liabilities (dollars in millions)

	June 30, 2014	December 31, 2013
Equipment maintenance reserves	$ 942.3	$ 904.2
Accrued expenses and accounts payable	379.3	478.1
Current taxes payable and deferred taxes	320.0	179.8
Accrued interest payable	249.7	247.1
Security and other deposits	228.0	227.4
Valuation adjustment relating to aerospace commitments	121.9	137.5
Other[(1)]	500.3	490.2
Total other liabilities	$2,741.5	$2,664.3

[(1)] *Other consist of other taxes, property tax liabilities and other miscellaneous liabilities.*

RISK MANAGEMENT

CIT is subject to a variety of risks that may arise through the Company's business activities, including the following principal forms of risk:

- *Credit risk*, which is the risk of loss (including the incurrence of additional expenses) when a borrower does not meet its financial obligations to the Company. Credit risk may arise from lending, leasing, and/or counterparty activities.
- *Asset risk*, which is the equipment valuation and residual risk of lease equipment owned by the Company that arises from fluctuations in the supply and demand for the underlying leased equipment. The Company is exposed to the risk that, at the end of the lease term, the value of the asset will be lower than expected, resulting in either reduced future lease income over the remaining life of the asset or a lower sale value.
- *Market risk*, which includes interest rate and foreign currency risk. Interest rate risk refers to the impact that fluctuations in interest rates will have on the Company's NFR and on the market value of the Company's assets, liabilities and derivatives. Foreign exchange risk refers to the economic impact that fluctuations in exchange rates between currencies will have on the Company's non-dollar denominated assets and liabilities.
- *Liquidity risk*, which is the risk that the Company has an inability to maintain adequate cash resources and funding capacity to meet its obligations, including under liquidity stress scenarios.
- *Legal, regulatory and compliance risk*, which is the risk that the Company is not in compliance with applicable laws and regulations, which may result in fines, regulatory criticism or business restrictions, or damage to the Company's reputation.
- *Operational risk*, which is the risk of financial loss, damage to the Company's reputation, or other adverse impacts resulting from inadequate or failed internal processes and systems, people or external events.

In order to effectively manage risk, the Company has established a governance and oversight structure that includes defining the Company's risk appetite, setting limits, underwriting standards and target performance metrics that are aligned with the risk appetite, and establishing credit approval authorities. The Company ensures effective risk governance and oversight through the establishment and enforcement of policies and procedures, risk governance committees, management information systems, models and analytics, staffing and training to ensure appropriate expertise, and the identification, monitoring and reporting of risks so that they are proactively managed.

Our policies and procedures relating to Risk Management are detailed in our Form 10-K for the year ended December 31, 2013.

Interest Rate Risk

Interest rate risk arises from lending, leasing, investments, deposit taking and funding, as assets and liabilities reprice at different times and by different amounts as interest rates change. We evaluate and monitor interest rate risk through two primary metrics.

- Net Interest Income Sensitivity ("NII Sensitivity"), which measures the impact of hypothetical changes in interest rates on net finance revenue; and
- Economic Value of Equity ("EVE"), which measures the net economic value of equity impact by assessing the market value of assets, liabilities and derivatives.

Interest rate risk and sensitivity is influenced primarily by the composition of the balance sheet, driven by the type of products offered (fixed/floating rate loans and deposits), investments, funding and hedging activities. Our assets are primarily comprised of commercial loans, operating leases, cash and investments. We use a variety of funding sources, including retail and brokered CDs, savings accounts, secured and unsecured debt, and equity. Our leasing products are level/fixed payment transactions, whereas the interest rate on a majority of our commercial loan portfolio is based off of a floating rate index such as short-term Libor or Prime. Our investment portfolio and interest bearing deposits (cash) have short duration and reprice frequently. With respect to liabilities, CDs and unsecured debt are fixed rate, secured debt is a mix of fixed and floating rate, and the rates on savings accounts are established based on the market environment and competition. The composition of our assets and liabilities results in a slight net asset-sensitive position at the shorter end of the curve, mostly to moves in LIBOR, whereby our assets will reprice faster than our liabilities.

Deposits continued to grow as a percent of total funding. CIT Bank sources deposits primarily through direct-to-consumer (via the internet) and brokered channels. At June 30, 2014, the Bank had nearly $14 billion in deposits, more than half of which were obtained through our direct channel while approximately 40% were sourced through brokers with the remainder from institutional and other sources. Fixed rate, term deposits represented over 60% of our deposit portfolio. The deposit rates we offer can be influenced by market conditions and competitive factors. Changes in interest rates can affect our pricing and potentially impact our ability to gather and retain deposits. Rates offered by competitors also can influence our rates and our ability to attract and hold deposits. The majority of the Bank's deposits are fixed-rate. In a rising rate environment, the Bank may need to increase rates to renew maturing deposits and attract new deposits. Rates on our savings account deposits may fluctuate due to pricing competition and may also move with short-term interest rates, on a lagging basis. In general, retail deposits represent a low-cost source of funds and are less sensitive to interest rate changes than many non-deposit funding sources. Our ability to gather brokered deposits may be more sensitive to rate changes than other types of deposits. We manage this risk by limiting maturity concentration and emphasizing new issuance in long-dated maturities of up to ten years. We regularly stress test the effect of deposit rate changes on our margins and seek to achieve optimal alignment between assets and liabilities from an interest rate risk management perspective.

The table below summarizes the results of simulation modeling produced by our asset/liability management system. The results reflect the percentage change in the EVE and NII Sensitivity over the next twelve months assuming an immediate 100 basis point parallel increase or decrease in interest rates. NII sensitivity is based on a static balance sheet projection.

Change to NII Sensitivity and EVE

	June 30, 2014		December 31, 2013	
	+100 bps	–100 bps	+100 bps	–100 bps
NII Sensitivity	6.6%	(1.1)%	6.1%	(0.9)%
EVE	2.0%	(1.9)%	1.8%	(2.0)%

A primary driver of the change in NII Sensitivity was the sale in April 2014 of the student lending business, which had as of December 31, 2013, a portfolio of $3.4 billion of government-guaranteed student loans and associated $3.3 billion of floating rate debt that was extinguished upon sale. The December 31, 2013 amounts reflect the simulation results on our portfolio at that time, which included the student lending business.

As detailed in the above table, NII sensitivity is positive to an increase in interest rates. This is primarily driven by our cash and short-term investments position, and commercial floating rate loan portfolio, which reprices frequently. On a net basis, we have more floating/repricing assets than liabilities in the near term. As a result, our current portfolio is more sensitive to moves in short-term interest rates in the near term. Therefore, our Net Finance Revenue (NFR) may increase if short-term interest rates rise, or decrease if short-term interest rates decline. Market implied forward rates over the subsequent future twelve months are used to determine a base interest rate scenario for the net interest income projection for the base case. This base projection is compared with those calculated under varying interest rate scenarios such as 100 bps parallel rate shift to arrive at NII Sensitivity.

EVE complements net interest income simulation and sensitivity analysis as it estimates risk exposures beyond twelve month horizon. EVE modeling measures the extent to which the economic value of assets, liabilities and off-balance sheet instruments may change in response to fluctuations in interest rates. EVE is calculated by subjecting the balance sheet to different rate shocks, measuring the net value of assets, liabilities and off-balance sheet instruments, and comparing those amounts with the base case of an unchanged interest rate environment. The duration of our liabilities is greater than that of our assets, in that we have more fixed rate liabilities than assets in the longer term, causing EVE to increase under increasing rates and decrease under decreasing rates. The methodology with which the operating lease assets are assessed in the results table above reflects the existing contractual rental cash flows and the expected residual value at the end of the existing contract term. The simulation modeling for both NII Sensitivity and EVE assumes we take no action in response to the changes in interest rates.

A wide variety of potential interest rate scenarios are simulated within our asset/liability management system. All interest sensitive assets and liabilities are evaluated using discounted cash flow analysis. Rates are shocked up and down via a set of scenarios that include both parallel and non-parallel interest rate movements. Scenarios are also run to capture our sensitivity to changes in the shape of the yield curve. Furthermore, we evaluate the sensitivity of these results to a number of key assumptions, such as credit quality, spreads, and prepayments. Various holding periods of the operating lease assets are also considered. These range from the current existing lease term to longer terms which assume lease renewals consistent with management's expected holding period of a particular asset. NII Sensitivity and EVE limits have been set and are monitored for certain of the key scenarios. We manage the exposure to changes in NII Sensitivity and EVE in accordance with our risk appetite and within Board approved policy limits.

We use results of our various interest rate risk analyses to formulate asset and liability management ("ALM") strategies in order to achieve the desired risk profile, while managing our objectives for capital adequacy and liquidity risk exposures. Specifically, we manage our interest rate risk position through certain pricing strategies for loans and deposits, our investment strategy, issuing term debt with floating or fixed interest rates, and using derivatives such as interest rate swaps, which modify the interest rate characteristics of certain assets or liabilities.

Although we believe that these measurements provide an estimate of our interest rate sensitivity, they do not account for potential changes in credit quality, size, and prepayment characteristics of our balance sheet. They also do not account for other business developments that could affect net income, or for management actions that could affect net income or that could be taken to change our risk profile. Accordingly, we can give no assurance that actual results would not differ materially from the estimated outcomes of our simulations. Further, such simulations do not represent our current view of expected future interest rate movements.

FUNDING AND LIQUIDITY

CIT actively manages and monitors its funding and liquidity sources against relevant limits and targets. These sources satisfy funding and other operating obligations, while also providing protection against unforeseen stress events like unanticipated funding obligations, such as customer line draws, or disruptions to capital markets or other funding sources. In addition to its unrestricted cash, short-term investments and portfolio cash inflows, liquidity sources include:

- a $1.5 billion multi-year committed revolving credit facility, of which $1.4 billion was available at June 30, 2014; and
- committed securitization facilities and secured bank lines aggregating $4.5 billion, of which $3.0 billion was available at June 30, 2014, provided that eligible assets are available that can be funded through these facilities.

Asset liquidity is further enhanced by our ability to sell or syndicate portfolio assets in secondary markets, which also enables us to manage credit exposure, and to pledge assets to access secured borrowing facilities through the Federal Home Loan Banks ("FHLB") and FRB.

Cash and short-term investment securities totaled $6.8 billion at June 30, 2014 ($6.4 billion of cash and $0.4 billion of short-term investments), down from $8.5 billion at March 31, 2014, reflecting a $1.3 billion repayment of unsecured debt at maturity, and $7.5 billion at December 31, 2013. Cash and short-term investment securities at June 30, 2014 consisted of $1.8 billion related to the bank holding company and $2.8 billion at the Bank with the remainder comprised of cash at operating subsidiaries and in restricted balances.

Included in short-term investment securities are U.S. Treasury bills, Government Agency bonds, and other highly-rated securities, which were classified as AFS and most of which had maturity dates of approximately 180 days or less as of the investment date.

The weighted average coupon rates on outstanding deposits and long-term borrowings was 3.20% at June 30, 2014 compared to 3.33% at December 31, 2013 and 3.39% at June 30, 2013. The following table reflects our long term targeted funding mix:

Funding Mix (dollars in millions)

	June 30, 2014	December 31, 2013
Deposits	44%	40%
Secured	17%	19%
Unsecured	39%	41%

The low percentage of secured funding at both June 30, 2014 and December 31, 2013 reflect debt related to the student lending business being reported in discontinued operation (i.e. not part of the funding mix), and extinguishment of this debt in April 2014. In addition, in the second quarter the Company restructured two aircraft securitization facilities, which resulted in the extinguishment of $300 million in secured debt. Management issued a new $640 million aerospace securitization in July 2014, and has other transactions planned, which will cause secured funding to become a greater portion of the total.

Deposits

We continued to grow deposits during 2014 to fund our bank lending and leasing activities. Deposits totaled $13.9 billion at June 30, 2014, up from $12.5 billion at December 31, 2013 and $11.2 billion at June 30, 2013. The weighted average interest rate on deposits was 1.64% at June 30, 2014, 1.65% at December 31, 2013 and 1.59% at June 30, 2013.

The following table details our deposits by type:

Deposits (dollars in millions)

	June 30, 2014	December 31, 2013
Online deposits	$ 7,486.6	$ 6,117.5
Brokered CDs / sweeps	5,468.4	5,365.4
Other[(1)]	984.0	1,043.6
Total	$13,939.0	$12,526.5

(1) *Other primarily includes a deposit sweep arrangement related to Healthcare Savings Accounts and deposits at our Brazil bank.*

Long-term Borrowings – Unsecured

Revolving Credit Facility

The Revolving Credit Facility has a total commitment amount of $1.5 billion and the maturity date of the commitment is January 27, 2017. The total commitment amount consists of a $1.15 billion revolving loan tranche and a $350 million revolving loan tranche that can also be utilized for issuance of letters of credit. The applicable margin charged under the facility is 2.50% for LIBOR-based loans and 1.50% for Base Rate loans. Improvement in CIT's long-term senior unsecured debt ratings to either BB by S&P or Ba2 by Moody's would result in a reduction in the applicable margin to 2.25% for LIBOR-based loans and to 1.25% for Base Rate loans. A downgrade in CIT's long-term senior unsecured debt ratings to B+ by S&P and B1 by Moody's would result in an increase in the applicable margin to 2.75% for LIBOR-based loans and to 1.75% for Base Rate loans. In the event of a one notch downgrade by only one of the agencies, no change to the margin charged under the facility would occur.

There were no outstanding borrowings under the Revolving Credit Facility at June 30, 2014 and December 31, 2013. The amount available to draw upon at June 30, 2014 was approximately $1.4 billion, with the remaining amount of approximately $0.1 billion utilized for issuance of letters of credit.

The Revolving Credit Facility is unsecured and is guaranteed by eight of the Company's domestic operating subsidiaries. The facility was amended to modify the covenant requiring a minimum guarantor asset coverage ratio and the criteria for calculating the ratio. The amended covenant requires a minimum guarantor asset coverage ratio ranging from 1.25:1.0 to the current requirement of 1.5:1.0 depending on the Company's long-term senior unsecured debt rating. At June 30, 2014, the last reported asset coverage ratio was 2.73x.

Senior Unsecured Notes and Series C Unsecured Notes

At June 30, 2014, we had outstanding $12.2 billion of unsecured notes, compared to $12.5 billion at December 31, 2013. On February 19, 2014, CIT issued, at par value, $1 billion aggregate principal amount of senior unsecured notes due 2019 that bear interest at a per annum rate of 3.875%. On April 1, 2014, we repaid $1.3 billion of maturing 5.25% unsecured notes.

See *Note 6 — Long-term Borrowings* for further detail.

Long-term Borrowings – Secured

Secured borrowings totaled $5.3 billion at June 30, 2014 and $6.0 billion at December 31, 2013, which are secured by $8.8 billion and $9.7 billion at June 30, 2014 and December 31, 2013, respectively. The June 30, 2014 borrowings include $0.8 billion in CIT Bank, which are secured by $1.1 billion of assets, relatively unchanged from the respective December 31, 2013 balances. Non-bank secured borrowings were $4.5 billion and $5.1 billion at June 30, 2014 and December 31, 2013, respectively, and secured by assets of $7.7 billion and $8.6 billion, respectively.

As part of our liquidity management strategy, we may pledge assets to secure financing transactions (which include securitizations), to secure borrowings from the FHLB or for other purposes as required or permitted by law. Our secured financing transactions do not meet accounting requirements for sale treatment and are recorded as secured borrowings, with the assets remaining on-balance sheet for GAAP. The debt associated with these transactions is collateralized by receivables, leases and/or equipment. Certain related cash balances are restricted.

During the 2014 first quarter CIT renewed a CAD 250 million committed multi-year conduit facility that allows the Canadian Equipment Finance business to fund both existing assets and new originations at attractive terms. In the second quarter, CIT Bank renewed and extended to 2016 an existing $1 billion committed multi-year equipment finance conduit facility.

The Bank is a member of the FHLB of Seattle and may borrow under a line of credit that is secured by collateral pledged to FHLB Seattle. During the second quarter, CIT Bank drew $125 million under the line and approximately $180 million of commercial real estate assets were pledged as collateral. A subsidiary of the Bank is a member of FHLB Des Moines and may borrow under lines of credit that are secured by a blanket lien on the subsidiary's assets and collateral pledged to FHLB Des Moines. At June 30, 2014, $136 million of collateral was pledged and $69 million of advances were outstanding with FHLB Des Moines.

See *Note 6 — Long-Term Borrowings* for a table displaying our secured financings and pledged assets.

GSI Facilities

Two financing facilities between two wholly-owned subsidiaries of CIT and Goldman Sachs International ("GSI") are structured as total return swaps ("TRS"), under which amounts available for advances are accounted for as derivatives. Pursuant to applicable accounting guidance, only the unutilized portion of the TRS is accounted for as a derivative and recorded at its estimated fair value. The size of the CIT Financial Ltd. ("CFL") facility is $1.5 billion and the CIT TRS Funding B.V. ("BV") facility is $625 million.

During the second quarter, notable transactions were completed related to the TRS. In April 2014, the Company sold its student loan assets and extinguished the debt secured by these loans. Approximately $0.8 billion of the extinguished debt served as reference obligations under the TRS. Also, two aircraft securitizations financed through the TRS were extinguished during the second quarter, which accelerated FSA accretion, as discussed in Net Finance Revenue. Approximately $300 million of the extinguished debt served as reference obligations under the TRS. The extinguishment of debt increased the unfunded portion of the TRS and increased the notional amount of the derivative. Management is structuring additional transactions that will utilize the facility and closed a new Aerospace securitization in July 2014 of which $0.5 billion serve as reference obligation under the TRS.

At June 30, 2014, a total of $874.5 million of pledged assets and $613.7 million of secured debt issued to investors were outstanding under the GSI Facilities. After adjustment to the amount of actual qualifying borrowing base under terms of the GSI Facilities, this secured debt provided for usage of $548.4 million of the maximum notional amount of the GSI Facilities. The remaining $1,576.6 million of the maximum notional amount represents the unused portion of the GSI Facilities and constitutes the notional amount of derivative financial instruments. An unsecured counterparty receivable of $565.8 million is owed to CIT from GSI for debt discount, return of collateral posted to GSI and settlements resulting from market value changes to asset-backed securities underlying the structures at June 30, 2014. The counterparty receivable was up from $301.6 million at December 31, 2013 as the proportionate amount of the balance was allocated to discontinued operation, i.e. the former student lending business. Upon sale of the secured assets and repayment of the secured debt, the full capacity of the facility from a presentation perspective, reverted back to the continuing operations.

Based on the Company's valuation, the liability related to the GSI facilities was reduced to zero at June 30, 2014 from $11.4 million at March 31, 2014 and $9.7 million at December 31, 2013. The change in value of $11.4 million was recognized as a benefit in Other Income in the second quarter, while the six month amount was a benefit of $9.7 million.

Interest expense related to the GSI Facilities is affected by the following:

- A fixed facility fee of 2.85% per annum times the maximum facility commitment amount,
- A variable amount based on one-month or three-month USD LIBOR times the "utilized amount" (effectively the "adjusted qualifying borrowing base") of the total return swap, and
- A reduction in interest expense due to the recognition of the payment of any OID from GSI on the various asset-backed securities.

See *Note 7 — Derivative Financial Instruments* for further information.

Debt Ratings

Debt ratings can influence the cost and availability of short-and long-term funding, the terms and conditions on which such funding may be available, the collateral requirements, if any, for borrowings and certain derivative instruments, the acceptability of our letters of credit, and the number of investors and counterparties willing to lend to the Company. A decrease, or potential decrease, in credit ratings could impact access to the capital markets and/or increase the cost of debt, and thereby adversely affect the Company's liquidity and financial condition.

Our debt ratings at June 30, 2014 as rated by Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service ("Moody's") and Dominion Bond Rating Service ("DBRS") are presented in the following table and were unchanged from December 31, 2013.

Debt Ratings as of June 30, 2014

	S&P Ratings Services	Moody's Investors Service	DBRS
Issuer / Counterparty Credit Rating	BB-	Ba3	BB
Revolving Credit Facility Rating	BB-	Ba3	BBB (Low)
Series C Notes / Senior Unsecured Debt Rating	BB-	Ba3	BB
Outlook	Positive	Stable	Positive

After the July 22, 2014 announcement of our definitive agreement to acquire OneWest Bank, Moody's affirmed its Ba3 corporate family rating and placed our Ba3 senior unsecured rating on review for possible downgrade; S&P affirmed its BB- rating and retained its positive outlook; and DBRS placed its BB rating under review with positive implications.

Rating agencies indicate that they base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current legislative and regulatory environment, including implied government support. In addition, rating agencies themselves have been subject to scrutiny arising from the financial crisis and could make or be required to make substantial changes to their ratings policies and practices, particularly in response to legislative and regulatory changes, including as a result of provisions in Dodd-Frank. Potential changes in the legislative and regulatory environment and the timing of those changes could impact our ratings, which as noted above could impact our liquidity and financial condition.

A debt rating is not a recommendation to buy, sell or hold securities, and the ratings are subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

Tax Implications of Cash in Foreign Subsidiaries

Cash and short term investments held by foreign subsidiaries, including cash available to the BHC and restricted cash, totaled $1.7 billion at June 30, 2014, down slightly from $1.8 billion at December 31, 2013.

Other than in a limited number of jurisdictions, Management does not intend to indefinitely reinvest foreign earnings.

Contractual Payments and Commitments

The following tables summarize significant contractual payments and contractual commitment expirations at June 30, 2014. Certain amounts in the payments table are not the same as the respective balance sheet totals, because this table is based on contractual amounts and excludes FSA discounts, in order to better reflect projected contractual payments. Likewise, actual cash flows could vary materially from those depicted in the payments table as further explained in the table footnotes.

Payments for the Twelve Months Ended June 30[(1)] (dollars in millions)

	Total	2015	2016	2017	2018	2019+
Secured borrowings[(2)]	$ 5,304.3	$ 1,070.7	$1,301.6	$ 776.3	$ 509.8	$ 1,645.9
Senior unsecured borrowings	12,251.8	1,500.4	–	1,250.0	3,950.0	5,551.4
Total Long-term borrowings	17,556.1	2,571.1	1,301.6	2,026.3	4,459.8	7,197.3
Deposits	13,940.6	6,524.6	1,736.5	872.2	2,046.7	2,760.6
Credit balances of factoring clients	1,296.5	1,296.5	–	–	–	–
Lease rental expense	172.2	30.7	28.9	25.6	22.8	64.2
Total contractual payments	$32,965.4	$10,422.9	$3,067.0	$2,924.1	$6,529.3	$10,022.1

(1) *Projected payments of debt interest expense and obligations relating to postretirement programs are excluded.*

(2) *Includes non-recourse secured borrowings, which are generally repaid in conjunction with the pledged receivable maturities.*

The unsecured $1.5 billion principal balance with a coupon rate of 4.75% comes due in February 2015.

Commitment Expiration by Twelve Month Periods Ended June 30 (dollars in millions)

	Total	2015	2016	2017	2018	2019+
Financing commitments	$ 4,405.9	$ 658.2	$ 594.6	$ 954.6	$ 853.7	$1,344.8
Aerospace equipment purchase commitments[(1)]	8,429.2	830.1	771.3	904.4	1,252.4	4,671.0
Rail and other equipment purchase commitments	1,060.8	635.4	425.4	–	–	–
Letters of credit	406.9	64.4	32.5	72.0	55.4	182.6
Deferred purchase agreements	1,508.5	1,508.5	–	–	–	–
Guarantees, acceptances and other recourse obligations	3.1	3.1	–	–	–	–
Liabilities for unrecognized tax obligations[(2)]	320.5	275.0	45.5	–	–	–
Total contractual commitments	$16,134.9	$3,974.7	$1,869.3	$1,931.0	$2,161.5	$6,198.4

(1) *Aerospace commitments are net of amounts on deposit with manufacturers. The Company entered into purchase commitments for 30 commercial aircraft in July 2014, which are not included in the above table.*

(2) *The balance cannot be estimated past 2016; therefore the remaining balance is reflected in 2016.*

Financing commitments increased from $4.3 billion at December 31, 2013 to $4.4 billion at June 30, 2014. This includes commitments that have been extended to and accepted by customers or agents, but on which the criteria for funding have not been completed of $435 million at June 30, 2014 and $548 million at December 31, 2013. Also included are credit line agreements to Commercial Services clients that are cancellable by us only after a notice period. The notice period is typically 90 days or less. The amount available under these credit lines, net of amount of receivables assigned to us, were $231 million at June 30, 2014 and $157 million at December 31, 2013.

At June 30, 2014, substantially all our undrawn financing commitments were senior facilities, with approximately 80% secured by equipment or other assets and the remainder comprised of cash flow or enterprise value facilities. Most of our undrawn and available financing commitments are in Corporate Finance. The top ten undrawn commitments totaled $353 million at June 30, 2014.

The table above includes approximately $1.3 billion of undrawn financing commitments at June 30, 2014 and $0.9 billion at December 31, 2013 that were not in compliance with contractual obligations, and therefore CIT does not have the contractual obligation to lend.

CAPITAL

Capital Management

CIT manages its capital position to ensure capital is adequate to support the risks of its businesses and capital distributions to its shareholders. CIT's capital management is discussed in its Form 10-K for the year ended December 31, 2013.

Return of Capital

In January 2014, the Board of Directors approved the repurchase of up to $307 million of common stock through December 31, 2014, which included the amount that was not used from the 2013 share repurchase. In April 2014, the Board of Directors authorized an additional share repurchase of up to $300 million of common stock through December 31, 2014. Approximately $55 million of the $607 million authorized repurchase capacity remained at June 30, 2014. On July 22, 2014, CIT announced that its Board of Directors approved an additional repurchase of up to $500 million of common stock through June 30, 2015.

During the 2014 first quarter, we repurchased over 2.9 million shares at an average price of $46.66 per share, totaling nearly $136 million. During the second quarter, we repurchased over 9.4 million shares for an aggregate purchase price of $416 million, bringing the total repurchases for 2014 to approximately 12.3 million shares at an average price of $44.81, or an aggregate of approximately $552 million. The repurchases were effected via open market purchases and through plans designed to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended.

In January 2014, the Board of Directors declared a quarterly cash dividend of $0.10 per share, which was paid on February 28, 2014. In April 2014, the Board of Directors declared a quarterly cash dividend of $0.10 per share, which was paid on May 30, 2014. On July 15, 2014, the Board approved an increase to CIT's quarterly cash dividend from $0.10 per share to $0.15 per share. The dividend is payable on August 29, 2014.

Capital Composition and Ratios

The Company is subject to various regulatory capital requirements. The regulatory capital guidelines currently applicable to the Company are based on the Capital Accord of the Basel Committee on Banking Supervision (Basel I). We compute capital ratios in accordance with Federal Reserve capital guidelines for assessing adequacy of capital. To be well capitalized, a BHC generally must maintain Tier 1 and Total Capital Ratios of at least 6% and 10%, respectively. The Federal Reserve Board also has established minimum guidelines. The minimum ratios are: Tier 1 Capital Ratio of 4.0%, Total Capital Ratio of 8.0% and Tier 1 Leverage Ratio of 4.0%. In order to be considered a "well capitalized" depository institution under FDIC guidelines, the Bank must maintain a Tier 1 Capital Ratio of at least 6%, a Total Capital Ratio of at least 10%, and a Tier 1 Leverage Ratio of at least 5%.

In the event that management reverses any of our NOL valuation allowance, there will be a benefit to GAAP earnings but minimal impact on our regulatory capital ratios. While total stockholders' equity in the following table would increase, there would also be an increase in the amount of disallowed deferred taxes in the Other Tier 1 components, which would offset most of the benefit with respect to Tier 1 and Total Capital.

Tier 1 Capital and Total Capital Components (dollars in millions)

Tier 1 Capital	**June 30, 2014**	**December 31, 2013**
Total stockholders' equity	$ 8,617.6	$ 8,838.8
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 Capital	32.5	24.2
Adjusted total equity	8,650.1	8,863.0
Less: Goodwill	(406.8)	(338.3)
Disallowed intangible assets	(16.6)	(20.3)
Investment in certain subsidiaries	(32.2)	(32.3)
Other Tier 1 components[(1)]	(32.8)	(32.6)
Tier 1 Capital	8,161.7	8,439.5
Tier 2 Capital		
Qualifying reserve for credit losses and other reserves[(2)]	372.4	383.9
Less: Investment in certain subsidiaries	(32.2)	(32.3)
Other Tier 2 components[(3)]	0.3	0.1
Total qualifying capital	$ 8,502.2	$ 8,791.2
Risk-weighted assets	$51,001.8	$50,571.2
BHC Ratios		
Tier 1 Capital Ratio	16.0%	16.7%
Total Capital Ratio	16.7%	17.4%
Tier 1 Leverage Ratio	18.3%	18.1%
CIT Bank Ratios		
Tier 1 Capital Ratio	15.2%	16.8%
Total Capital Ratio	16.5%	18.1%
Tier 1 Leverage Ratio	15.4%	16.9%

(1) *Includes the portion of net deferred tax assets that does not qualify for inclusion in Tier 1 capital based on the capital guidelines, the Tier 1 capital charge for nonfinancial equity investments and the Tier 1 capital deduction for net unrealized losses on available-for-sale marketable securities (net of tax).*

(2) *"Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit, and deferred purchase agreements, all of which are recorded in Other Liabilities.*

(3) *Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pre-tax gains on available for sale equity securities with readily determinable fair values.*

For a BHC, capital adequacy is based upon risk-weighted asset ratios calculated in accordance with quantitative measures established by the Federal Reserve. Under the Basel 1 guidelines, certain commitments and off-balance sheet transactions are assigned asset equivalent balances, and together with on-balance sheet assets, are divided into risk categories, each of which is assigned a risk weighting ranging from 0% (for example U.S. Treasury Bonds) to 100% (for example commercial loans).

The reconciliation of balance sheet assets to risk-weighted assets is presented below:

Risk-Weighted Assets (dollars in millions)

	June 30, 2014	**December 31, 2013**
Balance sheet assets	$44,152.7	$ 47,139.0
Risk weighting adjustments to balance sheet assets	(6,280.9)	(10,328.1)
Off balance sheet items	13,130.0	13,760.3
Risk-weighted assets	$51,001.8	$ 50,571.2

The decline in the balance sheet assets primarily reflects the sale of the student loan assets during the 2014 second quarter and the decline in the risk weighted adjustments to balance sheet assets reflect the low risk weighting of the student loan assets. The off balance sheet items for the current period primarily reflects commitments to purchase aircraft and railcars ($9.3 billion), unused lines of credit ($1.7 billion, largely related to Corporate Finance division) and deferred purchase agreements ($1.5 billion related to Commercial Services division).

Future Regulatory Capital Guidelines

On April 15, 2014, the Basel Committee on Banking Supervision ("BCBS") released the final standard of its "Supervisory Framework for Measuring and Controlling Large Exposures" ("SFLE"), which will take effect on January 1, 2019, and replace the BCBS 1991 standard on measuring and controlling large exposures. SFLE includes a general limit on all of a bank's exposures to a single counterparty of 25% of a bank's Tier 1 Capital. This limit also applies to identified groups of connected counterparties, which are interdependent and likely to fail simultaneously. A tighter limit of 15% of Tier 1 Capital will apply to exposures between banks that have been designated as global systematically important banks (GSIBs).

We described in detail in the "Regulation" section of Item 1 Business Overview in our 2013 Form 10-K details regarding Basel III and other regulatory matters. A brief summary follows:

In July 2013, the Board of Governors of the Federal Reserve and the Federal Deposit Insurance Corporation issued a final rule ("Basel III Final Rule") implementing revised risk-based capital and leverage requirements for banking organizations proposed under Basel III. CIT, as well as the Bank, will be subject to the Basel III Final Rule as of January 1, 2015.

Among other matters, the Basel III Final Rule: (i) introduces a new capital measure called "Common Equity Tier 1" ("CET1") and related regulatory capital ratio of CET1 to risk-weighted assets; (ii) specifies that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting certain revised requirements; (iii) mandates that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital; and (iv) expands the scope of the deductions from and adjustments to capital as compared to existing regulations. For most banking organizations, the most common form of Additional Tier 1 capital is non-cumulative perpetual preferred stock and the most common form of Tier 2 capital is subordinated notes, which will be subject to the Basel III Final Rule specific requirements. CIT does not currently have either of these forms of capital outstanding.

The Basel III Final Rule also introduces a new "capital conservation buffer", composed entirely of CET1, on top of these minimum risk-weighted asset ratios apart from the Tier 1 leverage ratio. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum but below the capital conservation buffer will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall.

Implementation of the deductions and other adjustments to CET1 will begin on January 1, 2015 and will be phased-in over a 4-year period (beginning at 40% on January 1, 2015 and an additional 20% per year thereafter). The implementation of the capital conservation buffer will begin on January 1, 2016 at the 0.625% level and increase by 0.625% on each subsequent January 1, until it reaches 2.5% on January 1, 2019.

Per the Basel III final rule, CIT will be required to maintain risk-based capital ratios at January 1, 2019 as follows:

	Minimum Capital Requirements – January 1, 2019			
	Tier 1 Common Equity	Tier 1 Capital	Total Capital	Leverage Ratio
Stated minimum Ratio	4.5%	6.0%	8.0%	4.0%
Capital conservation buffer	2.5%	2.5%	2.5%	NA
Effective minimum ratio	7.0%	8.5%	10.5%	4.0%

With respect to the Bank, the Basel III Final Rule revises the "prompt corrective action" ("PCA") regulations adopted pursuant to Section 38 of the Federal Deposit Insurance Act, by: (i) introducing a CET1 ratio requirement at each PCA category (other than critically undercapitalized), with the required CET1 ratio being 6.5% for well-capitalized status; (ii) increasing the minimum Tier 1 capital ratio requirement for each category, with the minimum Tier 1 capital ratio for well-capitalized status being 8% (as compared to the current 6%); and (iii) eliminating the current provision that provides that a bank with a composite supervisory rating of 1 may have a 3% leverage ratio and still be adequately capitalized. The Basel III Final Rule does not change the total risk-based capital requirement for any PCA category.

At June 30, 2014, CIT's and the Bank's capital ratios and capital composition exceed the post-transition minimum capital requirements at January 2019. CIT's capital stock is substantially all Tier 1 Common equity and generally does not include non-qualifying capital instruments subject to transitional deductions. CIT and the Bank are subject to a minimum Tier 1 Leverage ratio of 4% and 5%, respectively. We continue to believe that, as of June 30, 2014, CIT and the Bank would meet all capital requirements under the Basel III Final Rule, including the capital conservation buffer, on a fully phased-in basis as if such requirements were currently effective. As non-advanced approaches banking organizations, CIT and the Bank will not be subject to the Countercyclical Buffer or the supplementary leverage ratio.

Tangible Book Value and Tangible Book Value per Share

Tangible book value represents common equity less goodwill and other intangible assets. A reconciliation of CIT's total common stockholders' equity to tangible book value, a non-GAAP measure, follows:

Tangible Book Value and per Share Amounts (dollars in millions, except per share amounts)

	June 30, 2014	December 31, 2013
Total common stockholders' equity	$8,617.6	$8,838.8
Less: Goodwill	(403.1)	(334.6)
Intangible assets	(16.6)	(20.3)
Tangible book value	$8,197.9	$8,483.9
Book value per share	$ 46.42	$ 44.78
Tangible book value per share	$ 44.16	$ 42.98

Book value was down as the increase in shares repurchased and held in treasury offset the increase due to net income, while the decline in Tangible book value ("TBV") also reflected the goodwill recorded with the Nacco acquisition.

Book value per share and TBV per share increased as the decline in outstanding shares offset the decrease in common equity.

CIT BANK

The Bank is a state-chartered commercial bank headquartered in Salt Lake City, Utah, that is subject to regulation and examination by the FDIC and the UDFI and is our principal bank subsidiary. The Bank originates and funds lending and leasing activity in the U.S. for CIT's segments. Asset growth during 2014 reflected solid lending and leasing volume. Deposits grew in support of the increased business. The Bank's capital and leverage ratios are included in the tables that follow and remain well above required levels.

As detailed in the following Consolidated Balance Sheet table, total assets increased to $18.3 billion, up $2.1 billion from December 31, 2013, related to growth in financing and leasing assets. Cash and deposits with banks was $2.8 billion at June 30, 2014, up from December 31, 2013, reflecting increased deposits.

Commercial loans totaled $13.4 billion at June 30, 2014, up from $12.0 billion at December 31, 2013. The increase reflects solid new business activity. The Bank funded $2.0 billion of new business volume during 2014, up 11% from the year-ago quarter and 23% sequentially. Most of the 2014 second quarter volume, $1.4 billion, related to NACF, which included various divisions, as well as Real Estate Finance. The remaining amount funded aerospace, rail and maritime transactions in TIF. Year-to-date, volumes are up 11%. The Bank also expanded its portfolio of operating lease equipment, which totaled $1.8 billion at June 30, 2014 and comprised primarily of railcars, and aircraft.

CIT Bank deposits were $13.9 billion at June 30, 2014, up from $12.5 billion at December 31, 2013. The weighted average interest rate was 1.57% at June 30, 2014, up slightly from December 31, 2013.

The following presents condensed financial information for CIT Bank.

Condensed Balance Sheets (dollars in millions)

	June 30, 2014	December 31, 2013
ASSETS:		
Cash and deposits with banks	$ 2,804.5	$ 2,528.6
Investment securities	268.7	234.6
Assets held for sale	54.2	104.5
Commercial loans	13,416.3	12,032.6
Allowance for loan losses	(231.1)	(212.9)
Operating lease equipment, net	1,806.4	1,248.9
Other assets	150.7	195.0
Total Assets	$18,269.7	$16,131.3
LIABILITIES AND EQUITY:		
Deposits	$13,867.5	$12,496.2
Long-term borrowings	821.0	854.6
Other borrowings	700.0	–
Other liabilities	211.4	183.9
Total Liabilities	15,599.9	13,534.7
Total Equity	2,669.8	2,596.6
Total Liabilities and Equity	$18,269.7	$16,131.3
Capital Ratios		
Tier 1 Capital Ratio	15.2%	16.8%
Total Capital Ratio	16.5%	18.1%
Tier 1 Leverage ratio	15.4%	16.9%
Financing and Leasing Assets by Segment (dollars in millions)		
North American Commercial Finance	$11,767.5	$10,701.1
Transportation & International Finance	3,509.4	2,606.8
Non-Strategic Portfolios	–	78.1
Total	$15,276.9	$13,386.0

Condensed Statements of Operations (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Interest income	$ 169.8	$ 157.8	$ 135.8	$ 327.6	$ 258.6
Interest expense	(55.1)	(51.4)	(42.8)	(106.5)	(82.1)
Net interest revenue	114.7	106.4	93.0	221.1	176.5
Provision for credit losses	(14.6)	(24.8)	(17.1)	(39.4)	(38.1)
Net interest revenue, after credit provision	100.1	81.6	75.9	181.7	138.4
Rental income on operating leases	53.9	45.8	25.5	99.7	45.9
Other income	23.0	27.0	29.8	50.0	57.2
Total net revenue, net of interest expense and credit provision	177.0	154.4	131.2	331.4	241.5
Operating expenses	(82.5)	(85.4)	(77.2)	(167.9)	(144.7)
Depreciation on operating lease equipment	(22.7)	(18.2)	(10.6)	(40.9)	(17.8)
Income before provision for income taxes	71.8	50.8	43.4	122.6	79.0
Provision for income taxes	(30.4)	(17.8)	(18.4)	(48.2)	(33.0)
Net income	$ 41.4	$ 33.0	$ 25.0	$ 74.4	$ 46.0
New business volume – funded	$2,049.3	$1,660.4	$1,841.6	$3,709.7	$3,354.8

The Bank's 2014 results benefited from higher earning assets. The Bank's provision for credit losses for the quarter ended June 30, 2014 reflects lower reserve build due to portfolio composition, while credit metrics remain at or near cyclical lows. For the quarter ended June 30, 2014, net charge-offs as a percentage of average finance receivables were 0.21%, compared to 0.14% in the year-ago quarter and 0.47% last quarter.

Other income in 2014 was down from the 2013 periods and sequentially reflecting lower fee revenue. Operating expenses increased from the 2013 periods reflecting increased Bank activities, while down slightly from the prior quarter.

Net Finance Revenue (dollars in millions)

	Quarters Ended			Six Months Ended	
	June 30, 2014	March 31, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Interest income	$ 169.8	$ 157.8	$ 135.8	$ 327.6	$ 258.6
Rental income on operating leases	53.9	45.8	25.5	99.7	45.9
Finance revenue	223.7	203.6	161.3	427.3	304.5
Interest expense	(55.1)	(51.4)	(42.8)	(106.5)	(82.1)
Depreciation on operating lease equipment	(22.7)	(18.2)	(10.6)	(40.9)	(17.8)
Maintenance and other operating lease expenses*	(1.8)	(1.8)	(0.5)	(3.6)	(1.3)
Net finance revenue	$ 144.1	$ 132.2	$ 107.4	$ 276.3	$ 203.3
Average Earning Assets ("AEA")	$14,792.4	$13,832.5	$10,697.9	$14,329.9	$10,040.0
As a % of AEA:					
Interest income	4.59%	4.56%	5.08%	4.57%	5.15%
Rental income on operating leases	1.46%	1.33%	0.95%	1.39%	0.92%
Finance revenue	6.05%	5.89%	6.03%	5.96%	6.07%
Interest expense	(1.49)%	(1.49)%	(1.60)%	(1.49)%	(1.64)%
Depreciation on operating lease equipment	(0.61)%	(0.52)%	(0.39)%	(0.57)%	(0.35)%
Maintenance and other operating lease expenses*	(0.05)%	(0.05)%	(0.02)%	(0.05)%	(0.03)%
Net finance revenue	3.90%	3.83%	4.02%	3.85%	4.05%

* *Amounts included in CIT Bank operating expenses.*

NFR and NFR as a percentage of AEA ("NFM") are key metrics used by management to measure the profitability of our lending and leasing assets. NFR includes interest and fee income on our loans and capital leases, interest and dividend income on cash and investments, rental revenue from our leased equipment, depreciation and maintenance and other operating lease expenses, as well as funding costs. Since our asset composition includes an increasing level of operating lease equipment (11% of AEA for the quarter ended June 30, 2014), NFM is a more appropriate metric for CIT than net interest margin ("NIM") (a common metric used by other banks), as NIM does not fully reflect the earnings of our portfolio because it includes the impact of debt costs on all our assets but excludes the net revenue (rental income less depreciation and maintenance and other operating lease expenses) from operating leases.

NFR and AEA increased on asset growth. NFM is down from the prior year periods reflecting some pressure on loan yields, which offset lower funding costs. During the 2014, the Bank grew its operating lease portfolio, by adding aircraft and railcars which contributed net operating lease revenue of $29 million, up from $14 million in the year-ago quarter and $26 million in the prior quarter. Year-to-date, net operating lease revenue totaled $55 million, up from $27 million in 2013.

SELECT DATA AND AVERAGE BALANCES

The following table sets forth selected consolidated financial information regarding our results of operations, balance sheets and certain ratios.

Select Data (dollars in millions)

	At or for the Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Select Statement of Operations Data					
Net interest revenue	$ 47.6	$ 30.3	$ 56.5	$ 77.9	$ 104.9
Provision for credit losses	(10.2)	(36.7)	(14.6)	(46.9)	(34.1)
Total non-interest income	613.3	563.0	563.5	1,176.3	1,109.9
Total other expenses	431.7	433.9	400.0	865.6	806.6
Income from continuing operations	195.2	114.9	175.6	310.1	328.5
Net income	246.9	117.2	183.6	364.1	346.2
Per Common Share Data					
Diluted income per common share from continuing operations	$ 1.02	$ 0.58	$ 0.87	$ 1.60	$ 1.62
Diluted income per common share	$ 1.29	$ 0.59	$ 0.91	$ 1.88	$ 1.70
Book value per common share	$ 46.42	$ 45.10	$ 43.16		
Tangible book value per common share	$ 44.16	$ 42.94	$ 41.33		
Dividends declared per common share	$ 0.10	$ 0.10	$ –	$ 0.20	$ –
Performance Ratios					
Return on average common stockholders' equity	9.0%	5.2%	8.2%	7.1%	7.7%
Net finance revenue as a percentage of average earning assets	4.35%	4.01%	4.87%	4.18%	4.82%
Return on average total assets	1.75%	1.04%	1.73%	1.40%	1.63%
Total ending equity to total ending assets	19.5%	17.8%	19.3%		
Balance Sheet Data					
Loans including receivables pledged	$18,604.4	18,571.7	18,155.3		
Allowance for loan losses	(341.0)	(352.6)	(367.2)		
Operating lease equipment, net	14,788.3	14,182.4	12,326.2		
Goodwill	403.1	403.5	344.5		
Total cash and short-term investments	6,771.9	8,506.4	6,833.5		
Assets of discontinued operation	1.0	3,721.2	3,952.1		
Total assets	44,152.7	48,578.1	44,631.0		
Deposits	13,939.0	13,189.3	11,171.3		
Total long-term borrowings	17,545.5	19,508.8	17,569.4		
Liabilities of discontinued operation	0.9	3,172.1	3,446.2		
Total common stockholders' equity	8,617.6	8,796.0	8,677.2		
Credit Quality					
Non-accrual loans as a percentage of finance receivables	1.02%	1.18%	1.53%		
Net charge-offs as a percentage of average finance receivables	0.45%	0.76%	0.63%	0.60%	0.43%
Allowance for loan losses as a percentage of finance receivables	1.83%	1.90%	2.02%		
Financial Ratios					
Tier 1 Capital Ratio	16.0%	16.1%	16.3%		
Total Capital Ratio	16.7%	16.8%	17.0%		

Quarterly Average Balances[1] **and Associated Income** (dollars in millions)

	June 30, 2014			March 31, 2014			June 30, 2013		
	Average Balance	Revenue / Expense	Average Rate (%)	Average Balance	Revenue / Expense	Average Rate (%)	Average Balance	Revenue / Expense	Average Rate (%)
Interest bearing deposits	$ 4,620.9	$ 4.5	0.39%	$ 5,188.9	$ 4.6	0.35%	$ 5,281.9	$ 4.3	0.33%
Investments	2,035.8	3.9	0.77%	2,499.7	4.2	0.67%	1,658.3	2.8	0.68%
Loans (including held for sale)[2][3]									
U.S.[2]	16,339.2	226.9	6.03%	15,816.3	214.4	5.90%	14,549.5	214.9	6.45%
Non-U.S.	3,510.0	74.5	8.49%	3,736.7	79.0	8.46%	4,188.6	97.1	9.27%
Total loans[2]	19,849.2	301.4	6.50%	19,553.0	293.4	6.42%	18,738.1	312.0	7.12%
Total interest earning assets / interest income[2][3]	26,505.9	309.8	4.92%	27,241.6	302.2	4.66%	25,678.3	319.1	5.22%
Operating lease equipment, net (including held for sale)[4]									
U.S.[4]	7,741.5	172.5	8.91%	7,349.6	156.2	8.50%	6,447.0	156.8	9.73%
Non-U.S.[4]	6,921.8	140.8	8.14%	6,551.2	135.3	8.26%	6,267.5	153.6	9.80%
Total operating lease equipment, net[4]	14,663.3	313.3	8.55%	13,900.8	291.5	8.39%	12,714.5	310.4	9.77%
Total earning assets[2]	41,169.2	$623.1	6.25%	41,142.4	$593.7	5.96%	38,392.8	$629.5	6.77%
Non-interest earning assets									
Cash due from banks	1,213.1			1,055.0			429.6		
Allowance for loan losses	(350.4)			(357.8)			(376.0)		
All other non-interest earning assets	2,546.5			2,357.3			2,183.2		
Assets of discontinued operation	931.2			3,792.3			4,055.1		
Total Average Assets	**$45,509.6**			**$47,989.2**			**$44,684.7**		
Borrowings									
Deposits	$ 13,608.5	$ 56.1	1.65%	$ 12,812.2	$ 51.9	1.62%	$ 11,009.6	$ 44.8	1.63%
Long-term borrowings[5]	18,226.2	206.1	4.52%	19,022.1	220.0	4.63%	17,817.5	217.8	4.89%
Total interest-bearing liabilities	31,834.7	$262.2	3.29%	31,834.3	$271.9	3.42%	28,827.1	$262.6	3.64%
Credit balances of factoring clients	1,301.7			1,276.3			1,222.2		
Other non-interest bearing liabilities	2,863.2			2,819.6			2,504.8		
Liabilities of discontinued operation	793.9			3,240.1			3,515.9		
Noncontrolling interests	8.4			11.1			9.1		
Stockholders' equity	8,707.7			8,807.8			8,605.6		
Total Average Liabilities and Stockholders' Equity	**$45,509.6**			**$47,989.2**			**$44,684.7**		
Net revenue spread			2.96%			2.54%			3.13%
Impact of non-interest bearing sources			0.66%			0.69%			0.82%
Net revenue/yield on earning assets[2]		$360.9	3.62%		$321.8	3.23%		$366.9	3.95%

(1) *The average balances presented are derived based on month end balances during the year. Tax exempt income was not significant in any of the years presented. Average rates are impacted by FSA accretion and amortization.*

(2) *The rate presented is calculated net of average credit balances for factoring clients.*

(3) *Non-accrual loans and related income are included in the respective categories.*

(4) *Operating lease rental income is a significant source of revenue; therefore, we have presented the rental revenues net of depreciation and net of Maintenance and other operating lease expenses.*

(5) *Interest and average rates include FSA accretion, including amounts accelerated due to redemptions or extinguishments, and accelerated original issue discount on debt extinguishment related to the GSI facility.*

Year to Date Average Balances[1] and Associated Income (dollars in millions)

	June 30, 2014			June 30, 2013		
	Average Balance	Revenue / Expense	Average Rate (%)	Average Balance	Revenue / Expense	Average Rate (%)
Interest bearing deposits	$ 4,955.8	$ 9.1	0.37%	$ 5,578.2	$ 7.8	0.28%
Investments	2,269.6	8.1	0.71%	1,579.1	5.7	0.72%
Loans (including held for sale)[2][3]						
U.S.[2]	16,087.1	441.3	5.97%	14,112.3	435.2	6.74%
Non-U.S.	3,622.5	153.5	8.47%	4,179.1	192.9	9.23%
Total loans[2]	19,709.6	594.8	6.46%	18,291.4	628.1	7.35%
Total interest earning assets / interest income[2][3]	26,935.0	612.0	4.77%	25,448.7	641.6	5.29%
Operating lease equipment, net (including held for sale)[4]						
U.S.[4]	7,556.7	328.7	8.70%	6,429.1	304.2	9.46%
Non-U.S.[4]	6,733.0	276.1	8.20%	6,303.8	306.9	9.74%
Total operating lease equipment, net[4]	14,289.7	604.8	8.46%	12,732.9	611.1	9.60%
Total earning assets[2]	41,224.7	$1,216.8	6.10%	38,181.6	$1,252.7	6.77%
Non-interest earning assets						
Cash due from banks	989.6			369.4		
Allowance for loan losses	(354.3)			(375.8)		
All other non-interest earning assets	2,460.5			2,189.3		
Assets of discontinued operation	2,167.6			4,112.5		
Total Average Assets	**$46,488.1**			**$44,477.0**		
Borrowings						
Deposits	$ 13,213.3	$ 108.0	1.63%	$ 10,590.7	$ 87.1	1.64%
Long-term borrowings[5]	18,497.8	426.1	4.61%	18,001.7	449.6	5.00%
Total interest-bearing liabilities	31,711.1	$ 534.1	3.37%	28,592.4	$ 536.7	3.75%
Credit balances of factoring clients	1,299.8			1,200.0		
Other non-interest bearing liabilities	2,862.6			2,593.0		
Liabilities of discontinued operation	1,852.0			3,566.8		
Noncontrolling interests	10.3			8.0		
Stockholders' equity	8,752.3			8,516.8		
Total Average Liabilities and Stockholders' Equity	**$46,488.1**			**$44,477.0**		
Net revenue spread			2.73%			3.02%
Impact of non-interest bearing sources			0.69%			0.85%
Net revenue/yield on earning assets[2]		$ 682.7	3.42%		$ 716.0	3.87%

(1) *The average balances presented are derived based on month end balances during the year. Tax exempt income was not significant in any of the years presented. Average rates are impacted by FSA accretion and amortization.*

(2) *The rate presented is calculated net of average credit balances for factoring clients.*

(3) *Non-accrual loans and related income are included in the respective categories.*

(4) *Operating lease rental income is a significant source of revenue; therefore, we have presented the rental revenues net of depreciation and net of Maintenance and other operating lease expenses.*

(5) *Interest and average rates include FSA accretion, including amounts accelerated due to redemptions or extinguishments, and accelerated original issue discount on debt extinguishment related to the GSI facility.*

Interest income on interest bearing deposits and investment securities was not significant in any of the quarters presented. The decline in average interest bearing deposits reflects the investment of cash in investment securities to earn a higher yield. The vast majority of our investment securities are high quality debt, primarily U.S. Treasury securities, U.S. Government Agency securities, and supranational and foreign government securities that typically mature in 90 days or less. Investments were down sequentially, reflecting maturities, and the subsequent usage of the proceeds to repay maturing debt.

Average rates on loans and operating lease equipment decreased from the year-ago quarter and year-to-date, as compression on portfolio yields across many of our business, sales of higher-yielding portfolios last year, suspended depreciation in the prior year, lower yield-related fees and lower FSA accretion offset the higher level of earning assets. The sequential increase reflects lower maintenance and operating lease expenses on transportation equipment and modestly higher prepayments, which offset portfolio yield compression.

Net operating lease revenue was primarily generated from the commercial air and rail portfolios. Net operating lease revenue increased slightly from the prior-year quarter, as the benefit of increased assets from the growing aerospace and rail portfolios offset higher depreciation expense and increased maintenance and other operating lease expenses. Rental income increased from the year-ago periods as did depreciation expense, reflecting the growing portfolio. The increase from 2013 in maintenance and other operating lease expenses reflects the growing rail portfolio, and aerospace remarketing expenses resulting from the elevated levels of aircraft re-leasing activity in 2014. During the quarter, on average, lease renewal rates in the rail portfolio were re-pricing slightly higher, while the commercial air portfolio has been re-pricing slightly lower, putting pressure on overall rental revenue, compared to the 2013 periods. These factors are also reflected in the net operating lease revenue as a percent of AOL. The sequential improvement reflects higher AOL and slightly lower maintenance and operating lease expenses. We expect costs related to the remarketing of aircraft, which are reflected in operating lease expenses, to remain elevated in the second half of 2014, consistent with the first half. The 2014 first quarter European rail acquisition reduced the overall portfolio's net yields, as the acquired portfolio's net yields were lower.

Interest expense was relatively flat compared to the 2013 periods, but the year-ago quarter included $8 million of accelerated debt FSA accretion, while the 2014 second quarter had a net benefit of $7 million of debt FSA and OID accretion. At June 30, 2014, the remaining FSA discount on long-term borrowings is not significant, approximately $5 million.

The weighted average coupon rate of outstanding deposits and long-term borrowings was 3.20% at June 30, 2014, down from 3.33% at March 31, 2014 and 3.39% at June 30, 2013, benefiting from a higher proportion of deposit funding. The weighted average coupon rate of long-term borrowings at June 30, 2014 was 4.44%, essentially unchanged from March 31, 2014 and down slightly from 4.52% at June 30, 2013.

Deposits represented 44% of the total deposits and long-term borrowing at June 30, 2014, while unsecured debt was 39% and secured debt was 17%. These proportions will fluctuate in the future depending upon our capital markets activities.

Deposits have increased, both in dollars and proportion of total CIT funding. The weighted average rate of total CIT deposits was 1.64%, 1.67% and 1.59% at June 30, 2014, March 31, 2014 and June 30, 2013, respectively. Deposits and long-term borrowings are also discussed in *Funding and Liquidity*.

The average long-term borrowings balances presented below were derived based on daily balances and the average rates are based on a 30 days per month day count convention. The average rates include FSA accretion, including amounts accelerated due to redemptions or extinguishments and prepayment costs.

Average Daily Long-term Borrowings Balances and Rates (dollars in millions)

	Quarters Ended								
	June 30, 2014			March 31, 2014			June 30, 2013		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Revolving Credit Facility(1)	$ –	$ 3.2	–	$ –	$ 4.3	–	$ –	$ 4.1	–
Senior Unsecured Notes	12,231.9	156.3	5.11%	12,998.4	168.7	5.19%	11,795.5	162.4	5.51%
Secured borrowings	5,686.2	46.6	3.28%	6,059.3	47.0	3.10%	6,040.4	51.3	3.40%
Long-term Borrowings	$17,918.1	$206.1	4.60%	$19,057.7	$220.0	4.62%	$17,835.9	$217.8	4.88%

	Six Months Ended					
	June 30, 2014			June 30, 2013		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Revolving Credit Facility(1)	$ –	$ 7.5	–	$ –	$ 8.0	–
Senior Unsecured Notes	12,615.2	325.0	5.15%	11,806.3	335.4	5.68%
Secured borrowings	5,872.7	93.6	3.19%	6,213.6	106.2	3.42%
Long-term Borrowings	$18,487.9	$426.1	4.61%	$18,019.9	$449.6	4.99%

(1) *Interest expense and average rate includes Facility commitment fees and amortization of Facility deal costs.*

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect reported amounts of assets and liabilities, reported amounts of income and expense during the reporting period and the disclosure of contingent assets and liabilities at the date of the financial statements. We consider accounting estimates relating to the following to be critical in applying our accounting policies:

- Allowance for Loan Losses
- Loan impairment
- Fair Value Determination
- Lease Residual Values
- Liabilities for Uncertain Tax Positions
- Realizability of Deferred Tax Assets
- Goodwill Assets

There have been no significant changes to the methodologies and processes used in developing estimates relating to these items from those described in our 2013 Annual Report on Form 10-K.

INTERNAL CONTROLS

The Internal Controls Working Group ("ICWG"), which reports to the Disclosure Committee, is responsible for monitoring and improving internal controls over external financial reporting. The ICWG is chaired by the Controller and is comprised of senior executives in Finance and the Chief Auditor. See *Item 4. Controls and Procedures* for more information.

NON-GAAP FINANCIAL MEASUREMENTS

The SEC adopted regulations that apply to any public disclosure or release of material information that includes a non-GAAP financial measure. The accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosure about Market Risk contain certain non-GAAP financial measures. Due to the nature of our financing and leasing assets, which include a higher proportion of operating lease equipment than most BHCs, and the impact of FSA following our 2009 restructuring, certain financial measures commonly used by other BHCs are not as meaningful for our Company. Therefore, management uses certain non-GAAP financial measures to evaluate our performance. We intend our non-GAAP financial measures to provide additional information and insight regarding operating results and financial position of the business and in certain cases to provide financial information that is presented to rating agencies and other users of financial information. These measures are not in accordance with, or a substitute for, GAAP and may be different from or inconsistent with non-GAAP financial measures used by other companies. See footnotes below the tables for additional explanation of non-GAAP measurements.

Total Net Revenues[(1)] and Net Operating Lease Revenues[(2)] (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Total Net Revenue					
Interest income	$ 309.8	$ 302.2	$ 319.1	$ 612.0	$ 641.6
Rental income on operating leases	519.6	491.9	484.3	1,011.5	960.7
Finance revenue	829.4	794.1	803.4	1,623.5	1,602.3
Interest expense	(262.2)	(271.9)	(262.6)	(534.1)	(536.7)
Depreciation on operating lease equipment	(157.3)	(148.8)	(133.6)	(306.1)	(266.9)
Maintenance and other operating lease expenses	(49.0)	(51.6)	(40.3)	(100.6)	(82.7)
Net finance revenue (NFR)	360.9	321.8	366.9	682.7	716.0
Other income	93.7	71.1	79.2	164.8	149.2
Total net revenues	$ 454.6	$ 392.9	$ 446.1	$ 847.5	$ 865.2
Net Operating Lease Revenue					
Rental income on operating leases	$ 519.6	$ 491.9	$ 484.3	$1,011.5	$ 960.7
Depreciation on operating lease equipment	(157.3)	(148.8)	(133.6)	(306.1)	(266.9)
Maintenance and other operating lease expenses	(49.0)	(51.6)	(40.3)	(100.6)	(82.7)
Net operating lease revenue	$ 313.3	$ 291.5	$ 310.4	$ 604.8	$ 611.1

Adjusted NFR ($) and Net Finance Margin (NFM) (%) (dollars in millions)

	Quarters Ended					
	June 30, 2014		March 31, 2014		June 30, 2013	
NFR / NFM	$360.9	4.35%	$321.8	4.01%	$366.9	4.87%
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	34.7	0.42%	–	–	7.7	0.10%
Accelerated OID on debt extinguishments related to the GSI facility	(42.0)	(0.51)%	–	–	–	–
Adjusted NFR / NFM	$353.6	4.26%	$321.8	4.01%	$374.6	4.97%

	Six Months Ended June 30,			
	2014		2013	
NFR / NFM	$682.7	4.18%	$716.0	4.82%
Accelerated FSA net discount/(premium) on debt extinguishments and repurchases	34.7	0.21%	24.8	0.17%
Accelerated OID on debt extinguishments related to the GSI facility	(42.0)	(0.26)%	–	–
Adjusted NFR / NFM	$675.4	4.13%	$740.8	4.99%

The accelerated debt FSA accretion and accelerated OID on debt extinguishment related to the GSI facility ("accelerated OID accretion"), when discussed in combination, is referred to as "accelerated debt FSA and OID accretion".

Operating Expenses Excluding Restructuring Costs[3] (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Operating expenses	$(225.0)	$(233.5)	$(226.1)	$(458.5)	$(457.0)
Provision for severance and facilities exiting activities	5.6	9.9	9.5	15.5	15.2
Operating expenses excluding restructuring costs	$(219.4)	$(223.6)	$(216.6)	$(443.0)	$(441.8)

Earning Assets[4] (dollars in millions)

	June 30, 2014	December 31, 2013	June 30, 2013
Loans	$18,604.4	$18,629.2	$18,155.3
Operating lease equipment, net	14,788.3	13,035.4	12,326.2
Assets held for sale	1,328.9	1,003.4	1,186.6
Credit balances of factoring clients	(1,296.5)	(1,336.1)	(1,205.0)
Total earning assets	$33,425.1	$31,331.9	$30,463.1

Continuing Operations Total Assets (dollars in millions)

	June 30, 2014	March 31, 2014	December 31, 2013	June 30, 2013
Total Assets	$44,152.7	$48,578.1	$47,139.0	$44,631.0
Assets of discontinued operation	(1.0)	(3,721.2)	(3,821.4)	(3,952.1)
Continuing operations total assets	$44,151.7	$44,856.9	$43,317.6	$40,678.9

Tangible Book Value[5] (dollars in millions)

	June 30, 2014	December 31, 2013	June 30, 2013
Total common stockholders' equity	$8,617.6	$8,838.8	$8,677.2
Less: Goodwill	(403.1)	(334.6)	(344.5)
Intangible assets	(16.6)	(20.3)	(24.8)
Tangible book value	$8,197.9	$8,483.9	$8,307.9

(1) *Total net revenues is a non-GAAP measure that represents the combination of net finance revenue and other income and is an aggregation of all sources of revenue for the Company. Total net revenues is used by management to monitor business performance. Given our asset composition includes a high level of operating lease equipment, NFM is a more appropriate metric than net interest margin ("NIM") (a common metric used by other bank holding companies), as NIM does not fully reflect the earnings of our portfolio because it includes the impact of debt costs of all our assets but excludes the net revenue (rental revenue less depreciation and maintenance and other operating lease expenses) from operating leases.*

(2) *Net operating lease revenue is a non-GAAP measure that represents the combination of rental income on operating leases less depreciation on operating lease equipment and maintenance and other operating lease expenses. Net operating lease revenues is used by management to monitor portfolio performance.*

(3) *Operating expenses excluding restructuring costs is a non-GAAP measure used by management to compare period over period expenses.*

(4) *Earning assets is a non-GAAP measure and are utilized in certain revenue and earnings ratios. Earning assets are net of credit balances of factoring clients. This net amount represents the amounts we fund.*

(5) *Tangible book value is a non-GAAP measure, which represents an adjusted common shareholders' equity balance that has been reduced by goodwill and intangible assets. Tangible book value is used to compute a per common share amount, which is used to evaluate our use of equity.*

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "could," "expect," "estimate," "forecast," "intend," "plan," "potential," "project," "target" and similar expressions are generally intended to identify forward-looking statements. Any forward-looking statements contained herein, in press releases, written statements or other documents filed with the Securities and Exchange Commission or in communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls, concerning our operations, economic performance and financial condition are subject to known and unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

- our liquidity risk and capital management, including our capital plan, leverage, capital ratios, and credit ratings, our liquidity plan, and our plans and the potential transactions designed to enhance our liquidity and capital, and for a return of capital,
- our plans to change our funding mix and to access new sources of funding to broaden our use of deposit taking capabilities,
- our credit risk management and credit quality,
- our asset/liability risk management,
- our funding, borrowing costs and net finance revenue,
- our operational risks, including success of systems enhancements and expansion of risk management and control functions,
- our mix of portfolio asset classes, including growth initiatives, new business initiatives, new products, acquisitions and divestitures, new business and customer retention,
- legal risks,
- our growth rates,
- our commitments to extend credit or purchase equipment, and
- how we may be affected by legal proceedings.

All forward-looking statements involve risks and uncertainties, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information.

Therefore, actual results may differ materially from those expressed or implied in those statements. Factors, in addition to those disclosed in *"Risk Factors"*, that could cause such differences include, but are not limited to:

- capital markets liquidity,
- risks of and/or actual economic slowdown, downturn or recession,
- industry cycles and trends,
- uncertainties associated with risk management, including credit, prepayment, asset/liability, interest rate and currency risks,
- adequacy of reserves for credit losses,
- risks inherent in changes in market interest rates and quality spreads,

- funding opportunities, deposit taking capabilities and borrowing costs,
- conditions and/or changes in funding markets and our access to such markets, including secured and unsecured term debt and the asset-backed securitization markets,
- risks of implementing new processes, procedures, and systems,
- risks associated with the value and recoverability of leased equipment and lease residual values,
- risks of achieving the projected revenue growth from new business initiatives or the projected expense reductions from efficiency improvements,
- application of fair value accounting in volatile markets,
- application of goodwill accounting in a recessionary economy,
- changes in laws or regulations governing our business and operations,
- changes in competitive factors,
- demographic trends,
- customer retention rates,
- future acquisitions and dispositions of businesses or asset portfolios, and
- regulatory changes and/or developments.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees about our performance. We do not assume the obligation to update any forward-looking statement for any reason.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision of and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") as of June 30, 2014. Based on such evaluation, the principal executive officer and the principal financial officer have concluded that the Company's disclosure controls and procedures were effective.

(b) Changes In Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 1. Legal Proceedings

CIT is currently involved, and from time to time in the future may be involved, in a number of judicial, regulatory, and arbitration proceedings relating to matters that arise in connection with the conduct of its business (collectively, "Litigation"), certain of which Litigation matters are described in *Note 13 — Contingencies* of *Item 1. Consolidated Financial Statements*. In view of the inherent difficulty of predicting the outcome of Litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, CIT cannot state with confidence what the eventual outcome of the pending Litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter may be, if any. In accordance with applicable accounting guidance, CIT establishes reserves for Litigation when those matters present loss contingencies as to which it is both probable that a loss will occur and the amount of such loss can be reasonably estimated. Based on currently available information, CIT believes that the results of Litigation that is currently pending, taken together, will not have a material adverse effect on the Company's financial condition, but may be material to the Company's operating results or cash flows for any particular period, depending in part on its operating results for that period. The actual results of resolving such matters may be substantially higher than the amounts reserved.

For more information about pending legal proceedings, including an estimate of certain reasonably possible losses in excess of reserved amounts, see *Note 13 — Contingencies* of *Item 1. Consolidated Financial Statements*.

ITEM 1A. Risk Factors

For a discussion of certain risk factors affecting CIT, see *Part I, Item 1A: Risk Factors*, of CIT's 2013 Annual Report on Form 10-K, and Forward-Looking Statements of this Form 10-Q.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information related to purchases by the Company of its common shares.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Publicly Announced Program	Total Dollar Amount Purchased Under the Program (dollars in millions)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (dollars in millions)
2013[(1)]			4,006,941	$193.4	$ –
First Quarter Purchases[(2)]			2,905,348	$135.6	
Second Quarter Purchases					
April 1–30, 2014	1,589,861	$47.17	1,589,861	$ 75.0	
May 1–31, 2014	6,353,802	$43.43	6,353,802	275.9	
June 1–30, 2014	1,466,135	$44.62	1,466,135	65.4	
	9,409,798	$44.24	9,409,798	$416.3	
June 30, 2014[(2)]			12,315,146	$551.9	$55.1

(1) *Shares repurchases were subject to a $200 million total that expired on December 31, 2013.*

(2) *Shares repurchases are subject to a $607 million total that expires on December 31, 2014.*

On January 21, 2014, the Board of Directors approved the repurchase of up to $300 million of common stock through December 31, 2014. In addition, the Board also approved the repurchase of an additional $7 million of common stock, which was the amount unused from our 2013 share repurchase authorization. In April 2014, the Board of Directors authorized an additional share repurchase of up to $300 million of common stock through December 31, 2014. On July 22, 2014, CIT announced that its Board of Directors approved the repurchase of up to an additional $500 million of common stock through June 30, 2015.

Management will determine the timing and amount of any share repurchases under the share repurchase authorizations based on market conditions and other considerations. The repurchases may be effected in the open market through derivative, accelerated repurchase and other negotiated transactions, and through plans designed to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The repurchased common stock is held as treasury shares and may be used for the issuance of shares under CIT's employee stock plans.

ITEM 4. Mine Safety Disclosure

Not applicable.

ITEM 6. Exhibits

(a) Exhibits

2.1 Agreement and Plan of Merger, by and among CIT Group Inc., IMB Holdco LLC, Carbon Merger Sub LLC and JCF III HoldCo I L.P., dated as of July 21, 2014 (incorporated by reference to Exhibit 2.1 to Form 8-K filed July 25, 2014).

3.1 Third Amended and Restated Certificate of Incorporation of the Company, dated December 8, 2009 (incorporated by reference to Exhibit 3.1 to Form 8-K filed December 9, 2009).

3.2 Amended and Restated By-laws of the Company, as amended through July 15, 2014 (incorporated by reference to Exhibit 99.1 to Form 8-K filed July 16, 2014).

4.1 Indenture dated as of January 20, 2006 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) for the issuance of senior debt securities (incorporated by reference to Exhibit 4.3 to Form S-3 filed January 20, 2006).

4.2 First Supplemental Indenture dated as of February 13, 2007 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) for the issuance of senior debt securities (incorporated by reference to Exhibit 4.1 to Form 8-K filed on February 13, 2007).

4.3 Third Supplemental Indenture dated as of October 1, 2009, between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) relating to senior debt securities (incorporated by reference to Exhibit 4.4 to Form 8-K filed on October 7, 2009).

4.4 Fourth Supplemental Indenture dated as of October 16, 2009 between CIT Group Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank N.A.) relating to senior debt securities (incorporated by reference to Exhibit 4.1 to Form 8-K filed October 19, 2009).

4.5 Framework Agreement, dated July 11, 2008, among ABN AMRO Bank N.V., as arranger, Madeleine Leasing Limited, as initial borrower, CIT Aerospace International, as initial head lessee, and CIT Group Inc., as guarantor, as amended by the Deed of Amendment, dated July 19, 2010, among The Royal Bank of Scotland N.V. (f/k/a ABN AMRO Bank N.V.), as arranger, Madeleine Leasing Limited, as initial borrower, CIT Aerospace International, as initial head lessee, and CIT Group Inc., as guarantor, as supplemented by Letter Agreement No. 1 of 2010, dated July 19, 2010, among The Royal Bank of Scotland N.V., as arranger, CIT Aerospace International, as head lessee, and CIT Group Inc., as guarantor, as amended and supplemented by the Accession Deed, dated July 21, 2010, among The Royal Bank of Scotland N.V., as arranger, Madeleine Leasing Limited, as original borrower, and Jessica Leasing Limited, as acceding party, as supplemented by Letter Agreement No. 2 of 2010, dated July 29, 2010, among The Royal Bank of Scotland N.V., as arranger, CIT Aerospace International, as head lessee, and CIT Group Inc., as guarantor, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets (incorporated by reference to Exhibit 4.11 to Form 10-K filed March 10, 2011).

4.6 Form of All Parties Agreement among CIT Aerospace International, as head lessee, Madeleine Leasing Limited, as borrower and lessor, CIT Group Inc., as guarantor, various financial institutions, as original ECA lenders, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, and CIT Aerospace International, as servicing agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.12 to Form 10-K filed March 10, 2011).

4.7 Form of ECA Loan Agreement among Madeleine Leasing Limited, as borrower, various financial institutions, as original ECA lenders, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, and CIT Aerospace International, as servicing agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.13 to Form 10-K filed March 10, 2011).

4.8 Form of Aircraft Head Lease between Madeleine Leasing Limited, as lessor, and CIT Aerospace International, as head lessee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.14 to Form 10-K filed March 10, 2011).

4.9 Form of Proceeds and Intercreditor Deed among Madeleine Leasing Limited, as borrower and lessor, various financial institutions, ABN AMRO Bank N.V., Paris Branch, as French national agent, ABN AMRO Bank N.V., Niederlassung Deutschland, as German national agent, ABN AMRO Bank N.V., London Branch, as British national agent, ABN AMRO Bank N.V., London Branch, as ECA facility agent, ABN AMRO Bank N.V., London Branch, as security trustee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2008 and 2009 fiscal years (incorporated by reference to Exhibit 4.15 to Form 10-K filed March 10, 2011).

4.10 Form of All Parties Agreement among CIT Aerospace International, as head lessee, Jessica Leasing Limited, as borrower and lessor, CIT Group Inc., as guarantor, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, CIT Aerospace International, as servicing agent, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.16 to Form 10-K filed March 10, 2011).

4.11 Form of ECA Loan Agreement among Jessica Leasing Limited, as borrower, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.17 to Form 10-K filed March 10, 2011).

4.12 Form of Aircraft Head Lease between Jessica Leasing Limited, as lessor, and CIT Aerospace International, as head lessee, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.18 to Form 10-K filed March 10, 2011).

4.13 Form of Proceeds and Intercreditor Deed among Jessica Leasing Limited, as borrower and lessor, various financial institutions, as original ECA lenders, Citibank International plc, as French national agent, Citibank International plc, as German national agent, Citibank International plc, as British national agent, The Royal Bank of Scotland N.V., London Branch, as ECA facility agent, The Royal Bank of Scotland N.V., London Branch, as security trustee, and Citibank, N.A., as administrative agent, relating to certain Export Credit Agency sponsored secured financings of aircraft and related assets during the 2010 fiscal year (incorporated by reference to Exhibit 4.19 to Form 10-K filed March 10, 2011).

4.14 Indenture, dated as of March 30, 2011, between CIT Group Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed June 30, 2011).

4.15 First Supplemental Indenture, dated as of March 30, 2011, between CIT Group Inc., the Guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee (including the Form of 5.250% Note due 2014 and the Form of 6.625% Note due 2018) (incorporated by reference to Exhibit 4.2 to Form 8-K filed June 30, 2011).

4.16 Third Supplemental Indenture, dated as of February 7, 2012, between CIT Group Inc., the Guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee (including the Form of Notes) (incorporated by reference to Exhibit 4.4 of Form 8-K dated February 13, 2012).

4.17 Registration Rights Agreement, dated as of February 7, 2012, among CIT Group Inc., the Guarantors named therein, and JP Morgan Securities LLC, as representative for the initial purchasers named therein (incorporated by reference to Exhibit 10.1 of Form 8-K dated February 13, 2012).

4.18 Amended and Restated Revolving Credit and Guaranty Agreement, dated as of January 27, 2014 among CIT Group Inc., certain subsidiaries of CIT Group Inc., as Guarantors, the Lenders party thereto from time to time and Bank of America, N.A., as Administrative Agent and L/C Issuer (incorporated by reference to Exhibit 10.1 to Form 8-K filed January 28, 2014).

4.19 Indenture, dated as of March 15, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (incorporated by reference to Exhibit 4.1 of Form 8-K filed March 16, 2012).

4.20 First Supplemental Indenture, dated as of March 15, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.25% Senior Unsecured Note due 2018) (incorporated by reference to Exhibit 4.2 of Form 8-K filed March 16, 2012).

4.21 Second Supplemental Indenture, dated as of May 4, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.000% Senior Unsecured Note due 2017 and the Form of 5.375% Senior Unsecured Note due 2020) (incorporated by reference to Exhibit 4.2 of Form 8-K filed May 4, 2012).

4.22 Third Supplemental Indenture, dated as of August 3, 2012, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 4.25% Senior Unsecured Note due 2017 and the Form of 5.00% Senior Unsecured Note due 2022) (incorporated by reference to Exhibit 4.2 to Form 8-K filed August 3, 2012).

4.23 Fourth Supplemental Indenture, dated as of August 1, 2013, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 5.00% Senior Unsecured Note due 2023) (incorporated by reference to Exhibit 4.2 to Form 8-K filed August 1, 2013).

4.24 Fifth Supplemental Indenture, dated as of February 19, 2014, among CIT Group Inc., Wilmington Trust, National Association, as trustee, and Deutsche Bank Trust Company Americas, as paying agent, security registrar and authenticating agent (including the Form of 3.875% Senior Unsecured Note due 2019) (incorporated by reference to Exhibit 4.2 to Form 8-K filed February 19, 2014).

10.1* Amended and Restated CIT Group Inc. Long-Term Incentive Plan (as amended and restated effective December 10, 2009) (incorporated by reference to Exhibit 4.1 to Form S-8 filed January 11, 2010).

10.2* CIT Group Inc. Supplemental Retirement Plan (As Amended and Restated Effective as of January 1, 2008) (incorporated by reference to Exhibit 10.27 to Form 10-Q filed May 12, 2008).

10.3* CIT Group Inc. Supplemental Savings Plan (As Amended and Restated Effective as of January 1, 2008) (incorporated by reference to Exhibit 10.28 to Form 10-Q filed May 12, 2008).

10.4* New Executive Retirement Plan of CIT Group Inc. (As Amended and Restated as of January 1, 2008) (incorporated by reference to Exhibit 10.29 to Form 10-Q filed May 12, 2008).

10.5* Letter Agreement, effective February 8, 2010, between CIT Group Inc. and John A. Thain (incorporated by reference to Exhibit 10.1 to Form 8-K filed February 8, 2010).

10.6* Form of CIT Group Inc. Three Year Stock Salary Award Agreement, dated February 8, 2010 (incorporated by reference to Exhibit 10.2 to Form 8-K filed February 8, 2010).

10.7* Letter Agreement, dated June 2, 2010, between CIT Group Inc. and Scott T. Parker (incorporated by reference to Exhibit 99.3 to Form 8-K filed July 6, 2010).

10.8* Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Retention Award Agreement (incorporated by reference to Exhibit 10.33 to Form 10-Q filed August 9, 2010).

10.9* Form of CIT Group Inc. Long-term Incentive Plan Stock Option Award Agreement (One Year Vesting) (incorporated by reference to Exhibit 10.35 to Form 10-Q filed August 9, 2010).

10.10* Form of CIT Group Inc. Long-term Incentive Plan Stock Option Award Agreement (Three Year Vesting) (incorporated by reference to Exhibit 10.36 to Form 10-Q filed August 9, 2010).

10.11* Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Award Agreement (Three Year Vesting) (incorporated by reference to Exhibit 10.38 to Form 10-Q filed August 9, 2010).

10.12* Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Director Award Agreement (Initial Grant) (incorporated by reference to Exhibit 10.39 to Form 10-Q filed August 9, 2010).

10.13* Form of CIT Group Inc. Long-term Incentive Plan Restricted Stock Unit Director Award Agreement (Annual Grant) (incorporated by reference to Exhibit 10.40 to Form 10-Q filed August 9, 2010).

10.14* Amended and Restated Employment Agreement, dated as of May 7, 2008, between CIT Group Inc. and C. Jeffrey Knittel (incorporated by reference to Exhibit 10.35 to Form 10-K filed March 2, 2009).

10.15* Amendment to Employment Agreement, dated December 22, 2008, between CIT Group Inc. and C. Jeffrey Knittel (incorporated by reference to Exhibit 10.37 to Form 10-K filed March 2, 2009).

10.16* Letter Agreement, dated April 21, 2010, between CIT Group Inc. and Nelson J. Chai (incorporated by reference to Exhibit 10.31 of Form 10-Q filed August 9, 2011).

10.17* Letter Agreement, dated April 8, 2010, between CIT Group Inc. and Lisa K. Polsky (incorporated by reference to Exhibit 10.32 of Form 10-Q filed August 9, 2011).

10.18* Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (with Good Reason) (incorporated by reference to Exhibit 10.33 of Form 10-Q filed August 9, 2011).

10.19* Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (without Good Reason) (incorporated by reference to Exhibit 10.34 of Form 10-Q filed August 9, 2011).

10.20** Airbus A320 NEO Family Aircraft Purchase Agreement, dated as of July 28, 2011, between Airbus S.A.S. and C.I.T. Leasing Corporation (incorporated by reference to Exhibit 10.35 of Form 10-Q/A filed February 1, 2012).

10.21** Amended and Restated Confirmation, dated June 28, 2012, between CIT TRS Funding B.V. and Goldman Sachs International, and Credit Support Annex and ISDA Master Agreement and Schedule, each dated October 26, 2011, between CIT TRS Funding B.V. and Goldman Sachs International, evidencing a $625 billion securities based financing facility (incorporated by reference to Exhibit 10.32 to Form 10-Q filed August 9, 2012).

10.22** Third Amended and Restated Confirmation, dated June 28, 2012, between CIT Financial Ltd. and Goldman Sachs International, and Amended and Restated ISDA Master Agreement Schedule, dated October 26, 2011 between CIT Financial Ltd. and Goldman Sachs International, evidencing a $1.5 billion securities based financing facility (incorporated by reference to Exhibit 10.33 to Form 10-Q filed August 9, 2012).

10.23** ISDA Master Agreement and Credit Support Annex, each dated June 6, 2008, between CIT Financial Ltd. and Goldman Sachs International related to a $1.5 billion securities based financing facility (incorporated by reference to Exhibit 10.34 to Form 10-Q filed August 11, 2008).

10.24* Letter Agreement, dated February 24, 2012, between CIT Group Inc. and Andrew T. Brandman (incorporated by reference to Exhibit 99.2 of Form 8-K filed April 12, 2012).

10.25 Form of CIT Group Inc. Long-Term Incentive Plan Performance Stock Unit Award Agreement (with Good Reason) (incorporated by reference to Exhibit 10.36 to Form 10-Q filed May 10, 2012).

10.26 Form of CIT Group Inc. Long-Term Incentive Plan Performance Stock Unit Award Agreement (without Good Reason) (incorporated by reference to Exhibit 10.37 to Form 10-Q filed May 10, 2012).

10.27* Assignment and Extension of Employment Agreement, dated February 6, 2013, by and among CIT Group Inc., C. Jeffrey Knittel and C.I.T. Leasing Corporation (incorporated by reference to Exhibit 10.34 to Form 10-Q filed November 6, 2013).

10.28* Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.36 to Form 10-K filed March 1, 2013).

10.29* Form of CIT Group Inc. Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Executives with Employment Agreements) (incorporated by reference to Exhibit 10.37 to Form 10-K filed March 1, 2013).

10.30* CIT Employee Severance Plan (Effective as of November 6, 2013) (incorporated by reference to Exhibit 10.37 to Form 10-Q filed November 6, 2013).

10.31 Stockholders Agreement, by and among CIT Group Inc. and the parties listed on the signature pages thereto, dated as of July 21, 2014 (incorporated by reference to Exhibit 10.1 to Form 8-K filed July 25, 2014).

10.32* Retention Letter Agreement, dated July 21, 2014, between CIT Group Inc. and Nelson Chai and Attached Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to Form 8-K filed July 25, 2014).

10.33* Extension to Term of Employment Agreement, dated January 2, 2014, between CIT Group Inc. and C. Jeffrey Knittel (filed herein).

12.1 CIT Group Inc. and Subsidiaries Computation of Ratio of Earnings to Fixed Charges.

31.1	Certification of John A. Thain pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Commission, as promulgated pursuant to Section 13(a) of the Securities Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Scott T. Parker pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Commission, as promulgated pursuant to Section 13(a) of the Securities Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certification of John A. Thain pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2***	Certification of Scott T. Parker pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (Includes the following financial information included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Comprehensive Income (Loss), (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

* *Indicates a management contract or compensatory plan or arrangement.*

** *Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for granting confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.*

*** *This information is furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any filing under the Securities Act of 1933.*

SIGNATURES

Pursuant to the requirements 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.

August 6, 2014

CIT GROUP INC.

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and Chief Financial Officer

/s/ E. Carol Hayles

E. Carol Hayles
Executive Vice President and Controller

EXHIBIT 12.1

CIT Group Inc. and Subsidiaries Computation of Ratio of Earnings to Fixed Charges (dollars in millions)

	Quarters Ended			Six Months Ended June 30,	
	June 30, 2014	March 31, 2014	June 30, 2013	2014	2013
Earnings:					
Net income	$246.9	$117.2	$183.6	$364.1	$346.2
Provision for income taxes – continuing operations	18.1	13.5	29.3	31.6	42.1
Income from discontinued operation, net of taxes	(51.7)	(2.3)	(8.0)	(54.0)	(17.7)
Income from continuing operations, before provision for income taxes	213.3	128.4	204.9	341.7	370.6
Fixed Charges:					
Interest and debt expenses on indebtedness	262.2	271.9	262.6	534.1	536.7
Interest factor: one-third of rentals on real and personal properties	1.6	1.9	1.7	3.5	4.4
Total fixed charges for computation of ratio	263.8	273.8	264.3	537.6	541.1
Total earnings before provision for income taxes and fixed charges	$477.1	$402.2	$469.2	$879.3	$911.7
Ratios of earnings to fixed charges	1.81x	1.47x	1.78x	1.64x	1.68x

EXHIBIT 31.1

CERTIFICATIONS

I, John A. Thain, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CIT Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2014

/s/ John A. Thain

John A. Thain
Chairman and Chief Executive Officer
CIT Group Inc.

EXHIBIT 31.2

CERTIFICATIONS

I, Scott T. Parker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CIT Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2014

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and Chief Financial Officer
CIT Group Inc.

EXHIBIT 32.1

Certification Pursuant to Section 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of CIT Group Inc. (“CIT”) on Form 10-Q for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John A. Thain, the Chief Executive Officer of CIT, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(i) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CIT.

Dated: August 6, 2014

/s/ John A. Thain

John A. Thain
Chairman and Chief Executive Officer
CIT Group Inc.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

Certification Pursuant to Section 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of CIT Group Inc. ("CIT") on Form 10-Q for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott T. Parker, the Chief Financial Officer of CIT, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(i) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CIT.

Dated: August 6, 2014

/s/ Scott T. Parker

Scott T. Parker
Executive Vice President and
Chief Financial Officer
CIT Group Inc.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

PUBLIC EXHIBIT 6

CIT Bank Consolidated Report of Condition and Income for the quarter ended June 30, 2014

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Institution Name	**CIT BANK**
City	**SALT LAKE CITY**
State	**UT**
Zip Code	**84106**
Call Report Quarter End Date	**6/30/2014**
Report Type	**031**
RSSD-ID	**2950677**
FDIC Certificate Number	**35575**
OCC Charter Number	**0**
ABA Routing Number	**124084834**
Last updated on	**7/30/2014**

Bank Demographic Information

Dollar amounts in thousands

1. Reporting date	RCON9999	20140630	1.
2. FDIC certificate number	RSSD9050	35575	2.
3. Legal title of bank	RSSD9017	CIT Bank	3.
4. City	RSSD9130	Salt Lake City	4.
5. State abbreviation	RSSD9200	UT	5.
6. Zip code	RSSD9220	84120	6.

Contact Information

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name	TEXTC490	CONF	1.a.1.
2. Title	TEXTC491	CONF	1.a.2.
3. E-mail Address	TEXTC492	CONF	1.a.3.
4. Telephone	TEXTC493	CONF	1.a.4.
5. FAX	TEXTC494	CONF	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name	TEXTC495	CONF	1.b.1.
2. Title	TEXTC496	CONF	1.b.2.
3. E-mail Address	TEXT4086	CONF	1.b.3.
4. Telephone	TEXT8902	CONF	1.b.4.
5. FAX	TEXT9116	CONF	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title	TEXTB962	CONF	2.a.
b. E-mail Address	TEXTB926	CONF	2.b.
c. Telephone	TEXTB963	CONF	2.c.
d. FAX	TEXTB964	CONF	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name	TEXTC366	CONF	3.a.1.
2. Title	TEXTC367	CONF	3.a.2.
3. E-mail Address	TEXTC368	CONF	3.a.3.
4. Telephone	TEXTC369	CONF	3.a.4.
5. FAX	TEXTC370	CONF	3.a.5.
b. Secondary Contact			3.b.
1. Name	TEXTC371	CONF	3.b.1.
2. Title	TEXTC372	CONF	3.b.2.
3. E-mail Address	TEXTC373	CONF	3.b.3.
4. Telephone	TEXTC374	CONF	3.b.4.
5. FAX	TEXTC375	CONF	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.
1. Name	TEXTC437	CONF	4.a.1.
2. Title	TEXTC438	CONF	4.a.2.
3. E-mail Address	TEXTC439	CONF	4.a.3.
4. Telephone	TEXTC440	CONF	4.a.4.
b. Secondary Contact			4.b.

Dollar amounts in thousands			
1. Name	TEXTC442	CONF	4.b.1.
2. Title	TEXTC443	CONF	4.b.2.
3. E-mail Address	TEXTC444	CONF	4.b.3.
4. Telephone	TEXTC445	CONF	4.b.4.
c. Third Contact			4.c.
1. Name	TEXTC870	CONF	4.c.1.
2. Title	TEXTC871	CONF	4.c.2.
3. E-mail Address	TEXTC872	CONF	4.c.3.
4. Telephone	TEXTC873	CONF	4.c.4.
d. Fourth Contact			4.d.
1. Name	TEXTC875	CONF	4.d.1.
2. Title	TEXTC876	CONF	4.d.2.
3. E-mail Address	TEXTC877	CONF	4.d.3.
4. Telephone	TEXTC878	CONF	4.d.4.

Optional Narrative Statement Concerning the Amounts Reported in the Reports of Condition and Income

Dollar amounts in thousands			
1. Comments?	RCON6979	No	1.
2. Bank Management Statement	TEXT6980	NR	2.

Schedule RI - Income Statement

Dollar amounts in thousands			
1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. In domestic offices:			1.a.1.
a. Loans secured by real estate:			1.a.1.a.
1. Loans secured by 1-4 family residential properties	RIAD4435	0	1.a.1.a.1.
2. All other loans secured by real estate	RIAD4436	34,875	1.a.1.a.2.
b. Loans to finance agricultural production and other loans to farmers	RIAD4024	0	1.a.1.b.
c. Commercial and industrial loans	RIAD4012	185,397	1.a.1.c.
d. Loans to individuals for household, family, and other personal expenditures:			1.a.1.d.
1. Credit cards	RIADB485	0	1.a.1.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RIADB486	0	1.a.1.d.2.
e. Loans to foreign governments and official institutions	RIAD4056	0	1.a.1.e.
f. All other loans in domestic offices	RIADB487	19,854	1.a.1.f.
2. In foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4059	0	1.a.2.
3. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2))	RIAD4010	240,126	1.a.3.
b. Income from lease financing receivables	RIAD4065	80,392	1.b.
c. Interest income on balances due from depository institutions	RIAD4115	2,717	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RIADB488	0	1.d.1.
2. Mortgage-backed securities	RIADB489	1,448	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	2,850	1.d.3.
e. Interest income from trading assets	RIAD4069	0	1.e.

Dollar amounts in thousands			
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	3	1.f.
g. Other interest income	RIAD4518	0	1.g.
h. Total interest income (sum of items 1.a.(3) through 1.g)	RIAD4107	327,536	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Interest on deposits in domestic offices:			2.a.1.
a. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	7,018	2.a.1.a.
b. Nontransaction accounts:			2.a.1.b.
1. Savings deposits (includes MMDAs)	RIAD0093	16,494	2.a.1.b.1.
2. Time deposits of $100,000 or more	RIADA517	19,962	2.a.1.b.2.
3. Time deposits of less than $100,000	RIADA518	57,317	2.a.1.b.3.
2. Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4172	0	2.a.2.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	0	2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	5,297	2.c.
d. Interest on subordinated notes and debentures	RIAD4200	366	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	106,454	2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	221,082	3.
4. Provision for loan and lease losses	RIAD4230	39,383	4.
5. Noninterest income:			5.
a. Income from fiduciary activities	RIAD4070	0	5.a.
b. Service charges on deposit accounts in domestic offices	RIAD4080	0	5.b.
c. Trading revenue	RIADA220	-862	5.c.
d. Not available			5.d.
1. Fees and commissions from securities brokerage	RIADC886	0	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions	RIADC888	0	5.d.2.
3. Fees and commissions from annuity sales	RIADC887	0	5.d.3.
4. Underwriting income from insurance and reinsurance activities	RIADC386	2,637	5.d.4.
5. Income from other insurance activities	RIADC387	0	5.d.5.
e. Venture capital revenue	RIADB491	0	5.e.
f. Net servicing fees	RIADB492	21,806	5.f.
g. Net securitization income	RIADB493	0	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases	RIAD5416	3,148	5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	0	5.j.
k. Net gains (losses) on sales of other assets (excluding securities)	RIADB496	1,851	5.k.
l. Other noninterest income	RIADB497	121,565	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	RIAD4079	150,145	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	0	6.a.
b. Realized gains (losses) on available-for-sale securities	RIAD3196	0	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits	RIAD4135	60,895	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	2,748	7.b.
c. Not available			7.c.
1. Goodwill impairment losses	RIADC216	0	7.c.1.
2. Amortization expense and impairment losses for other intangible assets	RIADC232	0	7.c.2.
d. Other noninterest expense	RIAD4092	145,554	7.d.

Dollar amounts in thousands			
e. Total noninterest expense (sum of items 7.a through 7.d)	RIAD4093	**209,197**	7.e.
8. Income (loss) before income taxes and extraordinary items and other adjustments (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)	RIAD4301	**122,647**	8.
9. Applicable income taxes (on item 8)	RIAD4302	**48,211**	9.
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)	RIAD4300	**74,436**	10.
11. Extraordinary items and other adjustments, net of income taxes	RIAD4320	**0**	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)	RIADG104	**74,436**	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)	RIADG103	**0**	13.
14. Net income (loss) attributable to bank (item 12 minus item 13)	RIAD4340	**74,436**	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513	**0**	M.1.
2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8)	RIAD8431	**0**	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	RIAD4313	**0**	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	RIAD4507	**0**	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	RIAD4150	**919**	M.5.
6. Not applicable			M.6.
7. If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition	RIAD9106	**0**	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
a. Interest rate exposures	RIAD8757	**-552**	M.8.a.
b. Foreign exchange exposures	RIAD8758	**-310**	M.8.b.
c. Equity security and index exposures	RIAD8759	**0**	M.8.c.
d. Commodity and other exposures	RIAD8760	**0**	M.8.d.
e. Credit exposures	RIADF186	**0**	M.8.e.
f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e above)	RIADK090	**NR**	M.8.f.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e above)	RIADK094	**NR**	M.8.g.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading	RIADC889	**0**	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890	**0**	M.9.b.
10. Credit losses on derivatives (see instructions)	RIADA251	**0**	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	RIADA530	**No**	M.11.
12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a)(1))	RIADF228	**NR**	M.12.
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets	RIADF551	**NR**	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	RIADF552	**NR**	M.13.a.1.
b. Net gains (losses) on liabilities	RIADF553	**NR**	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	RIADF554	**NR**	M.13.b.1.

Dollar amounts in thousands			
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities:			M.14.
a. Total other-than-temporary impairment losses	RIADJ319	0	M.14.a.
b. Portion of losses recognized in other comprehensive income (before income taxes)	RIADJ320	0	M.14.b.
c. Net impairment losses recognized in earnings (included in Schedule RI, items 6.a and 6.b) (Memorandum item 14.a minus Memorandum item 14.b)	RIADJ321	0	M.14.c.

Schedule RI-A - Changes in Bank Equity Capital

Dollar amounts in thousands			
1. Total bank equity capital most recently reported for the December 31, 2013, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIAD3217	2,596,594	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors	RIADB507	0	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	RIADB508	2,596,594	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	RIAD4340	74,436	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	RIADB509	0	5.
6. Treasury stock transactions, net	RIADB510	0	6.
7. Changes incident to business combinations, net	RIAD4356	0	7.
8. LESS: Cash dividends declared on preferred stock	RIAD4470	0	8.
9. LESS: Cash dividends declared on common stock	RIAD4460	22,019	9.
10. Other comprehensive income	RIADB511	156	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above)	RIAD4415	20,596	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)	RIAD3210	2,669,763	12.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans in domestic offices:					1.a.
1. 1-4 family residential construction loans	RIADC891	0	RIADC892	0	1.a.1.
2. Other construction loans and all land development and other land loans	RIADC893	0	RIADC894	0	1.a.2.
b. Secured by farmland in domestic offices	RIAD3584	0	RIAD3585	0	1.b.
c. Secured by 1-4 family residential properties in domestic offices:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RIAD5411	0	RIAD5412	0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RIADC234	0	RIADC217	0	1.c.2.a.
b. Secured by junior liens	RIADC235	0	RIADC218	0	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RIAD3588	0	RIAD3589	0	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RIADC895	0	RIADC896	0	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RIADC897	0	RIADC898	0	1.e.2.
f. In foreign offices	RIADB512	0	RIADB513	0	1.f.
2. Loans to depository institutions and acceptances of other banks:					2.

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
a. To U.S. banks and other U.S. depository institutions	RIAD4653	0	RIAD4663	0	2.a.
b. To foreign banks	RIAD4654	0	RIAD4664	0	2.b.
3. Loans to finance agricultural production and other loans to farmers	RIAD4655	0	RIAD4665	0	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RIAD4645	11,846	RIAD4617	9	4.a.
b. To non-U.S. addressees (domicile)	RIAD4646	0	RIAD4618	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:					5.
a. Credit cards	RIADB514	0	RIADB515	0	5.a.
b. Automobile loans	RIADK129	0	RIADK133	0	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RIADK205	0	RIADK206	0	5.c.
6. Loans to foreign governments and official institutions	RIAD4643	0	RIAD4627	0	6.
7. All other loans	RIAD4644	0	RIAD4628	0	7.
8. Lease financing receivables:					8.
a. Leases to individuals for household, family, and other personal expenditures	RIADF185	0	RIADF187	0	8.a.
b. All other leases	RIADC880	11,143	RIADF188	1,880	8.b.
9. Total (sum of items 1 through 8)	RIAD4635	22,989	RIAD4605	1,889	9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	0	RIAD5410	0	M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)	RIAD4652	0	RIAD4662	0	M.2.
3. Not applicable					M.3.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases

Dollar amounts in thousands			
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)	RIADC388	NR	M.4.

Schedule RI-B Part II - Changes in Allowance for Loan and Lease Losses

Dollar amounts in thousands			
1. Balance most recently reported for the December 31, 2013, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIADB522	212,865	1.
2. Recoveries (must equal part I, item 9, column B, above)	RIAD4605	1,889	2.
3. LESS: Charge-offs (must equal part I, item 9, column A, above less Schedule RI-B, part II, item 4)	RIADC079	18,798	3.
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account	RIAD5523	4,191	4.
5. Provision for loan and lease losses (must equal Schedule RI, item 4)	RIAD4230	39,383	5.
6. Adjustments (see instructions for this schedule)	RIADC233	0	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c)	RIAD3123	231,148	7.
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above	RIADC435	0	M.1.
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges.	RIADC389	NR	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges	RIADC390	NR	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, above)	RIADC781	0	M.4.

Schedule RI-C - Disaggregated Data on the Allowance for Loan and Lease Losses

Dollar amounts in thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:							1.
	RCFDM708	RCFDM709	RCFDM710	RCFDM711	RCFDM712	RCFDM713	
a. Construction loans	0	0	383,513	3,378	0	0	1.a.
	RCFDM714	RCFDM715	RCFDM716	RCFDM717	RCFDM719	RCFDM720	
b. Commercial real estate loans	0	0	1,211,586	5,712	0	0	1.b.
	RCFDM721	RCFDM722	RCFDM723	RCFDM724	RCFDM725	RCFDM726	
c. Residential real estate loans	0	0	217,700	1,142	0	0	1.c.
	RCFDM727	RCFDM728	RCFDM729	RCFDM730	RCFDM731	RCFDM732	
2. Commercial loans	49,412	5,057	11,554,128	198,360	0	0	2.
	RCFDM733	RCFDM734	RCFDM735	RCFDM736	RCFDM737	RCFDM738	
3. Credit cards	0	0	0	0	0	0	3.
	RCFDM739	RCFDM740	RCFDM741	RCFDM742	RCFDM743	RCFDM744	
4. Other consumer loans	0	0	0	0	0	0	4.
				RCFDM745			
5. Unallocated, if any				17,500			5.
	RCFDM746	RCFDM747	RCFDM748	RCFDM749	RCFDM750	RCFDM751	
6. Total (for each column, sum of items 1.a through 5)	49,412	5,057	13,366,927	226,092	0	0	6.

Schedule RI-D - Income from Foreign Offices

Dollar amounts in thousands			
1. Total interest income in foreign offices	RIADC899	0	1.
2. Total interest expense in foreign offices	RIADC900	0	2.
3. Provision for loan and lease losses in foreign offices	RIADC901	0	3.
4. Noninterest income in foreign offices:			4.
a. Trading revenue	RIADC902	0	4.a.
b. Investment banking, advisory, brokerage, and underwriting fees and commissions	RIADC903	0	4.b.
c. Net securitization income	RIADC904	0	4.c.
d. Other noninterest income	RIADC905	0	4.d.
5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices	RIADC906	0	5.
6. Total noninterest expense in foreign offices	RIADC907	0	6.
7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs	RIADC908	0	7.
8. Applicable income taxes (on items 1 through 7)	RIADC909	0	8.
9. Extraordinary items and other adjustments, net of income taxes, in foreign offices	RIADC910	0	9.
10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9)	RIADC911	0	10.
11. Not applicable			11.
12. Eliminations arising from the consolidation of foreign offices with domestic offices	RIADC913	0	12.
13. Consolidated net income attributable to foreign offices (sum of items 10 and 12)	RIADC914	0	13.

Schedule RI-E - Explanations

Dollar amounts in thousands			
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $25,000 that exceed 3% of Schedule RI, item 5.l:			1.
a. Income and fees from the printing and sale of checks	RIADC013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	0	1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	0	1.c.
d. Rent and other income from other real estate owned	RIAD4042	0	1.d.
e. Safe deposit box rent	RIADC015	0	1.e.
f. Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229	0	1.f.
g. Bank card and credit card interchange fees	RIADF555	0	1.g.
h. Gains on bargain purchases	RIADJ447	0	1.h.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component	TEXT4461	Click here for value	1.i.1.
2. Amount of component	RIAD4461	99,711	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component	TEXT4462	Click here for value	1.j.1.
2. Amount of component	RIAD4462	21,795	1.j.2.
k. Disclose component and the dollar amount of that component:			1.k.
1. Describe component	TEXT4463		1.k.1.
2. Amount of component	RIAD4463	0	1.k.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $25,000 that exceed 3% of Schedule RI, item 7.d:			2.
a. Data processing expenses	RIADC017	0	2.a.
b. Advertising and marketing expenses	RIAD0497	11,760	2.b.
c. Directors' fees	RIAD4136	0	2.c.

Dollar amounts in thousands			
d. Printing, stationery, and supplies	RIADC018	0	2.d.
e. Postage	RIAD8403	0	2.e.
f. Legal fees and expenses	RIAD4141	0	2.f.
g. FDIC deposit insurance assessments	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses	RIADF556	0	2.h.
i. Consulting and advisory expenses	RIADF557	0	2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	0	2.j.
k. Telecommunications expenses	RIADF559	0	2.k.
l. Disclose component and the dollar amount of that component:			2.l.
1. Describe component	TEXT4464	Transfer Pricing	2.l.1.
2. Amount of component	RIAD4464	55,381	2.l.2.
m. Disclose component and the dollar amount of that component:			2.m.
1. Describe component	TEXT4467		2.m.1.
2. Amount of component	RIAD4467	0	2.m.2.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component	TEXT4468	Click here for value	2.n.1.
2. Amount of component	RIAD4468	40,884	2.n.2.
3. Extraordinary items and other adjustments and applicable income tax effect (from Schedule RI, item 11):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
1. Describe component	TEXT4469	NR	3.a.1.
2. Amount of component	RIAD4469	0	3.a.2.
3. Applicable income tax effect	RIAD4486	0	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component	TEXT4487	NR	3.b.1.
2. Amount of component	RIAD4487	0	3.b.2.
3. Applicable income tax effect	RIAD4488	0	3.b.3.
c. Disclose component, the gross dollar amount of that component, and its related income tax:			3.c.
1. Describe component	TEXT4489	NR	3.c.1.
2. Amount of component	RIAD4489	0	3.c.2.
3. Applicable income tax effect	RIAD4491	0	3.c.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Disclose component and the dollar amount of that component:			4.a.
1. Describe component	TEXTB526	NR	4.a.1.
2. Amount of component	RIADB526	0	4.a.2.
b. Disclose component and the dollar amount of that component:			4.b.
1. Describe component	TEXTB527	NR	4.b.1.
2. Amount of component	RIADB527	0	4.b.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component	TEXT4498	Capital Infusion from Parent	5.a.1.
2. Amount of component	RIAD4498	20,596	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component	TEXT4499	NR	5.b.1.
2. Amount of component	RIAD4499	0	5.b.2.

Dollar amounts in thousands			
6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):			6.
a. Disclose component and the dollar amount of that component:			6.a.
1. Describe component	TEXT4521	**NR**	6.a.1.
2. Amount of component	RIAD4521	**0**	6.a.2.
b. Disclose component and the dollar amount of that component:			6.b.
1. Describe component	TEXT4522	**NR**	6.b.1.
2. Amount of component	RIAD4522	**0**	6.b.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?	RIAD4769	**No**	7.a.
b. Other explanations	TEXT4769	**NR**	7.b.

(TEXT4461) Rental Income - Operating Leases

(TEXT4462) Loan Origination and Fee Income

(TEXT4468) Operating Lease Depreciation

Schedule RC - Balance Sheet

Dollar amounts in thousands			
1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin	RCFD0081	**18,579**	1.a.
b. Interest-bearing balances	RCFD0071	**2,684,966**	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A)	RCFD1754	**255,102**	2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)	RCFD1773	**107,969**	2.b.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold in domestic offices	RCONB987	**6,495**	3.a.
b. Securities purchased under agreements to resell	RCFDB989	**0**	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCFD5369	**54,166**	4.a.
b. Loans and leases, net of unearned income	RCFDB528	**13,416,339**	4.b.
c. LESS: Allowance for loan and lease losses	RCFD3123	**231,149**	4.c.
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	RCFDB529	**13,185,190**	4.d.
5. Trading assets (from Schedule RC-D)	RCFD3545	**9,196**	5.
6. Premises and fixed assets (including capitalized leases)	RCFD2145	**1,322**	6.
7. Other real estate owned (from Schedule RC-M)	RCFD2150	**0**	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCFD2130	**0**	8.
9. Direct and indirect investments in real estate ventures	RCFD3656	**0**	9.
10. Intangible assets:			10.
a. Goodwill	RCFD3163	**0**	10.a.
b. Other intangible assets (from Schedule RC-M)	RCFD0426	**0**	10.b.
11. Other assets (from Schedule RC-F)	RCFD2160	**1,947,518**	11.
12. Total assets (sum of items 1 through 11)	RCFD2170	**18,270,503**	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON2200	**13,867,492**	13.a.
1. Noninterest-bearing	RCON6631	**67,387**	13.a.1.
2. Interest-bearing	RCON6636	**13,800,106**	13.a.2.

Dollar amounts in thousands			
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN2200	0	13.b.
1. Noninterest-bearing	RCFN6631	0	13.b.1.
2. Interest-bearing	RCFN6636	0	13.b.2.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased in domestic offices	RCONB993	0	14.a.
b. Securities sold under agreements to repurchase	RCFDB995	0	14.b.
15. Trading liabilities (from Schedule RC-D)	RCFD3548	5,762	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD3190	1,515,834	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures	RCFD3200	5,157	19.
20. Other liabilities (from Schedule RC-G)	RCFD2930	206,495	20.
21. Total liabilities (sum of items 13 through 20)	RCFD2948	15,600,740	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus	RCFD3838	0	23.
24. Common stock	RCFD3230	5,000	24.
25. Surplus (exclude all surplus related to preferred stock)	RCFD3839	2,309,631	25.
26. Not available			26.
a. Retained earnings	RCFD3632	355,106	26.a.
b. Accumulated other comprehensive income	RCFDB530	26	26.b.
c. Other equity capital components	RCFDA130	0	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c)	RCFD3210	2,669,763	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	RCFD3000	0	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	RCFDG105	2,669,763	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	RCFD3300	18,270,503	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2013	RCFD6724	NR	M.1.
2. Bank's fiscal year-end date	RCON8678	NR	M.2.

Schedule RC-A - Cash and Balances Due From Depository Institutions

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Cash items in process of collection, unposted debits, and currency and coin	RCFD0022	7,021			1.
a. Cash items in process of collection and unposted debits			RCON0020	7,021	1.a.
b. Currency and coin			RCON0080	0	1.b.
2. Balances due from depository institutions in the U.S.			RCON0082	14,106	2.
a. U.S. branches and agencies of foreign banks (including their IBFs)	RCFD0083	1,300			2.a.
b. Other commercial banks in the U.S. and other depository institutions in the U.S. (including their IBFs)	RCFD0085	12,806			2.b.
3. Balances due from banks in foreign countries and foreign central banks			RCON0070	8,330	3.
a. Foreign branches of other U.S. banks	RCFD0073	8,330			3.a.
b. Other banks in foreign countries and foreign central banks	RCFD0074	0			3.b.
4. Balances due from Federal Reserve Banks	RCFD0090	2,674,088	RCON0090	2,674,088	4.
5. Total	RCFD0010	2,703,545	RCON0010	2,703,545	5.

Schedule RC-B - Securities

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
	RCFD0211	RCFD0213	RCFD1286	RCFD1287	
1. U.S. Treasury securities	**0**	**0**	**0**	**0**	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities):					2.
	RCFD1289	RCFD1290	RCFD1291	RCFD1293	
a. Issued by U.S. Government agencies	**0**	**0**	**0**	**0**	2.a.
	RCFD1294	RCFD1295	RCFD1297	RCFD1298	
b. Issued by U.S. Government-sponsored agencies	**0**	**0**	**0**	**0**	2.b.
	RCFD8496	RCFD8497	RCFD8498	RCFD8499	
3. Securities issued by states and political subdivisions in the U.S.	**51,609**	**49,559**	**0**	**0**	3.
4. Mortgage-backed securities (MBS):					4.
a. Residential mortgage pass-through securities:					4.a.
	RCFDG300	RCFDG301	RCFDG302	RCFDG303	
1. Guaranteed by GNMA	**96,287**	**96,073**	**0**	**0**	4.a.1.
	RCFDG304	RCFDG305	RCFDG306	RCFDG307	
2. Issued by FNMA and FHLMC	**39,852**	**39,083**	**0**	**0**	4.a.2.
	RCFDG308	RCFDG309	RCFDG310	RCFDG311	
3. Other pass-through securities	**0**	**0**	**0**	**0**	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					4.b.
	RCFDG312	RCFDG313	RCFDG314	RCFDG315	
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies	**0**	**0**	**0**	**0**	4.b.1.
	RCFDG316	RCFDG317	RCFDG318	RCFDG319	
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies	**0**	**0**	**0**	**0**	4.b.2.
	RCFDG320	RCFDG321	RCFDG322	RCFDG323	
3. All other residential MBS	**0**	**0**	**0**	**0**	4.b.3.
c. Commercial MBS:					4.c.
1. Commercial mortgage pass-through securities:					4.c.1.
	RCFDK142	RCFDK143	RCFDK144	RCFDK145	
a. Issued or guaranteed by FNMA, FHLMC, or GNMA	**0**	**0**	**0**	**0**	4.c.1.a.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
	RCFDK146	RCFDK147	RCFDK148	RCFDK149	
b. Other pass-through securities	**0**	**0**	**0**	**0**	4.c.1.b.
2. Other commercial MBS:					4.c.2.
	RCFDK150	RCFDK151	RCFDK152	RCFDK153	
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies	**0**	**0**	**0**	**0**	4.c.2.a.
	RCFDK154	RCFDK155	RCFDK156	RCFDK157	
b. All other commercial MBS	**0**	**0**	**0**	**0**	4.c.2.b.
5. Asset-backed securities and structured financial products:					5.
	RCFDC026	RCFDC988	RCFDC989	RCFDC027	
a. Asset-backed securities (ABS)	**0**	**0**	**0**	**0**	5.a.
b. Structured financial products:					5.b.
	RCFDG336	RCFDG337	RCFDG338	RCFDG339	
1. Cash	**0**	**0**	**0**	**0**	5.b.1.
	RCFDG340	RCFDG341	RCFDG342	RCFDG343	
2. Synthetic	**0**	**0**	**0**	**0**	5.b.2.
	RCFDG344	RCFDG345	RCFDG346	RCFDG347	
3. Hybrid	**0**	**0**	**0**	**0**	5.b.3.
6. Other debt securities:					6.
	RCFD1737	RCFD1738	RCFD1739	RCFD1741	
a. Other domestic debt securities	**0**	**0**	**43,916**	**43,916**	6.a.
	RCFD1742	RCFD1743	RCFD1744	RCFD1746	
b. Other foreign debt securities	**67,354**	**73,350**	**0**	**0**	6.b.
			RCFDA510	RCFDA511	
7. Investments in mutual funds and other equity securities with readily determinable fair values			**64,011**	**64,053**	7.
	RCFD1754	RCFD1771	RCFD1772	RCFD1773	
8. Total (sum of items 1 through 7) (total of column A must equal Schedule RC, item 2.a) (total of column D must equal Schedule RC, item 2.b)	**255,102**	**258,065**	**107,927**	**107,969**	8.

Schedule RC-B - Securities

Dollar amounts in thousands			
1. Pledged securities	RCFD0416	186,637	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCFDA549	44,716	M.2.a.1.
2. Over three months through 12 months	RCFDA550	704	M.2.a.2.
3. Over one year through three years	RCFDA551	3,430	M.2.a.3.
4. Over three years through five years	RCFDA552	1,570	M.2.a.4.
5. Over five years through 15 years	RCFDA553	67,075	M.2.a.5.
6. Over 15 years	RCFDA554	45,383	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCFDA555	0	M.2.b.1.
2. Over three months through 12 months	RCFDA556	0	M.2.b.2.
3. Over one year through three years	RCFDA557	0	M.2.b.3.
4. Over three years through five years	RCFDA558	0	M.2.b.4.
5. Over five years through 15 years	RCFDA559	1,363	M.2.b.5.
6. Over 15 years	RCFDA560	134,776	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:			M.2.c.
1. Three years or less	RCFDA561	0	M.2.c.1.
2. Over three years	RCFDA562	0	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCFDA248	45,420	M.2.d.
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCFD1778	0	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost	RCFD8782	0	M.4.a.
b. Fair value	RCFD8783	0	M.4.b.

Schedule RC-B - Securities

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):					M.5.
	RCFDB838	RCFDB839	RCFDB840	RCFDB841	
a. Credit card receivables	0	0	0	0	M.5.a.
	RCFDB842	RCFDB843	RCFDB844	RCFDB845	
b. Home equity lines	0	0	0	0	M.5.b.
	RCFDB846	RCFDB847	RCFDB848	RCFDB849	
c. Automobile loans	0	0	0	0	M.5.c.
	RCFDB850	RCFDB851	RCFDB852	RCFDB853	
d. Other consumer loans	0	0	0	0	M.5.d.
	RCFDB854	RCFDB855	RCFDB856	RCFDB857	
e. Commercial and industrial loans	0	0	0	0	M.5.e.
	RCFDB858	RCFDB859	RCFDB860	RCFDB861	
f. Other	0	0	0	0	M.5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B, sum of items 5.b(1) through(3)):					M.6.
	RCFDG348	RCFDG349	RCFDG350	RCFDG351	
a. Trust preferred securities issued by financial institutions	0	0	0	0	M.6.a.
	RCFDG352	RCFDG353	RCFDG354	RCFDG355	
b. Trust preferred securities issued by real estate investment trusts	0	0	0	0	M.6.b.
	RCFDG356	RCFDG357	RCFDG358	RCFDG359	
c. Corporate and similar loans	0	0	0	0	M.6.c.
	RCFDG360	RCFDG361	RCFDG362	RCFDG363	
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	0	0	0	0	M.6.d.
	RCFDG364	RCFDG365	RCFDG366	RCFDG367	
e. 1-4 family residential MBS not issued or guaranteed by GSEs	0	0	0	0	M.6.e.
	RCFDG368	RCFDG369	RCFDG370	RCFDG371	
f. Diversified (mixed) pools of structured financial products	0	0	0	0	M.6.f.
	RCFDG372	RCFDG373	RCFDG374	RCFDG375	
g. Other collateral or reference assets	0	0	0	0	M.6.g.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Loans secured by real estate	RCFD1410	NR			1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans	RCFDF158	0	RCONF158	0	1.a.1.
2. Other construction loans and all land development and other land loans	RCFDF159	383,513	RCONF159	383,513	1.a.2.
b. Secured by farmland (including farm residential and other improvements)	RCFD1420	0	RCON1420	0	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFD1797	0	RCON1797	0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RCFD5367	0	RCON5367	0	1.c.2.a.
b. Secured by junior liens	RCFD5368	0	RCON5368	0	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCFD1460	217,700	RCON1460	217,700	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCFDF160	11,333	RCONF160	11,333	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCFDF161	1,211,586	RCONF161	1,211,586	1.e.2.
2. Loans to depository institutions and acceptances of other banks:					2.
a. To commercial banks in the U.S.			RCONB531	0	2.a.
1. To U.S. branches and agencies of foreign banks	RCFDB532	0			2.a.1.
2. To other commercial banks in the U.S.	RCFDB533	0			2.a.2.
b. To other depository institutions in the U.S.	RCFDB534	0	RCONB534	0	2.b.
c. To banks in foreign countries			RCONB535	15,139	2.c.
1. To foreign branches of other U.S. banks	RCFDB536	0			2.c.1.
2. To other banks in foreign countries	RCFDB537	15,139			2.c.2.
3. Loans to finance agricultural production and other loans to farmers	RCFD1590	0	RCON1590	0	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RCFD1763	7,267,092	RCON1763	7,267,092	4.a.
b. To non-U.S. addressees (domicile)	RCFD1764	822,068	RCON1764	822,068	4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards	RCFDB538	0	RCONB538	0	6.a.
b. Other revolving credit plans	RCFDB539	0	RCONB539	0	6.b.
c. Automobile loans	RCFDK137	0	RCONK137	0	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans, and all student loans)	RCFDK207	0	RCONK207	0	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks)	RCFD2081	0	RCON2081	0	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.	RCFD2107	0	RCON2107	0	8.
9. Loans to nondepository financial institutions and other loans	RCFD1563	907,137			9.
a. Loans to nondepository financial institutions			RCONJ454	904,975	9.a.
b. Other loans:					9.b.
1. Loans for purchasing or carrying securities (secured and unsecured)			RCON1545	0	9.b.1.
2. All other loans (exclude consumer loans)			RCONJ451	2,162	9.b.2.
10. Lease financing receivables (net of unearned income)			RCON2165	2,634,937	10.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCFDF162	0			10.a.
b. All other leases	RCFDF163	2,634,937			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above	RCFD2123	0	RCON2123	0	11.
12. Total loans and leases, net of unearned income (item 12, column A must equal Schedule RC, sum of items 4.a and 4.b)	RCFD2122	13,470,506	RCON2122	13,470,505	12.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands			
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans in domestic offices:			M.1.a.
1. 1-4 family residential construction loans	RCONK158	0	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK159	0	M.1.a.2.
b. Loans secured by 1-4 family residential properties in domestic offices	RCONF576	0	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK160	0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK161	0	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK162	0	M.1.d.2.
e. Commercial and industrial loans:			M.1.e.
1. To U.S. addressees (domicile)	RCFDK163	0	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCFDK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK165	0	M.1.f.
1. Loans secured by farmland in domestic offices	RCONK166	0	M.1.f.1.
2. Loans to depository institutions and acceptances of other banks	RCFDK167	0	M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers	RCFDK168	0	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards	RCFDK098	0	M.1.f.4.a.
b. Automobile loans	RCFDK203	0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK204	0	M.1.f.4.c.
5. Loans to foreign governments and official institutions	RCFDK212	0	M.1.f.5.
6. Other loans	RCFDK267	0	M.1.f.6.
7. Loans secured by real estate in foreign offices	RCFNK289	0	M.1.f.7.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA564	0	M.2.a.1.
2. Over three months through 12 months	RCONA565	0	M.2.a.2.
3. Over one year through three years	RCONA566	0	M.2.a.3.
4. Over three years through five years	RCONA567	0	M.2.a.4.
5. Over five years through 15 years	RCONA568	0	M.2.a.5.
6. Over 15 years	RCONA569	0	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCFDA570	9,049,316	M.2.b.1.

Dollar amounts in thousands			
2. Over three months through 12 months	RCFDA571	171,211	M.2.b.2.
3. Over one year through three years	RCFDA572	1,488,095	M.2.b.3.
4. Over three years through five years	RCFDA573	1,808,264	M.2.b.4.
5. Over five years through 15 years	RCFDA574	853,649	M.2.b.5.
6. Over 15 years	RCFDA575	8,412	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCFDA247	562,814	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A	RCFD2746	0	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON5370	0	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, item 1, column A, or Schedule RC-C, Part I, items 1.a.(1) through 1.e.(2), column A, as appropriate)	RCFDB837	0	M.5.
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a, column A	RCFDC391	NR	M.6.
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):			M.7.
a. Outstanding balance	RCFDC779	0	M.7.a.
b. Carrying amount included in Schedule RC-C, part I, items 1 through 9	RCFDC780	0	M.7.b.
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices:			M.8.
a. Total carrying amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b))	RCONF230	0	M.8.a.
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCONF231	NR	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the carrying amount reported in Memorandum item 8.a above	RCONF232	NR	M.8.c.
9. Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCONF577	0	M.9.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
10. Loans measured at fair value (included in Schedule RC-C, part I, items 1 through 9):					M.10.
a. Loans secured by real estate	RCFDF608	NR			M.10.a.
1. Construction, land development, and other land loans			RCONF578	NR	M.10.a.1.
2. Secured by farmland (including farm residential and other improvements)			RCONF579	NR	M.10.a.2.
3. Secured by 1-4 family residential properties:					M.10.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCONF580	NR	M.10.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:					M.10.a.3.b.
1. Secured by first liens			RCONF581	NR	M.10.a.3.b.1.
2. Secured by junior liens			RCONF582	NR	M.10.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties			RCONF583	NR	M.10.a.4.
5. Secured by nonfarm nonresidential properties			RCONF584	NR	M.10.a.5.
b. Commercial and industrial loans	RCFDF585	NR	RCONF585	NR	M.10.b.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					M.10.c.
1. Credit cards	RCFDF586	NR	RCONF586	NR	M.10.c.1.
2. Other revolving credit plans	RCFDF587	NR	RCONF587	NR	M.10.c.2.
3. Automobile loans	RCFDK196	NR	RCONK196	NR	M.10.c.3.
4. Other consumer loans	RCFDK208	NR	RCONK208	NR	M.10.c.4.
d. Other loans	RCFDF589	NR	RCONF589	NR	M.10.d.
11. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-C, part I, Memorandum item 10):					M.11.
a. Loans secured by real estate	RCFDF609	NR			M.11.a.
1. Construction, and land development, and other land loans			RCONF590	NR	M.11.a.1.
2. Secured by farmland (including farm residential and other improvements)			RCONF591	NR	M.11.a.2.
3. Secured by 1-4 family residential properties:					M.11.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCONF592	NR	M.11.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:					M.11.a.3.b.
1. Secured by first liens			RCONF593	NR	M.11.a.3.b.1.
2. Secured by junior liens			RCONF594	NR	M.11.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties			RCONF595	NR	M.11.a.4.
5. Secured by nonfarm nonresidential properties			RCONF596	NR	M.11.a.5.
b. Commercial and industrial loans	RCFDF597	NR	RCONF597	NR	M.11.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					M.11.c.
1. Credit cards	RCFDF598	NR	RCONF598	NR	M.11.c.1.
2. Other revolving credit plans	RCFDF599	NR	RCONF599	NR	M.11.c.2.
3. Automobile loans	RCFDK195	NR	RCONK195	NR	M.11.c.3.
4. Other consumer loans	RCFDK209	NR	RCONK209	NR	M.11.c.4.
d. Other loans	RCFDF601	NR	RCONF601	NR	M.11.d.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands	(Column A) Fair value of acquired loans and leases at acquisition date	(Column B) Gross contractual amounts receivable at acquisition date	(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected	
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:				M.12.
	RCFDG091	RCFDG092	RCFDG093	
a. Loans secured by real estate	0	0	0	M.12.a.
	RCFDG094	RCFDG095	RCFDG096	
b. Commercial and industrial loans	0	0	0	M.12.b.
	RCFDG097	RCFDG098	RCFDG099	
c. Loans to individuals for household, family, and other personal expenditures	0	0	0	M.12.c.
	RCFDG100	RCFDG101	RCFDG102	
d. All other loans and all leases	0	0	0	M.12.d.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands			
13. Construction, land development, and other land loans in domestic offices with interest reserves:			M.13.
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	RCONG376	NR	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2))	RIADG377	NR	M.13.b.
14. Pledged loans and leases	RCFDG378	2,242,529	M.14.
15. Reverse mortgages in domestic offices:			M.15.
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):			M.15.a.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ466	NR	M.15.a.1.
2. Proprietary reverse mortgages	RCONJ467	NR	M.15.a.2.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:			M.15.b.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ468	NR	M.15.b.1.
2. Proprietary reverse mortgages	RCONJ469	NR	M.15.b.2.
c. Principal amount of reverse mortgage originations that have been sold during the year:			M.15.c.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ470	NR	M.15.c.1.
2. Proprietary reverse mortgages	RCONJ471	NR	M.15.c.2.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands			
1. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B, and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B, have original amounts of $100,000 or less	RCON6999	No	1.
2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			2.
a. "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B	RCON5562	NR	2.a.
b. "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B	RCON5563	NR	2.b.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B:					3.
a. With original amounts of $100,000 or less	RCON5564	0	RCON5565	0	3.a.
b. With original amounts of more than $100,000 through $250,000	RCON5566	0	RCON5567	0	3.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5568	0	RCON5569	0	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B:					4.
a. With original amounts of $100,000 or less	RCON5570	8011	RCON5571	103,560	4.a.
b. With original amounts of more than $100,000 through $250,000	RCON5572	712	RCON5573	75,662	4.b.

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
c. With original amounts of more than $250,000 through $1,000,000..	RCON5574	**370**	RCON5575	**109,925**	4.c.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands			
5. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B, have original amounts of $100,000 or less..	RCON6860	**No**	5.
6. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			6.
a. "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B.........................	RCON5576	**NR**	6.a.
b. "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B..	RCON5577	**NR**	6.b.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B:					7.
a. With original amounts of $100,000 or less.....................................	RCON5578	**NR**	RCON5579	**NR**	7.a.
b. With original amounts of more than $100,000 through $250,000.....	RCON5580	**NR**	RCON5581	**NR**	7.b.
c. With original amounts of more than $250,000 through $500,000.....	RCON5582	**NR**	RCON5583	**NR**	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B:					8.
a. With original amounts of $100,000 or less.....................................	RCON5584	**NR**	RCON5585	**NR**	8.a.
b. With original amounts of more than $100,000 through $250,000.....	RCON5586	**NR**	RCON5587	**NR**	8.b.
c. With original amounts of more than $250,000 through $500,000.....	RCON5588	**NR**	RCON5589	**NR**	8.c.

Schedule RC-D - Trading Assets and Liabilities

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. U.S. Treasury securities..	RCFD3531	**0**	RCON3531	**0**	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)..	RCFD3532	**0**	RCON3532	**0**	2.
3. Securities issued by states and political subdivisions in the U.S..........	RCFD3533	**0**	RCON3533	**0**	3.
4. Mortgage-backed securities (MBS):					4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA..	RCFDG379	**0**	RCONG379	**0**	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS)..	RCFDG380	**0**	RCONG380	**0**	4.b.
c. All other residential MBS...	RCFDG381	**0**	RCONG381	**0**	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies...	RCFDK197	**0**	RCONK197	**0**	4.d.
e. All other commercial MBS..	RCFDK198	**0**	RCONK198	**0**	4.e.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
5. Other debt securities:					5.
a. Structured financial products:					5.a.
1. Cash	RCFDG383	0	RCONG383	0	5.a.1.
2. Synthetic	RCFDG384	0	RCONG384	0	5.a.2.
3. Hybrid	RCFDG385	0	RCONG385	0	5.a.3.
b. All other debt securities	RCFDG386	0	RCONG386	0	5.b.
6. Loans:					6.
a. Loans secured by real estate	RCFDF610	0			6.a.
1. Construction, land development, and other land loans			RCONF604	0	6.a.1.
2. Secured by farmland (including farm residential and other improvements)			RCONF605	0	6.a.2.
3. Secured by 1-4 family residential properties:					6.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCONF606	0	6.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:					6.a.3.b.
1. Secured by first liens			RCONF607	0	6.a.3.b.1.
2. Secured by junior liens			RCONF611	0	6.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties			RCONF612	0	6.a.4.
5. Secured by nonfarm nonresidential properties			RCONF613	0	6.a.5.
b. Commercial and industrial loans	RCFDF614	0	RCONF614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.c.
1. Credit cards	RCFDF615	0	RCONF615	0	6.c.1.
2. Other revolving credit plans	RCFDF616	0	RCONF616	0	6.c.2.
3. Automobile loans	RCFDK199	0	RCONK199	0	6.c.3.
4. Other consumer loans	RCFDK210	0	RCONK210	0	6.c.4.
d. Other loans	RCFDF618	0	RCONF618	0	6.d.
7. Not appliable					7.
8. Not applicable					8.
9. Other trading assets	RCFD3541	0	RCON3541	0	9.
10. Not applicable					10.
11. Derivatives with a positive fair value	RCFD3543	9,196	RCON3543	9,196	11.
12. Total trading assets (sum of items 1 through 11) (total of column A must equal Schedule RC, item 5)	RCFD3545	9,196	RCON3545	9,196	12.
13. Not available					13.
a. Liability for short positions	RCFD3546	0	RCON3546	0	13.a.
b. Other trading liabilities	RCFDF624	0	RCONF624	0	13.b.
14. Derivatives with a negative fair value	RCFD3547	5,762	RCON3547	5,762	14.
15. Total trading liabilities (sum of items 13.a through 14) (total of column A must equal Schedule RC, item 15)	RCFD3548	5,762	RCON3548	5,762	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a through 6.d):					M.1.
a. Loans secured by real estate	RCFDF790	0			M.1.a.
1. Construction, land development, and other land loans			RCONF625	0	M.1.a.1.
2. Secured by farmland (including farm residential and other improvements)			RCONF626	0	M.1.a.2.
3. Secured by 1-4 family residential properties:					M.1.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCONF627	0	M.1.a.3.a.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
b. Closed-end loans secured by 1-4 family residential properties:					M.1.a.3.b.
1. Secured by first liens			RCONF628	0	M.1.a.3.b.1.
2. Secured by junior liens			RCONF629	0	M.1.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties			RCONF630	0	M.1.a.4.
5. Secured by nonfarm nonresidential properties			RCONF631	0	M.1.a.5.
b. Commercial and industrial loans	RCFDF632	0	RCONF632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					M.1.c.
1. Credit cards	RCFDF633	0	RCONF633	0	M.1.c.1.
2. Other revolving credit plans	RCFDF634	0	RCONF634	0	M.1.c.2.
3. Automobile loans	RCFDK200	0	RCONK200	0	M.1.c.3.
4. Other consumer loans	RCFDK211	0	RCONK211	0	M.1.c.4.
d. Other loans	RCFDF636	0	RCONF636	0	M.1.d.
2. Loans measured at fair value that are past due 90 days or more:					M.2.
a. Fair value	RCFDF639	0	RCONF639	0	M.2.a.
b. Unpaid principal balance	RCFDF640	0	RCONF640	0	M.2.b.
3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):					M.3.
a. Trust preferred securities issued by financial institutions	RCFDG299	0	RCONG299	0	M.3.a.
b. Trust preferred securities issued by real estate investment trusts	RCFDG332	0	RCONG332	0	M.3.b.
c. Corporate and similar loans	RCFDG333	0	RCONG333	0	M.3.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCFDG334	0	RCONG334	0	M.3.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCFDG335	0	RCONG335	0	M.3.e.
f. Diversified (mixed) pools of structured financial products	RCFDG651	0	RCONG651	0	M.3.f.
g. Other collateral or reference assets	RCFDG652	0	RCONG652	0	M.3.g.
4. Pledged trading assets:					M.4.
a. Pledged securities	RCFDG387	0	RCONG387	0	M.4.a.
b. Pledged loans	RCFDG388	0	RCONG388	0	M.4.b.

Schedule RC-D - Trading Assets and Liabilities

Dollar amounts in thousands			
5. Asset-backed securities:			M.5.
a. Credit card receivables	RCFDF643	NR	M.5.a.
b. Home equity lines	RCFDF644	NR	M.5.b.
c. Automobile loans	RCFDF645	NR	M.5.c.
d. Other consumer loans	RCFDF646	NR	M.5.d.
e. Commercial and industrial loans	RCFDF647	NR	M.5.e.
f. Other	RCFDF648	NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)	RCFDF651	NR	M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):			M.7.
a. Readily determinable fair values	RCFDF652	NR	M.7.a.
b. Other	RCFDF653	NR	M.7.b.
8. Loans pending securitization	RCFDF654	NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than $25,000 and exceed 25% of the item):			M.9.
a. Disclose component and the dollar amount of that component:			M.9.a.
1. Describe component	TEXTF655		M.9.a.1.

Dollar amounts in thousands			
2. Amount of component	RCFDF655	NR	M.9.a.2.
b. Disclose component and the dollar amount of that component:			M.9.b.
1. Describe component	TEXTF656		M.9.b.1.
2. Amount of component	RCFDF656	NR	M.9.b.2.
c. Disclose component and the dollar amount of that component:			M.9.c.
1. Describe component	TEXTF657		M.9.c.1.
2. Amount of component	RCFDF657	NR	M.9.c.2.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than $25,000 and exceed 25% of the item):			M.10.
a. Disclose component and the dollar amount of that component:			M.10.a.
1. Describe component	TEXTF658		M.10.a.1.
2. Amount of component	RCFDF658	NR	M.10.a.2.
b. Disclose component and the dollar amount of that component:			M.10.b.
1. Describe component	TEXTF659		M.10.b.1.
2. Amount of component	RCFDF659	NR	M.10.b.2.
c. Disclose component and the dollar amount of that component:			M.10.c.
1. Describe component	TEXTF660		M.10.c.1.
2. Amount of component	RCFDF660	NR	M.10.c.2.

Schedule RC-E Part I - Deposits in Domestic Offices

Dollar amounts in thousands	(Column A) Transaction Accounts Total Transaction accounts (including total demand deposits)	(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)	(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)	
Deposits of:				
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549 836,467		RCONB550 12,577,149	1.
2. U.S. Government	RCON2202 0		RCON2520 0	2.
3. States and political subdivisions in the U.S.	RCON2203 0		RCON2530 850	3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551 762		RCONB552 452,264	4.
5. Banks in foreign countries	RCON2213 0		RCON2236 0	5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216 0		RCON2377 0	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215 837,229	RCON2210 837,229	RCON2385 13,030,263	7.

Schedule RC-E Part I - Deposits in Domestic Offices

Dollar amounts in thousands			
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835	244,808	M.1.a.
b. Total brokered deposits	RCON2365	5,468,418	M.1.b.

Dollar amounts in thousands			
c. Fully insured brokered deposits (included in Memorandum item 1.b above):			M.1.c.
1. Brokered deposits of less than $100,000	RCON2343	5,468,418	M.1.c.1.
2. Brokered deposits of $100,000 through $250,000 and certain brokered retirement deposit accounts	RCONJ472	0	M.1.c.2.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of less than $100,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(1) above)	RCONA243	674,632	M.1.d.1.
2. Brokered deposits of $100,000 through $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(2) above)	RCONK219	0	M.1.d.2.
3. Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONK220	0	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only)	RCON5590	NR	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	RCONK223	1,310,765	M.1.f.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs)	RCON6810	1,099,411	M.2.a.1.
2. Other savings deposits (excludes MMDAs)	RCON0352	3,451,987	M.2.a.2.
b. Total time deposits of less than $100,000	RCON6648	5,233,328	M.2.b.
c. Total time deposits of $100,000 through $250,000	RCONJ473	2,521,363	M.2.c.
d. Total time deposits of more than $250,000	RCONJ474	724,174	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of $100,000 or more included in Memorandum items 2.c and 2.d above	RCONF233	168,179	M.2.e.
3. Maturity and repricing data for time deposits of less than $100,000:			M.3.
a. Time deposits of less than $100,000 with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less	RCONA579	264,870	M.3.a.1.
2. Over three months through 12 months	RCONA580	822,130	M.3.a.2.
3. Over one year through three years	RCONA581	1,337,003	M.3.a.3.
4. Over three years	RCONA582	2,809,325	M.3.a.4.
b. Time deposits of less than $100,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)	RCONA241	1,087,000	M.3.b.
4. Maturity and repricing data for time deposits of $100,000 or more:			M.4.
a. Time deposits of $100,000 or more with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less	RCONA584	301,429	M.4.a.1.
2. Over three months through 12 months	RCONA585	970,462	M.4.a.2.
3. Over one year through three years	RCONA586	1,126,981	M.4.a.3.
4. Over three years	RCONA587	846,665	M.4.a.4.
b. Time deposits of $100,000 through $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)	RCONK221	925,561	M.4.b.
c. Time deposits of more than $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)	RCONK222	346,330	M.4.c.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?	RCONP752	Yes	M.5.
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a, 6.b, and 6.c must equal item 1, column A, above):			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753	0	M.6.a.

Dollar amounts in thousands			
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754	0	M.6.b.
c. Total deposits in all other transaction accounts of individuals, partnerships, and corporations	RCONP755	836,468	M.6.c.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756	0	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757	1,099,411	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758	3,451,987	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759	0	M.7.b.2.

Schedule RC-E Part II - Deposits in Foreign Offices including Edge and Agreement subsidiaries and IBFs

Dollar amounts in thousands			
Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCFNB553	0	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions	RCFNB554	0	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs)	RCFN2625	0	3.
4. Foreign governments and official institutions (including foreign central banks)	RCFN2650	0	4.
5. U.S. Government and states and political subdivisions in the U.S.	RCFNB555	0	5.
6. Total	RCFN2200	0	6.
1. Time deposits with a remaining maturity of one year or less (included in Part II, item 6 above)	RCFNA245	0	M.1.

Schedule RC-F - Other Assets

Dollar amounts in thousands			
1. Accrued interest receivable	RCFDB556	25,016	1.
2. Net deferred tax assets	RCFD2148	5,401	2.
3. Interest-only strips receivable (not in the form of a security) on:			3.
a. Mortgage loans	RCFDA519	0	3.a.
b. Other financial assets	RCFDA520	0	3.b.
4. Equity securities that DO NOT have readily determinable fair values	RCFD1752	13,019	4.
5. Life insurance assets:			5.
a. General account life insurance assets	RCFDK201	0	5.a.
b. Separate account life insurance assets	RCFDK202	0	5.b.
c. Hybrid account life insurance assets	RCFDK270	0	5.c.
6. All other assets (itemize and describe amounts greater than $25,000 that exceed 25% of this item)	RCFD2168	1,904,082	6.
a. Prepaid expenses	RCFD2166	0	6.a.

Dollar amounts in thousands			
b. Repossessed personal property (including vehicles)	RCFD1578	0	6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCFDC010	0	6.c.
d. Retained interests in accrued interest receivable related to securitized credit cards	RCFDC436	0	6.d.
e. FDIC loss-sharing indemnification assets	RCFDJ448	0	6.e.
f. Not applicable			6.f.
g. Disclose component and the dollar amount of that component:			6.g.
1. Describe component	TEXT3549	Operating Leases	6.g.1.
2. Amount of component	RCFD3549	1,801,357	6.g.2.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component	TEXT3550		6.h.1.
2. Amount of component	RCFD3550	0	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component	TEXT3551		6.i.1.
2. Amount of component	RCFD3551	0	6.i.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCFD2160	1,947,518	7.

Schedule RC-G - Other Liabilities

Dollar amounts in thousands			
1. Not available			1.
a. Interest accrued and unpaid on deposits in domestic offices	RCON3645	23,997	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCFD3646	110,367	1.b.
2. Net deferred tax liabilities	RCFD3049	0	2.
3. Allowance for credit losses on off-balance sheet credit exposures	RCFDB557	21,579	3.
4. All other liabilities (itemize and describe amounts greater than $25,000 that exceed 25 percent of this item)	RCFD2938	50,552	4.
a. Accounts payable	RCFD3066	0	4.a.
b. Deferred compensation liabilities	RCFDC011	0	4.b.
c. Dividends declared but not yet payable	RCFD2932	0	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCFDC012	0	4.d.
e. Disclose component and the dollar amount of that component:			4.e.
1. Describe component	TEXT3552	Equipment Cost Payable	4.e.1.
2. Amount of component	RCFD3552	26,356	4.e.2.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3553		4.f.1.
2. Amount of component	RCFD3553	0	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3554		4.g.1.
2. Amount of component	RCFD3554	0	4.g.2.
5. Total	RCFD2930	206,495	5.

Schedule RC-H - Selected Balance Sheet Items for Domestic Offices

Dollar amounts in thousands			
1. Not applicable			1.
2. Not applicable			2.
3. Securities purchased under agreements to resell	RCONB989	0	3.
4. Securities sold under agreements to repurchase	RCONB995	0	4.
5. Other borrowed money	RCON3190	1,515,834	5.
6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2163	0	6.

Dollar amounts in thousands			
7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2941	0	7.
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON2192	18,270,503	8.
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON3129	15,600,740	9.

Schedule RC-H - Selected Balance Sheet Items for Domestic Offices

Dollar amounts in thousands	(Column A) Amortized Cost of Held-to-Maturity Securities		(Column B) Fair Value of Available-for-Sale Securities		
10. U.S. Treasury securities	RCON0211	0	RCON1287	0	10.
11. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON8492	0	RCON8495	0	11.
12. Securities issued by states and political subdivisions in the U.S.	RCON8496	51,609	RCON8499	0	12.
13. Mortgage-backed securities (MBS):					13.
a. Mortgage pass-through securities:					13.a.
1. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCONG389	136,139	RCONG390	0	13.a.1.
2. Other mortgage pass-through securities	RCON1709	0	RCON1713	0	13.a.2.
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					13.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies	RCONG393	0	RCONG394	0	13.b.1.
2. All other mortgage-backed securities	RCON1733	0	RCON1736	0	13.b.2.
14. Other domestic debt securities (include domestic structured financial products and domestic asset-backed securities)	RCONG397	0	RCONG398	43,916	14.
15. Other foreign debt securities (include foreign structured financial products and foreign asset-backed securities)	RCONG399	67,354	RCONG400	0	15.
16. Investments in mutual funds and other equity securities with readily determinable fair values			RCONA511	64,053	16.
17. Total held-to-maturity and available-for-sale securities (sum of items 10 through 16)	RCON1754	255,102	RCON1773	107,969	17.

Schedule RC-H - Selected Balance Sheet Items for Domestic Offices

Dollar amounts in thousands			
18. Equity securities that do not have readily determinable fair values	RCON1752	13,019	18.

Schedule RC-I - Assets and Liabilities of IBFs

Dollar amounts in thousands			
1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12)	RCFN2133	NR	1.
2. Total IBF liabilities (component of Schedule RC, item 21)	RCFN2898	NR	2.

Schedule RC-K - Quarterly Averages

Dollar amounts in thousands			
1. Interest-bearing balances due from depository institutions	RCFD3381	2,039,817	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RCFDB558	0	2.
3. Mortgage-backed securities	RCFDB559	113,208	3.
4. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RCFDB560	217,334	4.

Dollar amounts in thousands			
5. Federal funds sold and securities purchased under agreements to resell	RCFD3365	12,584	5.
6. Loans:			6.
a. Loans in domestic offices:			6.a.
1. Total loans	RCON3360	10,634,877	6.a.1.
2. Loans secured by real estate:			6.a.2.
a. Loans secured by 1-4 family residential properties	RCON3465	0	6.a.2.a.
b. All other loans secured by real estate	RCON3466	1,818,453	6.a.2.b.
3. Loans to finance agricultural production and other loans to farmers	RCON3386	0	6.a.3.
4. Commercial and industrial loans	RCON3387	8,289,998	6.a.4.
5. Loans to individuals for household, family, and other personal expenditures:			6.a.5.
a. Credit cards	RCONB561	0	6.a.5.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RCONB562	0	6.a.5.b.
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs	RCFN3360	0	6.b.
7. Trading assets	RCFD3401	8,681	7.
8. Lease financing receivables (net of unearned income)	RCFD3484	2,474,981	8.
9. Total assets	RCFD3368	17,287,784	9.
10. Interest-bearing transaction accounts in domestic offices (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RCON3485	770,521	10.
11. Nontransaction accounts in domestic offices:			11.
a. Savings deposits (includes MMDAs)	RCONB563	4,392,004	11.a.
b. Time deposits of $100,000 or more	RCONA514	3,109,114	11.b.
c. Time deposits of less than $100,000	RCONA529	5,236,900	11.c.
12. Interest-bearing deposits in foreign offices, EDGE and Agreement subsidiaries, and IBFs	RCFN3404	0	12.
13. Federal funds purchased and securities sold under agreements to repurchase	RCFD3353	0	13.
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	RCFD3355	960,709	14.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
1. Unused commitments:			1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines	RCFD3814	0	1.a.
1. Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment in domestic offices (included in item 1.a above)	RCONJ477	NR	1.a.1.
2. Unused commitments for proprietary reverse mortgages outstanding that are held for investment in domestic offices (included in item 1.a above)	RCONJ478	NR	1.a.2.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)	RCFD3815	0	1.b.
1. Unused consumer credit card lines	RCFDJ455	0	1.b.1.
2. Other unused credit card lines	RCFDJ456	0	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			1.c.
1. Secured by real estate:			1.c.1.
a. 1-4 family residential construction loan commitments	RCFDF164	0	1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments	RCFDF165	563,084	1.c.1.b.
2. Not secured by real estate	RCFD6550	0	1.c.2.
d. Securities underwriting	RCFD3817	0	1.d.
e. Other unused commitments:			1.e.

Dollar amounts in thousands			
1. Commercial and industrial loans	RCFDJ457	2,268,991	1.e.1.
2. Loans to financial institutions	RCFDJ458	160,318	1.e.2.
3. All other unused commitments	RCFDJ459	54,210	1.e.3.
2. Financial standby letters of credit and foreign office guarantees	RCFD3819	331,689	2.
a. Amount of financial standby letters of credit conveyed to others	RCFD3820	6,141	2.a.
3. Performance standby letters of credit and foreign office guarantees	RCFD3821	17	3.
a. Amount of performance standby letters of credit conveyed to others	RCFD3822	0	3.a.
4. Commercial and similar letters of credit	RCFD3411	255	4.
5. Not applicable			5.
6. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	RCFD3433	0	6.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps	RCFDC968	0	RCFDC969	0	7.a.1.
2. Total return swaps	RCFDC970	0	RCFDC971	0	7.a.2.
3. Credit options	RCFDC972	0	RCFDC973	0	7.a.3.
4. Other credit derivatives	RCFDC974	0	RCFDC975	0	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value	RCFDC219	0	RCFDC221	0	7.b.1.
2. Gross negative fair value	RCFDC220	0	RCFDC222	0	7.b.2.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
c. Notional amounts by regulatory capital treatment:			7.c.
1. Positions covered under the Market Risk Rule:			7.c.1.
a. Sold protection	RCFDG401	0	7.c.1.a.
b. Purchased protection	RCFDG402	0	7.c.1.b.
2. All other positions:			7.c.2.
a. Sold protection	RCFDG403	0	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCFDG404	0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCFDG405	0	7.c.2.c.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less	(Column B) Remaining Maturity of Over One Year Through Five Years	(Column C) Remaining Maturity of Over Five Years	
d. Notional amounts by remaining maturity:				7.d.
1. Sold credit protection:				7.d.1.

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less	(Column B) Remaining Maturity of Over One Year Through Five Years	(Column C) Remaining Maturity of Over Five Years	
	RCFDG406	RCFDG407	RCFDG408	
a. Investment grade	0	0	0	7.d.1.a.
	RCFDG409	RCFDG410	RCFDG411	
b. Subinvestment grade	0	0	0	7.d.1.b.
2. Purchased credit protection:				7.d.2.
	RCFDG412	RCFDG413	RCFDG414	
a. Investment grade	0	0	0	7.d.2.a.
	RCFDG415	RCFDG416	RCFDG417	
b. Subinvestment grade	0	0	0	7.d.2.b.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
8. Spot foreign exchange contracts	RCFD8765	0	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD3430	0	9.
a. Securities borrowed	RCFD3432	0	9.a.
b. Commitments to purchase when-issued securities	RCFD3434	0	9.b.
c. Standby letters of credit issued by a Federal Home Loan Bank on the bank's behalf	RCFDC978	0	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component	TEXT3555		9.d.1.
2. Amount of component	RCFD3555	0	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component	TEXT3556		9.e.1.
2. Amount of component	RCFD3556	0	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
1. Describe component	TEXT3557		9.f.1.
2. Amount of component	RCFD3557	0	9.f.2.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD5591	0	10.
a. Commitments to sell when-issued securities	RCFD3435	0	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component	TEXT5592		10.b.1.
2. Amount of component	RCFD5592	0	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component	TEXT5593		10.c.1.
2. Amount of component	RCFD5593	0	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component	TEXT5594		10.d.1.
2. Amount of component	RCFD5594	0	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component	TEXT5595		10.e.1.
2. Amount of component	RCFD5595	0	10.e.2.
11. Year-to-date merchant credit card sales volume:			11.
a. Sales for which the reporting bank is the acquiring bank	RCFDC223	0	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCFDC224	0	11.b.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
12. Gross amounts (e.g., notional amounts):					12.
a. Futures contracts	RCFD8693 0	RCFD8694 0	RCFD8695 0	RCFD8696 0	12.a.
b. Forward contracts	RCFD8697 0	RCFD8698 69,268	RCFD8699 0	RCFD8700 0	12.b.
c. Exchange-traded option contracts:					12.c.
1. Written options	RCFD8701 0	RCFD8702 0	RCFD8703 0	RCFD8704 0	12.c.1.
2. Purchased options	RCFD8705 0	RCFD8706 0	RCFD8707 0	RCFD8708 0	12.c.2.
d. Over-the-counter option contracts:					12.d.
1. Written options	RCFD8709 679,515	RCFD8710 0	RCFD8711 0	RCFD8712 0	12.d.1.
2. Purchased options	RCFD8713 751,188	RCFD8714 0	RCFD8715 0	RCFD8716 0	12.d.2.
e. Swaps	RCFD3450 1,049,845	RCFD3826 0	RCFD8719 0	RCFD8720 0	12.e.
13. Total gross notional amount of derivative contracts held for trading	RCFDA126 2,480,548	RCFDA127 69,268	RCFD8723 0	RCFD8724 0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCFD8725 0	RCFD8726 0	RCFD8727 0	RCFD8728 0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCFDA589 0				14.a.
15. Gross fair values of derivative contracts:					15.
a. Contracts held for trading:					15.a.
1. Gross positive fair value	RCFD8733 9,196	RCFD8734 0	RCFD8735 0	RCFD8736 0	15.a.1.
2. Gross negative fair value	RCFD8737 5,305	RCFD8738 458	RCFD8739 0	RCFD8740 0	15.a.2.

Dollar amounts in thousands	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
b. Contracts held for purposes other than trading:					15.b.
	RCFD8741	RCFD8742	RCFD8743	RCFD8744	
1. Gross positive fair value	0	0	0	0	15.b.1.
	RCFD8745	RCFD8746	RCFD8747	RCFD8748	
2. Gross negative fair value	0	0	0	0	15.b.2.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Banks and Securities Firms	(Column B) Monoline Financial Guarantors	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties	
16. Over-the counter derivatives:						16.
	RCFDG418	RCFDG419	RCFDG420	RCFDG421	RCFDG422	
a. Net current credit exposure	1,437	0	0	0	7,589	16.a.
b. Fair value of collateral:						16.b.
	RCFDG423	RCFDG424	RCFDG425	RCFDG426	RCFDG427	
1. Cash - U.S. dollar	762	0	0	0	0	16.b.1.
	RCFDG428	RCFDG429	RCFDG430	RCFDG431	RCFDG432	
2. Cash - Other currencies	0	0	0	0	0	16.b.2.
	RCFDG433	RCFDG434	RCFDG435	RCFDG436	RCFDG437	
3. U.S. Treasury securities	0	0	0	0	0	16.b.3.
	RCFDG438	RCFDG439	RCFDG440	RCFDG441	RCFDG442	
4. U.S. Government agency and U.S. Government-sponsored agency debt securities	0	0	0	0	0	16.b.4.
	RCFDG443	RCFDG444	RCFDG445	RCFDG446	RCFDG447	
5. Corporate bonds	0	0	0	0	0	16.b.5.
	RCFDG448	RCFDG449	RCFDG450	RCFDG451	RCFDG452	
6. Equity securities	0	0	0	0	0	16.b.6.
	RCFDG453	RCFDG454	RCFDG455	RCFDG456	RCFDG457	
7. All other collateral	0	0	0	0	0	16.b.7.
	RCFDG458	RCFDG459	RCFDG460	RCFDG461	RCFDG462	
8. Total fair value of collateral (sum of items 16.b.(1) through (7))	762	0	0	0	0	16.b.8.

Schedule RC-M - Memoranda

Dollar amounts in thousands			
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCFD6164	**0**	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCFD6165	**0**	1.b.
2. Intangible assets other than goodwill:			2.
a. Mortgage servicing assets	RCFD3164	**0**	2.a.
1. Estimated fair value of mortgage servicing assets	RCFDA590	**0**	2.a.1.
b. Purchased credit card relationships and nonmortgage servicing assets	RCFDB026	**0**	2.b.
c. All other identifiable intangible assets	RCFD5507	**0**	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10.b)	RCFD0426	**0**	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land in domestic offices	RCON5508	**0**	3.a.
b. Farmland in domestic offices	RCON5509	**0**	3.b.
c. 1-4 family residential properties in domestic offices	RCON5510	**0**	3.c.
d. Multifamily (5 or more) residential properties in domestic offices	RCON5511	**0**	3.d.
e. Nonfarm nonresidential properties in domestic offices	RCON5512	**0**	3.e.
f. Foreclosed properties from "GNMA loans"	RCONC979	**0**	3.f.
g. In foreign offices	RCFN5513	**0**	3.g.
h. Total (sum of items 3.a through 3.g) (must equal Schedule RC, item 7)	RCFD2150	**0**	3.h.
4. Not applicable			4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of:			5.a.1.
a. One year or less	RCFDF055	**193,750**	5.a.1.a.
b. Over one year through three years	RCFDF056	**0**	5.a.1.b.
c. Over three years through five years	RCFDF057	**0**	5.a.1.c.
d. Over five years	RCFDF058	**0**	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above)	RCFD2651	**34,100**	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above)	RCFDF059	**0**	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity of next repricing date of:			5.b.1.
a. One year or less	RCFDF060	**775,117**	5.b.1.a.
b. Over one year through three years	RCFDF061	**210,000**	5.b.1.b.
c. Over three years through five years	RCFDF062	**0**	5.b.1.c.
d. Over five years	RCFDF063	**336,967**	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above)	RCFDB571	**775,117**	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCFD3190	**1,515,834**	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?	RCFDB569	**No**	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities.	RCFDB570	**0**	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):	TEXT4087	**Click here for value**	8.a.
b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):			8.b.

Dollar amounts in thousands			
1. URL 1	TE01N528	0	8.b.1.
2. URL 2	TE02N528	0	8.b.2.
3. URL 3	TE03N528	0	8.b.3.
4. URL 4	TE04N528	0	8.b.4.
5. URL 5	TE05N528	0	8.b.5.
6. URL 6	TE06N528	0	8.b.6.
7. URL 7	TE07N528	0	8.b.7.
8. URL 8	TE08N528	0	8.b.8.
9. URL 9	TE09N528	0	8.b.9.
10. URL 10	TE10N528	0	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1	TE01N529	0	8.c.1.
2. Trade name 2	TE02N529	0	8.c.2.
3. Trade name 3	TE03N529	0	8.c.3.
4. Trade name 4	TE04N529	0	8.c.4.
5. Trade name 5	TE05N529	0	8.c.5.
6. Trade name 6	TE06N529	0	8.c.6.
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?	RCFD4088	Yes	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule RC, item 14.a)	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	RCFDF065	622,084	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463	No	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	RCONG464	No	12.
13. Assets covered by loss-sharing agreements with the FDIC:			13.
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):			13.a.
1. Loans secured by real estate in domestic offices:			13.a.1.
a. Construction, land development, and other land loans:			13.a.1.a.
1. 1-4 family residential construction loans	RCONK169	0	13a1a1.
2. Other construction loans and all land development and other land loans	RCONK170	0	13a1a2.
b. Secured by farmland	RCONK171	0	13.a.1.b.
c. Secured by 1-4 family residential properties:			13.a.1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK172	0	13a1c1.
2. Closed-end loans secured by 1-4 family residential properties:			13a1c2.
a. Secured by first liens	RCONK173	0	13a1c2a
b. Secured by junior liens	RCONK174	0	13a1c2b
d. Secured by multifamily (5 or more) residential properties	RCONK175	0	13.a.1.d.
e. Secured by nonfarm nonresidential properties:			13.a.1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK176	0	13a1e1.
2. Loans secured by other nonfarm nonresidential properties	RCONK177	0	13a1e2.
2. Loans to finance agricultural production and other loans to farmers	RCFDK178	0	13.a.2.
3. Commercial and industrial loans	RCFDK179	0	13.a.3.
4. Loans to individuals for household, family, and other personal expenditures:			13.a.4.
a. Credit cards	RCFDK180	0	13.a.4.a.
b. Automobile loans	RCFDK181	0	13.a.4.b.

Dollar amounts in thousands			
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK182	0	13.a.4.c.
5. All other loans and all leases	RCFDK183	0	13.a.5.
a. Loans to depository institutions and acceptances of other banks	RCFDK184	0	13.a.5.a.
b. Loans to foreign governments and official institutions	RCFDK185	0	13.a.5.b.
c. Other loans	RCFDK186	0	13.a.5.c.
d. Lease financing receivables	RCFDK273	0	13.a.5.d.
e. Loans secured by real estate in foreign offices	RCFNK290	0	13.a.5.e.
b. Other real estate owned (included in Schedule RC, item 7):			13.b.
1. Construction, land development, and other land in domestic offices	RCONK187	0	13.b.1.
2. Farmland in domestic offices	RCONK188	0	13.b.2.
3. 1-4 family residential properties in domestic offices	RCONK189	0	13.b.3.
4. Multifamily (5 or more) residential properties in domestic offices	RCONK190	0	13.b.4.
5. Nonfarm nonresidential properties in domestic offices	RCONK191	0	13.b.5.
6. In foreign offices	RCFNK260	0	13.b.6.
7. Portion of covered other real estate owned included in items 13.b.(1) through (6) above that is protected by FDIC loss-sharing agreements	RCFDK192	0	13.b.7.
c. Debt securities (included in Schedule RC, items 2.a and 2.b)	RCFDJ461	0	13.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets)	RCFDJ462	0	13.d.
14. Captive insurance and reinsurance subsidiaries:			14.
a. Total assets of captive insurance subsidiaries	RCFDK193	0	14.a.
b. Total assets of captive reinsurance subsidiaries	RCFDK194	142,608	14.b.
15. Qualified Thrift Lender (QTL) test:			15.
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCONL135	NR	15.b.
16. International remittance transfers offered to consumers:			16.
a. As of the report date, did your institution offer to consumers in any state any of the following mechanisms for sending international remittance transfers?			16.a.
1. International wire transfers	RCONN517	No	16.a.1.
2. International ACH transactions	RCONN518	No	16.a.2.
3. Other proprietary services operated by your institution	RCONN519	No	16.a.3.
4. Other proprietary services operated by another party	RCONN520	No	16.a.4.
b. Did your institution provide more than 100 international remittance transfers in the previous calendar year or does your institution estimate that it will provide more than 100 international remittance transfers in the current calendar year?	RCONN521	No	16.b.
c. Indicate which of the mechanisms described in items 16.a.(1), (2), and (3) above is the mechanism that your institution estimates accounted for the largest number of international remittance transfers your institution provided during the two calendar quarters ending on the report date. (For international wire transfers, enter 1; for international ACH transactions, enter 2; for other proprietary services operated by your institution, enter 3. If your institution did not provide any international remittance transfers using the mechanisms described in items 16.a.(1), (2), and (3) above during the two calendar quarters ending on the report date, enter 0.)	RCONN522	NR	16.c.
d. Estimated number and dollar value of international remittance transfers provided by your institution during the two calendar quarters ending on the report date:			16.d.
1. Estimated number of international remittance transfers	RCONN523	NR	16.d.1.
2. Estimated dollar value of international remittance transfers	RCONN524	NR	16.d.2.
3. Estimated number of international remittance transfers for which your institution applied the temporary exception	RCONN527	NR	16.d.3.

(TEXT4087) bankoncit.com

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
1. Loans secured by real estate:				1.
a. Construction, land development, and other land loans in domestic offices:				1.a.
1. 1-4 family residential construction loans	RCONF172 0	RCONF174 0	RCONF176 0	1.a.1.
2. Other construction loans and all land development and other land loans	RCONF173 0	RCONF175 0	RCONF177 0	1.a.2.
b. Secured by farmland in domestic offices	RCON3493 0	RCON3494 0	RCON3495 0	1.b.
c. Secured by 1-4 family residential properties in domestic offices:				1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398 0	RCON5399 0	RCON5400 0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:				1.c.2.
a. Secured by first liens	RCONC236 0	RCONC237 0	RCONC229 0	1.c.2.a.
b. Secured by junior liens	RCONC238 0	RCONC239 0	RCONC230 0	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RCON3499 0	RCON3500 0	RCON3501 0	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:				1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178 0	RCONF180 0	RCONF182 0	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONF179 0	RCONF181 0	RCONF183 0	1.e.2.
f. In foreign offices	RCFNB572 0	RCFNB573 0	RCFNB574 0	1.f.
2. Loans to depository institutions and acceptances of other banks:				2.
a. To U.S. banks and other U.S. depository institutions	RCFD5377 0	RCFD5378 0	RCFD5379 0	2.a.
b. To foreign banks	RCFD5380 0	RCFD5381 0	RCFD5382 5	2.b.
3. Loans to finance agricultural production and other loans to farmers	RCFD1594 0	RCFD1597 0	RCFD1583 0	3.
4. Commercial and industrial loans:				4.
a. To U.S. addressees (domicile)	RCFD1251 5,715	RCFD1252 1,517	RCFD1253 35,289	4.a.
b. To non-U.S. addressees (domicile)	RCFD1254 0	RCFD1255 0	RCFD1256 0	4.b.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
5. Loans to individuals for household, family, and other personal expenditures:				5.
a. Credit cards	RCFDB575 0	RCFDB576 0	RCFDB577 0	5.a.
b. Automobile loans	RCFDK213 0	RCFDK214 0	RCFDK215 0	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK216 0	RCFDK217 0	RCFDK218 0	5.c.
6. Loans to foreign governments and official institutions	RCFD5389 0	RCFD5390 0	RCFD5391 0	6.
7. All other loans	RCFD5459 0	RCFD5460 0	RCFD5461 14,301	7.
8. Lease financing receivables:				8.
a. Leases to individuals for household, family, and other personal expenditures	RCFDF166 0	RCFDF167 0	RCFDF168 0	8.a.
b. All other leases	RCFDF169 94,240	RCFDF170 1,030	RCFDF171 41,962	8.b.
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	RCFD3505 206	RCFD3506 67	RCFD3507 0	9.
10. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC:	RCFDK036 0	RCFDK037 0	RCFDK038 0	10.
a. Guaranteed portion of loans and leases included in item 10 above, excluding rebooked "GNMA loans"	RCFDK039 0	RCFDK040 0	RCFDK041 0	10.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 10 above	RCFDK042 0	RCFDK043 0	RCFDK044 0	10.b.
11. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:				11.
a. Loans secured by real estate in domestic offices:				11.a.
1. Construction, land development, and other land loans:				11.a.1.
a. 1-4 family residential construction loans	RCONK045 0	RCONK046 0	RCONK047 0	11.a.1.a.
b. Other construction loans and all land development and other land loans	RCONK048 0	RCONK049 0	RCONK050 0	11.a.1.b.
2. Secured by farmland	RCONK051 0	RCONK052 0	RCONK053 0	11.a.2.
3. Secured by 1-4 family residential properties:				11.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK054 0	RCONK055 0	RCONK056 0	11.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:				11.a.3.b.
1. Secured by first liens	RCONK057 0	RCONK058 0	RCONK059 0	11a3b1.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
	RCONK060	RCONK061	RCONK062	
2. Secured by junior liens	0	0	0	11.a.3.b.2.
	RCONK063	RCONK064	RCONK065	
4. Secured by multifamily (5 or more) residential properties	0	0	0	11.a.4.
5. Secured by nonfarm nonresidential properties:				11.a.5.
	RCONK066	RCONK067	RCONK068	
a. Loans secured by owner-occupied nonfarm nonresidential properties	0	0	0	11.a.5.a.
	RCONK069	RCONK070	RCONK071	
b. Loans secured by other nonfarm nonresidential properties	0	0	0	11.a.5.b.
	RCFDK072	RCFDK073	RCFDK074	
b. Loans to finance agricultural production and other loans to farmers	0	0	0	11.b.
	RCFDK075	RCFDK076	RCFDK077	
c. Commercial and industrial loans	0	0	0	11.c.
d. Loans to individuals for household, family, and other personal expenditures:				11.d.
	RCFDK078	RCFDK079	RCFDK080	
1. Credit cards	0	0	0	11.d.1.
	RCFDK081	RCFDK082	RCFDK083	
2. Automobile loans	0	0	0	11.d.2.
	RCFDK084	RCFDK085	RCFDK086	
3. Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0	0	11.d.3.
	RCFDK087	RCFDK088	RCFDK089	
e. All other loans and all leases	0	0	0	11.e.
	RCFDK091	RCFDK092	RCFDK093	
1. Loans to depository institutions and acceptances of other banks	0	0	0	11.e.1.
	RCFDK095	RCFDK096	RCFDK097	
2. Loans to foreign governments and official institutions	0	0	0	11.e.2.
	RCFDK099	RCFDK100	RCFDK101	
3. Other loans	0	0	0	11.e.3.
	RCFDK269	RCFDK271	RCFDK272	
4. Lease financing receivables	0	0	0	11.e.4.
	RCFNK291	RCFNK292	RCFNK293	
5. Loans secured by real estate in foreign offices	0	0	0	11.e.5.
	RCFDK102	RCFDK103	RCFDK104	
f. Portion of covered loans and leases included in items 11.a through 11.e above that is protected by FDIC loss-sharing agreements	0	0	0	11.f.
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part 1, Memorandum item 1):				M.1.
a. Construction, land development, and other land loans in domestic offices:				M.1.a.
	RCONK105	RCONK106	RCONK107	
1. 1-4 family residential construction loans	0	0	0	M.1.a.1.
	RCONK108	RCONK109	RCONK110	
2. Other construction loans and all land development and other land loans	0	0	0	M.1.a.2.
	RCONF661	RCONF662	RCONF663	
b. Loans secured by 1-4 family residential properties in domestic offices	0	0	0	M.1.b.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK111 0	RCONK112 0	RCONK113 0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:				M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK114 0	RCONK115 0	RCONK116 0	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK117 0	RCONK118 0	RCONK119 0	M.1.d.2.
e. Commercial and industrial loans:				M.1.e.
1. To U.S. addressees (domicile)	RCFDK120 0	RCFDK121 0	RCFDK122 6,783	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCFDK123 0	RCFDK124 0	RCFDK125 0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK126 0	RCFDK127 0	RCFDK128 0	M.1.f.
1. Loans secured by farmland in domestic offices	RCONK130 0	RCONK131 0	RCONK132 0	M.1.f.1.
2. Loans to depository institutions and acceptances of other banks	RCFDK134 0	RCFDK135 0	RCFDK136 0	M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers	RCFDK138 0	RCFDK139 0	RCFDK140 0	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:				M.1.f.4.
a. Credit cards	RCFDK274 0	RCFDK275 0	RCFDK276 0	M.1.f.4.a.
b. Automobile loans	RCFDK277 0	RCFDK278 0	RCFDK279 0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK280 0	RCFDK281 0	RCFDK282 0	M.1.f.4.c.
5. Loans to foreign governments and official institutions	RCFDK283 0	RCFDK284 0	RCFDK285 0	M.1.f.5.
6. Other loans	RCFDK286 0	RCFDK287 0	RCFDK288 0	M.1.f.6.
7. Loans secured by real estate in foreign offices	RCFNK294 0	RCFNK295 0	RCFNK296 0	M.1.f.7.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above	RCFD6558 0	RCFD6559 0	RCFD6560 0	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)	RCFD1248 0	RCFD1249 0	RCFD1250 0	M.3.
4. Not applicable				M.4.
5. Loans and leases held for sale and loans measured at fair value (included in Schedule RC-N, items 1 through 8, above):				M.5.
a. Loans and leases held for sale	RCFDC240 0	RCFDC241 0	RCFDC226 0	M.5.a.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
b. Loans measured at fair value:				M.5.b.
	RCFDF664	RCFDF665	RCFDF666	
1. Fair value	0	0	0	M.5.b.1.
	RCFDF667	RCFDF668	RCFDF669	
2. Unpaid principal balance	0	0	0	M.5.b.2.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
6. Derivative contracts: Fair value of amounts carried as assets	RCFD3529	0	RCFD3530	0	M.6.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands			
7. Additions to nonaccrual assets during the quarter	RCFDC410	31,425	M.7.
8. Nonaccrual assets sold during the quarter	RCFDC411	0	M.8.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Stament of Position 03-3):				M.9.
	RCFDL183	RCFDL184	RCFDL185	
a. Outstanding balance	0	0	0	M.9.a.
	RCFDL186	RCFDL187	RCFDL188	
b. Carrying amount included in Schedule RC-N, items 1 through 7, above	0	0	0	M.9.b.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments

Dollar amounts in thousands			
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCFDF236	13,891,490	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	RCFDF237	4,840	2.
3. Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above)	RCFNF234	0	3.
4. Average consolidated total assets for the calendar quarter	RCFDK652	17,287,784	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2)	RCFDK653	1	4.a.
5. Average tangible equity for the calendar quarter	RCFDK654	2,652,986	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	RCFDK655	0	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less	RCFDG465	700,000	7.a.

Dollar amounts in thousands			
b. Over one year through three years	RCFDG466	0	7.b.
c. Over three years through five years	RCFDG467	0	7.c.
d. Over five years	RCFDG468	0	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less	RCFDG469	0	8.a.
b. Over one year through three years	RCFDG470	0	8.b.
c. Over three years through five years	RCFDG471	0	8.c.
d. Over five years	RCFDG472	5,157	8.d.
9. Reciprocal brokered deposits (included in Schedule RC-E, part I, Memorandum item 1.b)	RCONG803	0	9.
a. Fully consolidated reciprocal brokered deposits	RCONL190	NR	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b	RCFDK656	No	10.
a. Banker's bank deduction	RCFDK657	0	10.a.
b. Banker's bank deduction limit	RCFDK658	0	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b	RCFDK659	No	11.
a. Custodial bank deduction	RCFDK660	0	11.a.
b. Custodial bank deduction limit	RCFDK661	0	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF049	11,245,452	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF050	197640	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF051	2,396,229	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF052	5941	M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:			M.1.c.
1. Amount of retirement deposit accounts of $250,000 or less	RCONF045	219,938	M.1.c.1.
2. Number of retirement deposit accounts of $250,000 or less	RCONF046	3301	M.1.c.2.
d. Retirement deposit accounts of more than $250,000:			M.1.d.
1. Amount of retirement deposit accounts of more than $250,000	RCONF047	25,032	M.1.d.1.
2. Number of retirement deposit accounts of more than $250,000	RCONF048	90	M.1.d.2.
2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions)	RCON5597	913,518	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title	TEXTA545	NR	M.3.a.
b. FDIC Certificate Number	RCONA545	0	M.3.b.
4. Not applicable			M.4.
5. Not applicable			M.5.
6. Criticized and classified items:			M.6.
a. Special mention	RCFDK663	CONF	M.6.a.
b. Substandard	RCFDK664	CONF	M.6.b.
c. Doubtful	RCFDK665	CONF	M.6.c.

Dollar amounts in thousands			
d. Loss	RCFDK666	CONF	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans	RCFDN025	CONF	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	RCFDN026	CONF	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans	RCFDN027	CONF	M.8.a.
b. Securitizations of higher-risk consumer loans	RCFDN028	CONF	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities	RCFDN029	CONF	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	RCFDN030	CONF	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate for the consolidated bank:			M.10.
a. Total unfunded commitments	RCFDK676	342,152	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCFDK677	0	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCFDK669	0	M.11.
12. Nonbrokered time deposits of more than $250,000 in domestic offices (included in Schedule RC-E, Memorandum item 2.d)	RCONK678	724,174	M.12.
13. Portion of funded loans and securities in domestic and foreign offices guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate	RCFDN177	0	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	RCFDN178	0	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	RCFDN179	0	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFDN180	0	M.13.d.
e. Commercial and industrial loans	RCFDN181	0	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	RCFDN182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	RCFDN183	0	M.13.g.
h. Non-agency residential mortgage-backed securities	RCFDM963	0	M.13.h.
14. Amount of the institution's largest counterparty exposure	RCFDK673	CONF	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	RCFDK674	CONF	M.15.
16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1)	RCFDL189	0	M.16.
17. Selected fully consolidated data for deposit insurance assessment purposes:			M.17.
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Fderal Deposit Insurance Act and FDIC regulations	RCFDL194	NR	M.17.a.
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	RCFDL195	NR	M.17.b.
c. Unsecured "Other borrowings" with a remaining maturity of one year or less	RCFDL196	NR	M.17.c.
d. Estimated amount of uninsured deposits in domestic offices of the institution and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid	RCONL197	NR	M.17.d.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments

Dollar amounts in thousands	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01–4%	(Column C) Two-Year Probability of Default (PD) 4.01–7%	(Column D) Two-Year Probability of Default (PD) 7.01–10%	(Column E) Two-Year Probability of Default (PD) 10.01–14%	(Column F) Two-Year Probability of Default (PD) 14.01–16%	(Column G) Two-Year Probability of Default (PD) 16.01–18%	(Column H) Two-Year Probability of Default (PD) 18.01–20%	(Column I) Two-Year Probability of Default (PD) 20.01–22%	(Column J) Two-Year Probability of Default (PD) 22.01–26%	(Column K) Two-Year Probability of Default (PD) 26.01–30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDs Were Derived Using	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations...............................	RCFDM964	RCFDM965	RCFDM966	RCFDM967	RCFDM968	RCFDM969	RCFDM970	RCFDM971	RCFDM972	RCFDM973	RCFDM974	RCFDM975	RCFDM976	RCFDM977	RCFDM978	
	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18a
b. Closed-end loans secured by first liens on 1-4 family residential properties................	RCFDM979	RCFDM980	RCFDM981	RCFDM982	RCFDM983	RCFDM984	RCFDM985	RCFDM986	RCFDM987	RCFDM988	RCFDM989	RCFDM990	RCFDM991	RCFDM992	RCFDM993	
	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18b
c. Closed-end loans secured by junior liens on 1-4 family residential properties................	RCFDM994	RCFDM995	RCFDM996	RCFDM997	RCFDM998	RCFDM999	RCFDN001	RCFDN002	RCFDN003	RCFDN004	RCFDN005	RCFDN006	RCFDN007	RCFDN008	RCFDN009	
	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit...........................	RCFDN010	RCFDN011	RCFDN012	RCFDN013	RCFDN014	RCFDN015	RCFDN016	RCFDN017	RCFDN018	RCFDN019	RCFDN020	RCFDN021	RCFDN022	RCFDN023	RCFDN024	
	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18d
	RCFDN040	RCFDN041	RCFDN042	RCFDN043	RCFDN044	RCFDN045	RCFDN046	RCFDN047	RCFDN048	RCFDN049	RCFDN050	RCFDN051	RCFDN052	RCFDN053	RCFDN054	
e. Credit cards.........................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18e
	RCFDN055	RCFDN056	RCFDN057	RCFDN058	RCFDN059	RCFDN060	RCFDN061	RCFDN062	RCFDN063	RCFDN064	RCFDN065	RCFDN066	RCFDN067	RCFDN068	RCFDN069	
f. Automobile loans..................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18f
	RCFDN070	RCFDN071	RCFDN072	RCFDN073	RCFDN074	RCFDN075	RCFDN076	RCFDN077	RCFDN078	RCFDN079	RCFDN080	RCFDN081	RCFDN082	RCFDN083	RCFDN084	
g. Student loans......................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18g
h. Other consumer loans and revolving credit plans other than credit cards..............................	RCFDN085	RCFDN086	RCFDN087	RCFDN088	RCFDN089	RCFDN090	RCFDN091	RCFDN092	RCFDN093	RCFDN094	RCFDN095	RCFDN096	RCFDN097	RCFDN098	RCFDN099	
	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18h
	RCFDN100	RCFDN101	RCFDN102	RCFDN103	RCFDN104	RCFDN105	RCFDN106	RCFDN107	RCFDN108	RCFDN109	RCFDN110	RCFDN111	RCFDN112	RCFDN113	RCFDN114	
i. Consumer leases..................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18i
	RCFDN115	RCFDN116	RCFDN117	RCFDN118	RCFDN119	RCFDN120	RCFDN121	RCFDN122	RCFDN123	RCFDN124	RCFDN125	RCFDN126	RCFDN127	RCFDN128		
j. Total......................................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF		M18j

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices

Dollar amounts in thousands			
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale:			1.
a. Closed-end first liens	RCONF066	0	1.a.
b. Closed-end junior liens	RCONF067	0	1.b.
c. Open-end loans extended under lines of credit:			1.c.
1. Total commitment under the lines of credit	RCONF670	0	1.c.1.
2. Principal amount funded under the lines of credit	RCONF671	0	1.c.2.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale:			2.
a. Closed-end first liens	RCONF068	0	2.a.
b. Closed-end junior liens	RCONF069	0	2.b.
c. Open-end loans extended under lines of credit:			2.c.
1. Total commitment under the lines of credit	RCONF672	0	2.c.1.
2. Principal amount funded under the lines of credit	RCONF673	0	2.c.2.
3. 1-4 family residential mortgages sold during the quarter:			3.
a. Closed-end first liens	RCONF070	0	3.a.
b. Closed-end junior liens	RCONF071	0	3.b.
c. Open-end loans extended under lines of credit:			3.c.
1. Total commitment under the lines of credit	RCONF674	0	3.c.1.
2. Principal amount funded under the lines of credit	RCONF675	0	3.c.2.
4. 1-4 family residential mortgages held for sale at quarter-end (included in Schedule RC, item 4.a):			4.
a. Closed-end first liens	RCONF072	0	4.a.
b. Closed-end junior liens	RCONF073	0	4.b.
c. Open-end loans extended under lines of credit:			4.c.
1. Total commitment under the lines of credit	RCONF676	0	4.c.1.
2. Principal amount funded under the lines of credit	RCONF677	0	4.c.2.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.f, 5.g, and 5.i):			5.
a. Closed-end 1-4 family residential mortgage loans	RIADF184	0	5.a.
b. Open-end 1-4 family residential mortgage loans extended under lines of credit	RIADF560	0	5.b.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter:			6.
a. Closed-end first liens	RCONF678	0	6.a.
b. Closed-end junior liens	RCONF679	0	6.b.
c. Open-end loans extended under line of credit:			6.c.
1. Total commitment under the lines of credit	RCONF680	0	6.c.1.
2. Principal amount funded under the lines of credit	RCONF681	0	6.c.2.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	RCONM288	0	7.c.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFD1773	RCFDG474	RCFDG475	RCFDG476	RCFDG477	
1. Available-for-sale securities	107,969	0	64,053	43,916	0	1.
	RCFDG478	RCFDG479	RCFDG480	RCFDG481	RCFDG482	
2. Federal funds sold and securities purchased under agreements to resell	0	0	0	0	0	2.
	RCFDG483	RCFDG484	RCFDG485	RCFDG486	RCFDG487	
3. Loans and leases held for sale	0	0	0	0	0	3.
	RCFDG488	RCFDG489	RCFDG490	RCFDG491	RCFDG492	
4. Loans and leases held for investment	0	0	0	0	0	4.
5. Trading assets:						5.
	RCFD3543	RCFDG493	RCFDG494	RCFDG495	RCFDG496	
a. Derivative assets	9,196	0	0	9,196	0	5.a.
	RCFDG497	RCFDG498	RCFDG499	RCFDG500	RCFDG501	
b. Other trading assets	0	0	0	0	0	5.b.
	RCFDF240	RCFDF684	RCFDF692	RCFDF241	RCFDF242	
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)	0	0	0	0	0	5.b.1.
	RCFDG391	RCFDG392	RCFDG395	RCFDG396	RCFDG804	
6. All other assets	0	0	0	0	0	6.
	RCFDG502	RCFDG503	RCFDG504	RCFDG505	RCFDG506	
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	117,165	0	64,053	53,112	0	7.
	RCFDF252	RCFDF686	RCFDF694	RCFDF253	RCFDF254	
8. Deposits	0	0	0	0	0	8.
	RCFDG507	RCFDG508	RCFDG509	RCFDG510	RCFDG511	
9. Federal funds purchased and securities sold under agreements to repurchase	0	0	0	0	0	9.
10. Trading liabilities:						10.
	RCFD3547	RCFDG512	RCFDG513	RCFDG514	RCFDG515	
a. Derivative liabilities	5,762	0	0	5,762	0	10.a.
	RCFDG516	RCFDG517	RCFDG518	RCFDG519	RCFDG520	
b. Other trading liabilities	0	0	0	0	0	10.b.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG521	RCFDG522	RCFDG523	RCFDG524	RCFDG525	
11. Other borrowed money	0	0	0	0	0	11.
	RCFDG526	RCFDG527	RCFDG528	RCFDG529	RCFDG530	
12. Subordinated notes and debentures	0	0	0	0	0	12.
	RCFDG805	RCFDG806	RCFDG807	RCFDG808	RCFDG809	
13. All other liabilities	0	0	0	0	0	13.
	RCFDG531	RCFDG532	RCFDG533	RCFDG534	RCFDG535	
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	5,762	0	0	5,762	0	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than $25,000 and exceed 25% of item 6):						M.1.
	RCFDG536	RCFDG537	RCFDG538	RCFDG539	RCFDG540	
a. Mortgage servicing assets	0	0	0	0	0	M.1.a.
	RCFDG541	RCFDG542	RCFDG543	RCFDG544	RCFDG545	
b. Nontrading derivative assets	0	0	0	0	0	M.1.b.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component	TEXTG546		M.1.c.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG546	RCFDG547	RCFDG548	RCFDG549	RCFDG550	
2. Amount of component	0	0	0	0	0	M.1.c.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component	TEXTG551		M.1.d.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG551	RCFDG552	RCFDG553	RCFDG554	RCFDG555	
2. Amount of component	**0**	**0**	**0**	**0**	**0**	M.1.d.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component	TEXTG556		M.1.e.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG556	RCFDG557	RCFDG558	RCFDG559	RCFDG560	
2. Amount of component	0	0	0	0	0	M.1.e.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component	TEXTG561		M.1.f.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG561	RCFDG562	RCFDG563	RCFDG564	RCFDG565	
2. Amount of component	0	0	0	0	0	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than $25,000 and exceed 25% of item 13):						M.2.
	RCFDF261	RCFDF689	RCFDF697	RCFDF262	RCFDF263	
a. Loan commitments (not accounted for as derivatives)	0	0	0	0	0	M.2.a.
	RCFDG566	RCFDG567	RCFDG568	RCFDG569	RCFDG570	
b. Nontrading derivative liabilities	0	0	0	0	0	M.2.b.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.2.c.
1. Describe component	TEXTG571		M.2.c.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG571	RCFDG572	RCFDG573	RCFDG574	RCFDG575	
2. Amount of component	0	0	0	0	0	M.2.c.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.2.d.
1. Describe component	TEXTG576		M.2.d.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG576	RCFDG577	RCFDG578	RCFDG579	RCFDG580	
2. Amount of component	**0**	**0**	**0**	**0**	**0**	M.2.d.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.2.e.
1. Describe component	TEXTG581		M.2.e.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG581	RCFDG582	RCFDG583	RCFDG584	RCFDG585	
2. Amount of component	**0**	**0**	**0**	**0**	**0**	M.2.e.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.2.f.
1. Describe component	TEXTG586		M.2.f.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCFDG586	RCFDG587	RCFDG588	RCFDG589	RCFDG590	
2. Amount of component	0	0	0	0	0	M.2.f.2.

Schedule RC-R Part I.A - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
1. Total bank equity capital (from Schedule RC, item 27.a)	RCFD3210	2,669,763	1.
2. LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value)	RCFD8434	26	2.
3. LESS: Net unrealized loss on available-for-sale equity securities (report loss as a positive value)	RCFDA221	0	3.
4. LESS: Accumulated net gains (losses) on cash flow hedges and amounts recorded in AOCI resulting from the initial and subsequent application of FASB ASC 715-20 (former FASB Statement No.158) to defined benefit postretirement plans (if a gain, report as a positive value; if a loss, report as a negative value)	RCFD4336	0	4.
5. LESS: Nonqualifying perpetual preferred stock	RCFDB588	0	5.
6. Qualifying noncontrolling (minority) interests in consolidated subsidiaries	RCFDB589	0	6.
7. LESS: Disallowed goodwill and other disallowed intangible assets and cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness			7.
a. LESS: Disallowed goodwill and other disallowed intangible assets	RCFDB590	0	7.a.
b. LESS: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness (if a net gain, report as a positive value; if a net loss, report as a negative value)	RCFDF264	0	7.b.
8. Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5, 7.a, and 7.b)	RCFDC227	2,669,737	8.
9. LESS: Disallowed servicing assets and purchased credit card relationships and disallowed deferred tax assets			9.
a. LESS: Disallowed servicing assets and purchased credit card relationships	RCFDB591	0	9.a.
b. LESS: Disallowed deferred tax assets	RCFD5610	0	9.b.
10. Other additions to (deductions from) Tier 1 capital	RCFDB592	0	10.
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	RCFD8274	2,669,737	11.
12. Qualifying subordinated debt and redeemable preferred stock	RCFD5306	0	12.
13. Cumulative perpetual preferred stock includible in Tier 2 capital	RCFDB593	0	13.
14. Allowance for loan and lease losses includible in Tier 2 capital	RCFD5310	219,858	14.
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	RCFD2221	19	15.
16. Other Tier 2 capital components	RCFDB594	0	16.
17. Tier 2 capital (sum of items 12 through 16)	RCFD5311	219,877	17.
18. Allowable Tier 2 capital (lesser of item 11 or 17)	RCFD8275	219,877	18.
19. Not applicable			19.
20. LESS: Deductions for total risk-based capital	RCFDB595	0	20.
21. Total risk-based capital (sum of items 11 and 18 less item 20)	RCFD3792	2,889,614	21.
22. Total assets (for banks, from Schedule RC-K, item 9; for savings associations, from Schedule RC, item 12)	RCFDL136	17,287,784	22.
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7.a above).	RCFDB590	0	23.
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	RCFDB591	0	24.
25. LESS: Disallowed deferred tax assets (from item 9.b above)	RCFD5610	0	25.
26. Other additions to (deductions from) assets for leverage capital purposes	RCFDL137	0	26.
27. Total assets for leverage capital purposes (sum of items 22 and 26 less items 23 through 25)	RCFDL138	17,287,784	27.
28. Adjustments			28.
a. Adjustment to Tier 1 capital reported in item 11	RCFDC228	0	28.a.
b. Adjustment to total risk-based capital reported in item 21	RCFDB503	0	28.b.
29. Adjustment to risk-weighted assets in item 62	RCFDB504	0	29.
30. Adjustment to average total assets in item 27	RCFDB505	0	30.

Schedule RC-R Part I.A - Regulatory Capital Components and Ratios

Dollar amounts in thousands	(Column A) Percentage (Banks with Financial Subsidiaries)		(Column B) Percentage (All Banks)		
31. Tier 1 leverage ratio	RCFD7273	0	RCFD7204	0.154429	31.
32. Tier 1 risk-based capital ratio	RCFD7274	0	RCFD7206	0.152072	32.
33. Total risk-based capital ratio	RCFD7275	0	RCFD7205	0.164597	33.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	RCFAP742	NR	1.
2. Retained earnings	RCFD3632	355,106	2.
3. Accumulated other comprehensive income (AOCI)	RCFAB530	NR	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No)	RCOAP838	NR	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCFAP839	NR	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	RCFAP840	NR	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	RCFAP841	NR	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	RCFAP842	NR	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	RCFAP843	NR	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value)			9.a.
b. LESS: Net unrealized loss on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures (report loss as a positive value)			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)			9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)			9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)			9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a)	RCFAP849	NR	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAQ258	NR	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions	RCFAP850	NR	10.b.
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments	RCFAP851	NR	11.
12. Subtotal (item 5 minus items 6 through 11)	RCFAP852	NR	12.

Dollar amounts in thousands			
13. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCFAP853	NR	13.
14. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCFAP854	NR	14.
15. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCFAP855	NR	15.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold	RCFAP856	NR	16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions	RCFAP857	NR	17.
18. Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17)	RCFAP858	NR	18.
19. Common equity tier 1 capital (item 12 minus item 18)	RCFAP859	NR	19.
20. Additional tier 1 capital instruments plus related surplus	RCFAP860	NR	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	RCFAP861	NR	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	RCFAP862	NR	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	RCFAP863	NR	23.
24. LESS: Additional tier 1 capital deductions	RCFAP864	NR	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	RCFAP865	NR	25.
26. Tier 1 capital (sum of items 19 and 25)	RCFA8274	NR	26.
27. Tier 2 capital instruments plus related surplus	RCFAP866	NR	27.
28. Non-qualifying capital instruments subject to phase out from tier 2 capital	RCFAP867	NR	28.
29. Total capital minority interest that is not included in tier 1 capital	RCFAP868	NR	29.
30. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			30.
a. Allowance for loan and lease losses includable in tier 2 capital	RCFA5310	NR	30.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital	RCFW5310	NR	30.b.
31. Unrealized gains on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures includable in tier 2 capital	RCFAQ257	NR	31.
32. Tier 2 capital before deductions			32.
a. Tier 2 capital before deductions (sum of items 27 through 30.a, plus item 31)	RCFAP870	NR	32.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 27 through 29, plus items 30.b and 31)	RCFWP870	NR	32.b.
33. LESS: Tier 2 capital deductions	RCFAP872	NR	33.
34. Tier 2 capital			34.
a. Tier 2 capital (greater of item 32.a minus item 33, or zero)	RCFA5311	NR	34.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 32.b minus item 33, or zero)	RCFW5311	NR	34.b.
35. Total capital			35.
a. Total capital (sum of items 26 and 34.a)	RCFA3792	NR	35.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 34.b)	RCFW3792	NR	35.b.
36. Average total consolidated assets	RCFD3368	17,287,784	36.
37. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 11, 13 through 17, and certain elements of item 24 - see instructions)	RCFAP875	NR	37.
38. LESS: Other deductions from (additions to) assets for leverage ratio purposes	RCFAB596	NR	38.
39. Total assets for the leverage ratio (item 36 minus items 37 and 38)	RCFAA224	NR	39.
40. Total risk-weighted assets			40.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 62)	RCFAA223	NR	40.a.

Dollar amounts in thousands			
b. (Advanced approaches institutions that exit parallel run only): Total riskweighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60)	RCFWA223	**NR**	40.b.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands	(Column A) Percentage		(Column B) Percentage		
41. Common equity tier 1 capital ratio (Column A: item 19 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19 divided by item 40.b)	RCFAP793	**NR**	RCFWP793	**NR**	41.
42. Tier 1 capital ratio (Column A: item 26 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 40.b)	RCFA7206	**NR**	RCFW7206	**NR**	42.
43. Total capital ratio (Column A: item 35.a divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 35.b divided by item 40.b)	RCFA7205	**NR**	RCFW7205	**NR**	43.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
44. Tier 1 leverage ratio (item 26 divided by item 39)	RCFA7204	**NR**	44.
45. Advanced approaches institutions only: Supplementary leverage ratio (from FFIEC 101 Schedule A, item 98) (effective January 1, 2015)			45.
46. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments (effective January 1, 2016):			46.
a. Capital conservation buffer			46.a.
b. (Advanced approaches institutions that exit parallel run only): Total applicable capital buffer			46.b.
47. Eligible retained income (effective January 1, 2016)			47.
48. Distributions and discretionary bonus payments during the quarter (effective January 1, 2016)			48.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) Totals (from Schedule RC)	(Column B) Items Not Subject to Risk-Weighting	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
	RCFD0010	RCFDC869	RCFDB600	RCFDB601		RCFDB602	
34. Cash and balances due from depository institutions................	2,703,545	0	2,674,088	29,456		0	34.
	RCFD1754	RCFDB603	RCFDB604	RCFDB605	RCFDB606	RCFDB607	
35. Held-to-maturity securities..	255,102	0	96,287	39,852	51,609	67,354	35.
	RCFD1773	RCFDB608	RCFDB609	RCFDB610	RCFDB611	RCFDB612	
36. Available-for-sale securities..	107,969	23	0	13,514	0	94,433	36.
	RCFDC225		RCFDC063	RCFDC064		RCFDB520	
37. Federal funds sold and securities purchased under agreements to resell..	6,495		0	6,495		0	37.
	RCFD5369	RCFDB617	RCFDB618	RCFDB619	RCFDB620	RCFDB621	
38. Loans and leases held for sale..	54,166	0	0	0	0	54,166	38.
	RCFDB528	RCFDB622	RCFDB623	RCFDB624	RCFDB625	RCFDB626	
39. Loans and leases, net of unearned income.............................	13,416,339	0	0	0	0	13,416,339	39.
	RCFD3123	RCFD3123					
40. Allowance for loan and lease losses.......................................	231,149	231,149					40.
	RCFD3545	RCFDB627	RCFDB628	RCFDB629	RCFDB630	RCFDB631	
41. Trading assets..	9,196	9,196	0	0	0	0	41.
	RCFDB639	RCFDB640	RCFDB641	RCFDB642	RCFDB643	RCFD5339	
42. All other assets...	1,948,840	0	0	22,202	0	1,926,637	42.
	RCFD2170	RCFDB644	RCFD5320	RCFD5327	RCFD5334	RCFD5340	
43. Total assets..	18,270,503	-221,930	2,770,375	111,519	51,609	15,558,929	43.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
	RCFDB546	RCFDB547	RCFDB548	RCFDB581	RCFDB582	RCFDB583	
44. Financial standby letters of credit...	331,689	331,689	0	0	0	331,689	44.
	RCFD3821	RCFDB650	RCFDB651	RCFDB652	RCFDB653	RCFDB654	
45. Performance standby letters of credit......................................	17	9	0	0	0	9	45.
	RCFD3411	RCFDB655	RCFDB656	RCFDB657	RCFDB658	RCFDB659	
46. Commercial and similar letters of credit..................................	255	51	0	0	0	51	46.

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
	RCFD3429	RCFDB660	RCFDB661	RCFDB662		RCFDB663	
47. Risk participations in bankers acceptances acquired by the reporting institution	0	0	0	0		0	47.
	RCFD3433	RCFDB664	RCFDB665	RCFDB666	RCFDB667	RCFDB668	
48. Securities lent	0	0	0	0	0	0	48.
	RCFDA250	RCFDB669	RCFDB670	RCFDB671	RCFDB672	RCFDB673	
49. Retained recourse on small business obligations sold with recourse	0	0	0	0	0	0	49.
	RCFDB541	RCFDB542				RCFDB543	
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement	0	0				0	50.
	RCFDB675	RCFDB676	RCFDB677	RCFDB678	RCFDB679	RCFDB680	
51. All other financial assets sold with recourse	0	0	0	0	0	0	51.
	RCFDB681	RCFDB682	RCFDB683	RCFDB684	RCFDB685	RCFDB686	
52. All other off-balance sheet liabilities	**258,500**	**258,500**	0	0	0	**258,500**	52.
53. Unused commitments:							53.
	RCFD3833	RCFDB687	RCFDB688	RCFDB689	RCFDB690	RCFDB691	
a. With an original maturity exceeding one year	**2,763,418**	**1,381,709**	0	0	0	**1,381,709**	53.a.
	RCFDG591	RCFDG592	RCFDG593	RCFDG594	RCFDG595	RCFDG596	
b. With an original maturity of one year or less to asset-backed commercial paper conduits	0	0	0	0	0	0	53.b.
		RCFDA167	RCFDB693	RCFDB694	RCFDB695		
54. Derivative contracts		**23,440**	0	**7,018**	**16,422**		54.
			RCFDB696	RCFDB697	RCFDB698	RCFDB699	
55. Total assets, derivatives, and off-balance sheet items by risk weight category			**2,770,375**	**118,537**	**68,031**	**17,530,887**	55.
56. Risk weight factor							56.
			RCFDB700	RCFDB701	RCFDB702	RCFDB703	
57. Risk-weighted assets by risk weight category			0	**23,707**	**34,016**	**17,530,887**	57.
						RCFD1651	
58. Market risk equivalent assets						0	58.
						RCFDB704	
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve						**17,588,610**	59.
						RCFDA222	
60. Excess allowance for loan and lease losses						**32,870**	60.
						RCFD3128	
61. Allocated transfer risk reserve						0	61.

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
						RCFDA223	
62. Total risk-weighted assets..						**17,555,740**	62.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands			
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards	RCFD8764	9,196	M.1.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) With a remaining maturity of one year or less	(Column B) With a remaining maturity of over one year through five years	(Column C) With a remaining maturity of over five years	
2. Notional principal amounts of derivative contracts:				M.2.
a. Interest rate contracts	RCFD3809 157,515	RCFD8766 1,110,174	RCFD8767 533,344	M.2.a.
b. Foreign exchange contracts	RCFD3812 69,268	RCFD8769 0	RCFD8770 0	M.2.b.
c. Gold contracts	RCFD8771 0	RCFD8772 0	RCFD8773 0	M.2.c.
d. Other precious metals contracts	RCFD8774 0	RCFD8775 0	RCFD8776 0	M.2.d.
e. Other commodity contracts	RCFD8777 0	RCFD8778 0	RCFD8779 0	M.2.e.
f. Equity derivative contracts	RCFDA000 0	RCFDA001 0	RCFDA002 0	M.2.f.
g. Credit derivative contracts: Purchased credit protection that (a) is a covered position under the market risk rule or (b) is not a covered position under the market risk rule and is not recognized as a guarantee for risk-based capital purposes:				M.2.g.
1. Investment grade	RCFDG597 0	RCFDG598 0	RCFDG599 0	M.2.g.1.
2. Subinvestment grade	RCFDG600 0	RCFDG601 0	RCFDG602 0	M.2.g.2.

Schedule RC-S - Servicing Securitization and Asset Sale Activities

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements........................	RCFDB705 0	RCFDB706 0	RCFDB707 0	RCFDB708 0	RCFDB709 0	RCFDB710 0	RCFDB711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1 in the form of:								2.
a. Credit-enhancing interest-only strips (included in Schedules RC-B or RC-F or in Schedule RC, item 5)......	RCFDB712 0	RCFDB713 0	RCFDB714 0	RCFDB715 0	RCFDB716 0	RCFDB717 0	RCFDB718 0	2.a.
b. Subordinated securities and other residual interests.....	RCFDC393 0	RCFDC394 0	RCFDC395 0	RCFDC396 0	RCFDC397 0	RCFDC398 0	RCFDC399 0	2.b.
c. Standby letters of credit and other enhancements.......	RCFDC400 0	RCFDC401 0	RCFDC402 0	RCFDC403 0	RCFDC404 0	RCFDC405 0	RCFDC406 0	2.c.
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1..	RCFDB726 0	RCFDB727 0	RCFDB728 0	RCFDB729 0	RCFDB730 0	RCFDB731 0	RCFDB732 0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due..	RCFDB733 0	RCFDB734 0	RCFDB735 0	RCFDB736 0	RCFDB737 0	RCFDB738 0	RCFDB739 0	4.a.
b. 90 days or more past due..	RCFDB740 0	RCFDB741 0	RCFDB742 0	RCFDB743 0	RCFDB744 0	RCFDB745 0	RCFDB746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs...	RIADB747 0	RIADB748 0	RIADB749 0	RIADB750 0	RIADB751 0	RIADB752 0	RIADB753 0	5.a.
b. Recoveries...	RIADB754 0	RIADB755 0	RIADB756 0	RIADB757 0	RIADB758 0	RIADB759 0	RIADB760 0	5.b.
6. Amount of ownership (or seller's) interests carried as:								6.
a. Securities (included in Schedule RC-B or in Schedule RC, item 5)...		RCFDB761 0	RCFDB762 0			RCFDB763 0		6.a.

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
		RCFDB500	RCFDB501			RCFDB502		
b. Loans (included in Schedule RC-C)............................		0	0			0		6.b.
7. Past due loan amounts included in interests reported in item 6.a:								7.
		RCFDB764	RCFDB765			RCFDB766		
a. 30-89 days past due		0	0			0		7.a.
		RCFDB767	RCFDB768			RCFDB769		
b. 90 days or more past due		0	0			0		7.b.
8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):								8.
		RIADB770	RIADB771			RIADB772		
a. Charge-offs..		0	0			0		8.a.
		RIADB773	RIADB774			RIADB775		
b. Recoveries...		0	0			0		8.b.
	RCFDB776	RCFDB777	RCFDB778	RCFDB779	RCFDB780	RCFDB781	RCFDB782	
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements..	0	0	0	0	0	0	0	9.
	RCFDB783	RCFDB784	RCFDB785	RCFDB786	RCFDB787	RCFDB788	RCFDB789	
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures........................	0	0	0	0	0	0	0	10.
	RCFDB790	RCFDB791	RCFDB792	RCFDB793	RCFDB794	RCFDB795	RCFDB796	
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank.....	0	0	0	0	0	0	0	11.
	RCFDB797	RCFDB798	RCFDB799	RCFDB800	RCFDB801	RCFDB802	RCFDB803	
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11..	0	0	0	0	0	0	0	12.

Schedule RC-S - Servicing Securitization and Asset Sale Activities

Dollar amounts in thousands			
1. Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:			M.1.
a. Outstanding principal balance	RCFDA249	0	M.1.a.
b. Amount of retained recourse on these obligations as of the report date	RCFDA250	0	M.1.b.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCFDB804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCFDB805	0	M.2.b.
c. Other financial assets (includes home equity lines)	RCFDA591	0	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCFDF699	0	M.2.d.
3. Asset-backed commercial paper conduits:			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions	RCFDB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions	RCFDB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C	RCFDC407	NR	M.4.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands			
1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCFDA345	Yes	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCFDA346	Yes	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCFDB867	Yes	3.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Managed Assets	(Column B) Non-Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non-Managed Accounts	
	RCFDB868	RCFDB869	RCFDB870	RCFDB871	
4. Personal trust and agency accounts	NR	NR	NR	NR	4.
5. Employee benefit and retirement-related trust and agency accounts:					5.
	RCFDB872	RCFDB873	RCFDB874	RCFDB875	
a. Employee benefit - defined contribution	NR	NR	NR	NR	5.a.
	RCFDB876	RCFDB877	RCFDB878	RCFDB879	
b. Employee benefit - defined benefit	NR	NR	NR	NR	5.b.
	RCFDB880	RCFDB881	RCFDB882	RCFDB883	
c. Other employee benefit and retirement-related accounts	NR	NR	NR	NR	5.c.
	RCFDB884	RCFDB885	RCFDC001	RCFDC002	
6. Corporate trust and agency accounts	NR	NR	NR	NR	6.
	RCFDB886	RCFDJ253	RCFDB888	RCFDJ254	
7. Investment management and investment advisory agency accounts	NR	NR	NR	NR	7.
	RCFDJ255	RCFDJ256	RCFDJ257	RCFDJ258	
8. Foundation and endowment trust and agency accounts	NR	NR	NR	NR	8.
	RCFDB890	RCFDB891	RCFDB892	RCFDB893	
9. Other fiduciary accounts	NR	NR	NR	NR	9.
	RCFDB894	RCFDB895	RCFDB896	RCFDB897	
10. Total fiduciary accounts (sum of items 4 through 9)	NR	NR	NR	NR	10.
		RCFDB898		RCFDB899	
11. Custody and safekeeping accounts		NR		NR	11.
	RCFNB900	RCFNB901	RCFNB902	RCFNB903	
12. Fiduciary accounts held in foreign offices (included in items 10 and 11)	NR	NR	NR	NR	12.
	RCFDJ259	RCFDJ260	RCFDJ261	RCFDJ262	
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	NR	NR	NR	NR	13.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands			
14. Personal trust and agency accounts	RIADB904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution	RIADB905	NR	15.a.
b. Employee benefit - defined benefit	RIADB906	NR	15.b.
c. Other employee benefit and retirement-related accounts	RIADB907	NR	15.c.
16. Corporate trust and agency accounts	RIADA479	NR	16.
17. Investment management and investment advisory agency accounts	RIADJ315	NR	17.
18. Foundation and endowment trust and agency accounts	RIADJ316	NR	18.
19. Other fiduciary accounts	RIADA480	NR	19.
20. Custody and safekeeping accounts	RIADB909	NR	20.
21. Other fiduciary and related services income	RIADB910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	RIAD4070	0	22.
a. Fiduciary and related services income - foreign offices (included in item 22)	RIADB912	NR	22.a.
23. Less: Expenses	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services	RIADB911	NR	25.
26. Net fiduciary and related services income	RIADA491	NR	26.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts	(Column C) All Other Accounts	
1. Managed assets held in fiduciary accounts:				M.1.
	RCFDJ263	RCFDJ264	RCFDJ265	
a. Noninterest-bearing deposits	NR	NR	NR	M.1.a.
	RCFDJ266	RCFDJ267	RCFDJ268	
b. Interest-bearing deposits	NR	NR	NR	M.1.b.
	RCFDJ269	RCFDJ270	RCFDJ271	
c. U.S. Treasury and U.S. Government agency obligations	NR	NR	NR	M.1.c.
	RCFDJ272	RCFDJ273	RCFDJ274	
d. State, county, and municipal obligations	NR	NR	NR	M.1.d.
	RCFDJ275	RCFDJ276	RCFDJ277	
e. Money market mutual funds	NR	NR	NR	M.1.e.
	RCFDJ278	RCFDJ279	RCFDJ280	
f. Equity mutual funds	NR	NR	NR	M.1.f.
	RCFDJ281	RCFDJ282	RCFDJ283	
g. Other mutual funds	NR	NR	NR	M.1.g.
	RCFDJ284	RCFDJ285	RCFDJ286	
h. Common trust funds and collective investment funds	NR	NR	NR	M.1.h.
	RCFDJ287	RCFDJ288	RCFDJ289	
i. Other short-term obligations	NR	NR	NR	M.1.i.
	RCFDJ290	RCFDJ291	RCFDJ292	
j. Other notes and bonds	NR	NR	NR	M.1.j.

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts	(Column C) All Other Accounts	
k. Investments in unregistered funds and private equity investments	RCFDJ293 NR	RCFDJ294 NR	RCFDJ295 NR	M.1.k.
l. Other common and preferred stocks	RCFDJ296 NR	RCFDJ297 NR	RCFDJ298 NR	M.1.l.
m. Real estate mortgages	RCFDJ299 NR	RCFDJ300 NR	RCFDJ301 NR	M.1.m.
n. Real estate	RCFDJ302 NR	RCFDJ303 NR	RCFDJ304 NR	M.1.n.
o. Miscellaneous assets	RCFDJ305 NR	RCFDJ306 NR	RCFDJ307 NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	RCFDJ308 NR	RCFDJ309 NR	RCFDJ310 NR	M.1.p.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	RCFDJ311	NR	RCFDJ312	NR	M.1.q.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
2. Corporate trust and agency accounts:					M.2.
a. Corporate and municipal trusteeships	RCFDB927	NR	RCFDB928	NR	M.2.a.
1. Issues reported in Memorandum item 2.a that are in default	RCFDJ313	NR	RCFDJ314	NR	M2a1.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCFDB929	NR			M.2.b.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
3. Collective investment funds and common trust funds:					M.3.
a. Domestic equity	RCFDB931	NR	RCFDB932	NR	M.3.a.
b. International/Global equity	RCFDB933	NR	RCFDB934	NR	M.3.b.
c. Stock/Bond blend	RCFDB935	NR	RCFDB936	NR	M.3.c.
d. Taxable bond	RCFDB937	NR	RCFDB938	NR	M.3.d.
e. Municipal bond	RCFDB939	NR	RCFDB940	NR	M.3.e.
f. Short term investments/Money market	RCFDB941	NR	RCFDB942	NR	M.3.f.
g. Specialty/Other	RCFDB943	NR	RCFDB944	NR	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCFDB945	NR	RCFDB946	NR	M.3.h.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Gross Losses Managed Accounts	(Column B) Gross Losses Non-Managed Accounts	(Column C) Recoveries	
4. Fiduciary settlements, surcharges, and other losses:				M.4.
	RIADB947	RIADB948	RIADB949	
a. Personal trust and agency accounts	**NR**	**NR**	**NR**	M.4.a.
	RIADB950	RIADB951	RIADB952	
b. Employee benefit and retirement-related trust and agency accounts	**NR**	**NR**	**NR**	M.4.b.
	RIADB953	RIADB954	RIADB955	
c. Investment management agency accounts	**NR**	**NR**	**NR**	M.4.c.
	RIADB956	RIADB957	RIADB958	
d. Other fiduciary accounts and related services	**NR**	**NR**	**NR**	M.4.d.
	RIADB959	RIADB960	RIADB961	
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	**NR**	**NR**	**NR**	M.4.e.

Schedule RC-V - Variable Interest Entities

Dollar amounts in thousands	(Column A) Securitization Vehicles	(Column B) ABCP Conduits	(Column C) Other VIEs	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:				1.
	RCFDJ981	RCFDJ982	RCFDJ983	
a. Cash and balances due from depository institutions	**650**	**0**	**650**	1.a.
	RCFDJ984	RCFDJ985	RCFDJ986	
b. Held-to-maturity securities	**0**	**0**	**0**	1.b.
	RCFDJ987	RCFDJ988	RCFDJ989	
c. Available-for-sale securities	**47,857**	**0**	**2,641**	1.c.
	RCFDJ990	RCFDJ991	RCFDJ992	
d. Securities purchased under agreements to resell	**0**	**0**	**0**	1.d.
	RCFDJ993	RCFDJ994	RCFDJ995	
e. Loans and leases held for sale	**0**	**0**	**0**	1.e.
	RCFDJ996	RCFDJ997	RCFDJ998	
f. Loans and leases, net of unearned income	**627,430**	**0**	**99,664**	1.f.
	RCFDJ999	RCFDK001	RCFDK002	
g. Less: Allowance for loan and lease losses	**15,585**	**0**	**2,445**	1.g.
	RCFDK003	RCFDK004	RCFDK005	
h. Trading assets (other than derivatives)	**0**	**0**	**0**	1.h.
	RCFDK006	RCFDK007	RCFDK008	
i. Derivative trading assets	**0**	**0**	**0**	1.i.
	RCFDK009	RCFDK010	RCFDK011	
j. Other real estate owned	**0**	**0**	**0**	1.j.
	RCFDK012	RCFDK013	RCFDK014	
k. Other assets	**10,897**	**0**	**2,025**	1.k.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:				2.
	RCFDK015	RCFDK016	RCFDK017	
a. Securities sold under agreements to repurchase	**0**	**0**	**0**	2.a.

Dollar amounts in thousands	(Column A) Securitization Vehicles	(Column B) ABCP Conduits	(Column C) Other VIEs	
	RCFDK018	RCFDK019	RCFDK020	
b. Derivative trading liabilities	**0**	**0**	**0**	2.b.
	RCFDK021	RCFDK022	RCFDK023	
c. Commercial paper	**0**	**0**	**0**	2.c.
	RCFDK024	RCFDK025	RCFDK026	
d. Other borrowed money (exclude commercial paper)	**550,117**	**0**	**71,967**	2.d.
	RCFDK027	RCFDK028	RCFDK029	
e. Other liabilities	**0**	**0**	**0**	2.e.
	RCFDK030	RCFDK031	RCFDK032	
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.k above)	**8,109**	**0**	**7,824**	3.
	RCFDK033	RCFDK034	RCFDK035	
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.e above)	**6,821**	**0**	**274**	4.

General Instructions

Dollar amounts in thousands			
1. Who Must Report on What Forms			1.
a. Close of Business			1.a.
b. Frequency of Reporting			1.b.
c. Differences in Detail of Reports			1.c.
d. Shifts in Reporting Status			1.d.
2. Organization of the Instruction Books			2.
3. Preparation of the Reports			3.
4. Signatures			4.
a. Officer Declaration			4.a.
b. Director Attestation			4.b.
5. Submission of the Reports			5.
a. Submission Date			5.a.
b. Amended Reports			5.b.
6. Retention of Reports			6.
7. Scope of the "Consolidated Bank" Required to be Reported in the Submitted Reports			7.
a. Exclusions from the Coverage of the Consolidated Report			7.a.
8. Rules of Consolidation			8.
9. Reporting by Type of Office (For banks with foreign offices)			9.
10. Publication Requirements for the Report of Condition			10.
11. Release of Individual Bank Reports			11.
12. Applicability of Generally Accepted Accounting Principles to Regulatory Reporting Requirements			12.
13. Accrual Basis Reporting			13.
14. Miscellaneous General Instructions			14.
a. Rounding			14.a.
b. Negative Entries			14.b.
c. Verification			14.c.
d. Transactions Occurring Near the End of a Reporting Period			14.d.
15. Separate Branch Reports			15.

Glossary

Dollar amounts in thousands

1. Glossary			1.
2. Acceptances			2.
3. Accounting Changes			3.
4. Accounting Errors, Corrections of			4.
5. Accounting Estimates, Changes in			5.
6. Accounting Principles, Changes in			6.
7. Accrued Interest Receivable Related to Credit Card Securitizations			7.
8. Acquisition, Development, or Construction (ADC) Arrangements			8.
9. Agreement Corporation			9.
10. Allowance for Loan and Lease Losses			10.
11. Applicable Income Taxes			11.
12. Associated Company			12.
13. ATS Account			13.
14. Bankers Acceptances			14.
a. Bank-Owned Life Insurance			14.a.
15. Banks, U.S. and Foreign			15.
16. Banks in Foreign Countries			16.
17. Bill-of-Lading Draft			17.
18. Borrowings and Deposits in Foreign Offices			18.
19. Brokered Deposits			19.
20. Broker's Security Draft			20.
21. Business Combinations			21.
22. Call Option			22.
a. Capital Contributions of Cash and Notes Receivable			22.a.
23. Capitalization of Interest Costs			23.
24. Carrybacks and Carryforwards			24.
25. Cash Management Arrangements			25.
26. Certificate of Deposit			26.
27. Changes in Accounting Estimates			27.
28. Changes in Accounting Principles			28.
29. Clearing Accounts			29.
30. Commercial Banks in the U.S.			30.
31. Commercial Letter of Credit			31.
32. Commercial Paper			32.
33. Commodity or Bill-of-Lading Draft			33.
34. Common Stock of Unconsolidated Subsidaries, Investments in			34.
35. Continuing Contract			35.
36. Corporate Joint Venture			36.
37. Corrections of Accounting Errors			37.
38. Coupon Stripping, Treasury Receipts, and STRIPS			38.
39. Custody Account			39.
40. Dealer Reserve Account			40.
a. Deferred Compensation Agreements			40.a.
41. Deferred Income Taxes			41.
a. Defined Benefit Postretirement Plans			41.a.
42. Demand Deposits			42.
43. Depository Institutions in the U.S.			43.
44. Deposits			44.
45. Derivative Contracts			45.

Dollar amounts in thousands			
a. Discounts			45.a.
46. Dividends			46.
47. Domestic Office			47.
48. Domicile			48.
49. Due Bills			49.
50. Edge and Agreement Corporation			50.
a. Equity-Indexed Certificates of Deposit			50.a.
51. Equity Method of Accounting			51.
52. Extinguishments of Liabilities			52.
53. Extraordinary Items			53.
54. Fails			54.
a. Fair Value			54.a.
55. Federal Funds Transactions			55.
56. Federally-Sponsored Lending Agency			56.
57. Fees, Loan			57.
58. Foreclosed Assets			58.
59. Foreign Banks			59.
60. Foreign Currency Transactions and Translation			60.
61. Foreign Debt Exchange Transactions			61.
62. Foreign Governments and Official Institutions			62.
63. Foreign Office			63.
64. Forward Contracts			64.
65. Functional Currency			65.
66. Futures Contracts			66.
67. Goodwill			67.
68. Hypothecated Deposit			68.
69. IBF			69.
70. Income Taxes			70.
71. Intangible Assets			71.
72. Interest-Bearing Account			72.
73. Interest Capitalization			73.
74. Interest Rate Swaps			74.
75. Internal-Use Computer Software			75.
76. International Banking Facility (IBF)			76.
77. Interoffice Accounts			77.
78. Investments in Common Stock of Unconsolidated Subsidiaries			78.
79. Joint Venture			79.
80. Lease Accounting			80.
81. Letter of Credit			81.
82. Limited-Life Preferred Stock			82.
83. Loan			83.
84. Loan Fees			84.
85. Loan Impairment			85.
86. Loan Secured by Real Estate			86.
87. Loss Contingencies			87.
88. Majority-Owned Subsidiary			88.
89. Mandatory Convertible Debt			89.
91. Mergers			91.
92. Money Market Deposit Account (MMDA)			92.
93. Nonaccrual Status			93.
94. Noninterest-Bearing Account			94.

Dollar amounts in thousands			
95. Nontransaction Account			95.
96. NOW Account			96.
97. Offsetting			97.
98. One-Day Transaction			98.
99. Option			99.
100. Organization Costs			100.
101. Other Depository Institutions in the U.S.			101.
102. Other Real Estate Owned			102.
103. Overdraft			103.
104. Participations			104.
105. Participations in Acceptances			105.
106. Participations in Pools of Securities			106.
107. Pass-through Reserve Balances			107.
108. Perpetual Preferred Stock			108.
109. Placements and Takings			109.
110. Pooling of Interests			110.
111. Preauthorized Transfer Account			111.
112. Preferred Stock			112.
113. Premiums and Discounts			113.
114. Purchase Acquisition			114.
a. Purchased Impaired Loans and Debt Securities			114.a.
115. Put Option			115.
116. Real Estate ADC Arrangements			116.
117. Real Estate, Loan Secured By			117.
118. Reciprocal Balances			118.
119. Renegotiated Troubled Debt			119.
120. Reorganizations			120.
121. Repurchase/Resale Agreements			121.
122. Reserve Balances, Pass-through			122.
123. Retail Sweep Arrangements			123.
124. Sales of Assets for Risk-Based Capital Purposes			124.
125. Savings Deposits			125.
126. Securities Activities			126.
127. Securities Borrowing/Lending Transactions			127.
128. Securities, Participations in Pools of			128.
129. Servicing Assets and Liabilities			129.
130. Settlement Date Accounting			130.
131. Shell Branches			131.
132. Short Position			132.
133. Significant Subsidary			133.
134. Standby Letter of Credit			134.
135. Start-Up Activities			135.
136. STRIPS			136.
137. Subordinated Notes and Debentures			137.
138. Subsidiaries			138.
139. Suspense Accounts			139.
140. Syndications			140.
141. Telephone Transfer Account			141.
142. Term Federal Funds			142.
143. Time Deposits			143.
144. Trade Date and Settlement Date Accounting			144.

Dollar amounts in thousands			
145. Trading Account			145.
146. Transction Account			146.
147. Transfers of Financial Assets			147.
148. Traveler's Letter of Credit			148.
149. Treasury Receipts			149.
150. Treasury Stock			150.
151. Troubled Debt Restructurings			151.
152. Trust Preferred Securities			152.
153. U.S. Banks			153.
154. U.S. Territories and Possessions			154.
155. Valuation Allowance			155.
156. When-Issued Securities Transactions			156.

PUBLIC EXHIBIT 7

IMB Holdco LLC Consolidated Financial Statements on Form FR Y-9C for the quarter ended June 30, 2014

RSSD ID: 3923614

Board of Governors of the Federal Reserve System

Consolidated Financial Statements for Holding Companies—FR Y-9C

Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. § 1844) and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and Section 10 of the Home Owners Loan Act (12 U.S.C. § 1467a(b)).

This report form is to be filed by holding companies with total consolidated assets of $*500* million or more. In addition, holding companies meeting certain criteria must file this report (FR Y-9C) regardless of size. See page 1 of the general instructions for further information. However, when such holding companies own or control, or are owned or controlled by, other holding companies, only the top-tier holding company must file this report for the consolidated holding company organization. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each holding company's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Consolidated Financial Statements for Holding Companies. The Consolidated Financial Statements for Holding Companies is to be prepared in accordance with instructions provided by the Federal Reserve System. The Consolidated Financial Statements for Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting holding company (or by the individual performing this equivalent function).

I, the undersigned CFO (or equivalent) of the named holding company, attest that the Consolidated Financial Statements for Holding Companies (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Date of Report: **June 30, 2014**
Month / Day / Year (BHCK 9999)

Printed Name of Chief Financial Officer (or Equivalent) (BHCK C490)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature (MM/DD/YYYY) (BHTX J196)

IMB HOLDCO LLC
Legal Title of Holding Company (TEXT 9010)

888 EAST WALNUT STREET
(Mailing Address of the Holding Company) Street / PO Box (TEXT 9110)

PASADENA	CA	91101
City (TEXT 9130)	State (TEXT 9200)	Zip Code (TEXT 9220)

Person to whom questions about this report should be directed:

Name / Title (BHTX 8901)

Area Code / Phone Number (BHTX 8902)

Area Code / FAX Number (BHTX 9116)

E-mail Address of Contact (BHTX 4086)

For Federal Reserve Bank Use Only

RSSD ID
C.I. S.F.

Holding companies must maintain in their files a manually signed and attested printout of the data submitted.

For Federal Reserve Bank Use Only
RSSD ID ____________
S.F. ________

RSSD ID:
3923614

Report of Income for Holding Companies

Report all Schedules of the Report of Income on a calendar year-to-date basis.

Schedule HI—Consolidated Income Statement

Dollar Amounts in Thousands	BHCK		
1. Interest income			
a. Interest and fee income on loans:			
(1) In domestic offices:			
(a) Loans secured by 1–4 family residential properties	4435	236525	1.a.(1)(a)
(b) All other loans secured by real estate	4436	97942	1.a.(1)(b)
(c) All other loans	F821	48925	1.a.(1)(c)
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs	4059	0	1.a.(2)
b. Income from lease financing receivables	4065	0	1.b.
c. Interest income on balances due from depository institutions[1]	4115	5734	1.c.
d. Interest and dividend income on securities:			
(1) U.S. Treasury securities and U.S. government agency obligations (excluding mortgage-backed securities)	B488	0	1.d.(1)
(2) Mortgage-backed securities	B489	58912	1.d.(2)
(3) All other securities	4060	0	1.d.(3)
e. Interest income from trading assets	4069	2933	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	4020	0	1.f.
g. Other interest income	4518	-13264	1.g.
h. Total interest income (sum of items 1.a through 1.g)	4107	437707	1.h.
2. Interest expense			
a. Interest on deposits:			
(1) In domestic offices:			
(a) Time deposits of $100,000 or more	A517	23010	2.a.(1)(a)
(b) Time deposits of less than $100,000	A518	15490	2.a.(1)(b)
(c) Other deposits	6761	17372	2.a.(1)(c)
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs	4172	0	2.a.(2)
b. Expense on federal funds purchased and securities sold under agreements to repurchase	4180	63	2.b.
c. Interest on trading liabilities and other borrowed money (excluding subordinated notes and debentures)	4185	13973	2.c.
d. Interest on subordinated notes and debentures and on mandatory convertible securities	4397	0	2.d.
e. Other interest expense	4398	0	2.e.
f. Total interest expense (sum of items 2.a through 2.e)	4073	69908	2.f.
3. Net interest income (item 1.h minus item 2.f)	4074	367799	3.
4. Provision for loan and lease losses (from Schedule HI-B, part II, item 5)	4230	9874	4.
5. Noninterest income:			
a. Income from fiduciary activities	4070	261	5.a.
b. Service charges on deposit accounts in domestic offices	4483	1269	5.b.
c. Trading revenue[2]	A220	2315	5.c.
d. (1) Fees and commissions from securities brokerage	C886	0	5.d.(1)
(2) Investment banking, advisory, and underwriting fees and commissions	C888	0	5.d.(2)
(3) Fees and commissions from annuity sales	C887	0	5.d.(3)
(4) Underwriting income from insurance and reinsurance activities	C386	0	5.d.(4)
(5) Income from other insurance activities	C387	0	5.d.(5)
e. Venture capital revenue	B491	0	5.e.
f. Net servicing fees	B492	2605	5.f.
g. Net securitization income	B493	0	5.g.

1. Includes interest income on time certificates of deposit not held for trading.
2. For holding companies required to complete Schedule HI, memoranda item 9, trading revenue reported in Schedule HI, item 5.c must equal the sum of memoranda items 9.a through 9.e.

Schedule HI—Continued

Dollar Amounts in Thousands	BHCK		
5. h. Not applicable			
i. Net gains (losses) on sales of loans and leases	8560	174	5.i.
j. Net gains (losses) on sales of other real estate owned	8561	-3107	5.j.
k. Net gains (losses) on sales of other assets (excluding securities)	B496	-14	5.k.
l. Other noninterest income[3]	B497	-34361	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	4079	-30858	5.m.
6. a. Realized gains (losses) on held-to-maturity securities	3521	0	6.a.
b. Realized gains (losses) on available-for-sale securities	3196	5333	6.b.
7. Noninterest expense:			
a. Salaries and employee benefits	4135	103670	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	4217	20849	7.b.
c. (1) Goodwill impairment losses	C216	0	7.c.(1)
(2) Amortization expense and impairment losses for other intangible assets	C232	4543	7.c.(2)
d. Other noninterest expense[4]	4092	56127	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	4093	185189	7.e.
8. Income (loss) before income taxes and extraordinary items, and other adjustments (sum of items 3, 5.m, 6.a, and 6.b minus items 4 and 7.e)	4301	147211	8.
9. Applicable income taxes (foreign and domestic)	4302	56360	9.
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)	4300	90851	10.
11. Extraordinary items and other adjustments, net of income taxes[5]	4320	-30921	11.
12. Net income (loss) attributable to holding company and noncontrolling (minority) interests (sum of items 10 and 11)	G104	59930	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)	G103	0	13.
14. Net income (loss) attributable to holding company (item 12 minus item 13)	4340	59930	14.

3. See Schedule HI, memoranda item 6.
4. See Schedule HI, memoranda item 7.
5. Describe on Schedule HI, memoranda item 8.

Memoranda

Dollar Amounts in Thousands	BHCK		
1. Net interest income (item 3 above) on a fully taxable equivalent basis	4519	367799	M.1.
2. Net income before income taxes, extraordinary items, and other adjustments (item 8 above) on a fully taxable equivalent basis	4592	147211	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule HI, items 1.a and 1.b, above)	4313	0	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule HI, item 1.d.(3), above)	4507	0	M.4.

	BHCK	Number	
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	4150	1832	M.5.

	BHCK		
6. Other noninterest income (from Schedule HI, item 5.l, above) (only report amounts greater than $25,000 that exceed 3 percent of Schedule HI, item 5.l):			
a. Income and fees from the printing and sale of checks	C013	0	M.6.a.
b. Earnings on/increase in value of cash surrender value of life insurance	C014	0	M.6.b.
c. Income and fees from automated teller machines (ATMs)	C016	0	M.6.c.
d. Rent and other income from other real estate owned	4042	0	M.6.d.
e. Safe deposit box rent	C015	0	M.6.e.
f. Net change in the fair values of financial instruments accounted for under a fair value option	F229	-13450	M.6.f.

Schedule HI—Continued

Memoranda—Continued

Dollar Amounts in Thousands	BHCK			
6. g. Bank card and credit card interchange fees	F555		0	M.6.g.
h. Gains on bargain purchases	J447		0	M.6.h.
i. TEXT 8562 NET CHANGE IN FAIR VALUE OF NON TRADING DERIVATIVE ASSETS	8562		-36405	M.6.i.
j. TEXT 8563 COMMERCIAL BANKING FEES	8563		11209	M.6.j.
k. TEXT 8564 SECURITIES BOOK VALUE ADJUSTMENT	8564		1793	M.6.k.
7. Other noninterest expense (from Schedule HI, item 7.d, above) (only report amounts greater than $25,000 that exceed 3 percent of the sum of Schedule HI, item 7.d):				
a. Data processing expenses	C017		12736	M.7a.
b. Advertising and marketing expenses	0497		1983	M.7.b.
c. Directors' fees	4136		0	M.7.c.
d. Printing, stationery, and supplies	C018		0	M.7.d.
e. Postage	8403		0	M.7.e.
f. Legal fees and expenses	4141		2573	M.7.f.
g. FDIC deposit insurance assessments	4146			M.7.g.
h. Accounting and auditing expenses	F556		2750	M.7.h.
i. Consulting and advisory expenses	F557		4898	M.7. i.
j. Automated teller machine (ATM) and interchange expenses	F558		0	M.7. j.
k. Telecommunications expenses	F559		0	M.7.k.
l. TEXT 8565 LOAN PROCESSING EXPENSES	8565		2645	M.7. l.
m. TEXT 8566 INSURANCE, TAX AND LICENSE	8566		1884	M.7.m.
n. TEXT 8567 LOSS ON CLAWBACK LIABILITY	8567		5442	M.7.n.
8. Extraordinary items and other adjustments (from Schedule HI, item 11) (itemize all extraordinary items and other adjustments):				
a. (1) TEXT 3571 DISCONTINUED OPERATIONS	3571		-52590	M.8.a.(1)
(2) Applicable income tax effect — BHCK 3572: -21669				M.8.a.(2)
b. (1) TEXT 3573	3573		0	M.8.b.(1)
(2) Applicable income tax effect — BHCK 3574: 0				M.8.b.(2)
c. (1) TEXT 3575	3575		0	M.8.c.(1)
(2) Applicable income tax effect — BHCK 3576: 0				M.8.c.(2)
9. Trading revenue (from cash instruments and derivative instruments) (Sum of items 9.a through 9.e must equal Schedule HI, item 5.c.) *Memorandum items 9.a through 9.e are to be completed by holding companies that reported average trading assets (Schedule HC-K, item 4.a) of $2 million or more for any quarter of the preceding calendar year:*				
a. Interest rate exposures	8757		2328	M.9.a.
b. Foreign exchange exposures	8758		-37	M.9.b.
c. Equity security and index exposures	8759		0	M.9.c.
d. Commodity and other exposures	8760		0	M.9.d.
e. Credit exposures	F186		24	M.9.e.

Schedule HI—Continued

Memoranda—Continued

Dollar Amounts in Thousands	BHCK		
Memoranda items 9.f and 9.g are to be completed by holding companies with $100 billion or more in total assets that are required to complete Schedule HI, Memorandum items 9.a through 9.e, above.[1]			
9. f. Impact on trading revenue of changes in the creditworthiness of the holding company's derivatives counterparties on the holding company's derivative assets (included in Memorandum items 9.a through 9.e above)	K090	0	M.9.f.
g. Impact on trading revenue of changes in the creditworthiness of the holding company on the holding company's derivative liabilities (included in Memorandum items 9.a through 9.e above)	K094	0	M.9.g.
10. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			
a. Net gains (losses) on credit derivatives held for trading	C889	0	M.10.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	C890	0	M.10.b.
11. Credit losses on derivatives (see instructions)	A251	0	M.11.
Memorandum item 12.a is to be completed by holding companies with $1 billion or more in total assets.[1]			
12. a. Income from the sale and servicing of mutual funds and annuities (in domestic offices)	8431	0	M.12.a.
b. (1) Premiums on insurance related to the extension of credit	C242	0	M.12.b.(1)
(2) All other insurance premiums	C243	0	M.12.b.(2)
c. Benefits, losses, and expenses from insurance-related activities	B983	0	M.12.c.

	0=No / 1=Yes	BHCK		
13. Does the reporting holding company have a Subchapter S election in effect for federal income tax purposes for the current tax year? (Enter "1" for Yes; enter "0" for No.)		A530	0	M.13.

Dollar Amounts in Thousands	BHCK		
Memorandum item 14 is to be completed by holding companies that have elected to account for assets and liabilities under a fair value option.			
14. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			
a. Net gains (losses) on assets	F551	-33228	M.14.a.
(1) Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	F552	0	M.14.a.(1)
b. Net gains (losses) on liabilities	F553	-652	M.14.b.
(1) Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	F554	0	M.14.b.(1)
15. Stock-based employee compensation expense (net of tax effects) calculated for all awards under the fair value method	C409	0	M.15.

	Year-to-date BHCK		
Memorandum item 16 is to be completed by holding companies that are required to complete Schedule HC-C, Memorandum items 6.b and 6.c.			
16. Noncash income from negative amortization on closed-end loans secured by 1–4 family residential properties (included in Schedule HI, item 1.a.(1)(a))	F228	675	M.16.
17. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities:			
a. Total other-than-temporary impairment losses	J319	883	M.17.a.
b. Portion of losses recognized in other comprehensive income (before income taxes)	J320	599	M.17.b.
c. Net impairment losses recognized in earnings (included in Schedule HI, items 6.a and 6.b) (Memorandum item 17.a minus Memorandum item 17.b)	J321	284	M.17.c.

1. The asset size test is generally based on the total assets reported as of June 30, 2013.

Schedule HI-A—Changes in Holding Company Equity Capital

Dollar Amounts in Thousands			
	BHCK		
1. Total holding company equity capital *most recently reported* for the end of previous calendar year (i.e., after adjustments from amended Reports of Income)	3217	3475884	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors	B507	-2461	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	B508	3473423	3.
	BHCT		
4. Net income (loss) attributable to holding company (must equal Schedule HI, item 14)	4340	59930	4.
5. Sale of perpetual preferred stock (excluding treasury stock transactions):	BHCK		
a. Sale of perpetual preferred stock, gross	3577	0	5.a.
b. Conversion or retirement of perpetual preferred stock	3578	12928	5.b.
6. Sale of common stock:			
a. Sale of common stock, gross	3579	0	6.a.
b. Conversion or retirement of common stock	3580	0	6.b.
7. Sale of treasury stock	4782	0	7.
8. LESS: Purchase of treasury stock	4783	0	8.
9. Changes incident to business combinations, net	4356	0	9.
10. LESS: Cash dividends declared on preferred stock	4598	0	10.
11. LESS: Cash dividends declared on common stock	4460	0	11.
12. Other comprehensive income[1]	B511	3252	12.
13. Change in the offsetting debit to the liability for Employee Stock Ownership Plan (ESOP) debt guaranteed by the holding company	4591	0	13.
14. Other adjustments to equity capital (not included above)	3581	-636600	14.
15. Total holding company equity capital end of current period (sum of items 3, 4, 5, 6, 7, 9, 12, 13, and 14, less items 8, 10, and 11) (must equal item 27.a on Schedule HC)	BHCT 3210	2912933	15.

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and pension and other postretirement plan related changes other than net periodic benefit cost.

Schedule HI-B—Charge-Offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses

Dollar Amounts in Thousands	(Column A) Charge-offs[1] BHCK		(Column B) Recoveries BHCK		
I. Charge-offs and Recoveries on Loans and Leases (Fully Consolidated)					
1. Loans secured by real estate:					
a. Construction, land development, and other land loans in domestic offices:					
(1) 1–4 family residential construction loans	C891	0	C892	0	1.a.(1)
(2) Other construction loans and all land development and other land loans	C893	0	C894	0	1.a.(2)
b. Secured by farmland in domestic offices	3584	0	3585	0	1.b.
c. Secured by 1–4 family residential properties in domestic offices:					
(1) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	5411	21	5412	0	1.c.(1)
(2) Closed-end loans secured by 1–4 family residential properties in domestic offices:					
(a) Secured by first liens	C234	141	C217	0	1.c.(2)(a)
(b) Secured by junior liens	C235	0	C218	0	1.c.(2)(b)
d. Secured by multifamily (5 or more) residential properties in domestic offices	3588	0	3589	0	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties	C895	0	C896	0	1.e.(1)
(2) Loans secured by other nonfarm nonresidential properties	C897	0	C898	0	1.e.(2)
f. In foreign offices	B512	0	B513	0	1.f.
2. Loans to depository institutions and acceptances of other banks:					
a. To U.S. banks and other U.S. depository institutions	4653	0	4663	0	2.a.
b. To foreign banks	4654	0	4664	0	2.b.
3. Loans to finance agricultural production and other loans to farmers	4655	0	4665	0	3.
4. Commercial and industrial loans:					
a. To U.S. addressees (domicile)	4645	0	4617	0	4.a.
b. To non-U.S. addressees (domicile)	4646	0	4618	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:					
a. Credit cards	B514	85	B515	1	5.a.
b. Automobile loans	K129	0	K133	0	5.b.
c. Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	K205	0	K206	0	5.c.
6. Loans to foreign governments and official institutions	4643	0	4627	0	6.
7. All other loans	4644	0	4628	0	7.
8. Lease financing receivables:					
a. Leases to individuals for household, family, and other personal expenditures	F185	0	F187	0	8.a.
b. All other leases	C880	0	F188	0	8.b.
9. Total (sum of items 1 through 8)	4635	247	4605	1	9.

1. Include write-downs arising from transfers to a held-for-sale account.

Schedule HI-B—Continued

Memoranda

Dollar Amounts in Thousands	(Column A) Charge-offs[1] Calendar Year-to-date		(Column B) Recoveries Calendar Year-to-date		
	BHCK		BHCK		
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule HI-B, part I, items 4 and 7 above	5409	0	5410	0	M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule HI-B, part I, item 1, above)	4652	0	4662	0	M.2.

Memorandum item 3 is to be completed by (1) holding companies that, together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date or (2) holding companies that on a consolidated basis are credit card specialty holding companies (as defined in the instructions).

	Calendar Year-to-date		
	BHCK		
3. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)	C388	0	M.3.

Dollar Amounts in Thousands	BHCK		
II. Changes in allowance for loan and lease losses			
1. Balance *most recently reported* at end of previous year (i.e., after adjustments from amended Reports of Income)	B522	90573	1.
	BHCT		
2. Recoveries (must equal Schedule HI-B, part I, item 9, column B, above)	4605	1	2.
	BHCK		
3. LESS: Charge-offs (must equal Schedule HI-B, part I, item 9, column A above less Schedule HI-B, part II, item 4)	C079	238	3.
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account	5523	9	4.
	BHCT		
5. Provision for loan and lease losses (must equal Schedule HI, item 4)	4230	9874	5.
	BHCK		
6. Adjustments (see instructions for this schedule)	C233	-16631	6.
	BHCT		
7. Balance at end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule HC, item 4.c)	3123	83570	7.

1. Include write-downs arising from transfers to a held-for-sale account.

Memoranda

Dollar Amounts in Thousands	BHCK		
1. Allocated transfer risk reserve included in Schedule HI-B, part II, item 7	C435	0	M.1.
Memoranda items 2 and 3 are to be completed by (1) holding companies that, together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date or (2) holding companies that on a consolidated basis are credit card specialty holding companies (as defined in the instructions).			
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges	C389	0	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges (included in Schedule HC, item 4.c and Schedule HI-B, part II, item 7)	C390	0	M.3.
Memorandum item 4 is to be completed by all holding companies.			
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with AICPA Statement of Position 03-3 (included in Schedule HI-B, part II, item 7, above)	C781	31113	M.4.

Schedule HI-C—Disaggregated Data on the Allowance for Loan and Lease Losses

Schedule HI-C is to be completed by holding companies with $1 billion or more in total assets.[1]

Dollar Amounts in Thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment (ASC 310-10-35)		(Column B) Allowance Balance: Individually Evaluated for Impairment (ASC 310-10-35)		(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)		(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)		(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)		(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)		
	BHCK		BHCK		BHCK		BHCK		BHCK		BHCK		
1. Real estate loans:													
a. Construction loans	M708	0	M709	0	M710	51684	M711	146	M712	1586	M713	735	1.a.
b. Commercial real estate loans	M714	0	M715	0	M716	1493237	M717	11828	M719	554877	M720	13564	1.b.
c. Residential real estate loans	M721	0	M722	0	M723	1892909	M724	4381	M725	2748843	M726	11379	1.c.
2. Commercial loans[2]	M727	17674	M728	8000	M729	2788545	M730	27966	M731	8261	M732	5382	2.
3. Credit cards	M733	0	M734	0	M735	998	M736	136	M737	0	M738	0	3.
4. Other consumer loans	M739	0	M740	0	M741	303	M742	0	M743	2442	M744	53	4.
5. Unallocated, if any							M745	0					5.
6. Total (sum of items 1.a. through 5.)	M746	17674	M747	8000	M748	6227676	M749	44457	M750	3316009	M751	31113	6.

1. The asset size test is generally based on the total assets reported as of June 30, 2013.
2. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans.

Notes to the Income Statement—Predecessor Financial Items

For holding companies involved in a business combination(s) during the quarter, provide on the lines below income statement information for any acquired company(ies) with aggregated assets of $10 billion or more or 5 percent of the reporting holding company's total consolidated assets as of the previous quarter-end, whichever is less. Information should be reported year-to-date of acquisition.

Dollar Amounts in Thousands	BHBC		
1. Total interest income	4107		1.
a. Interest income on loans and leases	4094		1.a.
b. Interest income on investment securities	4218		1.b.
2. Total interest expense	4073		2.
a. Interest expense on deposits	4421		2.a.
3. Net interest income	4074		3.
4. Provision for loan and lease losses	4230		4.
5. Total noninterest income	4079		5.
a. Income from fiduciary activities	4070		5.a.
b. Trading revenue	A220		5.b.
c. Investment banking, advisory, brokerage, and underwriting fees and commissions	B490		5.c.
d. Venture capital revenue	B491		5.d.
e. Net securitization income	B493		5.e.
f. Insurance commissions and fees	B494		5.f.
6. Realized gains (losses) on held-to-maturity and available-for-sale securities	4091		6.
7. Total noninterest expense	4093		7.
a. Salaries and employee benefits	4135		7.a.
b. Goodwill impairment losses	C216		7.b.
8. Income (loss) before taxes, extraordinary items, and other adjustments	4301		8.
9. Applicable income taxes	4302		9.
10. Noncontrolling (minority) interest	4484		10.
11. Extraordinary items, net of applicable income taxes and noncontrolling (minority) interest	4320		11.
12. Net income (loss)	4340		12.
13. Cash dividends declared	4475		13.
14. Net charge-offs	6061		14.
15. Net interest income (item 3 above) on a fully taxable equivalent basis	4519		15.

Notes to the Income Statement (Other)

Enter in the lines provided below any additional information on specific line items on the income statement or to its schedules that the holding company wishes to explain, that has been separately disclosed in the holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC). *Exclude* any transactions that have been separately disclosed under the reporting requirements specified in memoranda items 6 through 8 to Schedule HI, the Consolidated Income Statement.

Also include any transactions which previously would have appeared as footnotes to Schedules HI through HI-B.

Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

Example

A holding company has received $1.35 million of back interest on loans and leases that are currently in nonaccrual status. The holding company's interest income for the quarter shows that increase which has been disclosed in the report to the stockholders and to the SEC. Enter on the line item below the following information:

TEXT		BHCK			
0000	Sch. HI, item 1.a(1), Recognition of interest payments on nonaccrual loans to XYZ country	0000		1	350

Notes to the Income Statement (Other)

	TEXT	Dollar Amounts in Thousands	BHCK		
1.	5351	OTHER NONINT EXP GREATER THAN $25K & EXCEEDS 3% OF HI.7.D: OTHER REO EXP.	5351	3385	1.
2.	5352		5352	0	2.
3.	5353		5353	0	3.
4.	5354		5354	0	4.
5.	5355		5355	0	5.
6.	B042		B042	0	6.
7.	B043		B043	0	7.
8.	B044		B044	0	8.
9.	B045		B045	0	9.
10.	B046		B046	0	10.

Notes to the Income Statement (Other)—Continued

	TEXT	Dollar Amounts in Thousands	BHCK		
11.	B047		B047	0	11.
12.	B048		B048	0	12.
13.	B049		B049	0	13.
14.	B050		B050	0	14.
15.	B051		B051	0	15.
16.	B052		B052	0	16.
17.	B053		B053	0	17.
18.	B054		B054	0	18.
19.	B055		B055	0	19.
20.	B056		B056	0	20.

IMB HOLDCO LLC

Name of Holding Company

RSSD ID:
3923614

Consolidated Financial Statements for Holding Companies

Report at the close of business 20140630
Month / Day / Year

Schedule HC—Consolidated Balance Sheet

Dollar Amounts in Thousands			BHCK	Amount	
Assets					
1. Cash and balances due from depository institutions:					
a. Noninterest-bearing balances and currency and coin[1]			0081	122250	1.a.
b. Interest-bearing balances:[2]					
(1) In U.S. offices			0395	4463617	1.b.(1)
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs			0397	0	1.b.(2)
2. Securities:					
a. Held-to-maturity securities (from Schedule HC-B, column A)			1754	0	2.a.
b. Available-for-sale securities (from Schedule HC-B, column D)			1773	1222058	2.b.
3. Federal funds sold and securities purchased under agreements to resell:					
a. Federal funds sold in domestic offices			BHDM B987	0	3.a.
b. Securities purchased under agreements to resell[3]			BHCK B989	0	3.b.
4. Loans and lease financing receivables:					
a. Loans and leases held for sale			5369	517003	4.a.
b. Loans and leases, net of unearned income	B528	14112648			4.b.
c. LESS: Allowance for loan and lease losses	3123	83570			4.c.
d. Loans and leases, net of unearned income and allowance for loan and lease losses (item 4.b minus 4.c)			B529	14029078	4.d.
5. Trading assets (from Schedule HC-D)			3545	11927	5.
6. Premises and fixed assets (including capitalized leases)			2145	43600	6.
7. Other real estate owned (from Schedule HC-M)			2150	121825	7.
8. Investments in unconsolidated subsidiaries and associated companies			2130	29041	8.
9. Direct and indirect investments in real estate ventures			3656	120756	9.
10. Intangible assets:					
a. Goodwill			3163	100495	10.a.
b. Other intangible assets (from Schedule HC-M)			0426	36579	10.b.
11. Other assets (from Schedule HC-F)			2160	1748564	11.
12. Total assets (sum of items 1 through 11)			2170	22566793	12.

1. Includes cash items in process of collection and unposted debits.
2. Includes time certificates of deposit not held for trading.
3. Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Schedule HC—Continued

Dollar Amounts in Thousands			
Liabilities	BHDM		
13. Deposits:			
a. In domestic offices (from Schedule HC-E):			
(1) Noninterest-bearing[1]	6631	1074127	13.a.(1)
(2) Interest-bearing	6636	13507838	13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs:	BHFN		
(1) Noninterest-bearing	6631	0	13.b.(1)
(2) Interest-bearing	6636	0	13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase:	BHDM		
a. Federal funds purchased in domestic offices[2]	B993	300000	14.a.
	BHCK		
b. Securities sold under agreements to repurchase[3]	B995	0	14.b.
15. Trading liabilities (from Schedule HC-D)	3548	3768	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule HC-M)	3190	4213606	16.
17. Not applicable			
18. Not applicable			
19. a. Subordinated notes and debentures[4]	4062	0	19.a.
b. Subordinated notes payable to unconsolidated trusts issuing trust preferred securities, and trust preferred securities issued by consolidated special purpose entities	C699	0	19.b.
20. Other liabilities (from Schedule HC-G)	2750	554521	20.
21. Total liabilities (sum of items 13 through 20)	2948	19653860	21.
22. Not applicable			
Equity Capital			
Holding Company Equity Capital			
23. Perpetual preferred stock and related surplus	3283	0	23.
24. Common stock (par value)	3230	0	24.
25. Surplus (exclude all surplus related to preferred stock)	3240	1678543	25.
26. a. Retained earnings	3247	1093950	26.a.
b. Accumulated other comprehensive income[5]	B530	140440	26.b.
c. Other equity capital components[6]	A130	0	26.c.
27. a. Total holding company equity capital (sum of items 23 through 26.c)	3210	2912933	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	3000	0	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	G105	2912933	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	3300	22566793	29.

1. Includes noninterest-bearing demand, time, and savings deposits.
2. Report overnight Federal Home Loan Bank advances in Schedule HC, item 16, "Other borrowed money."
3. Includes all securities repurchase agreements in domestic and foreign offices regardless of maturity.
4. Includes limited-life preferred stock and related surplus.
5. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and accumulated defined benefit pension and other postretirement plan adjustments.
6. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule HC—Continued

Memoranda (to be completed annually by holding companies for the December 31 report date)

1. Has the holding company engaged in a full-scope independent external audit at any time during the calendar year? (Enter "1" for Yes, enter "0" for No.)	0=No / 1=Yes	BHCK C884		M.1.

2. If response to Memoranda item 1 is yes, indicate below the name and address of the holding company's independent external auditing firm (see instructions), and the name and e-mail address of the auditing firm's engagement partner.[7]

a.
(1) Name of External Auditing Firm (TEXT C703)
(2) City (TEXT C708)
(3) State Abbreviation (TEXT C714)
(4) Zip Code (TEXT C715)

b.
(1) Name of Engagement Partner (TEXT C704)
(2) E-mail Address (TEXT C705)

7. The Federal Reserve regards information submitted in response to Memorandum item 2.b as confidential.

Schedule HC-B—Securities

Dollar Amounts in Thousands	Held-to-Maturity (Column A) Amortized Cost		Held-to-Maturity (Column B) Fair Value		Available-for-Sale (Column C) Amortized Cost		Available-for-Sale (Column D) Fair Value		
	BHCK		BHCK		BHCK		BHCK		
1. U.S. Treasury securities	0211	0	0213	0	1286	0	1287	0	1.
2. U.S. government agency obligations (exclude mortgage-backed securities):									
a. Issued by U.S. government agencies[1]	1289	0	1290	0	1291	0	1293	0	2.a.
b. Issued by U.S. government-sponsored agencies[2]	1294	0	1295	0	1297	0	1298	0	2.b.
3. Securities issued by states and political subdivisions in the U.S.	8496	0	8497	0	8498	0	8499	0	3.
4. Mortgage-backed securities (MBS)									
a. Residential pass-through securities:									
(1) Guaranteed by GNMA	G300	0	G301	0	G302	6610	G303	6919	4.a.(1)
(2) Issued by FNMA and FHLMC	G304	0	G305	0	G306	50639	G307	54015	4.a.(2)
(3) Other pass-through securities	G308	0	G309	0	G310	0	G311	0	4.a.(3)
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									
(1) Issued or guaranteed by U.S. Government agencies or sponsored agencies[3]	G312	0	G313	0	G314	0	G315	0	4.b.(1)
(2) Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[3]	G316	0	G317	0	G318	0	G319	0	4.b.(2)
(3) All other residential mortgage-backed securities	G320	0	G321	0	G322	926271	G323	1161124	4.b.(3)
c. Commercial MBS:									
(1) Commercial pass-through securities:									
(a) Issued or guaranteed by FNMA, FHLMC, or GNMA	K142	0	K143	0	K144	0	K145	0	4.c.(1)(a)
(b) Other pass-through securities	K146	0	K147	0	K148	0	K149	0	4.c.(1)(b)
(2) Other commercial MBS:									
(a) Issued or guaranteed by U.S. Government agencies or sponsored agencies[3]	K150	0	K151	0	K152	0	K153	0	4.c.(2)(a)
(b) All other commercial MBS	K154	0	K155	0	K156	0	K157	0	4.c.(2)(b)

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates," U.S. Maritime Administration obligations, and Export-Import Bank participation certificates.
2. Includes obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.
3. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Schedule HC-B—Continued

Dollar Amounts in Thousands	Held-to-Maturity (Column A) Amortized Cost		Held-to-Maturity (Column B) Fair Value		Available-for-Sale (Column C) Amortized Cost		Available-for-Sale (Column D) Fair Value		
	BHCK		BHCK		BHCK		BHCK		
5. Asset-backed securities and structured financial products:									
a. Asset-backed Securities (ABS)	C026	0	C988	0	C989	0	C027	0	5.a.
b. Structured financial products:									
(1) Cash	G336	0	G337	0	G338	0	G339	0	5.b.(1)
(2) Synthetic	G340	0	G341	0	G342	0	G343	0	5.b.(2)
(3) Hybrid	G344	0	G345	0	G346	0	G347	0	5.b.(3)
6. Other debt securities:									
a. Other domestic debt securities	1737	0	1738	0	1739	0	1741	0	6.a.
b. Other foreign debt securities	1742	0	1743	0	1744	0	1746	0	6.b.
7. Investments in mutual funds and other equity securities with readily determinable fair values					A510	0	A511	0	7.
8. Total (sum of 1 through 7) (total of column A must equal Schedule HC, item 2.a) (total of column D must equal Schedule HC, item 2.b)	BHCT 1754	0	1771	0	1772	983520	BHCT 1773	1222058	8.

Memoranda

Dollar Amounts in Thousands	BHCK		
1. Pledged securities[1]	0416	181	M.1.
2. Remaining maturity or next repricing date of debt securities[2,3] (Schedule HC-B, items 1 through 6.b in columns A and D above):			
a. 1 year and less	0383	2784	M.2.a.
b. Over 1 year to 5 years	0384	224	M.2.b.
c. Over 5 years	0387	1219050	M.2.c.
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	1778	0	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule HC-B, items 2, 3, 5, and 6):			
a. Amortized cost	8782	0	M.4.a.
b. Fair value	8783	0	M.4.b.

1. Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.
2. Exclude investments in mutual funds and other equity securities with readily determinable fair values.
3. Report fixed-rate debt securities by remaining maturity and floating debt securities by next repricing date.

Schedule HC-B—Continued

Memoranda—Continued

Dollar Amounts in Thousands	Held-to-Maturity (Column A) Amortized Cost BHCK		Held-to-Maturity (Column B) Fair Value BHCK		Available-for-Sale (Column C) Amortized Cost BHCK		Available-for-Sale (Column D) Fair Value BHCK		
Memorandum item 5 is to be completed by holding companies with total assets over $1 billion or with foreign offices.[1]									
5. Asset-backed securities (ABS) (sum of Memorandum items 5.a through 5.f must equal Schedule HC-B, item 5.a):									
a. Credit card receivables	B838	0	B839	0	B840	0	B841	0	M.5.a.
b. Home equity lines	B842	0	B843	0	B844	0	B845	0	M.5.b.
c. Automobile loans	B846	0	B847	0	B848	0	B849	0	M.5.c.
d. Other consumer loans	B850	0	B851	0	B852	0	B853	0	M.5.d.
e. Commercial and industrial loans	B854	0	B855	0	B856	0	B857	0	M.5.e.
f. Other	B858	0	B859	0	B860	0	B861	0	M.5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule HC-B, sum of items 5.b.(1) through (3)):									
a. Trust preferred securities issued by financial institutions	G348	0	G349	0	G350	0	G351	0	M.6.a.
b. Trust preferred securities issued by real estate investment trusts	G352	0	G353	0	G354	0	G355	0	M.6.b.
c. Corporate and similar loans	G356	0	G357	0	G358	0	G359	0	M.6.c.
d. 1–4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	G360	0	G361	0	G362	0	G363	0	M.6.d.
e. 1–4 family residential MBS not issued or guaranteed by GSEs	G364	0	G365	0	G366	0	G367	0	M.6.e.
f. Diversified (mixed) pools of structured financial products	G368	0	G369	0	G370	0	G371	0	M.6.f.
g. Other collateral or reference assets	G372	0	G373	0	G374	0	G375	0	M.6.g.

1. The $1 billion asset size test is generally based on the total assets reported as of June 30, 2013.

Schedule HC-C—Loans and Lease Financing Receivables

Do not deduct the allowance for loan and lease losses from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar Amounts in Thousands	(Column A) Consolidated BHCK		(Column B) In Domestic Offices BHDM		
1. Loans secured by real estate	1410	11324598			1.
a. Construction, land development, and other land loans:			BHCK		
(1) 1–4 family residential construction loans			F158	10160	1.a.(1)
(2) Other construction loans and all land development and other land loans			F159	43110	1.a.(2)
			BHDM		
b. Secured by farmland			1420	0	1.b.
c. Secured by 1–4 family residential properties:					
(1) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit			1797	1354915	1.c.(1)
(2) Closed-end loans secured by 1–4 family residential properties:					
(a) Secured by first liens			5367	6810656	1.c.(2)(a)
(b) Secured by junior liens			5368	47174	1.c.(2)(b)
d. Secured by multifamily (5 or more) residential properties			1460	1497299	1.d.
e. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties			BHCK F160	347996	1.e.(1)
(2) Loans secured by other nonfarm nonresidential properties			F161	1213288	1.e.(2)
			BHDM		
2. Loans to depository institutions and acceptances of other banks			1288	0	2.
a. To U.S. banks and other U.S. depository institutions	1292	0			2.a.
b. To foreign banks	1296	0			2.b.
3. Loans to finance agricultural production and other loans to farmers	1590	0	1590	0	3.
4. Commercial and industrial loans			1766	2813230	4.
a. To U.S. addressees (domicile)	1763	2797391			4.a.
b. To non-U.S. addressees (domicile)	1764	15839			4.b.
5. Not applicable					
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)			1975	3743	6.
a. Credit cards	B538	998			6.a.
b. Other revolving credit plans	B539	0			6.b.
c. Automobile loans	K137	0			6.c.
d. Other consumer loans (includes single payment, installment, and all student loans)	K207	2745			6.d.
7. Loans to foreign governments and official institutions (including foreign central banks)	2081	0	2081	0	7.
8. Not applicable					
9. Loans to nondepository financial institutions and other loans:					
a. Loans to nondepository financial institutions	J454	486830	J454	486830	9.a.
b. Other loans					
(1) Loans for purchasing or carrying securities (secured or unsecured)	1545	0	1545	0	9.b.(1)
(2) All other loans (exclude consumer loans)	J451	1250	J451	1250	9.b.(2)
10. Lease financing receivables (net of unearned income)			2165	0	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	F162	0			10.a.
b. All other leases	F163	0			10.b.
11. LESS: Any unearned income on loans reflected in items 1–9 above	2123	0	2123	0	11.
12. Total (sum of items 1 through 10 minus item 11) (total of column A must equal Schedule HC, sum of items 4.a and 4.b)	2122	14629651	2122	14629651	12.

Schedule HC-C—Continued

Memoranda

Dollar Amounts in Thousands		BHDM		
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule HC-C, and not reported as past due or nonaccrual in Schedule HC-N, Memorandum item 1):				
a. Construction, land development, and other land loans in domestic offices:				
(1) 1–4 family residential construction loans		K158	0	M.1.a.(1)
(2) All other construction loans and all land development and other land loans		K159	0	M.1.a.(2)
b. Loans secured by 1–4 family residential properties in domestic offices		F576	819	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices		K160	0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties		K161	0	M.1.d.(1)
(2) Loans secured by other nonfarm nonresidential properties		K162	0	M.1.d.(2)
e. Commercial and Industrial loans:		BHCK		
(1) To U.S. addressees (domicile)	K163 0			M.1.e.(1)
(2) To non-U.S. addressees (domicile)	K164 0			M.1.e.(2)
f. All other loans (*include* loans to individuals for household, family, and other personal expenditures)[1]		K165	2	M.1.f.
Itemize and describe loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.f):		BHDM		
(1) Loans secured by farmland in domestic offices		K166	0	M.1.f.(1)
		BHCK		
(2) Loans to depository institutions and acceptances of other banks		K167	0	M.1.f.(2)
(3) Loans to finance agricultural production and other loans to farmers		K168	0	M.1.f.(3)
(4) Loans to individuals for household, family, and other personal expenditures:				
(a) Credit cards		K098	2	M.1.f.(4)(a)
(b) Automobile loans		K203	0	M.1.f.(4)(b)
(c) Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)		K204	0	M.1.f.(4)(c)
(5) Loans to foreign governments and official institutions		K212	0	M.1.f.(5)
(6) Other loans[1]		K267	0	M.1.f.(6)
2. Loans to finance commercial real estate, construction, and land development activities *(not secured by real estate)* included in Schedule HC-C, items 4 and 9, Column A, above		2746	486830	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule HC-C, item 1, column A)		B837	0	M.3.
Memorandum item 4 is to be completed by (1) holding companies that, together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date or (2) holding companies that on a consolidated basis are credit card specialty holding companies (as defined in the instructions).				
4. Outstanding credit card fees and finance charges (included in Schedule HC-C, item 6.a, Column A)		C391	0	M.4.
Memorandum item 5 is to be completed by all holding companies.				
5. Purchased credit-impaired loans held for investment accounted for in accordance with AICPA Statement of Position 03-3 (exclude loans held for sale):				
a. Outstanding balance		C779	3838979	M.5.a.
b. Carrying amount included in Schedule HC-C, items 1 through 9		C780	3316009	M.5.b.
6. Closed-end loans with negative amortization features secured by 1–4 family residential properties in domestic offices:				
a. Total carrying amount of closed-end loans with negative amortization features secured by 1–4 family residential properties (included in Schedule HC-C, items 1.c.(2)(a) and (b))		F230	993007	M.6.a.

1. Includes "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," "Loans to nondepository financial institutions and other loans," and loans secured by real estate in foreign offices.

Schedule HC-C—Continued

Memoranda—Continued

Dollar Amounts in Thousands	BHCK		
Memorandum items 6.b and 6.c are to be completed by holding companies that had closed-end loans with negative amortization features secured by 1–4 family residential properties (as reported in Schedule HC-C, Memorandum item 6.a) as of December 31, 2013, that exceeded the lesser of $100 million or 5 percent of total loans and leases, net of unearned income, in domestic offices (as reported in Schedule HC-C, item 12, column B).			
6. b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1–4 family residential properties	F231	286612	M.6.b.
c. Total amount of negative amortization on closed-end loans secured by 1–4 family residential properties included in the carrying amount reported in Memorandum item 6.a above	F232	2011	M.6.c.
7.-8. Not applicable.			
9. Loans secured by 1–4 family residential properties in domestic offices in process of foreclosure (included in Schedule HC-C, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	BHDM F577	1193227	M.9.

Dollar Amounts in Thousands	(Column A) Consolidated BHCK		(Column B) Domestic Offices BHDM		
Memorandum items 10 and 11 are to be completed by holding companies that have elected to measure loans included in Schedule HC-C, items 1 through 9, at fair value under a fair value option.					
10. Loans measured at fair value:					
a. Loans secured by real estate	F608	4563754			M.10.a.
(1) Construction, land development, and other land loans			F578	0	M.10.a.(1)
(2) Secured by farmland (including farm residential and other improvements)			F579	0	M.10.a.(2)
(3) Secured by 1–4 family residential properties:					
(a) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit			F580	1125208	M.10.a.(3)(a)
(b) Closed-end loans secured by 1–4 family residential properties:					
(i) Secured by first liens			F581	3392339	M.10.a.(3)(b)(i)
(ii) Secured by junior liens			F582	46207	M.10.a.(3)(b)(ii)
(4) Secured by multifamily (5 or more) residential properties			F583	0	M.10.a.(4)
(5) Secured by nonfarm nonresidential properties			F584	0	M.10.a.(5)
b. Commercial and industrial loans	F585	0	F585	0	M.10.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					
(1) Credit cards	F586	0	F586	0	M.10.c.(1)
(2) Other revolving credit plans	F587	0	F587	0	M.10.c.(2)
(3) Automobile loans	K196	0	K196	0	M.10.c.(3)
(4) Other consumer loans (includes single payment, installment, and all student loans)	K208	0	K208	0	M.10.c.(4)
d. Other loans	F589	0	F589	0	M.10.d.

Schedule HC-C—Continued

Memoranda—Continued

Dollar Amounts in Thousands	(Column A) Consolidated BHCK		(Column B) Domestic Offices BHDM		
11. Unpaid principal balances of loans measured at fair value (reported in memorandum item 10):					
a. Loans secured by real estate	F609	6422577			M.11.a.
(1) Construction, land development, and other land loans			F590	0	M.11.a.(1)
(2) Secured by farmland (including farm residential and other improvements)			F591	0	M.11.a.(2)
(3) Secured by 1–4 family residential properties:					
(a) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit			F592	1647986	M.11.a.(3)(a)
(b) Closed-end loans secured by 1–4 family residential properties:					
(i) Secured by first liens			F593	4698609	M.11.a.(3)(b)(i)
(ii) Secured by junior liens			F594	75982	M.11.a.(3)(b)(ii)
(4) Secured by multifamily (5 or more) residential properties			F595	0	M.11.a.(4)
(5) Secured by nonfarm nonresidential properties			F596	0	M.11.a.(5)
b. Commercial and industrial loans	F597	0	F597	0	M.11.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					
(1) Credit cards	F598	0	F598	0	M.11.c.(1)
(2) Other revolving credit plans	F599	0	F599	0	M.11.c.(2)
(3) Automobile loans	K195	0	K195	0	M.11.c.(3)
(4) Other consumer loans (includes single payment, installment, and all student loans)	K209	0	K209	0	M.11.c.(4)
d. Other loans	F601	0	F601	0	M.11.d.

Dollar Amounts in Thousands	(Column A) Fair value of acquired loans and leases at acquisition date BHCK		(Column B) Gross contractual amounts receivable at acquisition BHCK		(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected BHCK		
12. Loans (not subject to the requirements of AICPA Statement of Position 03-3) and leases held for investment that are acquired in business combinations with acquisition dates in the current calendar year:							
a. Loans secured by real estate	G091	0	G092	0	G093	0	M.12.a.
b. Commercial and industrial loans	G094	0	G095	0	G096	0	M.12.b.
c. Loans to individuals for household, family, and other personal expenditures	G097	0	G098	0	G099	0	M.12.c.
d. All other loans and all leases	G100	0	G101	0	G102	0	M.12.d.

Dollar Amounts in Thousands	BHCK		
13. Not applicable			
14. Pledged loans and leases	G378	8969441	M.14.

Schedule HC-D—Trading Assets and Liabilities

Schedule HC-D is to be completed by holding companies that reported average trading assets (Schedule HC-K, item 4.a) of $2 million or more in any of the four preceding quarters.

Dollar Amounts in Thousands	(Column A) Consolidated		(Column B) Domestic Offices		
	BHCM		BHCK		
Assets					
1. U.S. Treasury securities	3531	0	3531	0	1.
2. U.S. government agency obligations (exclude mortgage-backed securities)	3532	0	3532	0	2.
3. Securities issued by states and political subdivisions in the U.S.	3533	0	3533	0	3.
4. Mortgage-backed securities (MBS):					
a. Residential pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	BHCK G379	0	BHDM G379	0	4.a.
b. Other residential mortgage-backed securities issued or guaranteed by U.S. Government agencies or sponsored agencies[1] (include CMOs, REMICs, and stripped MBS)	G380	76	G380	76	4.b.
c. All other residential mortgage-backed securities	G381	7309	G381	7309	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	K197	0	K197	0	4.d.
e. All other commercial MBS	K198	0	K198	0	4.e.
5. Other debt securities					
a. Structured financial products:					
(1) Cash	G383	0	G383	0	5.a.(1)
(2) Synthetic	G384	0	G384	0	5.a.(2)
(3) Hybrid	G385	0	G385	0	5.a.(3)
b. All other debt securities	G386	0	G386	0	5.b.
6. Loans:					
a. Loans secured by real estate	F610	0			6.a.
(1) Construction, land development, and other land loans			F604	0	6.a.(1)
(2) Secured by farmland (including farm residential and other improvements)			F605	0	6.a.(2)
(3) Secured by 1–4 family residential properties:					
(a) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit			F606	0	6.a.(3)(a)
(b) Closed-end loans secured by 1–4 family residential properties:					
(i) Secured by first liens			F607	0	6.a.(3)(b)(i)
(ii) Secured by junior liens			F611	0	6.a.(3)(b)(ii)
(4) Secured by multifamily (5 or more) residential properties			F612	0	6.a.(4)
(5) Secured by nonfarm nonresidential properties			F613	0	6.a.(5)
b. Commercial and industrial loans	F614	0	F614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					
(1) Credit cards	F615	0	F615	0	6.c.(1)
(2) Other revolving credit plans	F616	0	F616	0	6.c.(2)
(3) Automobile loans	K199	0	K199	0	6.c.(3)
(4) Other consumer loans (includes single payment, installment, and all student loans)	K210	0	K210	0	6.c.(4)
d. Other loans	F618	0	F618	0	6.d.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Schedule HC-D—Continued

Dollar Amounts in Thousands	(Column A) Consolidated		(Column B) Domestic Offices		
	BHCM		BHCK		
7.–8. Not applicable					
9. Other trading assets	3541	0	3541	0	9.
10. Not applicable					
11. Derivatives with a positive fair value	3543	4542	3543	4542	11.
12. Total trading assets (sum of items 1 through 11)	BHCT		BHDM		
(total of Column A must equal Schedule HC, item 5)	3545	11927	3545	11927	12.
Liabilities					
13. a. Liability for short positions:	BHCK		BHDM		
(1) Equity securities	G209	0	G209	0	13.a.(1)
(2) Debt securities	G210	0	G210	0	13.a.(2)
(3) All other assets	G211	0	G211	0	13.a.(3)
b. All other trading liabilities	F624	0	F624	0	13.b.
14. Derivatives with a negative fair value	3547	3768	3547	3768	14.
15. Total trading liabilities (sum of items 13.a through 14)	BHCT				
(total of column A must equal Schedule HC, item 15)	3548	3768	3548	3768	15.

Memoranda

Dollar Amounts in Thousands	BHCK		BHDM		
1. Unpaid principal balance of loans measured at fair value (reported in Schedule HC-D, items 6.a. through 6.d.)					
a. Loans secured by real estate	F790	0			M.1.a.
(1) Construction, land development, and other land loans			F625	0	M.1.a.(1)
(2) Secured by farmland (including farm residential and other improvements)			F626	0	M.1.a.(2)
(3) Secured by 1–4 family residential properties:					
(a) Revolving, open-end land secured by 1–4 family residential properties and extended under lines of credit			F627	0	M.1.a.(3)(a)
(b) Closed-end loans secured by 1–4 family residential properties:					
(i) Secured by first liens			F628	0	M.1.a.(3)(b)(i)
(ii) Secured by junior liens			F629	0	M.1.a.(3)(b)(ii)
(4) Secured by multifamily (5 or more) residential properties			F630	0	M.1.a.(4)
(5) Secured by nonfarm nonresidential properties			F631	0	M.1.a.(5)
b. Commercial and industrial loans	F632	0	F632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					
(1) Credit cards	F633	0	F633	0	M.1.c.(1)
(2) Other revolving credit plans	F634	0	F634	0	M.1.c.(2)
(3) Automobile loans	K200	0	K200	0	M.1.c.(3)
(4) Other consumer loans (includes single payment, installment, and all student loans)	K211	0	K211	0	M.1.c.(4)
d. Other loans	F636	0	F636	0	M.1.d.
2. Loans measured at fair value that are past due 90 days or more:					
a. Fair value	F639	0	F639	0	M.2.a.
b. Unpaid principal balance	F640	0	F640	0	M.2.b.

Schedule HC-D—Continued

Memoranda—Continued

Dollar Amounts in Thousands	(Column A) Consolidated BHCK		(Column B) Domestic Offices BHDM		
3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule HC-D, sum of items 5.a.(1) through (3)):					
a. Trust preferred securities issued by financial institutions	G299	0	G299	0	M.3.a.
b. Trust preferred securities issued by real estate investment trusts	G332	0	G332	0	M.3.b.
c. Corporate and similar loans	G333	0	G333	0	M.3.c.
d. 1–4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	G334	0	G334	0	M.3.d.
e. 1–4 family residential MBS not issued or guaranteed by GSEs	G335	0	G335	0	M.3.e.
f. Diversified (mixed) pools of structured financial products	G651	0	G651	0	M.3.f.
g. Other collateral or reference assets	G652	0	G652	0	M.3.g.
4. Pledged trading assets:					
a. Pledged securities	G387	0	G387	0	M.4.a.
b. Pledged loans	G388	0	G388	0	M.4.b.

Dollar Amounts in Thousands	BHCK		
Memoranda items 5 through 10 are to be completed by holding companies that reported average trading assets (Schedule HC-K, item 4.a.) of $1 billion or more in any of the four preceding quarters.			
5. Asset-backed securities:			
a. Credit card receivables	F643		M.5.a.
b. Home equity lines	F644		M.5.b.
c. Automobile loans	F645		M.5.c.
d. Other consumer loans	F646		M.5.d.
e. Commercial and industrial loans	F647		M.5.e.
f. Other	F648		M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)	F651		M.6.
7. Equity securities:			
a. Readily determinable fair values	F652		M.7.a.
b. Other	F653		M.7.b.
8. Loans pending securitization	F654		M.8.
9. a. (1) Gross fair value of commodity contracts	G212		M.9.a.(1)
(2) Gross fair value of physical commodities held in inventory	G213		M.9.a.(2)
b. Other trading assets (itemize and describe amounts included in Schedule HC-D, item 9, column A (other than amounts included in Memoranda items 9.a.(1) and 9.a.(2) above) that are greater than $25,000 and exceed 25 percent of item 9 less Memoranda items 9.a.(1) and 9. a. (2)):			
(1) BHTX F655	F655		M.9.b.(1)
(2) BHTX F656	F656		M.9.b.(2)
(3) BHTX F657	F657		M.9.b.(3)
10. Other trading liabilities (itemize and describe amounts included in Schedule HC-D, item 13.b that are greater than $25,000 and exceed 25 percent of the item)			
a. BHTX F658	F658		M.10.a.
b. BHTX F659	F659		M.10.b.
c. BHTX F660	F660		M.10.c.

Schedule HC-E—Deposit Liabilities[1]

Dollar Amounts in Thousands	BHCB		
1. Deposits held in domestic offices of commercial bank subsidiaries of the reporting holding company:			
a. Noninterest-bearing balances[2]	2210	1074127	1.a.
b. Interest-bearing demand deposits, NOW, ATS, and other transaction accounts	3187	164764	1.b.
c Money market deposit accounts and other savings accounts	2389	6225090	1.c.
d. Time deposits of less than $100,000	6648	2539491	1.d.
e. Time deposits of $100,000 or more	2604	4578493	1.e.
2. Deposits held in domestic offices of other depository institutions that are subsidiaries of the reporting holding company:	BHOD		
a. Noninterest-bearing balances[2]	3189	0	2.a.
b. Interest-bearing demand deposits, NOW, ATS, and other transaction accounts	3187	0	2.b.
c. Money market deposit accounts and other savings accounts	2389	0	2.c.
d. Time deposits of less than $100,000	6648	0	2.d.
e. Time deposits of $100,000 or more	2604	0	2.e.

Memoranda

Dollar Amounts in Thousands	BHDM		
1. Brokered deposits less than $100,000 with a remaining maturity of one year or less	A243	0	M.1.
2. Brokered deposits less than $100,000 with a remaining maturity of more than one year	A164	0	M.2.
3. Time deposits of $100,000 or more with a remaining maturity of one year or less	A242	3818115	M.3.
	BHFN		
4. Foreign office time deposits with a remaining maturity of one year or less	A245	0	M.4.

1. The sum of items 1.a through 1.e and items 2.a through 2.e must equal the sum of Schedule HC, items 13.a.(1) and 13.a.(2).
2. Includes noninterest-bearing demand, time, and savings deposits.

Schedule HC-F—Other Assets

Dollar Amounts in Thousands	BHCK		
1. Accrued interest receivable[1]	B556	19086	1.
2. Net deferred tax assets[2]	2148	16106	2.
3. Interest-only strips receivable (not in the form of a security)[3] on:			
a. Mortgage loans	A519	0	3.a.
b. Other financial assets	A520	0	3.b.
4. Equity securities that DO NOT have readily determinable fair values[4]	1752	228611	4.
5. Life insurance assets:			
a. General account life insurance assets	K201	0	5.a.
b. Separate account life insurance assets	K202	0	5.b.
c. Hybrid account life insurance assets	K270	0	5.c.
6. Other	2168	1484761	6.
	BHCT		
7. Total (sum of items 1 through 6) (must equal Schedule HC, item 11)	2160	1748564	7.

1. Include accrued interest receivable on loans, leases, debt securities and other interest-bearing assets.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
3. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule HC, item 2.b, or as trading assets in Schedule HC, item 5, as appropriate.
4. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule HC-G—Other Liabilities

Dollar Amounts in Thousands	BHCK	Amount	
1. Not applicable			
2. Net deferred tax liabilities[1]	3049	0	2.
3. Allowance for credit losses on off-balance-sheet credit exposures	B557	6545	3.
4. Other	B984	547976	4.
	BHCT		
5. Total (sum of items 2 through 4) (must equal Schedule HC, item 20)	2750	554521	5.

1. See discussion of deferred income taxes in Glossary entry on "income taxes."

Schedule HC-H—Interest Sensitivity[1]

Dollar Amounts in Thousands	BHCK	Amount	
1. Earning assets that are repriceable within one year or mature within one year	3197	12667962	1.
2. Interest-bearing deposit liabilities that reprice within one year or mature within one year included in item 13.a.(2) and 13.b.(2) on Schedule HC, Balance Sheet	3296	5916435	2.
3. Long-term debt that reprices within one year included in items 16 and 19.a on Schedule HC, Balance Sheet	3298	154554	3.
4. Variable-rate preferred stock (includes both limited-life and perpetual preferred stock)	3408	0	4.
5. Long-term debt reported in Schedule HC, item 19.a on the Balance Sheet that is scheduled to mature within one year	3409	0	5.

1. Holding companies with foreign offices have the option of excluding the smallest of such non-U.S. offices from coverage in this schedule. Such holding companies may omit the smallest of their offices in foreign countries when arrayed by total assets provided that the assets of the excluded offices do not exceed 50 percent of the total assets of the holding company's assets in foreign countries and 10 percent of the holding company's total consolidated assets as of the report date.

Schedule HC-I—Insurance-Related Underwriting Activities (Including Reinsurance)

Schedule HC-I must be completed by all top-tier holding companies. (See instructions for additional information.)

I. Property and Casualty Underwriting

Dollar Amounts in Thousands	BHCK		
Assets			
1. Reinsurance recoverables	B988	0	1.
2. Total assets	C244	0	2.
Liabilities			
3. Claims and claims adjustment expense reserves	B990	0	3.
4. Unearned premiums	B991	0	4.
5. Total equity	C245	0	5.
6. Net income	C246	0	6.

II. Life and Health Underwriting

	BHCK		
Assets			
1. Reinsurance recoverables	C247	0	1.
2. Separate account assets	B992	0	2.
3. Total assets	C248	0	3.
Liabilities			
4. Policyholder benefits and contractholder funds	B994	0	4.
5. Separate account liabilities	B996	0	5.
6. Total equity	C249	0	6.
7. Net income	C250	0	7.

Schedule HC-K—Quarterly Averages

Dollar Amounts in Thousands	BHCK		
Assets			
1. Securities:			
a. U.S. Treasury securities and U.S. government agency obligations (excluding mortgage-backed securities)	B558	0	1.a.
b. Mortgage-backed securities	B559	991369	1.b.
c. All other securities (includes securities issued by states and political subdivisions in the U.S.)	B560	0	1.c.
2. Federal funds sold and securities purchased under agreements to resell	3365	0	2.
	BHDM		
3. a. Total loans and leases in domestic offices	3516	14090194	3.a.
(1) Loans secured by 1–4 family residential properties	3465	7858042	3.a.(1)
(2) All other loans secured by real estate	3466	3053816	3.a.(2)
(3) Loans to finance agricultural production and other loans to farmers	3386	0	3.a.(3)
(4) Commercial and industrial loans	3387	2713248	3.a.(4)
(5) Loans to individuals for household, family, and other personal expenditures:			
(a) Credit cards	B561	1003	3.a.(5)(a)
(b) Other (includes single payment, installment other than auto loans, all student loans, and revolving credit plans other than credit cards	B562	2753	3.a.(5)(b)
	BHFN		
b. Total loans and leases in foreign offices, Edge and agreement subsidiaries, and IBFs	3360	0	3.b.
	BHCK		
4. a. Trading assets	3401	10344	4.a.
b. Other earning assets	B985	4863418	4.b.
5. Total consolidated assets	3368	22172089	5.
Liabilities			
6. Interest-bearing deposits (domestic)[1]	3517	13886637	6.
7. Interest-bearing deposits (foreign)[1]	3404	0	7.
8. Federal funds purchased and securities sold under agreements to repurchase	3353	115385	8.
9. All other borrowed money	2635	3564646	9.
10. Not applicable			
Equity Capital			
11. Total equity capital (excludes limited-life preferred stock)	3519	3421774	11.

1. Includes interest-bearing demand deposits.

RSSD ID:
3923614

Schedule HC-L—Derivatives and Off-Balance-Sheet Items

(Report only transactions with nonrelated institutions)

Dollar Amounts in Thousands		BHCK		
1. Unused commitments (report only the unused portions of commitments that are fee paid or otherwise legally binding):				
a. Revolving, open-end loans secured by 1–4 family residential properties, (e.g., home equity lines)		3814	146101	1.a.
b. (1) Unused consumer credit card lines		J455	15937	1.b.(1)
(2) Other unused credit card lines		J456	0	1.b.(2)
c. (1) Commitments to fund commercial real estate, construction, and land development loans secured by real estate (sum of items 1.c.(1)(a) and (b) must equal item 1.c.(1))		3816	312857	1.c.(1)
(a) 1–4 family residential construction loan commitments	F164 1690			1.c.(1)(a)
(b) Commercial real estate, other construction loan, and land development loan commitments	F165 311167			1.c.(1)(b)
(2) Commitments to fund commercial real estate, construction, and land development loans NOT secured by real estate		6550	73931	1.c.(2)
d. Securities underwriting		3817	0	1.d.
e. Other unused commitments:				
(1) Commercial and industrial loans		J457	1629370	1.e.(1)
(2) Loans to financial institutions		J458	0	1.e.(2)
(3) All other unused commitments		J459	13615	1.e.(3)
2. Financial standby letters of credit and foreign office guarantees		6566	49797	2.
Item 2.a is to be completed by holding companies with $1 billion or more in total assets.[1]				
a. Amount of financial standby letters of credit conveyed to others		3820	0	2.a.
3. Performance standby letters of credit and foreign office guarantees		6570	0	3.
Item 3.a is to be completed by holding companies with $1 billion or more in total assets.[1]				
a. Amount of performance standby letters of credit conveyed to others		3822	0	3.a.
4. Commercial and similar letters of credit		3411	0	4.
5. Not applicable				
6. Securities lent		3433	0	6.

7. Credit derivatives:	(Column A) Sold Protection		(Column B) Purchased Protection		
a. Notional amounts:	BHCK		BHCK		
(1) Credit default swaps	C968	0	C969	0	7.a.(1)
(2) Total return swaps	C970	0	C971	0	7.a.(2)
(3) Credit options	C972	0	C973	0	7.a.(3)
(4) Other credit derivatives	C974	0	C975	0	7.a.(4)
b. Gross fair values:					
(1) Gross positive fair value	C219	0	C221	0	7.b.(1)
(2) Gross negative fair value	C220	0	C222	0	7.b.(2)

	BHCK		
c. Notional amounts by regulatory capital treatment:			
(1) Positions covered under the Market Risk Rule:			
(a) Sold protection	G401	0	7.c.(1)(a)
(b) Purchased protection	G402	0	7.c.(1)(b)
(2) All other positions:			
(a) Sold protection	G403	0	7.c.(2)(a)
(b) Purchased protection that is recognized as a guarantee for regulatory capital purposes	G404	0	7.c.(2)(b)
(c) Purchased protection that is not recognized as a guarantee for regulatory capital purposes	G405	0	7.c.(2)(c)

1. The $1 billion asset size test is generally based on the total assets reported as of June 30, 2013.

Schedule HC-L—Continued

(Report only transactions with nonrelated institutions)

Dollar Amounts in Thousands	Remaining Maturity of: (Column A) One year or less		(Column B) Over One Year Through Five Years		(Column C) Over Five Years		
	BHCK		BHCK		BHCK		
7. d. Notional amounts by remaining maturity:							
(1) Sold credit protection:							
(a) Investment grade	G406	0	G407	0	G408	0	7.d.(1)(a)
(b) Subinvestment grade	G409	0	G410	0	G411	0	7.d.(1)(b)
(2) Purchased credit protection:							
(a) Investment grade	G412	0	G413	0	G414	0	7.d.(2)(a)
(b) Subinvestment grade	G415	0	G416	0	G417	0	7.d.(2)(b)

	BHCK		
8. Spot foreign exchange contracts	8765	0	8.
9. All other off-balance-sheet items (exclude derivatives) (include in item 9 the aggregate amount all other off-balance-sheet items that individually exceed 10 percent of Schedule HC, item 27.a, "Total holding company equity capital") (itemize and describe in items 9.a through 9.g only amounts that exceed 25 percent of Schedule HC, item 27.a)	3430	0	9.
a. Securities borrowed	3432	0	9.a.
b. Commitments to purchase when-issued securities	3434	0	9.b.
c. Commitments to sell when-issued securities	3435	0	9.c.
d. TEXT 6561	6561	0	9.d.
e. TEXT 6562	6562	0	9.e.
f. TEXT 6568	6568	0	9.f.
g. TEXT 6586	6586	0	9.g.

10. Not applicable

Schedule HC-L—Continued

Dollar Amounts in Thousands	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
Derivatives Position Indicators					
11. Gross amounts (e.g., notional amounts) (for each column, sum of items 11.a through 11.e must equal sum of items 12 and 13):					
	BHCK 8693	BHCK 8694	BHCK 8695	BHCK 8696	
a. Futures contracts	0	0	0	0	11.a.
	BHCK 8697	BHCK 8698	BHCK 8699	BHCK 8700	
b. Forward contracts	7647	1313	0	0	11.b.
c. Exchange-traded option contracts:					
	BHCK 8701	BHCK 8702	BHCK 8703	BHCK 8704	
(1) Written options	0	0	0	0	11.c.(1)
	BHCK 8705	BHCK 8706	BHCK 8707	BHCK 8708	
(2) Purchased options ..	0	0	0	0	11.c.(2)
d. Over-the-counter option contracts:					
	BHCK 8709	BHCK 8710	BHCK 8711	BHCK 8712	
(1) Written options	540455	0	0	0	11.d.(1)
	BHCK 8713	BHCK 8714	BHCK 8715	BHCK 8716	
(2) Purchased options ..	540455	0	0	0	11.d.(2)
	BHCK 3450	BHCK 3826	BHCK 8719	BHCK 8720	
e. Swaps	4079586	0	0	0	11.e.
12. Total gross notional amount of derivative contracts held for trading......					
	BHCK A126	BHCK A127	BHCK 8723	BHCK 8724	
	1963931	1313	0	0	12.
13. Total gross notional amount of derivative contracts held for purposes other than trading					
	BHCK 8725	BHCK 8726	BHCK 8727	BHCK 8728	
	3204212	0	0	0	13.
14. Gross fair values of derivative contracts:					
a. Contracts held for trading:					
	BHCK 8733	BHCK 8734	BHCK 8735	BHCK 8736	
(1) Gross positive fair value	5944	0	0	0	14.a.(1)
	BHCK 8737	BHCK 8738	BHCK 8739	BHCK 8740	
(2) Gross negative fair value	4542	3	0	0	14.a.(2)
b. Contracts held for purposes other than trading:					
	BHCK 8741	BHCK 8742	BHCK 8743	BHCK 8744	
(1) Gross positive fair value	14267	0	0	0	14.b.(1)
	BHCK 8745	BHCK 8746	BHCK 8747	BHCK 8748	
(2) Gross negative fair value	12082	0	0	0	14.b.(2)

Schedule HC-L—Continued

Item 15 is to be completed only by holding companies with total assets of $10 billion or more.[1]

Dollar Amounts in Thousands	(Column A) Banks and Securities Firms		(Column B) Monoline Financial Guarantors		(Column C) Hedge Funds		(Column D) Sovereign Governments		(Column E) Corporations and All Other Counterparties		
	BHCK		BHCK		BHCK		BHCK		BHCK		
15. Over-the-counter derivatives:											
a. Net current credit exposure	G418	10857	G419	0	G420	0	G421	0	G422	4893	15.a.
b. Fair value of collateral:											
(1) Cash–U.S. dollar	G423	11850	G424	0	G425	0	G426	0	G427	0	15.b.(1)
(2) Cash–Other currencies	G428	0	G429	0	G430	0	G431	0	G432	0	15.b.(2)
(3) U.S. Treasury securities	G433	0	G434	0	G435	0	G436	0	G437	0	15.b.(3)
(4) U.S. government agency and U.S. government-sponsored agency debt securities	G438	0	G439	0	G440	0	G441	0	G442	0	15.b.(4)
(5) Corporate bonds	G443	0	G444	0	G445	0	G446	0	G447	0	15.b.(5)
(6) Equity securities	G448	0	G449	0	G450	0	G451	0	G452	0	15.b.(6)
(7) All other collateral	G453	0	G454	0	G455	0	G456	0	G457	0	15.b.(7)
(8) Total fair value of collateral (sum of items 15.b.(1) through (7))	G458	11850	G459	0	G460	0	G461	0	G462	0	15.b.(8)

1. The $10 billion asset size test is generally based on the total assets reported as of June 30, 2013.

Schedule HC-M—Memoranda

Dollar Amounts in Thousands	Code	Amount	Item
	BHCK		
1. Total number of holding company common shares outstanding (Number (Unrounded))	3459	0	1.
2. Debt maturing in one year or less (included in Schedule HC, items 16 and 19.a) that is issued to unrelated third parties by bank subsidiaries	6555	2932092	2.
3. Debt maturing in more than one year (included in Schedule HC, items 16 and 19.a) that is issued to unrelated third parties by bank subsidiaries	6556	1281514	3.
4. Other assets acquired in satisfaction of debts previously contracted	6557	0	4.
5. Securities purchased under agreements to resell offset against securities sold under agreements to repurchase on Schedule HC	A288	0	5.
6. Assets covered by loss-sharing agreements with the FDIC:			
a. Loans and leases (included in Schedule HC, items 4.a and 4.b):			
(1) Loans secured by real estate in domestic offices:			
(a) Construction, land development, and other land loans:	BHDM		
(1) 1–4 family residential construction loans	K169	10160	6.a.(1)(a)(1)
(2) Other construction loans and all land development and other land loans	K170	0	6.a.(1)(a)(2)
(b) Secured by farmland	K171	0	6.a.(1)(b)
(c) Secured by 1–4 family residential properties:			
(1) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	K172	802229	6.a.(1)(c)(1)
(2) Closed-end loans secured by 1–4 family residential properties:			
(a) Secured by first liens	K173	4846648	6.a.(1)(c)(2)(a)
(b) Secured by junior liens	K174	47174	6.a.(1)(c)(2)(b)
(d) Secured by multifamily (5 or more) residential properties	K175	1098225	6.a.(1)(d)
(e) Secured by nonfarm nonresidential properties:			
(1) Loans secured by owner-occupied nonfarm nonresidential properties	K176	44687	6.a.(1)(e)(1)
(2) Loans secured by other nonfarm nonresidential properties	K177	210401	6.a.(1)(e)(2)
	BHCK		
(2) Loans to finance agricultural production and other loans to farmers	K178	0	6.a.(2)
(3) Commercial and industrial loans	K179	8261	6.a.(3)
(4) Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			
(a) Credit cards	K180	0	6.a.(4)(a)
(b) Automobile loans	K181	0	6.a.(4)(b)
(c) Other consumer loans (includes single payment, installment, all student loans, and all revolving credit plans other than credit cards	K182	2409	6.a.(4)(c)
(5) All other loans and leases	K183	0	6.a.(5)
Itemize and describe loan and lease categories included in item 6.a(5) above that exceed 10 percent of total loans and leases covered by loss-sharing agreements with the FDIC (sum of items 6.a.(1) through (5)):			
(a) Loans to depository institutions and acceptances of other banks	K184	0	6.a.(5)(a)
(b) Loans to foreign governments and official institutions	K185	0	6.a.(5)(b)
(c) Other loans[1]	K186	0	6.a.(5)(c)
(d) Lease financing receivables	K273	0	6.a.(5)(d)
b. Other real estate owned (included in Schedule HC, item 7):	BHDM		
(1) Construction, land development, and other land in domestic offices	K187	3297	6.b.(1)
(2) Farmland in domestic offices	K188	0	6.b.(2)
(3) 1–4 family residential properties in domestic offices	K189	65113	6.b.(3)
(4) Multifamily (5 or more) residential properties in domestic offices	K190	0	6.b.(4)
(5) Nonfarm nonresidential properties in domestic offices	K191	0	6.b.(5)

1. Includes "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," "Loans to nondepository financial institutions and other loans," and loans secured by real estate in foreign offices.

Schedule HC-M—Continued

Dollar Amounts in Thousands			
	BHFN		
6. b. (6) In foreign offices	K260	0	6.b.(6)
(7) Portion of covered other real estate owned included in items 6.b.(1) through (6) above that is protected by FDIC loss-sharing agreements	BHCK K192	67320	6.b.(7)
c. Debt securities (included in Schedule HC, items 2.a and 2.b)	J461	0	6.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets)	J462	0	6.d.
7. Captive insurance and reinsurance subsidiaries:			
a. Total assets of captive insurance subsidiaries[1]	K193	0	7.a.
b. Total assets of captive reinsurance subsidiaries[1]	K194	0	7.b.

8. Has the holding company entered into a business combination during the calendar year that was accounted for by the purchase method of accounting? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK C251	0	8.
9. Has the holding company restated its financial statements during the last quarter as a result of new or revised Statements of Financial Accounting Standards? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK 6689	0	9.
10. Not applicable				
11. Have all changes in investments and activities been reported to the Federal Reserve on the Report of Changes in Organizational Structure (FR Y-10)? Holding companies must not leave blank or enter "N/A." The holding company must enter "1" for yes or for no changes to report; or enter "0" for no. If the answer to this question is no, complete the FR Y-10	0=No 1=Yes	BHCK 6416	1	11.

TEXT 6428

Name of Holding Company Official Verifying FR Y-10 Reporting (Please Type or Print) | Area Code / Phone Number (TEXT 9009)

12. Intangible assets other than goodwill:	BHCK		
a. Mortgage servicing assets	3164	27366	12.a.
(1) Estimated fair value of mortgage servicing assets — 6438: 28525			12.a.(1)
b. Purchased credit card relationships and nonmortgage servicing assets	B026	0	12.b.
c. All other identifiable intangible assets	5507	9213	12.c.
d. Total (sum of items 12.a, 12.b, and 12.c) (must equal Schedule HC, item 10.b)	BHCT 0426	36579	12.d.
13. Other real estate owned	2150	121825	13.
14. Other borrowed money:	BHCK		
a. Commercial paper	2309	0	14.a.
b. Other borrowed money with a remaining maturity of one year or less	2332	2932092	14.b.
c. Other borrowed money with a remaining maturity of more than one year	2333	1281514	14.c.
d. Total (sum of items 14.a, 14.b, and 14.c) (must equal Schedule HC, item 16)	BHCT 3190	4213606	14.d.

15. Does the holding company sell private label or third-party mutual funds and annuities? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK B569	0	15.

16. Assets under management in proprietary mutual funds and annuities	BHCK B570	0	16.

1. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting holding company.

Schedule HC-M—Continued

The following two questions (items 17 and 18) will be used to determine if the reporting holding company must complete the Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12). See the line item instructions for further details.

17. Does the holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4 (c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)4(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK C161	0	17.

If the answer to item 17 is no, your organization does not need to complete the FR Y-12. Skip item 18 and proceed to items 19.a and 19.b below. If the answer to item 17 is yes, proceed to item 18.

18. Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed the lesser of $100 million (on an acquisition cost basis) or 10 percent of the holding company's consolidated Tier 1 capital as of the report date? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK C159		18.

If the answer to both item 17 and item 18 is yes, your organization must complete the FR Y-12. Skip items 19.a and 19.b and proceed to item 20 below.

If the answer to either item 17 or item 18 is no, your organization does not need to complete the FR Y-12. Proceed to items 19.a. and 19.b. below.

Items 19.a. and 19.b. are to be completed by all holding companies that are not required to file the FR Y-12.

19. a. Has the holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	BHCK C700	0	19.a.
b. Does the holding company manage any nonfinancial equity investments for the benefit of others? (Enter "1" for Yes; enter "0" for No.)	0=No 1=Yes	C701	0	19.b.

Dollar Amounts in Thousands	BHCK		
Memoranda items 20 and 21 are to be completed only by holding companies who have made an effective election to become a financial holding company. See the line item instructions for further details.			
20. Balances of broker–dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act:			
a. Net assets	C252	0	20.a.
b. Balances due from related institutions:			
(1) Due from the holding company (parent company only), gross	4832	0	20.b.(1)
(2) Due from subsidiary banks of the holding company, gross	4833	0	20.b.(2)
(3) Due from nonbank subsidiaries of the holding company, gross	4834	0	20.b.(3)
c. Balances due to related institutions:			
(1) Due to holding company (parent company only), gross	5041	0	20.c.(1)
(2) Due to subsidiary banks of the holding company, gross	5043	0	20.c.(2)
(3) Due to nonbank subsidiaries of the holding company, gross	5045	0	20.c.(3)
d. Intercompany liabilities reported in items 20.c.(1), 20.c.(2), and 20.c.(3) above that qualify as liabilities subordinated to claims of general creditors	5047	0	20.d.
21. Net assets of subsidiaries engaged in insurance or reinsurance underwriting pursuant to Section 4(k)(4)(B) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act (12 U.S.C. § 1843(k)(4)(B))[1]	C253	0	21.

1. A savings and loan holding company that wishes to engage in financial holding company activities must have an effective election to be treated as a financial holding company or conducts activities under section 10(c)(2)(H)(i) of the HOLA (12 U.S.C. 1467a(c)(2)(H)(i)).

Schedule HC-M—Continued

Memoranda item 22 is to be completed by holding companies with total assets of $30 billion or more.

22. Address (URL) for the reporting holding company's web page that displays risk disclosures, including those about credit and market risk. (Example: www.examplebhc.com/riskdisclosures)

TEXT C497 http:// ______________________________ 22.

Dollar Amounts in Thousands	BHCK		
Memoranda items 23 and 24 are to be completed by all holding companies.			
23. Secured liabilities:			
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule HC, item 14.a)	F064	0	23.a.
b. Amount of "Other borrowings" that are secured (included in Schedule HC-M, item 14.d)	F065	4213427	23.b.
24. Issuances associated with the U.S. Department of Treasury Capital Purchase Program:			
a. Senior perpetual preferred stock or similar items	G234	0	24.a.
b. Warrants to purchase common stock or similar items	G235	0	24.b.

RSSD ID:
3923614

Schedule HC-N—Past Due and Nonaccrual Loans, Leases, and Other Assets

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing BHCK		(Column B) Past due 90 days or more and still accruing BHCK		(Column C) Nonaccrual BHCK		
1. Loans secured by real estate:							
a. Construction, land development, and other land loans in domestic offices:							
(1) 1–4 family residential construction loans	F172	0	F174	10160	F176	0	1.a.(1)
(2) Other construction loans and all land development and other land loans	F173	0	F175	0	F177	0	1.a.(2)
b. Secured by farmland in domestic offices	3493	0	3494	0	3495	0	1.b.
c. Secured by 1–4 family residential properties in domestic offices:							
(1) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	5398	10062	5399	6863	5400	0	1.c.(1)
(2) Closed-end loans secured by 1–4 family residential properties:							
(a) Secured by first liens	C236	420802	C237	658511	C229	115127	1.c.(2)(a)
(b) Secured by junior liens	C238	3381	C239	2510	C230	0	1.c.(2)(b)
d. Secured by multifamily (5 or more) residential properties in domestic offices	3499	4894	3500	4229	3501	0	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:							
(1) Loans secured by owner-occupied nonfarm non-residential properties	F178	0	F180	0	F182	0	1.e.(1)
(2) Loans secured by other nonfarm nonresidential properties	F179	14249	F181	3775	F183	0	1.e.(2)
f. In foreign offices	B572	0	B573	0	B574	0	1.f.
2. Loans to depository institutions and acceptances of other banks:							
a. U.S. banks and other U.S. depository institutions	5377	0	5378	0	5379	0	2.a.
b. Foreign banks	5380	0	5381	0	5382	0	2.b.
3. Loans to finance agricultural production and other loans to farmers	1594	0	1597	0	1583	0	3.
4. Commercial and industrial loans	1606	0	1607	650	1608	21174	4.
5. Loans to individuals for household, family, and other personal expenditures:							
a. Credit cards	B575	20	B576	0	B577	32	5.a.
b. Automobile loans	K213	0	K214	0	K215	0	5.b.
c. Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	K216	84	K217	38	K218	8	5.c.
6. Loans to foreign governments and official institutions	5389	0	5390	0	5391	0	6.
7. All other loans	5459	0	5460	0	5461	0	7.
8. Lease financing receivables:							
a. Leases to individuals for household, family, and other personal expenditures	F166	0	F167	0	F168	0	8.a.
b. All other leases	F169	0	F170	0	F171	0	8.b.

Amounts reported in Schedule HC-N, items 1 through 8, above include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in item 11 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

Schedule HC-N—Continued

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	BHCK		BHCK		BHCK		
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	3505	163	3506	0	3507	932	9.
10. TOTAL (sum of items 1 through 9)	5524	453655	5525	686736	5526	137273	10.
11. Loans and leases reported in items 1 through 8 above which are wholly or partially guaranteed by the U.S.Government (excluding loans and leases covered by loss-sharing agreements with the FDIC)	K036	0	K037	0	K038	114016	11.
a. Guaranteed portion of loans and leases (exclude rebooked "GNMA loans") included in item 11 above	K039	0	K040	0	K041	658	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above	K042	0	K043	0	K044	113357	11.b.
12. Loans and leases in items 1 through 8 above which are covered by loss-sharing agreements with the FDIC:							
a. Loans secured by real estate in domestic offices:							
(1) Construction, land development, and other land loans:	BHDM		BHDM		BHDM		
(a) 1–4 family residential construction loans	K045	0	K046	10160	K047	0	12.a.(1)(a)
(b) Other construction loans and all land development and other land loans	K048	0	K049	0	K050	0	12.a.(1)(b)
(2) Secured by farmland	K051	0	K052	0	K053	0	12.a.(2)
(3) Secured by 1–4 family residential properties:							
(a) Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	K054	10062	K055	6863	K056	0	12.a.(3)(a)
(b) Closed-end loans secured by 1–4 family residential properties:							
(1) Secured by first liens	K057	420802	K058	658511	K059	0	12.a.(3)(b)(1)
(2) Secured by junior liens	K060	3381	K061	2510	K062	0	12.a.(3)(b)(2)
(4) Secured by multifamily (5 or more) residential properties	K063	2765	K064	651	K065	0	12.a.(4)
(5) Secured by nonfarm nonresidential properties:							
(a) Loans secured by owner-occupied nonfarm nonresidential properties	K066	0	K067	0	K068	0	12.a.(5)(a)
(b) Loans secured by other non-farm nonresidential properties	K069	11296	K070	672	K071	0	12.a.(5)(b)
b. Loans to finance agricultural production and other loans to farmers	BHCK K072	0	BHCK K073	0	BHCK K074	0	12.b.
c. Commercial and industrial loans	K075	0	K076	650	K077	0	12.c.

Schedule HC-N—Continued

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	BHCK		BHCK		BHCK		
12.d. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):							
(1) Credit cards	K078	0	K079	0	K080	0	12.d.(1)
(2) Automobile loans	K081	0	K082	0	K083	0	12.d.(2)
(3) Other consumer loans	K084	68	K085	38	K086	0	12.d.(3)
e. All other loans and leases	K087	0	K088	0	K089	0	12.e.
Itemize and describe the past due and nonaccrual amounts included in item 12.e. above for the loan and lease categories reported in Schedule HC-M, items 6.a.(5)(a) through (d):							
(1) Loans to depository institutions and acceptances of other banks	K091	0	K092	0	K093	0	12.e.(1)
(2) Loans to foreign governments and official institutions	K095	0	K096	0	K097	0	12.e.(2)
(3) Other loans[1]	K099	0	K100	0	K101	0	12.e.(3)
(4) Lease financing receivables	K269	0	K271	0	K272	0	12.e.(4)
f. Portion of covered loans and leases included in items 12.a through 12.e above that is protected by FDIC loss-sharing agreements	K102	436303	K103	658888	K104	0	12.f.

1. Includes "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," "Loans to nondepository financial institutions and other loans," and loans secured by real estate in foreign offices.

Memoranda

Dollar Amounts in Thousands	BHDM		BHDM		BHDM		
1. Loans restructured in troubled debt restructurings included in Schedule HC-N, items 1 through 7, above (and not reported in Schedule HC-C, Memorandum item 1):							
a. Construction, land development, and other land loans in domestic offices:							
(1) 1–4 family residential construction loans	K105	0	K106	0	K107	0	M.1.a.(1)
(2) Other construction loans and all land development and other land loans	K108	0	K109	0	K110	0	M.1.a.(2)
	BHCK		BHCK		BHCK		
b. Loans secured by 1–4 family residential properties in domestic offices	F661	0	F662	0	F663	1109	M.1.b.
	BHDM		BHDM		BHDM		
c. Secured by multifamily (5 or more) residential properties in domestic offices	K111	0	K112	0	K113	0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties	K114	0	K115	0	K116	0	M.1.d.(1)
(2) Loans secured by other nonfarm nonresidential properties	K117	0	K118	0	K119	0	M.1.d.(2)

Schedule HC-N—Continued

Memoranda–Continued

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	BHCK		BHCK		BHCK		
1. e. Commercial and industrial loans:							
(1) To U.S. addressees (domicile)	K120	0	K121	0	K122	0	M.1.e.(1)
(2) To non-U.S. addressees (domicile)	K123	0	K124	0	K125	0	M.1.e.(2)
f. All other loans (*include* loans to individuals for household, family, and other personal expenditures)	K126	0	K127	0	K128	0	M.1.f.
Itemize and describe loan categories included in item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or in non-accrual status (sum of Memorandum items 1.a through 1.f, columns A through C):							
(1) Loans secured by farmland in domestic offices	BHDM K130	0	BHDM K131	0	BHDM K132	0	M.1.f.(1)
(2) Loans to depository institutions and acceptances of other banks	BHCK K134	0	BHCK K135	0	BHCK K136	0	M.1.f.(2)
(3) Loans to finance agricultural production and other loans to farmers	K138	0	K139	0	K140	0	M.1.f.(3)
(4) Loans to individuals for household, family, and other personal expenditures:							
(a) Credit cards	K274	0	K275	0	K276	0	M.1.f.(4)(a)
(b) Automobile loan	K277	0	K278	0	K279	0	M.1.f.(4)(b)
(c) Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards	K280	0	K281	0	K282	0	M.1.f.(4)(c)
(5) Loans to foreign governments and official institutions	K283	0	K284	0	K285	0	M.1.f.(5)
(6) Other loans[1]	K286	0	K287	0	K288	0	M.1.f.(6)
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule HC-N, items 4 and 7 above	6558	0	6559	0	6560	0	M.2.
3. Loans and leases included in Schedule HC-N, items 1, 2, 4, 5, 6, 7, and 8 extended to non-U.S. addressees	3508	0	1912	0	1913	0	M.3.
4. Not applicable							
5. Loans and leases held-for-sale and loans measured at fair value (included in Schedule HC-N, items 1 through 8 above)							
a. Loans and leases held for sale	C240	0	C241	0	C226	0	M.5.a.
b. Loans measured at fair value:							
(1) Fair value	F664	346838	F665	540973	F666	0	M.5.b.(1)
(2) Unpaid principal balance	F667	483219	F668	1049087	F669	0	M.5.b.(2)

1. Includes "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," "Loans to nondepository financial institutions and other loans," and loans secured by real estate in foreign offices.

Schedule HC-N—Continued

Memoranda–Continued

Item 6 is to be reported only by holding companies with total consolidated assets of $1 billion or more, or with $2 billion or more in par/notional amounts of off-balance-sheet derivative contracts (as reported in Schedule HC-L, items 11.a through 11.e).

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
	BHCK		BHCK		
6. Derivative contracts:					
Fair value of amounts carried as assets	3529	0	3530	0	M.6.

Dollar Amounts in Thousands	BHCK		
7. Additions to nonaccrual assets during the quarter	C410	22131	M.7.
8. Nonaccrual assets sold during the quarter	C411	0	M.8.

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	BHCK		BHCK		BHCK		
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):							
a. Outstanding balance	L183	146367	L184	211922	L185	0	M.9.a.
b. Carrying amount included in Schedule HC-N, items 1 through 7, above	L186	106621	L187	142403	L188	0	M.9.b.

Schedule HC-P—1–4 Family Residential Mortgage Banking Activities in Domestic Offices

Schedule HC-P is to be completed by (1) all holding companies with $1 billion or more in total assets[1] and (2) holding companies with less than $1 billion in total assets at which either 1–4 family residential mortgage loan originations and purchases for resale[2] from all sources, loan sales, or quarter-end loans held for sale or trading in domestic offices exceed $10 million for two consecutive quarters.

Dollar Amounts in Thousands	BHCK		
1. Retail originations during the quarter of 1–4 family residential mortgage loans for sale:[2]			
a. Closed-end first liens	F066	4384	1.a.
b. Closed-end junior liens	F067	0	1.b.
c. Open-end loans extended under lines of credit:	BHDM		
(1) Total commitment under the lines of credit	F670	0	1.c.(1)
(2) Principal amount funded under the lines of credit	F671	0	1.c.(2)
2. Wholesale originations and purchases during the quarter of 1–4 family residential mortgage loans for sale:[2]	BHCK		
a. Closed-end first liens	F068	0	2.a.
b. Closed-end junior liens	F069	0	2.b.
c. Open-end loans extended under lines of credit:	BHDM		
(1) Total commitment under the lines of credit	F672	0	2.c.(1)
(2) Principal amount funded under the lines of credit	F673	0	2.c.(2)
3. 1–4 family residential mortgages sold during the quarter:	BHCK		
a. Closed-end first liens	F070	15292	3.a.
b. Closed-end junior liens	F071	0	3.b.
c. Open-end loans extended under lines of credit:	BHDM		
(1) Total commitment under the lines of credit	F674	868	3.c.(1)
(2) Principal amount funded under the lines of credit	F675	863	3.c.(2)
4. 1–4 family residential mortgages held for sale or trading at quarter-end (included in Schedule HC, items 4.a and 5):	BHCK		
a. Closed-end first liens	F072	346413	4.a.
b. Closed-end junior liens	F073	0	4.b.
c. Open-end loans extended under lines of credit:	BHDM		
(1) Total commitment under the lines of credit	F676	0	4.c.(1)
(2) Principal amount funded under the lines of credit	F677	170590	4.c.(2)
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1–4 family residential mortgage loans (included in Schedule HI, items 5.c, 5.f, 5.g, and 5.i):	BHCK		
a. Closed-end 1–4 family residential mortgage loans	F184	1096	5.a.
	BHDM		
b. Open-end 1–4 family residential mortgage loans extended under lines of credit	F560	218	5.b.
6. Repurchases and indemnifications of 1–4 family residential mortgage loans during the quarter:			
a. Closed-end first liens	F678	16941	6.a.
b. Closed-end junior liens	F679	0	6.b.
c. Open-end loans extended under lines of credit:			
(1) Total commitment under the lines of credit	F680	1934	6.c.(1)
(2) Principal amount funded under the lines of credit	F681	1079	6.c.(2)
7. Representation and warranty reserves for 1–4 family residential mortgage loans sold:			
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	BHCK L191		7.a.
b. For representations and warranties made to other parties	L192		7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	M288	22860	7.c.

1. The $1 billion asset size test is generally based on the total assets reported as of June 30, 2013.
2. Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.

Schedule HC-Q—Assets and Liabilities Measured at Fair Value on a Recurring Basis

Schedule HC-Q is to be completed by all holding companies.

Dollar Amounts in Thousands		(Column A) Total Fair Value Reported on Schedule HC		(Column B) LESS: Amounts Netted in the Determination of Total Fair Value		(Column C) Level 1 Fair Value Measurements		(Column D) Level 2 Fair Value Measurements		(Column E) Level 3 Fair Value Measurements	
	BHCY		BHCK		BHCK		BHCK		BHCK		
Assets											
1. Available-for-sale securities	1773	1222058	G474	0	G475	0	G476	60934	G477	1161124	1.
2. Federal funds sold and securities purchased under agreements to resell	BHCK G478	0	G479	0	G480	0	G481	0	G482	0	2.
3. Loans and leases held for sale	G483	12466	G484	0	G485	0	G486	12466	G487	0	3.
4. Loans and leases held for investment	G488	4551289	G489	0	G490	0	G491	0	G492	4551289	4.
5. Trading assets:	BHCT										
a. Derivative assets	3543	4542	G493	1402	G494	0	G495	1690	G496	4254	5.a.
	BHCK										
b. Other trading assets	G497	7385	G498	0	G499	0	G500	0	G501	7385	5.b.
(1) Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule HC-Q, item 5.b, above)	F240	0	F684	0	F692	0	F241	0	F242	0	5.b.(1)
6. All other assets	G391	1115649	G392	14127	G395	0	G396	14232	G804	1115544	6.
7. Total assets measured at fair value on a recurring basis	G502	6913389	G503	15529	G504	0	G505	89322	G506	6839596	7.
Liabilities											
8. Deposits	F252	0	F686	0	F694	0	F253	0	F254	0	8.
9. Federal funds purchased and securities sold under agreements to repurchase	G507	0	G508	0	G509	0	G510	0	G511	0	9.
10. Trading liabilities:	BHCT										
a. Derivative liabilities	3547	3768	G512	780	G513	0	G514	4029	G515	519	10.a.
	BHCK										
b. Other trading liabilities	G516	0	G517	0	G518	0	G519	0	G520	0	10.b.
11. Other borrowed money	G521	891184	G522	0	G523	0	G524	891184	G525	0	11.
12. Subordinated notes and debentures	G526	0	G527	0	G528	0	G529	0	G530	0	12.
13. All other liabilities	G805	56823	G806	6938	G807	39	G808	14593	G809	49129	13.
14. Total liabilities measured at fair value on a recurring basis	G531	951775	G532	7718	G533	39	G534	909806	G535	49648	14.

Schedule HC-Q—Continued

Memoranda

Dollar Amounts in Thousands		(Column A) Total Fair Value Reported on Schedule HC		(Column B) LESS: Amounts Netted in the Determination of Total Fair Value		(Column C) Level 1 Fair Value Measurements		(Column D) Level 2 Fair Value Measurements		(Column E) Level 3 Fair Value Measurements	
	BHCK		BHCK		BHCK		BHCK		BHCK		
1. All other assets (itemize and describe amounts included in Schedule HC-Q, item 6 that are greater than $25,000 and exceed 25 percent of item 6):											
a. Mortgage servicing assets	G536	0	G537	0	G538	0	G539	0	G540	0	M.1.a.
b. Nontrading derivative assets	G541	0	G542	0	G543	0	G544	0	G545	0	M.1.b.
c. BHTX G546 FDIC LOSS-SHARING INDEMNIFICATION ASSETS	G546	1054557	G547	0	G548	0	G549	0	G550	1054557	M.1.c.
d. BHTX G551 FDIC RECEIVABLE	G551	60952	G552	0	G553	0	G554	0	G555	60952	M.1.d.
e. BHTX G556	G556	0	G557	0	G558	0	G559	0	G560	0	M.1.e.
f. BHTX G561	G561	0	G562	0	G563	0	G564	0	G565	0	M.1.f.
2. All other liabilities (itemize and describe amounts included in Schedule HC-Q, item 13 that are greater than $25,000 and exceed 25 percent of item 13):											
a. Loan commitments (not accounted for as derivatives)	F261	0	F689	0	F697	0	F262	0	F263	0	M.2.a.
b. Nontrading derivative liabilities	G566	0	G567	0	G568	0	G569	0	G570	0	M.2.b.
c. BHTX G571 DERIVATIVE ACTIVITIES	G571	56823	G572	6938	G573	39	G574	14593	G575	49129	M.2.c.
d. BHTX G576	G576	0	G577	0	G578	0	G579	0	G580	0	M.2.d.
e. BHTX G581	G581	0	G582	0	G583	0	G584	0	G585	0	M.2.e.
f. BHTX G586	G586	0	G587	0	G588	0	G589	0	G590	0	M.2.f.

For Federal Reserve Bank Use Only

C.I. _________

RSSD ID: 3923614

Schedule HC-R—Regulatory Capital

Part I.A. Regulatory Capital Components and Ratios

This schedule is to be submitted on a consolidated basis.

Dollar Amounts in Thousands	Code	Amount	
	BHCX		
Tier 1 Capital			
1. Total bank holding company equity capital (from Schedule HC, item 27.a)	3210	2912933	1.
2. LESS: Net unrealized gains (losses) on available-for-sale securities[1] (if a gain, report as a positive value; if a loss, report as a negative value)	BHCK 8434	140440	2.
3. LESS: Net unrealized loss on available-for-sale equity securities[1] (report loss as a positive value)	A221	0	3.
4. LESS: Accumulated net gains (losses) on cash flow hedges[1] and amounts recorded in AOCI resulting from the initial and subsequent application of FASB ASC 715-20 (former FASB statement No. 158) to defined benefit postretirement plans (if a gain, report as a positive value; if a loss, report as a negative value)	4336	0	4.
5. LESS: Nonqualifying perpetual preferred stock	B588	0	5.
6. a. Qualifying Class A noncontrolling (minority) interests in consolidated subsidiaries	G214	0	6.a.
b. Qualifying restricted core capital elements (other than cumulative perpetual preferred stock)[2]	G215	0	6.b.
c. Qualifying mandatory convertible preferred securities of internationally active bank holding companies	G216	0	6.c.
7. a. LESS: Disallowed goodwill and other disallowed intangible assets	B590	109708	7.a.
b. LESS: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank holding company's own creditworthiness (If a net gain, report as a positive value; If a net loss, report as a negative value.)	F264	0	7.b.
8. Subtotal (sum of items 1, 6.a., 6.b., and 6.c., less items 2, 3, 4, 5, 7.a, and 7.b)	C227	2662785	8.
9. a. LESS: Disallowed servicing assets and purchased credit card relationships	B591	1694	9.a.
b. LESS: Disallowed deferred tax assets	5610	0	9.b.
10. Other additions to (deductions from) Tier 1 capital	B592	0	10.
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	8274	2661091	11.
Tier 2 Capital			
12. Qualifying subordinated debt, redeemable preferred stock, and restricted core capital elements[2] (except Class B noncontrolling (minority) interest) not includible in items 6.b. or 6.c.	G217	0	12.
13. Cumulative perpetual preferred stock included in item 5 and Class B noncontrolling (minority) interest not included in 6.b., but includible in Tier 2 capital	G218	0	13.
14. Allowance for loan and lease losses includible in Tier 2 capital	5310	90115	14.
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	2221	0	15.
16. Other Tier 2 capital components	B594	0	16.
17. Tier 2 capital (sum of items 12 through 16)	5311	90115	17.
18. Allowable Tier 2 capital (lesser of item 11 or 17)	8275	90115	18.
19. Not applicable			
20. LESS: Deductions for total risk-based capital	B595	0	20.
21. Total risk-based capital (sum of items 11 and 18, less item 20)	3792	2751206	21.
Total Assets for Leverage Ratio	BHCT		
22. Average total assets (from Schedule HC-K, item 5)	3368	22172089	22.
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7.a above)	B590	109708	23.
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	B591	1694	24.
25. LESS: Disallowed deferred tax assets (from item 9.b above)	5610	0	25.
26. LESS: Other deductions from assets for leverage capital purposes	BHCK B596	0	26.
27. Average total assets for leverage capital purposes (item 22 less items 23 through 26)	A224	22060687	27.
28.-30. Not applicable			

1. Report amount included in Schedule HC, item 26.b, "Accumulated other comprehensive income (AOCI)."
2. Includes subordinated notes payable to unconsolidated trusts issuing trust preferred securities net of the bank holding company's investment in the trust, trust preferred securities issued by consolidated special purpose entities, and Class B and Class C noncontrolling (minority) interests that qualify as Tier 1 capital.

Schedule HC-R—Continued

Part I.A.—Continued

Capital Ratios	BHCK	Percentage	
31. Tier 1 leverage ratio (item 11 divided by item 27)	7204	12.06	31.
32. Tier 1 risk-based capital ratio (item 11 divided by item 62)	7206	24.89	32.
33. Total risk-based capital ratio (item 21 divided by item 62)	7205	25.73	33.

Part I.B. Regulatory Capital Components and Ratios

Advanced approaches holding companies (except savings and loan holding companies (SLHCs)) must complete this Schedule HC-R, Part I.B, starting on March 31, 2014. Starting on March 31, 2015, all other holding companies must complete Part I.B. On that date, Schedule HC-R, Part I.A, will be removed and Part I.B will be designated Part I.
Part I.B. is to be submitted on a consolidated basis.

Dollar Amounts in Thousands			
Common Equity Tier 1 Capital	BHCA		
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	P742		1.
	BHCT		
2. Retained earnings	3247		2.
	BHCA		
3. Accumulated other comprehensive income (AOCI)	B530		3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.)	0=No 1=Yes; BHCA P838		3.a.
	BHCA		
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	P839		4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	P840		5.
Common Equity Tier 1 Capital: Adjustments and Deductions			
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	P841		6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	P842		7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	P843		8.
9. AOCI-related adjustments (items 9.a. through 9.e. are effective January 1, 2015) (if entered “1” for Yes in item 3.a, complete only items 9.a through 9.e; if entered “0” for No in item 3.a, complete only item 9.f):			
a. LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value)			9.a.
b. LESS: Net unrealized loss on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures (report loss as a positive value)			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)			9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)			9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)			9.e.
f. To be completed only by holding companies that entered “0” for No in item 3.a: LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value)	P849		9.f.

Schedule HC-R—Continued

Part I.B.—Continued

Dollar Amounts in Thousands	BHCA		
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	Q258		10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions	P850		10.b.
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments	P851		11.
12. Subtotal (item 5 minus items 6 through 11)	P852		12.
13. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	P853		13.
14. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	P854		14.
15. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	P855		15.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold	P856		16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions	P857		17.
18. Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17)	P858		18.
19. **Common equity tier 1 capital** (item 12 minus item 18)	P859		19.
Additional Tier 1 Capital			
20. Additional tier 1 capital instruments plus related surplus	P860		20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	P861		21.
22. Tier 1 minority interest not included in common equity tier 1 capital	P862		22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	P863		23.
24. LESS: Additional tier 1 capital deductions	P864		24.
25. **Additional tier 1 capital** (greater of item 23 minus item 24, or zero)	P865		25.
Tier 1 Capital			
26. **Tier 1 capital** (sum of items 19 and 25)	8274		26.
Tier 2 Capital			
27. Tier 2 capital instruments plus related surplus	P866		27.
28. Non-qualifying capital instruments subject to phase out from tier 2 capital	P867		28.
29. Total capital minority interest that is not included in tier 1 capital	P868		29.
30. a. Allowance for loan and lease losses includable in tier 2 capital	5310		30.a.
	BHCW		
b. (Advanced approaches holding companies that exit parallel run only): Eligible credit reserves includable in tier 2 capital	5310		30.b.
	BHCA		
31. Unrealized gains on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures includable in tier 2 capital	Q257		31.
32. a. Tier 2 capital before deductions (sum of items 27 through 30.a, plus item 31)	P870		32.a.
	BHCW		
b. (Advanced approaches holding companies that exit parallel run only): Tier 2 capital before deductions (sum of items 27 through 29, plus items 30.b and 31)	P870		32.b.
	BHCA		
33. LESS: Tier 2 capital deductions	P872		33.

Schedule HC-R—Continued

Part I.B.—Continued

Dollar Amounts in Thousands	BHCA		
34. a. **Tier 2 capital** (greater of item 32.a minus item 33, or zero)	5311		34.a.
b. (Advanced approaches holding companies that exit parallel run only): Tier 2 capital (greater of item 32.b minus item 33, or zero)	BHCW 5311		34.b.
Total Capital	BHCA		
35. a. **Total capital** (sum of items 26 and 34.a)	3792		35.a.
b. (Advanced approaches holding companies that exit parallel run only): Total capital (sum of items 26 and 34.b)	BHCW 3792		35.b.
Total Assets for the Leverage Ratio	BHCX		
36. Average total consolidated assets	3368		36.
37. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 11, 13 through 17, and certain elements of item 24 - see instructions)	BHCA P875		37.
38. LESS: Other deductions from (additions to) assets for leverage ratio purposes	B596		38.
39. **Total assets for the leverage ratio** (item 36 minus items 37 and 38)	A224		39.
Total Risk-Weighted Assets			
40. a. **Total risk-weighted assets** (from Schedule HC-R, Part II item 62)	A223		40.a.
b. (Advanced approaches holding companies that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60)	BHCW A223		40.b.

	Column A		Column B		
	BHCA	Percentage	BHCW	Percentage	
Risk-Based Capital Ratios					
41. Common equity tier 1 capital ratio (Column A: item 19 divided by item 40.a) (Advanced approaches holding companies that exit parallel run only: Column B: item 19 divided by item 40.b)	P793		P793		41.
42. Tier 1 capital ratio (Column A: item 26 divided by item 40.a) (Advanced approaches holding companies that exit parallel run only: Column B: item 26 divided by item 40.b)	7206		7206		42.
43. Total capital ratio (Column A: item 35.a divided by item 40.a) (Advanced approaches holding companies that exit parallel run only: Column B: item 35.b divided by item 40.b)	7205		7205		43.

	BHCA	Percentage	
Leverage Capital Ratios			
44. Tier 1 leverage ratio (item 26 divided by item 39)	7204		44.
45. Advanced approaches holding companies only: Supplementary leverage ratio (from FFIEC 101 Schedule A, item 98) (effective January 1, 2015)		__.__	45.

	BHCA	Percentage	
Capital Buffer			
46. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments (effective January 1, 2016):			
a. Capital conservation buffer		__.__	46.a.
b. (Advanced approaches holding companies that exit parallel run only): Total applicable capital buffer		__.__	46.b.

Dollar Amounts in Thousands	BHCA		
Effective January 1, 2016: Institutions must complete items 47 and 48 if the amount in item 46.a (or the lower of 46.a or 46.b for an advanced approaches holding company that has exited parallel run) is less than or equal to the applicable minimum capital conservation buffer:			
47. Eligible retained income			47.
48. Distributions and discretionary bonus payments during the quarter			48.

Schedule HC-R—Continued

Part II. Risk-Weighted Assets

This schedule is to be submitted on a consolidated basis.

Bank holding companies are not required to risk-weight each on-balance-sheet asset and the credit equivalent amount of each off-balance-sheet item that qualifies for a risk weight of less than 100 percent (50 percent for derivatives) at its lower risk weight. When completing items 34 through 54 of Schedule HC-R, each bank holding company should decide for itself how detailed a risk-weight analysis it wishes to perform. In other words, a bank holding company can choose from among its assets and off-balance-sheet items that have a risk weight of less than 100 percent which ones to risk-weight at an appropriate lower risk weight, or it can simply risk-weight some or all of these items at a 100 percent risk weight (50 percent for derivatives).

C000

Dollar Amounts in Thousands	(Column A) Totals *(from Schedule HC)*	(Column B) Items Not Subject to Risk-Weighting	(Column C) Allocation by Risk-Weight Category 0%	(Column D) 20%	(Column E) 50%	(Column F) 100%	
Balance Sheet Asset Categories		BHCE	BHC0	BHC2	BHC5	BHC9	
34. Cash and due from depository institutions (Column A equals the sum of Schedule HC, items 1.a, 1.b.(1) and 1.b.(2))	BHCK 0010 4585867	0	4423902	161965		0	34.
35. Held-to-maturity securities	BHCX 1754 0	0	0	0	0	0	35.
36. Available-for-sale securities	BHCX 1773 1222058	225497	44	72010	441	924066	36.
37. Federal funds sold and securities purchased under agreements to resell	BHCK C225 0		0	0		0	37.
38. Loans and leases held for sale	BHCT 5369 517003	0	0	504537	4417	8049	38.
39. Loans and leases, net of unearned income	BHCT B528 14112648	0	0	6947924	1875412	5289312	39.
40. LESS: Allowance for loan and lease losses	BHCX 3123 83570	83570					40.
41. Trading assets	BHCX 3545 11927	7250	0	47	0	4630	41.
42. All other assets[1]	BHCK B639 2200860	109708	48320	1469671	2	573159	42.
43. Total assets (sum of items 34 through 42)	BHCT 2170 22566793	258885	4472266	9156154	1880272	6799216	43.

1. Includes premises and fixed assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, direct and indirect investments in real estate ventures, intangible assets, and other assets.

Schedule HC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column A) Face Value or Notional Amount	Credit Conversion Factor	(Column B) Credit Equivalent Amount[1]	(Column C) Allocation by Risk-Weight Category 0%	(Column D) 20%	(Column E) 50%	(Column F) 100%	
Derivatives and Off-Balance-Sheet Items	BHCK B546		BHCE	BHC0	BHC2	BHC5	BHC9	
44. Financial standby letters of credit	49797	1.00 or 12.5[2]	49797	0	0	0	49797	44.
	BHCT 6570							
45. Performance standby letters of credit	0	.50	0	0	0	0	0	45.
	BHCT 3411							
46. Commercial and similar letters of credit	0	.20	0	0	0	0	0	46.
	BHCK 3429							
47. Risk participations in bankers acceptances acquired by the reporting institution	0	1.00	0	0	0		0	47.
	BHCT 3433							
48. Securities lent	0	1.00	0	0	0	0	0	48.
	BHCT A250							
49. Retained recourse on small business obligations sold with recourse	0	1.00	0	0	0	0	0	49.
	BHCK B541							
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement	6891	12.5[3]	26779				26779	50.
	BHCK B675							
51. All other financial assets sold with recourse	0	1.00	0	0	0	0	0	51.
	BHCK B681							
52. All other off-balance-sheet liabilities	0	1.00	0	0	0	0	0	52.
53. Unused commitments:								
	BHCK 6572							
a. With an original maturity exceeding one year	2162259	.50	1081130	0	65391	787	1014952	53.a.
	BHCK G591							
b. With an original maturity of one year or less to asset-backed commercial paper conduits	0	.10	0	0	0	0	0	53.b.
			BHCE A167					
54. Derivative contracts			31918	0	0	31918		54.

1. Column A multiplied by credit conversion factor.
2. For financial standby letters of credit to which the low-level exposure rule applies, use a credit conversion factor of 12.5 or an-institution specific factor. For other financial standby letters of credit, use a credit conversion factor of 1.00. See instructions for further information.
3. Or institution-specific factor.

Schedule HC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column C) Allocation by Risk-Weight Category 0%	(Column D) 20%	(Column E) 50%	(Column F) 100%	
Totals					
55. Total assets, derivatives, and off-balance-sheet items by risk-weight category (for each column, sum of items 43 through 54)	BHCK B696 4472266	BHCK B697 9221545	BHCK B698 1912977	BHCK B699 7890744	55.
56. Risk-weight factor	× 0%	× 20%	× 50%	× 100%	56.
57. Risk-weighted assets by risk-weight category (for each column, item 55 multiplied by item 56)	BHCK B700 0	BHCK B701 1844309	BHCK B702 956489	BHCK B703 7890744	57.
58. Market risk equivalent assets				BHCK 1651 0	58.
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (sum of item 57, columns C through F, and item 58)				BHCK B704 10691542	59.
60. LESS: Excess allowance for loan and lease losses				BHCK A222 0	60.
61. LESS: Allocated transfer risk reserve				BHCK 3128 0	61.
62. Total risk-weighted assets (item 59 minus items 60 and 61)				BHCK A223 10691542	62.

Schedule HC-R—Continued

Part II—Continued

Memoranda

Dollar Amounts in Thousands	BHCK		
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards	8764	0	M.1.

	With a remaining maturity of						
	(Column A) One year or less		(Column B) Over one year through five years		(Column C) Over five years		
Dollar Amounts in Thousands	BHCK		BHCK		BHCK		
2. Notional principal amounts of derivative contracts:[1]							
a. Interest rate contracts	3809	22047	8766	3718002	8767	887639	M.2.a.
b. Foreign exchange contracts	3812	1313	8769	0	8770	0	M.2.b.
c. Gold contracts	8771	0	8772	0	8773	0	M.2.c.
d. Other precious metals contracts	8774	0	8775	0	8776	0	M.2.d.
e. Other commodity contracts	8777	0	8778	0	8779	0	M.2.e.
f. Equity derivative contracts	A000	0	A001	0	A002	0	M.2.f.
g. Credit derivative contracts: Purchased credit protection that (a) is a covered position under the market risk rule or (b) is not a covered position under the market risk rule and is not recognized as a guarantee for risk-based capital purposes:							
(1) Investment grade	G597	0	G598	0	G599	0	M.2.g.(1)
(2) Subinvestment grade	G600	0	G601	0	G602	0	M.2.g.(2)

Dollar Amounts in Thousands	BHCK		
3. Preferred stock (including related surplus) eligible for inclusion in Tier 1 capital:			
a. Noncumulative perpetual preferred stock (included and reported in "Total equity capital," on Schedule HC)	5479	0	M.3.a.
b. Not applicable.			
c. Other noncumulative preferred stock eligible for inclusion in Tier 1 capital (e.g., REIT preferred securities) (included in Schedule HC, item 27.b)	C498	0	M.3.c.
d. Other cumulative preferred stock eligible for inclusion in Tier 1 capital (excluding trust preferred securities) (included in Schedule HC, item 20 or 27.b)	A507	0	M.3.d.
4. Offsetting debit to the liability (i.e., the contra account) for Employee Stock Ownership Plan (ESOP) debt guaranteed by the reporting bank holding company (included in Schedule HC, item 26.c)	2771	0	M.4.
5. Treasury stock (including offsetting debit to the liability for ESOP debt) (included in Schedule HC, item 26.c):			
a. In the form of perpetual preferred stock	5483	0	M.5.a.
b. In the form of common stock	5484	0	M.5.b.

1. Exclude foreign exchange contracts with an original maturity of 14 days or less and all future contracts.

Schedule HC-R—Continued

Part II—Continued

Memoranda—Continued

Dollar Amounts in Thousands	BHCK		
6. Market risk equivalent assets attributable to specific risk (included in Schedule HC-R, Part II, item 58)	F031	0	M.6.
7. Not applicable			
8. Restricted core capital elements included in Tier 1 capital:			
a. Qualifying Class B noncontrolling (minority) interest (included in Schedule HC, item 27.b)	G219	0	M.8.a
b. Qualifying Class C noncontrolling (minority) interest (included in Schedule HC, item 27.b)	G220	0	M.8.b.
c. Qualifying cumulative perpetual preferred stock (included in Schedule HC, item 27.a)	5990	0	M.8.c.
d. Qualifying trust preferred securities[2] (included in Schedule HC, item 19.b)	C502	0	M.8.d.
9. Goodwill net of any associated deferred tax liability	G221	100495	M.9.

	BHCK	Percentage	
10. Ratio of qualifying restricted core capital elements to total core capital elements less (goodwill net of any associated deferred tax liability)	G222	0.00	M.10.

2. Includes subordinated notes payable to unconsolidated trusts issuing trust preferred securities net of the bank holding company's investment in the trust, and trust preferred securities issued by consolidated special purpose entities, that qualify as Tier 1 capital.

RSSD ID: 3923614

Schedule HC-S—Servicing, Securitization, and Asset Sale Activities

C000

Dollar Amounts in Thousands	(Column A) 1–4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
Securitization Activities								
1. Outstanding principal balance of assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements	BHCK B705 0	BHCK B706 0	BHCK B707 0	BHCK B708 0	BHCK B709 0	BHCK B710 0	BHCK B711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1 in the form of:								
a. Credit enhancing interest-only strips (included in HC-B, HC-D, or HC-F)	BHCK B712 0	BHCK B713 0	BHCK B714 0	BHCK B715 0	BHCK B716 0	BHCK B717 0	BHCK B718 0	2.a.
b. Subordinated securities and other residual interests	BHCK C393 0	BHCK C394 0	BHCK C395 0	BHCK C396 0	BHCK C397 0	BHCK C398 0	BHCK C399 0	2.b.
c. Standby letters of credit and other enhancements	BHCK C400 0	BHCK C401 0	BHCK C402 0	BHCK C403 0	BHCK C404 0	BHCK C405 0	BHCK C406 0	2.c.
3. Reporting institution's unused commitments to provide liquidity to structures reported in item 1	BHCK B726 0	BHCK B727 0	BHCK B728 0	BHCK B729 0	BHCK B730 0	BHCK B731 0	BHCK B732 0	3.
4. Past due loan amounts included in item 1:								
a. 30-89 days past due	BHCK B733 0	BHCK B734 0	BHCK B735 0	BHCK B736 0	BHCK B737 0	BHCK B738 0	BHCK B739 0	4.a.
b. 90 days or more past due	BHCK B740 0	BHCK B741 0	BHCK B742 0	BHCK B743 0	BHCK B744 0	BHCK B745 0	BHCK B746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								
a. Charge-offs	BHCK B747 0	BHCK B748 0	BHCK B749 0	BHCK B750 0	BHCK B751 0	BHCK B752 0	BHCK B753 0	5.a.
b. Recoveries	BHCK B754 0	BHCK B755 0	BHCK B756 0	BHCK B757 0	BHCK B758 0	BHCK B759 0	BHCK B760 0	5.b.

Dollar Amounts in Thousands	(Column A) 1–4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
6. Amount of ownership (or seller's) interests carried as:								
a. Securities (included in HC-B)		BHCK B761 0	BHCK B762 0			BHCK B763 0		6.a.
b. Loans (included in HC-C)		BHCK B500 0	BHCK B501 0			BHCK B502 0		6.b.
7. Past due loan amounts included in interests reported in item 6.a:								
a. 30-89 days past due		BHCK B764 0	BHCK B765 0			BHCK B766 0		7.a.
b. 90 days or more past due		BHCK B767 0	BHCK B768 0			BHCK B769 0		7.b.
8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):								
a. Charge-offs		BHCK B770 0	BHCK B771 0			BHCK B772 0		8.a.
b. Recoveries		BHCK B773 0	BHCK B774 0			BHCK B775 0		8.b.
For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions								
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting institution to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements	BHCK B776 0	BHCK B777 0	BHCK B778 0	BHCK B779 0	BHCK B780 0	BHCK B781 0	BHCK B782 0	9.
10. Reporting institution's unused commitments to provide liquidity to other institutions' securitization structures	BHCK B783 0	BHCK B784 0	BHCK B785 0	BHCK B786 0	BHCK B787 0	BHCK B788 0	BHCK B789 0	10.
Asset Sales								
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized	BHCK B790 0	BHCK B791 0	BHCK B792 0	BHCK B793 0	BHCK B794 0	BHCK B795 0	BHCK B796 0	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	BHCK B797 0	BHCK B798 0	BHCK B799 0	BHCK B800 0	BHCK B801 0	BHCK B802 0	BHCK B803 0	12.

Schedule HC-S—Continued

Memoranda

Dollar Amounts in Thousands	BHCK		
1. Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:			
a. Outstanding principal balance	A249	0	M.1.a.
b. Amount of retained recourse on these obligations as of the report date	A250	0	M.1.b.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			
a. 1–4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	B804	0	M.2.a.
b. 1–4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	B805	1187777	M.2.b.
c. Other financial assets[1]	A591	19227381	M.2.c.
d. 1–4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	F699	1831319	M.2.d.
3. Asset-backed commercial paper conduits:			
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			
(1) Conduits sponsored by the bank, a bank affiliate, or the holding company	B806	0	M.3.a.(1)
(2) Conduits sponsored by other unrelated institutions	B807	0	M.3.a.(2)
b. Unused commitments to provide liquidity to conduit structures:			
(1) Conduits sponsored by the bank, a bank affiliate, or the holding company	B808	0	M.3.b.(1)
(2) Conduits sponsored by other unrelated institutions	B809	0	M.3.b.(2)
4. Outstanding credit card fees and finance charges (included in Schedule HC-S, item 1, column C)[2]	C407	0	M.4.

1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than $10 million.
2. Memorandum item 4 is to be completed by (1) holding companies that, together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date or (2) holding companies that on a consolidated basis are credit card specialty holding companies (as defined in the instructions).

Schedule HC-V—Variable Interest Entities

Dollar Amounts in Thousands	BHCK	(Column A) Securitization Vehicles	BHCK	(Column B) ABCP Conduits	BHCK	(Column C) Other VIEs	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of consolidated VIEs:							
a. Cash and balances due from depository institutions	J981	0	J982	0	J983	0	1.a.
b. Held-to-maturity securities	J984	0	J985	0	J986	0	1.b.
c. Available-for-sale securities	J987	0	J988	0	J989	0	1.c.
d. Securities purchased under agreements to resell	J990	0	J991	0	J992	0	1.d.
e. Loans and leases held for sale	J993	0	J994	0	J995	0	1.e.
f. Loans and leases, net of unearned income	J996	0	J997	0	J998	0	1.f.
g. Less: Allowance for loan and lease losses	J999	0	K001	0	K002	0	1.g.
h. Trading assets (other than derivatives)	K003	0	K004	0	K005	0	1.h.
i. Derivative trading assets	K006	0	K007	0	K008	0	1.i.
j. Other real estate owned	K009	0	K010	0	K011	0	1.j.
k. Other assets	K012	0	K013	0	K014	0	1.k.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting holding company:							
a. Securities sold under agreements to repurchase	K015	0	K016	0	K017	0	2.a.
b. Derivative trading liabilities	K018	0	K019	0	K020	0	2.b.
c. Commercial paper	K021	0	K022	0	K023	0	2.c.
d. Other borrowed money (exclude commercial paper)	K024	0	K025	0	K026	0	2.d.
e. Other liabilities	K027	0	K028	0	K029	0	2.e.
3. All other assets of consolidated VIEs (not included in items 1.a through 1.k above)	K030	0	K031	0	K032	0	3.
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.e above)	K033	0	K034	0	K035	0	4.

Notes to the Balance Sheet—Predecessor Financial Items

For holding companies involved in a business combination(s) during the quarter, provide on the lines below quarterly average information for any acquired company(ies) with aggregated assets of $10 billion or more or 5 percent of the reporting holding company's total consolidated assets as of the previous quarter-end, whichever is less.

Dollar Amounts in Thousands	BHBC		
1. Average loans and leases (net of unearned income)	3516		1.
2. Average earning assets	3402		2.
3. Average total consolidated assets	3368		3.
4. Average equity capital	3519		4.

Notes to the Balance Sheet (Other)

Enter in the lines provided below any additional information on specific line items on the balance sheet or its supporting schedules that the holding company wishes to explain, that has been separately disclosed in the holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC). Also include any transactions which previously would have appeared as footnotes to Schedules HC through HC-S.

Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

Example

A holding company has guaranteed a new loan for its leveraged Employee Stock Ownership Plan (ESOP) for $750 thousand and that amount has increased the holding company's long-term unsecured debt by a material amount. The holding company has disclosed that change to its stockholders and to the SEC. Enter on the line item below the following information:

TEXT		BHCK	
0000	Sch. HC, item 16, New loan to holding company's ESOP guaranteed by holding company	0000	750

Notes to the Balance Sheet (Other)

	TEXT	Dollar Amounts in Thousands	BHCK		
1.		Outstanding issuances of perpetual preferred stock associated with the U.S. Department of Treasury Community Development Capital Initiative (CDCI) program included in Schedule HC, item 23, Perpetual preferred stock and related surplus (for Subchapter S corporations, outstanding issuances of subordinated debt securities associated with CDCI included in Schedule HC, item 19.a, Subordinated notes and debentures)	K141	0	1.
2.	5357		5357	0	2.
3.	5358		5358	0	3.
4.	5359		5359	0	4.
5.	5360		5360	0	5.
6.	B027		B027	0	6.

Notes to the Balance Sheet (Other)—Continued

	TEXT		Dollar Amounts in Thousands	BHCK		
7.	B028			B028	0	7.
8.	B029			B029	0	8.
9.	B030			B030	0	9.
10.	B031			B031	0	10.
11.	B032			B032	0	11.
12.	B033			B033	0	12.
13.	B034			B034	0	13.
14.	B035			B035	0	14.
15.	B036			B036	0	15.
16.	B037			B037	0	16.
17.	B038			B038	0	17.
18.	B039			B039	0	18.
19.	B040			B040	0	19.
20.	B041			B041	0	20.

PUBLIC EXHIBIT 8

OneWest Bank, National Association Consolidated Report of Condition and Income for the quarter ended June 30, 2014

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only - FFIEC 041

Institution Name	**ONEWEST BANK, NATIONAL ASSOCIATION**
City	**PASADENA**
State	**CA**
Zip Code	**91101**
Call Report Quarter End Date	**6/30/2014**
Report Type	**041**
RSSD-ID	**3918898**
FDIC Certificate Number	**58978**
OCC Charter Number	**25079**
ABA Routing Number	**322270288**
Last updated on	**7/31/2014**

Bank Demographic Information

Dollar amounts in thousands

1. Reporting date	RCON9999	20140630	1.
2. FDIC certificate number	RSSD9050	58978	2.
3. Legal title of bank	RSSD9017	Click here for value	3.
4. City	RSSD9130	Pasadena	4.
5. State abbreviation	RSSD9200	CA	5.
6. Zip code	RSSD9220	91101	6.

(RSSD9017) OneWest Bank, National Association

Contact Information

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name	TEXTC490	CONF	1.a.1.
2. Title	TEXTC491	CONF	1.a.2.
3. E-mail Address	TEXTC492	CONF	1.a.3.
4. Telephone	TEXTC493	CONF	1.a.4.
5. FAX	TEXTC494	CONF	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name	TEXTC495	CONF	1.b.1.
2. Title	TEXTC496	CONF	1.b.2.
3. E-mail Address	TEXT4086	CONF	1.b.3.
4. Telephone	TEXT8902	CONF	1.b.4.
5. FAX	TEXT9116	CONF	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title	TEXTB962	CONF	2.a.
b. E-mail Address	TEXTB926	CONF	2.b.
c. Telephone	TEXTB963	CONF	2.c.
d. FAX	TEXTB964	CONF	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name	TEXTC366	CONF	3.a.1.
2. Title	TEXTC367	CONF	3.a.2.
3. E-mail Address	TEXTC368	CONF	3.a.3.
4. Telephone	TEXTC369	CONF	3.a.4.
5. FAX	TEXTC370	CONF	3.a.5.
b. Secondary Contact			3.b.
1. Name	TEXTC371	CONF	3.b.1.
2. Title	TEXTC372	CONF	3.b.2.
3. E-mail Address	TEXTC373	CONF	3.b.3.
4. Telephone	TEXTC374	CONF	3.b.4.
5. FAX	TEXTC375	CONF	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.
1. Name	TEXTC437	CONF	4.a.1.
2. Title	TEXTC438	CONF	4.a.2.
3. E-mail Address	TEXTC439	CONF	4.a.3.

Dollar amounts in thousands			
4. Telephone	TEXTC440	CONF	4.a.4.
b. Secondary Contact			4.b.
1. Name	TEXTC442	CONF	4.b.1.
2. Title	TEXTC443	CONF	4.b.2.
3. E-mail Address	TEXTC444	CONF	4.b.3.
4. Telephone	TEXTC445	CONF	4.b.4.
c. Third Contact			4.c.
1. Name	TEXTC870	CONF	4.c.1.
2. Title	TEXTC871	CONF	4.c.2.
3. E-mail Address	TEXTC872	CONF	4.c.3.
4. Telephone	TEXTC873	CONF	4.c.4.
d. Fourth Contact			4.d.
1. Name	TEXTC875	CONF	4.d.1.
2. Title	TEXTC876	CONF	4.d.2.
3. E-mail Address	TEXTC877	CONF	4.d.3.
4. Telephone	TEXTC878	CONF	4.d.4.

Optional Narrative Statement Concerning the Amounts Reported in the Reports of Condition and Income

Dollar amounts in thousands			
1. Comments?	RCON6979	No	1.
2. Bank Management Statement	TEXT6980	NR	2.

Schedule RI - Income Statement

Dollar amounts in thousands			
1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. Loans secured by real estate:			1.a.1.
a. Loans secured by 1-4 family residential properties	RIAD4435	236,525	1.a.1.a.
b. All other loans secured by real estate	RIAD4436	97,942	1.a.1.b.
2. Commercial and industrial loans	RIAD4012	48,709	1.a.2.
3. Loans to individuals for household, family, and other personal expenditures:			1.a.3.
a. Credit cards	RIADB485	70	1.a.3.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RIADB486	146	1.a.3.b.
4. Loans to foreign governments and official institutions	RIAD4056	0	1.a.4.
5. All other loans	RIAD4058	0	1.a.5.
6. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5))	RIAD4010	383,392	1.a.6.
b. Income from lease financing receivables	RIAD4065	0	1.b.
c. Interest income on balances due from depository institutions	RIAD4115	5,729	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RIADB488	0	1.d.1.
2. Mortgage-backed securities	RIADB489	58,912	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	0	1.d.3.
e. Interest income from trading assets	RIAD4069	2,933	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	0	1.f.

Dollar amounts in thousands			
g. Other interest income	RIAD4518	-13,264	1.g.
h. Total interest income (sum of items 1.a.(6) through 1.g)	RIAD4107	437,702	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	394	2.a.1.
2. Nontransaction accounts:			2.a.2.
a. Savings deposits (includes MMDAs)	RIAD0093	17,177	2.a.2.a.
b. Time deposits of $100,000 or more	RIADA517	23,010	2.a.2.b.
c. Time deposits of less than $100,000	RIADA518	15,490	2.a.2.c.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	63	2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	13,973	2.c.
d. Interest on subordinated notes and debentures	RIAD4200	0	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	70,107	2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	367,595	3.
4. Provision for loan and lease losses	RIAD4230	9,874	4.
5. Noninterest income:			5.
a. Income from fiduciary activities	RIAD4070	261	5.a.
b. Service charges on deposit accounts	RIAD4080	1,269	5.b.
c. Trading revenue	RIADA220	2,315	5.c.
d. Not available			5.d.
1. Fees and commissions from securities brokerage	RIADC886	0	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions	RIADC888	0	5.d.2.
3. Fees and commissions from annuity sales	RIADC887	0	5.d.3.
4. Underwriting income from insurance and reinsurance activities	RIADC386	0	5.d.4.
5. Income from other insurance activities	RIADC387	0	5.d.5.
e. Venture capital revenue	RIADB491	0	5.e.
f. Net servicing fees	RIADB492	2,605	5.f.
g. Net securitization income	RIADB493	0	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases	RIAD5416	174	5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	-3,107	5.j.
k. Net gains (losses) on sales of other assets (excluding securities)	RIADB496	-14	5.k.
l. Other noninterest income	RIADB497	-34,267	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	RIAD4079	-30,764	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	0	6.a.
b. Realized gains (losses) on available-for-sale securities	RIAD3196	5,333	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits	RIAD4135	102,523	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	20,795	7.b.
c. Not available			7.c.
1. Goodwill impairment losses	RIADC216	0	7.c.1.
2. Amortization expense and impairment losses for other intangible assets	RIADC232	4,543	7.c.2.
d. Other noninterest expense	RIAD4092	56,030	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	RIAD4093	183,891	7.e.
8. Income (loss) before income taxes and extraordinary items and other adjustments (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)	RIAD4301	148,399	8.
9. Applicable income taxes (on item 8)	RIAD4302	56,844	9.

Dollar amounts in thousands			
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)...	RIAD4300	**91,555**	10.
11. Extraordinary items and other adjustments, net of income taxes...	RIAD4320	**-30,921**	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)...	RIADG104	**60,634**	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)...	RIADG103	**0**	13.
14. Net income (loss) attributable to bank (item 12 minus item 13)...	RIAD4340	**60,634**	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes...	RIAD4513	**0**	M.1.
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8)...	RIAD8431	**0**	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)...	RIAD4313	**0**	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))...	RIAD4507	**0**	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)...	RIAD4150	**1832**	M.5.
6. Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5))...	RIAD4024	**0**	M.6.
7. If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition...	RIAD9106	**0**	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
a. Interest rate exposures...	RIAD8757	**2,328**	M.8.a.
b. Foreign exchange exposures...	RIAD8758	**-37**	M.8.b.
c. Equity security and index exposures...	RIAD8759	**0**	M.8.c.
d. Commodity and other exposures...	RIAD8760	**0**	M.8.d.
e. Credit exposures...	RIADF186	**24**	M.8.e.
f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e above)...	RIADK090	**NR**	M.8.f.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e above)...	RIADK094	**NR**	M.8.g.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading...	RIADC889	**0**	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading...	RIADC890	**0**	M.9.b.
10. Credit losses on derivatives (see instructions)...	RIADA251	**0**	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?...	RIADA530	**No**	M.11.
12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a))...	RIADF228	**675**	M.12.
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets...	RIADF551	**-33,228**	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk...	RIADF552	**0**	M.13.a.1.
b. Net gains (losses) on liabilities...	RIADF553	**-652**	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk...	RIADF554	**0**	M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities:			M.14.
a. Total other-than-temporary impairment losses...	RIADJ319	**883**	M.14.a.
b. Portion of losses recognized in other comprehensive income (before income taxes)...	RIADJ320	**599**	M.14.b.

Dollar amounts in thousands			
c. Net impairment losses recognized in earnings (included in Schedule RI, items 6.a and 6.b) (Memorandum item 14.a minus Memorandum item 14.b)	RIADJ321	284	M.14.c.

Schedule RI-A - Changes in Bank Equity Capital

Dollar amounts in thousands			
1. Total bank equity capital most recently reported for the December 31, 2013, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIAD3217	3,176,073	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors	RIADB507	-2,461	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	RIADB508	3,173,612	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	RIAD4340	60,634	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	RIADB509	6,926	5.
6. Treasury stock transactions, net	RIADB510	0	6.
7. Changes incident to business combinations, net	RIAD4356	0	7.
8. LESS: Cash dividends declared on preferred stock	RIAD4470	0	8.
9. LESS: Cash dividends declared on common stock	RIAD4460	449,000	9.
10. Other comprehensive income	RIADB511	3,252	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above)	RIAD4415	0	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)	RIAD3210	2,795,424	12.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans	RIADC891	0	RIADC892	0	1.a.1.
2. Other construction loans and all land development and other land loans	RIADC893	0	RIADC894	0	1.a.2.
b. Secured by farmland	RIAD3584	0	RIAD3585	0	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RIAD5411	21	RIAD5412	0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RIADC234	141	RIADC217	0	1.c.2.a.
b. Secured by junior liens	RIADC235	0	RIADC218	0	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RIAD3588	0	RIAD3589	0	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RIADC895	0	RIADC896	0	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RIADC897	0	RIADC898	0	1.e.2.
2. Loans to depository institutions and acceptances of other banks	RIAD4481	0	RIAD4482	0	2.
3. Not applicable					3.
4. Commercial and industrial loans	RIAD4638	0	RIAD4608	0	4.
5. Loans to individuals for household, family, and other personal expenditures:					5.
a. Credit cards	RIADB514	85	RIADB515	1	5.a.
b. Automobile loans	RIADK129	0	RIADK133	0	5.b.

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RIADK205	0	RIADK206	0	5.c.
6. Loans to foreign governments and official institutions	RIAD4643	0	RIAD4627	0	6.
7. All other loans	RIAD4644	0	RIAD4628	0	7.
8. Lease financing receivables	RIAD4266	0	RIAD4267	0	8.
9. Total (sum of items 1 through 8)	RIAD4635	247	RIAD4605	1	9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	0	RIAD5410	0	M.1.
2. Not available					M.2.
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)	RIAD4652	0	RIAD4662	0	M.2.a.
b. Loans to and acceptances of foreign banks (included in Schedule RI-B, part I, item 2, above)	RIAD4654	0	RIAD4664	0	M.2.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4, above)	RIAD4646	0	RIAD4618	0	M.2.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8, above)	RIADF185	0	RIADF187	0	M.2.d.
3. Loans to finance agricultural production and other loans to farmers (included in Schedule RI-B, part I, item 7, above)	RIAD4655	0	RIAD4665	0	M.3.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases

Dollar amounts in thousands			
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)	RIADC388	NR	M.4.

Schedule RI-B Part II - Changes in Allowance for Loan and Lease Losses

Dollar amounts in thousands			
1. Balance most recently reported for the December 31, 2013, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIADB522	90,573	1.
2. Recoveries (must equal part I, item 9, column B, above)	RIAD4605	1	2.
3. LESS: Charge-offs (must equal part I, item 9, column A, above less Schedule RI-B, part II, item 4)	RIADC079	238	3.
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account	RIAD5523	9	4.
5. Provision for loan and lease losses (must equal Schedule RI, item 4)	RIAD4230	9,874	5.
6. Adjustments (see instructions for this schedule)	RIADC233	-16,631	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c)	RIAD3123	83,570	7.
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above	RIADC435	0	M.1.
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges.	RIADC389	NR	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges	RIADC390	NR	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, above)	RIADC781	31,113	M.4.

Schedule RI-C - Disaggregated Data on the Allowance for Loan and Lease Losses

Dollar amounts in thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:							1.
	RCONM708	RCONM709	RCONM710	RCONM711	RCONM712	RCONM713	
a. Construction loans	0	0	51,684	146	1,586	735	1.a.
	RCONM714	RCONM715	RCONM716	RCONM717	RCONM719	RCONM720	
b. Commercial real estate loans	0	0	1,493,237	11,828	554,877	13,564	1.b.
	RCONM721	RCONM722	RCONM723	RCONM724	RCONM725	RCONM726	
c. Residential real estate loans	0	0	1,892,909	4,381	2,748,843	11,379	1.c.
	RCONM727	RCONM728	RCONM729	RCONM730	RCONM731	RCONM732	
2. Commercial loans	17,674	8,000	2,788,545	27,966	8,261	5,382	2.
	RCONM733	RCONM734	RCONM735	RCONM736	RCONM737	RCONM738	
3. Credit cards	0	0	998	136	0	0	3.
	RCONM739	RCONM740	RCONM741	RCONM742	RCONM743	RCONM744	
4. Other consumer loans	0	0	303	0	2,442	53	4.
				RCONM745			
5. Unallocated, if any				0			5.
	RCONM746	RCONM747	RCONM748	RCONM749	RCONM750	RCONM751	
6. Total (for each column, sum of items 1.a through 5)	17,674	8,000	6,227,676	44,457	3,316,009	31,113	6.

Schedule RI-E - Explanations

Dollar amounts in thousands			
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $25,000 that exceed 3% of Schedule RI, item 5.l:			1.
a. Income and fees from the printing and sale of checks	RIADC013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	0	1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	0	1.c.
d. Rent and other income from other real estate owned	RIAD4042	0	1.d.
e. Safe deposit box rent	RIADC015	0	1.e.
f. Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229	-13,450	1.f.
g. Bank card and credit card interchange fees	RIADF555	0	1.g.
h. Gains on bargain purchases	RIADJ447	0	1.h.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component	TEXT4461	Click here for value	1.i.1.
2. Amount of component	RIAD4461	-36,405	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component	TEXT4462	Commercial banking fees	1.j.1.
2. Amount of component	RIAD4462	11,209	1.j.2.
k. Disclose component and the dollar amount of that component:			1.k.
1. Describe component	TEXT4463	Click here for value	1.k.1.
2. Amount of component	RIAD4463	1,793	1.k.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $25,000 that exceed 3% of Schedule RI, item 7.d:			2.
a. Data processing expenses	RIADC017	12,736	2.a.
b. Advertising and marketing expenses	RIAD0497	1,983	2.b.
c. Directors' fees	RIAD4136	0	2.c.
d. Printing, stationery, and supplies	RIADC018	0	2.d.
e. Postage	RIAD8403	0	2.e.
f. Legal fees and expenses	RIAD4141	2,573	2.f.
g. FDIC deposit insurance assessments	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses	RIADF556	2,750	2.h.
i. Consulting and advisory expenses	RIADF557	4,873	2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	0	2.j.
k. Telecommunications expenses	RIADF559	0	2.k.
l. Disclose component and the dollar amount of that component:			2.l.
1. Describe component	TEXT4464	Loan processing expenses	2.l.1.
2. Amount of component	RIAD4464	2,645	2.l.2.
m. Disclose component and the dollar amount of that component:			2.m.
1. Describe component	TEXT4467	Other REO expenses	2.m.1.
2. Amount of component	RIAD4467	3,385	2.m.2.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component	TEXT4468	Loss on clawback liability	2.n.1.
2. Amount of component	RIAD4468	5,442	2.n.2.
3. Extraordinary items and other adjustments and applicable income tax effect (from Schedule RI, item 11):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.

Dollar amounts in thousands			
1. Describe component	TEXT4469	Click here for value	3.a.1.
2. Amount of component	RIAD4469	-52,590	3.a.2.
3. Applicable income tax effect	RIAD4486	-21,669	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component	TEXT4487	NR	3.b.1.
2. Amount of component	RIAD4487	0	3.b.2.
3. Applicable income tax effect	RIAD4488	0	3.b.3.
c. Disclose component, the gross dollar amount of that component, and its related income tax:			3.c.
1. Describe component	TEXT4489	NR	3.c.1.
2. Amount of component	RIAD4489	0	3.c.2.
3. Applicable income tax effect	RIAD4491	0	3.c.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Disclose component and the dollar amount of that component:			4.a.
1. Describe component	TEXTB526	Click here for value	4.a.1.
2. Amount of component	RIADB526	-2,461	4.a.2.
b. Disclose component and the dollar amount of that component:			4.b.
1. Describe component	TEXTB527	NR	4.b.1.
2. Amount of component	RIADB527	0	4.b.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component	TEXT4498	0	5.a.1.
2. Amount of component	RIAD4498	0	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component	TEXT4499	NR	5.b.1.
2. Amount of component	RIAD4499	0	5.b.2.
6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):			6.
a. Disclose component and the dollar amount of that component:			6.a.
1. Describe component	TEXT4521	Click here for value	6.a.1.
2. Amount of component	RIAD4521	-16,631	6.a.2.
b. Disclose component and the dollar amount of that component:			6.b.
1. Describe component	TEXT4522	NR	6.b.1.
2. Amount of component	RIAD4522	0	6.b.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?	RIAD4769	Yes	7.a.
b. Other explanations	TEXT4769	Click here for value	7.b.

(TEXT4461) Net change in fair value of non trading derivative assets

(TEXT4463) Securities book value adjustment

(TEXT4469) Discontinued operations

(TEXT4521) Reclass of provision for loans covered by loss share

(TEXT4769) Additional noninterest expense greater than $25K and exceeds 3% of RI 7.d: 2.o.(1) Insurance, tax, and license; 2.o (2) $1,827

(TEXTB526) Cumulative effect of change in accounting principles on low income housing tax credit asset

Schedule RC - Balance Sheet

Dollar amounts in thousands			
1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin	RCON0081	**120,765**	1.a.
b. Interest-bearing balances	RCON0071	**4,413,614**	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A)	RCON1754	**0**	2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)	RCON1773	**1,222,058**	2.b.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold	RCONB987	**0**	3.a.
b. Securities purchased under agreements to resell	RCONB989	**0**	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCON5369	**517,003**	4.a.
b. Loans and leases, net of unearned income	RCONB528	**14,112,648**	4.b.
c. LESS: Allowance for loan and lease losses	RCON3123	**83,570**	4.c.
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	RCONB529	**14,029,078**	4.d.
5. Trading assets (from Schedule RC-D)	RCON3545	**11,927**	5.
6. Premises and fixed assets (including capitalized leases)	RCON2145	**43,600**	6.
7. Other real estate owned (from Schedule RC-M)	RCON2150	**121,825**	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCON2130	**29,041**	8.
9. Direct and indirect investments in real estate ventures	RCON3656	**120,756**	9.
10. Intangible assets:			10.
a. Goodwill	RCON3163	**100,495**	10.a.
b. Other intangible assets (from Schedule RC-M)	RCON0426	**36,579**	10.b.
11. Other assets (from Schedule RC-F)	RCON2160	**1,744,596**	11.
12. Total assets (sum of items 1 through 11)	RCON2170	**22,511,337**	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	RCON2200	**14,644,512**	13.a.
1. Noninterest-bearing	RCON6631	**1,074,134**	13.a.1.
2. Interest-bearing	RCON6636	**13,570,378**	13.a.2.
b. Not applicable			13.b.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased	RCONB993	**300,000**	14.a.
b. Securities sold under agreements to repurchase	RCONB995	**0**	14.b.
15. Trading liabilities (from Schedule RC-D)	RCON3548	**3,768**	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCON3190	**4,213,606**	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures	RCON3200	**0**	19.
20. Other liabilities (from Schedule RC-G)	RCON2930	**554,027**	20.
21. Total liabilities (sum of items 13 through 20)	RCON2948	**19,715,913**	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus	RCON3838	**0**	23.

Dollar amounts in thousands			
24. Common stock	RCON3230	**10,000**	24.
25. Surplus (exclude all surplus related to preferred stock)	RCON3839	**1,609,133**	25.
26. Not available			26.
a. Retained earnings	RCON3632	**1,035,851**	26.a.
b. Accumulated other comprehensive income	RCONB530	**140,440**	26.b.
c. Other equity capital components	RCONA130	**0**	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c)	RCON3210	**2,795,424**	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	RCON3000	**0**	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	RCONG105	**2,795,424**	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	RCON3300	**22,511,337**	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2013	RCON6724	**NR**	M.1.
2. Bank's fiscal year-end date	RCON8678	**NR**	M.2.

Schedule RC-A - Cash and Balances Due From Depository Institutions

Dollar amounts in thousands			
1. Cash items in process of collection, unposted debits, and currency and coin:			1.
a. Cash items in process of collection and unposted debits	RCON0020	**29,536**	1.a.
b. Currency and coin	RCON0080	**10,364**	1.b.
2. Balances due from depository institutions in the U.S:			2.
a. U.S. branches and agencies of foreign banks	RCON0083	**0**	2.a.
b. Other commercial banks in the U.S. and other depository institutions in the U.S.	RCON0085	**80,941**	2.b.
3. Balances due from banks in foreign countries and foreign central banks:			3.
a. Foreign branches of other U.S. banks	RCON0073	**0**	3.a.
b. Other banks in foreign countries and foreign central banks	RCON0074	**0**	3.b.
4. Balances due from Federal Reserve Banks	RCON0090	**4,413,538**	4.
5. Total	RCON0010	**4,534,379**	5.

Schedule RC-B - Securities

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
	RCON0211	RCON0213	RCON1286	RCON1287	
1. U.S. Treasury securities	0	0	0	0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities):					2.
	RCON1289	RCON1290	RCON1291	RCON1293	
a. Issued by U.S. Government agencies	0	0	0	0	2.a.
	RCON1294	RCON1295	RCON1297	RCON1298	
b. Issued by U.S. Government-sponsored agencies	0	0	0	0	2.b.
	RCON8496	RCON8497	RCON8498	RCON8499	
3. Securities issued by states and political subdivisions in the U.S.	0	0	0	0	3.
4. Mortgage-backed securities (MBS):					4.
a. Residential mortgage pass-through securities:					4.a.
	RCONG300	RCONG301	RCONG302	RCONG303	
1. Guaranteed by GNMA	0	0	6,610	6,919	4.a.1.
	RCONG304	RCONG305	RCONG306	RCONG307	
2. Issued by FNMA and FHLMC	0	0	50,639	54,015	4.a.2.
	RCONG308	RCONG309	RCONG310	RCONG311	
3. Other pass-through securities	0	0	0	0	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					4.b.
	RCONG312	RCONG313	RCONG314	RCONG315	
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies	0	0	0	0	4.b.1.
	RCONG316	RCONG317	RCONG318	RCONG319	
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies	0	0	0	0	4.b.2.
	RCONG320	RCONG321	RCONG322	RCONG323	
3. All other residential MBS	0	0	926,271	1,161,124	4.b.3.
c. Commercial MBS:					4.c.
1. Commercial mortgage pass-through securities:					4.c.1.
	RCONK142	RCONK143	RCONK144	RCONK145	
a. Issued or guaranteed by FNMA, FHLMC, or GNMA	0	0	0	0	4.c.1.a.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
	RCONK146	RCONK147	RCONK148	RCONK149	
b. Other pass-through securities	0	0	0	0	4.c.1.b.
2. Other commercial MBS:					4.c.2.
	RCONK150	RCONK151	RCONK152	RCONK153	
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies	0	0	0	0	4.c.2.a.
	RCONK154	RCONK155	RCONK156	RCONK157	
b. All other commercial MBS	0	0	0	0	4.c.2.b.
5. Asset-backed securities and structured financial products:					5.
	RCONC026	RCONC988	RCONC989	RCONC027	
a. Asset-backed securities (ABS)	0	0	0	0	5.a.
b. Structured financial products:					5.b.
	RCONG336	RCONG337	RCONG338	RCONG339	
1. Cash	0	0	0	0	5.b.1.
	RCONG340	RCONG341	RCONG342	RCONG343	
2. Synthetic	0	0	0	0	5.b.2.
	RCONG344	RCONG345	RCONG346	RCONG347	
3. Hybrid	0	0	0	0	5.b.3.
6. Other debt securities:					6.
	RCON1737	RCON1738	RCON1739	RCON1741	
a. Other domestic debt securities	0	0	0	0	6.a.
	RCON1742	RCON1743	RCON1744	RCON1746	
b. Other foreign debt securities	0	0	0	0	6.b.
			RCONA510	RCONA511	
7. Investments in mutual funds and other equity securities with readily determinable fair values			0	0	7.
	RCON1754	RCON1771	RCON1772	RCON1773	
8. Total (sum of items 1 through 7) (total of column A must equal Schedule RC, item 2.a) (total of column D must equal Schedule RC, item 2.b)	0	0	983,520	1,222,058	8.

Schedule RC-B - Securities

Dollar amounts in thousands			
1. Pledged securities	RCON0416	181	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA549	0	M.2.a.1.
2. Over three months through 12 months	RCONA550	0	M.2.a.2.
3. Over one year through three years	RCONA551	0	M.2.a.3.
4. Over three years through five years	RCONA552	0	M.2.a.4.
5. Over five years through 15 years	RCONA553	0	M.2.a.5.
6. Over 15 years	RCONA554	0	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCONA555	0	M.2.b.1.
2. Over three months through 12 months	RCONA556	318	M.2.b.2.
3. Over one year through three years	RCONA557	224	M.2.b.3.
4. Over three years through five years	RCONA558	0	M.2.b.4.
5. Over five years through 15 years	RCONA559	0	M.2.b.5.
6. Over 15 years	RCONA560	60,392	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:			M.2.c.
1. Three years or less	RCONA561	21,464	M.2.c.1.
2. Over three years	RCONA562	1,139,660	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCONA248	0	M.2.d.
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCON1778	0	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost	RCON8782	0	M.4.a.
b. Fair value	RCON8783	0	M.4.b.

Schedule RC-B - Securities

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value	
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):					M.5.
a. Credit card receivables	RCONB838 0	RCONB839 0	RCONB840 0	RCONB841 0	M.5.a.
b. Home equity lines	RCONB842 0	RCONB843 0	RCONB844 0	RCONB845 0	M.5.b.
c. Automobile loans	RCONB846 0	RCONB847 0	RCONB848 0	RCONB849 0	M.5.c.
d. Other consumer loans	RCONB850 0	RCONB851 0	RCONB852 0	RCONB853 0	M.5.d.
e. Commercial and industrial loans	RCONB854 0	RCONB855 0	RCONB856 0	RCONB857 0	M.5.e.
f. Other	RCONB858 0	RCONB859 0	RCONB860 0	RCONB861 0	M.5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B, sum of items 5.b(1) through(3)):					M.6.
a. Trust preferred securities issued by financial institutions	RCONG348 0	RCONG349 0	RCONG350 0	RCONG351 0	M.6.a.
b. Trust preferred securities issued by real estate investment trusts	RCONG352 0	RCONG353 0	RCONG354 0	RCONG355 0	M.6.b.
c. Corporate and similar loans	RCONG356 0	RCONG357 0	RCONG358 0	RCONG359 0	M.6.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCONG360 0	RCONG361 0	RCONG362 0	RCONG363 0	M.6.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCONG364 0	RCONG365 0	RCONG366 0	RCONG367 0	M.6.e.
f. Diversified (mixed) pools of structured financial products	RCONG368 0	RCONG369 0	RCONG370 0	RCONG371 0	M.6.f.
g. Other collateral or reference assets	RCONG372 0	RCONG373 0	RCONG374 0	RCONG375 0	M.6.g.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands	(Column A) To Be Completed by Banks with $300 Million or More in Total Assets		(Column B) To Be Completed by All Banks		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans			RCONF158	**10,160**	1.a.1.
2. Other construction loans and all land development and other land loans			RCONF159	**43,110**	1.a.2.
b. Secured by farmland (including farm residential and other improvements)			RCON1420	**0**	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCON1797	**1,354,915**	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens			RCON5367	**6,810,656**	1.c.2.a.
b. Secured by junior liens			RCON5368	**47,174**	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties			RCON1460	**1,497,299**	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties			RCONF160	**347,996**	1.e.1.
2. Loans secured by other nonfarm nonresidential properties			RCONF161	**1,213,288**	1.e.2.
2. Loans to depository institutions and acceptances of other banks			RCON1288	**0**	2.
a. To commercial banks in the U.S.:					2.a.
1. To U.S. branches and agencies of foreign banks	RCONB532	**0**			2.a.1.
2. To other commercial banks in the U.S.	RCONB533	**0**			2.a.2.
b. To other depository institutions in the U.S.	RCONB534	**0**			2.b.
c. To banks in foreign countries:					2.c.
1. To foreign branches of other U.S. banks	RCONB536	**0**			2.c.1.
2. To other banks in foreign countries	RCONB537	**0**			2.c.2.
3. Loans to finance agricultural production and other loans to farmers			RCON1590	**0**	3.
4. Commercial and industrial loans			RCON1766	**2,813,230**	4.
a. To U.S. addressees (domicile)	RCON1763	**2,797,391**			4.a.
b. To non-U.S. addressees (domicile)	RCON1764	**15,839**			4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards			RCONB538	**998**	6.a.
b. Other revolving credit plans			RCONB539	**0**	6.b.
c. Automobile loans			RCONK137	**0**	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans and all student loans)			RCONK207	**2,745**	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks)			RCON2081	**0**	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.			RCON2107	**0**	8.
9. Loans to nondepository financial institutions and other loans:					9.
a. Loans to nondepository financial institutions			RCONJ454	**486,830**	9.a.
b. Other loans			RCONJ464	**1,250**	9.b.
1. Loans for purchasing or carrying securities (secured and unsecured)	RCON1545	**0**			9.b.1.
2. All other loans (exclude consumer loans)	RCONJ451	**1,250**			9.b.2.

Dollar amounts in thousands	(Column A) To Be Completed by Banks with $300 Million or More in Total Assets		(Column B) To Be Completed by All Banks		
10. Lease financing receivables (net of unearned income)			RCON2165	0	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCONF162	0			10.a.
b. All other leases	RCONF163	0			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above			RCON2123	0	11.
12. Total loans and leases, net of unearned income (sum of items 1 through 10 minus item 11) (must equal Schedule RC, sum of items 4.a and 4.b)			RCON2122	14,629,651	12.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands			
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans:			M.1.a.
1. 1-4 family residential construction loans	RCONK158	0	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK159	0	M.1.a.2.
b. Loans secured by 1-4 family residential properties	RCONF576	819	M.1.b.
c. Secured by multifamily (5 or more) residential properties	RCONK160	0	M.1.c.
d. Secured by nonfarm nonresidential properties:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK161	0	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK162	0	M.1.d.2.
e. Commercial and industrial loans	RCONK256	0	M.1.e.
1. To U.S. addressees (domicile)	RCONK163	0	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCONK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCONK165	2	M.1.f.
1. Loans secured by farmland	RCONK166	0	M.1.f.1.
2. Loans to depository institutions and acceptances of other banks	RCONK167	0	M.1.f.2.
3. Not applicable			M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards	RCONK098	2	M.1.f.4.a.
b. Automobile loans	RCONK203	0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK204	0	M.1.f.4.c.
5. Loans to foreign governments and official institutions	RCONK212	0	M.1.f.5.
6. Other loans	RCONK267	0	M.1.f.6.
a. Loans to finance agricultural production and other loans to farmers included in Schedule RC-C, part I, Memorandum item 1.f.(6), above	RCONK168	0	M.1.f.6.a.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA564	1,157,990	M.2.a.1.
2. Over three months through 12 months	RCONA565	994,599	M.2.a.2.
3. Over one year through three years	RCONA566	88,150	M.2.a.3.
4. Over three years through five years	RCONA567	462,949	M.2.a.4.
5. Over five years through 15 years	RCONA568	1,075,279	M.2.a.5.
6. Over 15 years	RCONA569	2,916,561	M.2.a.6.

Dollar amounts in thousands			
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCONA570	**5,035,232**	M.2.b.1.
2. Over three months through 12 months	RCONA571	**1,013,740**	M.2.b.2.
3. Over one year through three years	RCONA572	**616,966**	M.2.b.3.
4. Over three years through five years	RCONA573	**521,107**	M.2.b.4.
5. Over five years through 15 years	RCONA574	**454,467**	M.2.b.5.
6. Over 15 years	RCONA575	**156,270**	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCONA247	**246,317**	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column B	RCON2746	**486,830**	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON5370	**3,994,920**	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, part I, items 1.a through 1.e, column B)	RCONB837	**0**	M.5.
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a	RCONC391	**NR**	M.6.
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):			M.7.
a. Outstanding balance	RCONC779	**3,838,979**	M.7.a.
b. Carrying amount included in Schedule RC-C, part I, items 1 through 9	RCONC780	**3,316,009**	M.7.b.
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:			M.8.
a. Total carrying amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b))	RCONF230	**993,007**	M.8.a.
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCONF231	**286,612**	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the carrying amount reported in Memorandum item 8.a above	RCONF232	**2,011**	M.8.c.
9. Loans secured by 1-4 family residential properties in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCONF577	**1,193,227**	M.9.
10. Loans measured at fair value (included in Schedule RC-C, part I, items 1 through 9):			M.10.
a. Loans secured by real estate:			M.10.a.
1. Construction, land development, and other land loans	RCONF578	**0**	M.10.a.1.
2. Secured by farmland (including farm residential and other improvements)	RCONF579	**0**	M.10.a.2.
3. Secured by 1-4 family residential properties:			M.10.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF580	**1,125,208**	M.10.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:			M.10.a.3.b.
1. Secured by first liens	RCONF581	**3,392,339**	M.10.a.3.b.1.
2. Secured by junior liens	RCONF582	**46,207**	M.10.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties	RCONF583	**0**	M.10.a.4.
5. Secured by nonfarm nonresidential properties	RCONF584	**0**	M.10.a.5.
b. Commercial and industrial loans	RCONF585	**0**	M.10.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			M.10.c.
1. Credit cards	RCONF586	**0**	M.10.c.1.
2. Other revolving credit plans	RCONF587	**0**	M.10.c.2.

Dollar amounts in thousands			
3. Automobile loans	RCONK196	0	M.10.c.3.
4. Other consumer loans	RCONK208	0	M.10.c.4.
d. Other loans	RCONF589	0	M.10.d.
11. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-C, part I, Memorandum item 10):			M.11.
a. Loans secured by real estate:			M.11.a.
1. Construction, and land development, and other land loans	RCONF590	0	M.11.a.1.
2. Secured by farmland (including farm residential and other improvements)	RCONF591	0	M.11.a.2.
3. Secured by 1-4 family residential properties:			M.11.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF592	1,647,986	M.11.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:			M.11.a.3.b.
1. Secured by first liens	RCONF593	4,698,609	M.11.a.3.b.1.
2. Secured by junior liens	RCONF594	75,982	M.11.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties	RCONF595	0	M.11.a.4.
5. Secured by nonfarm nonresidential properties	RCONF596	0	M.11.a.5.
b. Commercial and industrial loans	RCONF597	0	M.11.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			M.11.c.
1. Credit cards	RCONF598	0	M.11.c.1.
2. Other revolving credit plans	RCONF599	0	M.11.c.2.
3. Automobile loans	RCONK195	0	M.11.c.3.
4. Other consumer loans	RCONK209	0	M.11.c.4.
d. Other loans	RCONF601	0	M.11.d.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands	(Column A) Fair value of acquired loans and leases at acquisition date	(Column B) Gross contractual amounts receivable at acquisition date	(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected	
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:				M.12.
	RCONG091	RCONG092	RCONG093	
a. Loans secured by real estate	0	0	0	M.12.a.
	RCONG094	RCONG095	RCONG096	
b. Commercial and industrial loans	0	0	0	M.12.b.
	RCONG097	RCONG098	RCONG099	
c. Loans to individuals for household, family, and other personal expenditures	0	0	0	M.12.c.
	RCONG100	RCONG101	RCONG102	
d. All other loans and all leases	0	0	0	M.12.d.

Schedule RC-C Part I - Loans and Leases

Dollar amounts in thousands			
13. Construction, land development, and other land loans in domestic offices with interest reserves:			M.13.

Dollar amounts in thousands			
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	RCONG376	NR	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2))	RIADG377	NR	M.13.b.
14. Pledged loans and leases	RCONG378	**8,969,441**	M.14.
15. Reverse mortgages:			M.15.
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):			M.15.a.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ466	NR	M.15.a.1.
2. Proprietary reverse mortgages	RCONJ467	NR	M.15.a.2.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:			M.15.b.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ468	NR	M.15.b.1.
2. Proprietary reverse mortgages	RCONJ469	NR	M.15.b.2.
c. Principal amount of reverse mortgage originations that have been sold during the year:			M.15.c.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ470	NR	M.15.c.1.
2. Proprietary reverse mortgages	RCONJ471	NR	M.15.c.2.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands			
1. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4, have original amounts of $100,000 or less	RCON6999	No	1.
2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			2.
a. "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2)	RCON5562	NR	2.a.
b. "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4	RCON5563	NR	2.b.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2):					3.
a. With original amounts of $100,000 or less	RCON5564	3	RCON5565	39	3.a.
b. With original amounts of more than $100,000 through $250,000	RCON5566	31	RCON5567	3,221	3.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5568	248	RCON5569	110,287	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4:					4.
a. With original amounts of $100,000 or less	RCON5570	6	RCON5571	203	4.a.
b. With original amounts of more than $100,000 through $250,000	RCON5572	27	RCON5573	1,545	4.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5574	63	RCON5575	11,007	4.c.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands			
5. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3, have original amounts of $100,000 or less	RCON6860	**No**	5.
6. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			6.
a. "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b	RCON5576	**NR**	6.a.
b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3	RCON5577	**NR**	6.b.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b:					7.
a. With original amounts of $100,000 or less	RCON5578	**NR**	RCON5579	**NR**	7.a.
b. With original amounts of more than $100,000 through $250,000	RCON5580	**NR**	RCON5581	**NR**	7.b.
c. With original amounts of more than $250,000 through $500,000	RCON5582	**NR**	RCON5583	**NR**	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3:					8.
a. With original amounts of $100,000 or less	RCON5584	**NR**	RCON5585	**NR**	8.a.
b. With original amounts of more than $100,000 through $250,000	RCON5586	**NR**	RCON5587	**NR**	8.b.
c. With original amounts of more than $250,000 through $500,000	RCON5588	**NR**	RCON5589	**NR**	8.c.

Schedule RC-D - Trading Assets and Liabilities

Dollar amounts in thousands			
1. U.S. Treasury securities	RCON3531	**0**	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON3532	**0**	2.
3. Securities issued by states and political subdivisions in the U.S.	RCON3533	**0**	3.
4. Mortgage-backed securities (MBS):			4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	RCONG379	**0**	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS)	RCONG380	**76**	4.b.
c. All other residential MBS	RCONG381	**7,309**	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies	RCONK197	**0**	4.d.
e. All other commercial MBS	RCONK198	**0**	4.e.
5. Other debt securities:			5.
a. Structured financial products:			5.a.
1. Cash	RCONG383	**0**	5.a.1.
2. Synthetic	RCONG384	**0**	5.a.2.
3. Hybrid	RCONG385	**0**	5.a.3.
b. All other debt securities	RCONG386	**0**	5.b.
6. Loans:			6.

Dollar amounts in thousands			
a. Loans secured by real estate:			6.a.
1. Construction, land development, and other land loans	RCONF604	0	6.a.1.
2. Secured by farmland (including farm residential and other improvements)	RCONF605	0	6.a.2.
3. Secured by 1-4 family residential properties:			6.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF606	0	6.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:			6.a.3.b.
1. Secured by first liens	RCONF607	0	6.a.3.b.1.
2. Secured by junior liens	RCONF611	0	6.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties	RCONF612	0	6.a.4.
5. Secured by nonfarm nonresidential properties	RCONF613	0	6.a.5.
b. Commercial and industrial loans	RCONF614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			6.c.
1. Credit cards	RCONF615	0	6.c.1.
2. Other revolving credit plans	RCONF616	0	6.c.2.
3. Automobile loans	RCONK199	0	6.c.3.
4. Other consumer loans	RCONK210	0	6.c.4.
d. Other loans	RCONF618	0	6.d.
7. Not applicable			7.
8. Not applicable			8.
9. Other trading assets	RCON3541	0	9.
10. Not applicable			10.
11. Derivatives with a positive fair value	RCON3543	4,542	11.
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)	RCON3545	11,927	12.
13. Not available			13.
a. Liability for short positions	RCON3546	0	13.a.
b. Other trading liabilities	RCONF624	0	13.b.
14. Derivatives with a negative fair value	RCON3547	3,768	14.
15. Total trading liabilities (sum of items 13.a through 14) (must equal Schedule RC, item 15)	RCON3548	3,768	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a.(1) through 6.d):			M.1.
a. Loans secured by real estate:			M.1.a.
1. Construction, land development, and other land loans	RCONF625	0	M.1.a.1.
2. Secured by farmland (including farm residential and other improvements)	RCONF626	0	M.1.a.2.
3. Secured by 1-4 family residential properties:			M.1.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF627	0	M.1.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:			M.1.a.3.b.
1. Secured by first liens	RCONF628	0	M.1.a.3.b.1.
2. Secured by junior liens	RCONF629	0	M.1.a.3.b.2.
4. Secured by multifamily (5 or more) residential properties	RCONF630	0	M.1.a.4.
5. Secured by nonfarm nonresidential properties	RCONF631	0	M.1.a.5.
b. Commercial and industrial loans	RCONF632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			M.1.c.
1. Credit cards	RCONF633	0	M.1.c.1.
2. Other revolving credit plans	RCONF634	0	M.1.c.2.
3. Automobile loans	RCONK200	0	M.1.c.3.
4. Other consumer loans	RCONK211	0	M.1.c.4.
d. Other loans	RCONF636	0	M.1.d.

Dollar amounts in thousands			
2. Loans measured at fair value that are past due 90 days or more:			M.2.
a. Fair value	RCONF639	0	M.2.a.
b. Unpaid principal balance	RCONF640	0	M.2.b.
3. Structured financial products by underlying collateral or reference assets (sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):			M.3.
a. Trust preferred securities issued by financial institutions	RCONG299	0	M.3.a.
b. Trust preferred securities issued by real estate investment trusts	RCONG332	0	M.3.b.
c. Corporate and similar loans	RCONG333	0	M.3.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCONG334	0	M.3.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCONG335	0	M.3.e.
f. Diversified (mixed) pools of structured financial products	RCONG651	0	M.3.f.
g. Other collateral or reference assets	RCONG652	0	M.3.g.
4. Pledged trading assets:			M.4.
a. Pledged securities	RCONG387	0	M.4.a.
b. Pledged loans	RCONG388	0	M.4.b.
5. Asset-backed securities:			M.5.
a. Credit card receivables	RCONF643	NR	M.5.a.
b. Home equity lines	RCONF644	NR	M.5.b.
c. Automobile loans	RCONF645	NR	M.5.c.
d. Other consumer loans	RCONF646	NR	M.5.d.
e. Commercial and industrial loans	RCONF647	NR	M.5.e.
f. Other	RCONF648	NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)	RCONF651	NR	M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):			M.7.
a. Readily determinable fair values	RCONF652	NR	M.7.a.
b. Other	RCONF653	NR	M.7.b.
8. Loans pending securitization	RCONF654	NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than $25,000 and exceed 25% of the item):			M.9.
a. Disclose component and the dollar amount of that component:			M.9.a.
1. Describe component	TEXTF655	NR	M.9.a.1.
2. Amount of component	RCONF655	NR	M.9.a.2.
b. Disclose component and the dollar amount of that component:			M.9.b.
1. Describe component	TEXTF656	NR	M.9.b.1.
2. Amount of component	RCONF656	NR	M.9.b.2.
c. Disclose component and the dollar amount of that component:			M.9.c.
1. Describe component	TEXTF657	NR	M.9.c.1.
2. Amount of component	RCONF657	NR	M.9.c.2.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than $25,000 and exceed 25% of the item):			M.10.
a. Disclose component and the dollar amount of that component:			M.10.a.
1. Describe component	TEXTF658	NR	M.10.a.1.
2. Amount of component	RCONF658	NR	M.10.a.2.
b. Disclose component and the dollar amount of that component:			M.10.b.
1. Describe component	TEXTF659	NR	M.10.b.1.
2. Amount of component	RCONF659	NR	M.10.b.2.
c. Disclose component and the dollar amount of that component:			M.10.c.
1. Describe component	TEXTF660	NR	M.10.c.1.
2. Amount of component	RCONF660	NR	M.10.c.2.

Schedule RC-E - Deposit Liabilities

Dollar amounts in thousands	(Column A) Transaction Accounts Total transaction accounts (including total demand deposits)	(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)	(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)	
Deposits of:				
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549 444,108		RCONB550 13,176,890	1.
2. U.S. Government	RCON2202 13		RCON2520 0	2.
3. States and political subdivisions in the U.S.	RCON2203 197		RCON2530 81,032	3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551 308		RCONB552 941,964	4.
5. Banks in foreign countries	RCON2213 0		RCON2236 0	5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216 0		RCON2377 0	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215 444,626	RCON2210 293,636	RCON2385 14,199,886	7.

Schedule RC-E - Deposit Liabilities

Dollar amounts in thousands			
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835	895,751	M.1.a.
b. Total brokered deposits	RCON2365	0	M.1.b.
c. Fully insured brokered deposits (included in Memorandum item 1.b above):			M.1.c.
1. Brokered deposits of less than $100,000	RCON2343	0	M.1.c.1.
2. Brokered deposits of $100,000 through $250,000 and certain brokered retirement deposit accounts	RCONJ472	0	M.1.c.2.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of less than $100,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(1) above)	RCONA243	0	M.1.d.1.
2. Brokered deposits of $100,000 through $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(2) above)	RCONK219	0	M.1.d.2.
3. Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONK220	0	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only)	RCON5590	NR	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	RCONK223	417,332	M.1.f.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs)	RCON6810	6,107,429	M.2.a.1.
2. Other savings deposits (excludes MMDAs)	RCON0352	974,473	M.2.a.2.
b. Total time deposits of less than $100,000	RCON6648	2,539,491	M.2.b.

Dollar amounts in thousands			
c. Total time deposits of $100,000 through $250,000	RCONJ473	3,571,739	M.2.c.
d. Total time deposits of more than $250,000	RCONJ474	1,006,754	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of $100,000 or more included in Memorandum items 2.c and 2.d above	RCONF233	439,145	M.2.e.
3. Maturity and repricing data for time deposits of less than $100,000:			M.3.
a. Time deposits of less than $100,000 with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less	RCONA579	484,667	M.3.a.1.
2. Over three months through 12 months	RCONA580	1,613,653	M.3.a.2.
3. Over one year through three years	RCONA581	354,342	M.3.a.3.
4. Over three years	RCONA582	86,829	M.3.a.4.
b. Time deposits of less than $100,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)	RCONA241	2,098,320	M.3.b.
4. Maturity and repricing data for time deposits of $100,000 or more:			M.4.
a. Time deposits of $100,000 or more with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less	RCONA584	776,803	M.4.a.1.
2. Over three months through 12 months	RCONA585	3,041,312	M.4.a.2.
3. Over one year through three years	RCONA586	612,552	M.4.a.3.
4. Over three years	RCONA587	147,826	M.4.a.4.
b. Time deposits of $100,000 through $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)	RCONK221	2,932,076	M.4.b.
c. Time deposits of more than $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)	RCONK222	886,039	M.4.c.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?	RCONP752	Yes	M.5.
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a, 6.b, and 6.c must equal item 1, column A, above):			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753	71,265	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754	141,163	M.6.b.
c. Total deposits in all other transaction accounts of individuals, partnerships, and corporations	RCONP755	231,680	M.6.c.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756	4,983,183	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757	1,124,045	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758	859,788	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759	83,969	M.7.b.2.

Schedule RC-F - Other Assets

Dollar amounts in thousands			
1. Accrued interest receivable	RCONB556	19,086	1.
2. Net deferred tax assets	RCON2148	16,106	2.
3. Interest-only strips receivable (not in the form of a security) on:			3.
a. Mortgage loans	RCONA519	0	3.a.
b. Other financial assets	RCONA520	0	3.b.
4. Equity securities that DO NOT have readily determinable fair values	RCON1752	228,611	4.
5. Life insurance assets:			5.
a. General account life insurance assets	RCONK201	0	5.a.
b. Separate account life insurance assets	RCONK202	0	5.b.
c. Hybrid account life insurance assets	RCONK270	0	5.c.
6. All other assets (itemize and describe amounts greater than $25,000 that exceed 25% of this item)	RCON2168	1,480,793	6.
a. Prepaid expenses	RCON2166	0	6.a.
b. Repossessed personal property (including vehicles)	RCON1578	0	6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCONC010	0	6.c.
d. Retained interests in accrued interest receivable related to securitized credit cards	RCONC436	0	6.d.
e. FDIC loss-sharing indemnification assets	RCONJ448	1,176,993	6.e.
f. Not applicable			6.f.
g. Disclose component and the dollar amount of that component:			6.g.
1. Describe component	TEXT3549	NR	6.g.1.
2. Amount of component	RCON3549	0	6.g.2.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component	TEXT3550	NR	6.h.1.
2. Amount of component	RCON3550	0	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component	TEXT3551	NR	6.i.1.
2. Amount of component	RCON3551	0	6.i.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCON2160	1,744,596	7.

Schedule RC-G - Other Liabilities

Dollar amounts in thousands			
1. Not available			1.
a. Interest accrued and unpaid on deposits	RCON3645	925	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCON3646	423,350	1.b.
2. Net deferred tax liabilities	RCON3049	0	2.
3. Allowance for credit losses on off-balance sheet credit exposures	RCONB557	6,545	3.
4. All other liabilities (itemize and describe amounts greater than $25,000 that exceed 25 percent of this item)	RCON2938	123,207	4.
a. Accounts payable	RCON3066	0	4.a.
b. Deferred compensation liabilities	RCONC011	0	4.b.
c. Dividends declared but not yet payable	RCON2932	0	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCONC012	0	4.d.
e. Disclose component and the dollar amount of that component:			4.e.
1. Describe component	TEXT3552	Click here for value	4.e.1.
2. Amount of component	RCON3552	54,785	4.e.2.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3553	NR	4.f.1.
2. Amount of component	RCON3553	0	4.f.2.

Dollar amounts in thousands			
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3554	NR	4.g.1.
2. Amount of component	RCON3554	0	4.g.2.
5. Total	RCON2930	554,027	5.

(TEXT3552) Commitments on low income housing investments

Schedule RC-K - Quarterly Averages

Dollar amounts in thousands			
1. Interest-bearing balances due from depository institutions	RCON3381	4,471,160	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RCONB558	0	2.
3. Mortgage-backed securities	RCONB559	991,369	3.
4. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RCONB560	0	4.
5. Federal funds sold and securities purchased under agreements to resell	RCON3365	0	5.
6. Loans:			6.
a. Total loans	RCON3360	14,090,194	6.a.
b. Loans secured by real estate:			6.b.
1. Loans secured by 1-4 family residential properties	RCON3465	7,858,042	6.b.1.
2. All other loans secured by real estate	RCON3466	3,053,816	6.b.2.
c. Commercial and industrial loans	RCON3387	2,713,248	6.c.
d. Loans to individuals for household, family, and other personal expenditures:			6.d.
1. Credit cards	RCONB561	1,003	6.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RCONB562	2,753	6.d.2.
7. Trading assets	RCON3401	10,344	7.
8. Lease financing receivables (net of unearned income)	RCON3484	0	8.
9. Total assets	RCON3368	21,985,067	9.
10. Interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RCON3485	152,197	10.
11. Nontransaction accounts:			11.
a. Savings deposits (includes MMDAs)	RCONB563	7,326,560	11.a.
b. Time deposits of $100,000 or more	RCONA514	4,440,649	11.b.
c. Time deposits of less than $100,000	RCONA529	2,752,905	11.c.
12. Federal funds purchased and securities sold under agreements to repurchase	RCON3353	115,385	12.
13. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	RCON3355	3,564,646	13.
1. Loans to finance agricultural production and other loans to farmers	RCON3386	0	M.1.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
1. Unused commitments:			1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines	RCON3814	146,101	1.a.
1. Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment (included in item 1.a above)	RCONJ477	NR	1.a.1.
2. Unused commitments for proprietary reverse mortgages outstanding that are held for investment (included in item 1.a above)	RCONJ478	NR	1.a.2.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)	RCON3815	15,937	1.b.

Dollar amounts in thousands			
1. Unused consumer credit card lines	RCONJ455	15,937	1.b.1.
2. Other unused credit card lines	RCONJ456	0	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			1.c.
1. Secured by real estate:			1.c.1.
a. 1-4 family residential construction loan commitments	RCONF164	1,690	1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments	RCONF165	311,167	1.c.1.b.
2. Not secured by real estate	RCON6550	73,931	1.c.2.
d. Securities underwriting	RCON3817	0	1.d.
e. Other unused commitments:			1.e.
1. Commercial and industrial loans	RCONJ457	1,629,370	1.e.1.
2. Loans to financial institutions	RCONJ458	0	1.e.2.
3. All other unused commitments	RCONJ459	13,615	1.e.3.
2. Financial standby letters of credit	RCON3819	49,797	2.
a. Amount of financial standby letters of credit conveyed to others	RCON3820	0	2.a.
3. Performance standby letters of credit	RCON3821	0	3.
a. Amount of performance standby letters of credit conveyed to others	RCON3822	0	3.a.
4. Commercial and similar letters of credit	RCON3411	0	4.
5. Not applicable			5.
6. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	RCON3433	0	6.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps	RCONC968	0	RCONC969	0	7.a.1.
2. Total return swaps	RCONC970	0	RCONC971	0	7.a.2.
3. Credit options	RCONC972	0	RCONC973	0	7.a.3.
4. Other credit derivatives	RCONC974	0	RCONC975	0	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value	RCONC219	0	RCONC221	0	7.b.1.
2. Gross negative fair value	RCONC220	0	RCONC222	0	7.b.2.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
c. Notional amounts by regulatory capital treatment:			7.c.
1. Positions covered under the Market Risk Rule:			7.c.1.
a. Sold protection	RCONG401	0	7.c.1.a.
b. Purchased protection	RCONG402	0	7.c.1.b.
2. All other positions:			7.c.2.
a. Sold protection	RCONG403	0	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCONG404	0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCONG405	0	7.c.2.c.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less	(Column B) Remaining Maturity of Over One Year Through Five Years	(Column C) Remaining Maturity of Over Five Years	
d. Notional amounts by remaining maturity:				7.d.
1. Sold credit protection:				7.d.1.
	RCONG406	RCONG407	RCONG408	
a. Investment grade	0	0	0	7.d.1.a.
	RCONG409	RCONG410	RCONG411	
b. Subinvestment grade	0	0	0	7.d.1.b.
2. Purchased credit protection:				7.d.2.
	RCONG412	RCONG413	RCONG414	
a. Investment grade	0	0	0	7.d.2.a.
	RCONG415	RCONG416	RCONG417	
b. Subinvestment grade	0	0	0	7.d.2.b.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands			
8. Spot foreign exchange contracts	RCON8765	0	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCON3430	0	9.
a. Securities borrowed	RCON3432	0	9.a.
b. Commitments to purchase when-issued securities	RCON3434	0	9.b.
c. Standby letters of credit issued by a Federal Home Loan Bank on the bank's behalf	RCONC978	0	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component	TEXT3555	NR	9.d.1.
2. Amount of component	RCON3555	0	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component	TEXT3556	NR	9.e.1.
2. Amount of component	RCON3556	0	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
1. Describe component	TEXT3557	NR	9.f.1.
2. Amount of component	RCON3557	0	9.f.2.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCON5591	0	10.
a. Commitments to sell when-issued securities	RCON3435	0	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component	TEXT5592	NR	10.b.1.
2. Amount of component	RCON5592	0	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component	TEXT5593	NR	10.c.1.
2. Amount of component	RCON5593	0	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component	TEXT5594	NR	10.d.1.
2. Amount of component	RCON5594	0	10.d.2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component	TEXT5595	**NR**	10.e.1.
2. Amount of component	RCON5595	**0**	10.e.2.
11. Year-to-date merchant credit card sales volume:			11.
a. Sales for which the reporting bank is the acquiring bank	RCONC223	**0**	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCONC224	**0**	11.b.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
12. Gross amounts (e.g., notional amounts):					12.
	RCON8693	RCON8694	RCON8695	RCON8696	
a. Futures contracts	0	0	0	0	12.a.
	RCON8697	RCON8698	RCON8699	RCON8700	
b. Forward contracts	7,647	1,313	0	0	12.b.
c. Exchange-traded option contracts:					12.c.
	RCON8701	RCON8702	RCON8703	RCON8704	
1. Written options	0	0	0	0	12.c.1.
	RCON8705	RCON8706	RCON8707	RCON8708	
2. Purchased options	0	0	0	0	12.c.2.
d. Over-the-counter option contracts:					12.d.
	RCON8709	RCON8710	RCON8711	RCON8712	
1. Written options	540,455	0	0	0	12.d.1.
	RCON8713	RCON8714	RCON8715	RCON8716	
2. Purchased options	540,455	0	0	0	12.d.2.
	RCON3450	RCON3826	RCON8719	RCON8720	
e. Swaps	4,079,586	0	0	0	12.e.
	RCONA126	RCONA127	RCON8723	RCON8724	
13. Total gross notional amount of derivative contracts held for trading	1,963,931	1,313	0	0	13.
	RCON8725	RCON8726	RCON8727	RCON8728	
14. Total gross notional amount of derivative contracts held for purposes other than trading	3,204,212	0	0	0	14.
	RCONA589				
a. Interest rate swaps where the bank has agreed to pay a fixed rate	3,204,212				14.a.
15. Gross fair values of derivative contracts:					15.
a. Contracts held for trading:					15.a.
	RCON8733	RCON8734	RCON8735	RCON8736	
1. Gross positive fair value	5,944	0	0	0	15.a.1.
	RCON8737	RCON8738	RCON8739	RCON8740	
2. Gross negative fair value	4,542	3	0	0	15.a.2.

Dollar amounts in thousands	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
b. Contracts held for purposes other than trading:					15.b.
	RCON8741	RCON8742	RCON8743	RCON8744	
1. Gross positive fair value	**14,267**	**0**	**0**	**0**	15.b.1.
	RCON8745	RCON8746	RCON8747	RCON8748	
2. Gross negative fair value	**12,082**	**0**	**0**	**0**	15.b.2.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Dollar amounts in thousands	(Column A) Banks and Securities Firms	(Column B) Monoline Financial Guarantors	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties	
16. Over-the counter derivatives:						16.
	RCONG418	RCONG419	RCONG420	RCONG421	RCONG422	
a. Net current credit exposure	**10,857**	**0**	**0**	**0**	**4,893**	16.a.
b. Fair value of collateral:						16.b.
	RCONG423	RCONG424	RCONG425	RCONG426	RCONG427	
1. Cash - U.S. dollar	**11,850**	**0**	**0**	**0**	**0**	16.b.1.
	RCONG428	RCONG429	RCONG430	RCONG431	RCONG432	
2. Cash - Other currencies	**0**	**0**	**0**	**0**	**0**	16.b.2.
	RCONG433	RCONG434	RCONG435	RCONG436	RCONG437	
3. U.S. Treasury securities	**0**	**0**	**0**	**0**	**0**	16.b.3.
	RCONG438	RCONG439	RCONG440	RCONG441	RCONG442	
4. U.S. Government agency and U.S. Government-sponsored agency debt securities	**0**	**0**	**0**	**0**	**0**	16.b.4.
	RCONG443	RCONG444	RCONG445	RCONG446	RCONG447	
5. Corporate bonds	**0**	**0**	**0**	**0**	**0**	16.b.5.
	RCONG448	RCONG449	RCONG450	RCONG451	RCONG452	
6. Equity securities	**0**	**0**	**0**	**0**	**0**	16.b.6.
	RCONG453	RCONG454	RCONG455	RCONG456	RCONG457	
7. All other collateral	**0**	**0**	**0**	**0**	**0**	16.b.7.
	RCONG458	RCONG459	RCONG460	RCONG461	RCONG462	
8. Total fair value of collateral (sum of items 16.b.(1) through (7))	**11,850**	**0**	**0**	**0**	**0**	16.b.8.

Schedule RC-M - Memoranda

Dollar amounts in thousands			
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCON6164	**53,700**	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCON6165	**2**	1.b.
2. Intangible assets other than goodwill:			2.
a. Mortgage servicing assets	RCON3164	**27,366**	2.a.
1. Estimated fair value of mortgage servicing assets	RCONA590	**28,525**	2.a.1.
b. Purchased credit card relationships and nonmortgage servicing assets	RCONB026	**0**	2.b.
c. All other identifiable intangible assets	RCON5507	**9,213**	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10.b)	RCON0426	**36,579**	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land	RCON5508	**3,297**	3.a.
b. Farmland	RCON5509	**0**	3.b.
c. 1-4 family residential properties	RCON5510	**100,464**	3.c.
d. Multifamily (5 or more) residential properties	RCON5511	**32**	3.d.
e. Nonfarm nonresidential properties	RCON5512	**4,281**	3.e.
f. Foreclosed properties from "GNMA loans"	RCONC979	**13,751**	3.f.
g. Total (sum of items 3.a through 3.f) (must equal Schedule RC, item 7)	RCON2150	**121,825**	3.g.
4. Not applicable			4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of:			5.a.1.
a. One year or less	RCONF055	**2,886,915**	5.a.1.a.
b. Over one year through three years	RCONF056	**845,565**	5.a.1.b.
c. Over three years through five years	RCONF057	**0**	5.a.1.c.
d. Over five years	RCONF058	**0**	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above)	RCON2651	**2,886,915**	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above)	RCONF059	**0**	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity of next repricing date of:			5.b.1.
a. One year or less	RCONF060	**45,176**	5.b.1.a.
b. Over one year through three years	RCONF061	**150,566**	5.b.1.b.
c. Over three years through five years	RCONF062	**191,209**	5.b.1.c.
d. Over five years	RCONF063	**94,175**	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above)	RCONB571	**45,176**	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCON3190	**4,213,606**	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?	RCONB569	**No**	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities.	RCONB570	**0**	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):	TEXT4087	**Click here for value**	8.a.
b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):			8.b.

Dollar amounts in thousands			
1. URL 1	TE01N528	Click here for value	8.b.1.
2. URL 2	TE02N528	Click here for value	8.b.2.
3. URL 3	TE03N528	NR	8.b.3.
4. URL 4	TE04N528	NR	8.b.4.
5. URL 5	TE05N528	NR	8.b.5.
6. URL 6	TE06N528	NR	8.b.6.
7. URL 7	TE07N528	NR	8.b.7.
8. URL 8	TE08N528	NR	8.b.8.
9. URL 9	TE09N528	NR	8.b.9.
10. URL 10	TE10N528	NR	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1	TE01N529	NR	8.c.1.
2. Trade name 2	TE02N529	NR	8.c.2.
3. Trade name 3	TE03N529	NR	8.c.3.
4. Trade name 4	TE04N529	NR	8.c.4.
5. Trade name 5	TE05N529	NR	8.c.5.
6. Trade name 6	TE06N529	NR	8.c.6.
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?	RCON4088	Yes	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a)	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	RCONF065	480,947	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463	Yes	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	RCONG464	Yes	12.
13. Assets covered by loss-sharing agreements with the FDIC:			13.
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):			13.a.
1. Loans secured by real estate:			13.a.1.
a. Construction, land development, and other land loans:			13.a.1.a.
1. 1-4 family residential construction loans	RCONK169	10,160	13a1a1.
2. Other construction loans and all land development and other land loans	RCONK170	0	13a1a2.
b. Secured by farmland	RCONK171	0	13.a.1.b.
c. Secured by 1-4 family residential properties:			13.a.1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK172	802,229	13a1c1.
2. Closed-end loans secured by 1-4 family residential properties:			13a1c2.
a. Secured by first liens	RCONK173	4,846,648	13a1c2a
b. Secured by junior liens	RCONK174	47,174	13a1c2b
d. Secured by multifamily (5 or more) residential properties	RCONK175	1,098,225	13.a.1.d.
e. Secured by nonfarm nonresidential properties:			13.a.1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK176	44,687	13a1e1.
2. Loans secured by other nonfarm nonresidential properties	RCONK177	210,401	13a1e2.
2. Not applicable			13.a.2.
3. Commercial and industrial loans	RCONK179	8,261	13.a.3.
4. Loans to individuals for household, family, and other personal expenditures:			13.a.4.

Dollar amounts in thousands			
a. Credit cards	RCONK180	0	13.a.4.a.
b. Automobile loans	RCONK181	0	13.a.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK182	2,409	13.a.4.c.
5. All other loans and all leases	RCONK183	0	13.a.5.
a. Loans to depository institutions and acceptances of other banks	RCONK184	0	13.a.5.a.
b. Loans to foreign governments and official institutions	RCONK185	0	13.a.5.b.
c. Other loans	RCONK186	0	13.a.5.c.
1. Loans to finance agricultural production and other loans to farmers included in Schedule RC-M, item 13.a.(5)(c), above	RCONK178	0	13.a.5.c.1.
d. Lease financing receivables	RCONK273	0	13.a.5.d.
b. Other real estate owned (included in Schedule RC, item 7):			13.b.
1. Construction, land development, and other land	RCONK187	3,297	13.b.1.
2. Farmland	RCONK188	0	13.b.2.
3. 1-4 family residential properties	RCONK189	65,113	13.b.3.
4. Multifamily (5 or more) residential properties	RCONK190	0	13.b.4.
5. Nonfarm nonresidential properties	RCONK191	0	13.b.5.
6. Not applicable			13.b.6.
7. Portion of covered other real estate owned included in items 13.b.(1) through (5) above that is protected by FDIC loss-sharing agreements	RCONK192	67,320	13.b.7.
c. Debt securities (included in Schedule RC, items 2.a and 2.b)	RCONJ461	0	13.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets)	RCONJ462	0	13.d.
14. Captive insurance and reinsurance subsidiaries:			14.
a. Total assets of captive insurance subsidiaries	RCONK193	0	14.a.
b. Total assets of captive reinsurance subsidiaries	RCONK194	0	14.b.
15. Qualified Thrift Lender (QTL) test:			15.
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCONL135	NR	15.b.
16. International remittance transfers offered to consumers:			16.
a. As of the report date, did your institution offer to consumers in any state any of the following mechanisms for sending international remittance transfers?			16.a.
1. International wire transfers	RCONN517	Yes	16.a.1.
2. International ACH transactions	RCONN518	No	16.a.2.
3. Other proprietary services operated by your institution	RCONN519	No	16.a.3.
4. Other proprietary services operated by another party	RCONN520	No	16.a.4.
b. Did your institution provide more than 100 international remittance transfers in the previous calendar year or does your institution estimate that it will provide more than 100 international remittance transfers in the current calendar year?	RCONN521	Yes	16.b.
c. Indicate which of the mechanisms described in items 16.a.(1), (2), and (3) above is the mechanism that your institution estimates accounted for the largest number of international remittance transfers your institution provided during the two calendar quarters ending on the report date. (For international wire transfers, enter 1; for international ACH transactions, enter 2; for other proprietary services operated by your institution, enter 3. If your institution did not provide any international remittance transfers using the mechanisms described in items 16.a.(1), (2), and (3) above during the two calendar quarters ending on the report date, enter 0.)	RCONN522	1	16.c.
d. Estimated number and dollar value of international remittance transfers provided by your institution during the two calendar quarters ending on the report date:			16.d.
1. Estimated number of international remittance transfers	RCONN523	457	16.d.1.
2. Estimated dollar value of international remittance transfers	RCONN524	7,530	16.d.2.

Dollar amounts in thousands			
3. Estimated number of international remittance transfers for which your institution applied the temporary exception	RCONN527	0	16.d.3.

(TE01N528) www.onewestbank.com/business-banking

(TE02N528) www.onlymagiccard.com

(TEXT4087) www.owb.com

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
1. Loans secured by real estate:				1.
a. Construction, land development, and other land loans:				1.a.
1. 1-4 family residential construction loans	RCONF172 0	RCONF174 10,160	RCONF176 0	1.a.1.
2. Other construction loans and all land development and other land loans	RCONF173 0	RCONF175 0	RCONF177 0	1.a.2.
b. Secured by farmland	RCON3493 0	RCON3494 0	RCON3495 0	1.b.
c. Secured by 1-4 family residential properties:				1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398 10,062	RCON5399 6,863	RCON5400 0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:				1.c.2.
a. Secured by first liens	RCONC236 420,802	RCONC237 658,511	RCONC229 115,127	1.c.2.a.
b. Secured by junior liens	RCONC238 3,381	RCONC239 2,510	RCONC230 0	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCON3499 4,894	RCON3500 4,229	RCON3501 0	1.d.
e. Secured by nonfarm nonresidential properties:				1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178 0	RCONF180 0	RCONF182 0	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONF179 14,249	RCONF181 3,775	RCONF183 0	1.e.2.
2. Loans to depository institutions and acceptances of other banks	RCONB834 0	RCONB835 0	RCONB836 0	2.
3. Not applicable				3.
4. Commercial and industrial loans	RCON1606 0	RCON1607 650	RCON1608 21,174	4.
5. Loans to individuals for household, family, and other personal expenditures:				5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
	RCONB575	RCONB576	RCONB577	
a. Credit cards	20	0	32	5.a.
	RCONK213	RCONK214	RCONK215	
b. Automobile loans	0	0	0	5.b.
	RCONK216	RCONK217	RCONK218	
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	84	38	8	5.c.
	RCON5389	RCON5390	RCON5391	
6. Loans to foreign governments and official institutions	0	0	0	6.
	RCON5459	RCON5460	RCON5461	
7. All other loans	0	0	0	7.
	RCON1226	RCON1227	RCON1228	
8. Lease financing receivables	0	0	0	8.
	RCON3505	RCON3506	RCON3507	
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	163	0	932	9.
	RCONK036	RCONK037	RCONK038	
10. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC:	0	0	114,016	10.
	RCONK039	RCONK040	RCONK041	
a. Guaranteed portion of loans and leases included in item 10 above, excluding rebooked "GNMA loans"	0	0	658	10.a.
	RCONK042	RCONK043	RCONK044	
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 10 above	0	0	113,357	10.b.
11. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:				11.
a. Loans secured by real estate:				11.a.
1. Construction, land development, and other land loans:				11.a.1.
	RCONK045	RCONK046	RCONK047	
a. 1-4 family residential construction loans	0	10,160	0	11.a.1.a.
	RCONK048	RCONK049	RCONK050	
b. Other construction loans and all land development and other land loans	0	0	0	11.a.1.b.
	RCONK051	RCONK052	RCONK053	
2. Secured by farmland	0	0	0	11.a.2.
3. Secured by 1-4 family residential properties:				11.a.3.
	RCONK054	RCONK055	RCONK056	
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	10,062	6,863	0	11.a.3.a.
b. Closed-end loans secured by 1-4 family residential properties:				11.a.3.b.
	RCONK057	RCONK058	RCONK059	
1. Secured by first liens	420,802	658,511	0	11a3b1.
	RCONK060	RCONK061	RCONK062	
2. Secured by junior liens	3,381	2,510	0	11a3b2.
	RCONK063	RCONK064	RCONK065	
4. Secured by multifamily (5 or more) residential properties	2,765	651	0	11.a.4.
5. Secured by nonfarm nonresidential properties:				11.a.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
a. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK066 0	RCONK067 0	RCONK068 0	11.a.5.a.
b. Loans secured by other nonfarm nonresidential properties	RCONK069 11,296	RCONK070 672	RCONK071 0	11.a.5.b.
b. Not applicable				11.b.
c. Commercial and industrial loans	RCONK075 0	RCONK076 650	RCONK077 0	11.c.
d. Loans to individuals for household, family, and other personal expenditures:				11.d.
1. Credit cards	RCONK078 0	RCONK079 0	RCONK080 0	11.d.1.
2. Automobile loans	RCONK081 0	RCONK082 0	RCONK083 0	11.d.2.
3. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK084 68	RCONK085 38	RCONK086 0	11.d.3.
e. All other loans and all leases	RCONK087 0	RCONK088 0	RCONK089 0	11.e.
1. Loans to depository institutions and acceptances of other banks	RCONK091 0	RCONK092 0	RCONK093 0	11.e.1.
2. Loans to foreign governments and official institutions	RCONK095 0	RCONK096 0	RCONK097 0	11.e.2.
3. Other loans	RCONK099 0	RCONK100 0	RCONK101 0	11.e.3.
a. Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, item 11.e.(3), above	RCONK072 0	RCONK073 0	RCONK074 0	11.e.3.a.
4. Lease financing receivables	RCONK269 0	RCONK271 0	RCONK272 0	11.e.4.
f. Portion of covered loans and leases included in items 11.a through 11.e above that is protected by FDIC loss-sharing agreements	RCONK102 436,303	RCONK103 658,888	RCONK104 0	11.f.
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part 1, Memorandum item 1):				M.1.
a. Construction, land development, and other land loans:				M.1.a.
1. 1-4 family residential construction loans	RCONK105 0	RCONK106 0	RCONK107 0	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK108 0	RCONK109 0	RCONK110 0	M.1.a.2.
b. Loans secured by 1-4 family residential properties	RCONF661 0	RCONF662 0	RCONF663 1,109	M.1.b.
c. Secured by multifamily (5 or more) residential properties	RCONK111 0	RCONK112 0	RCONK113 0	M.1.c.
d. Secured by nonfarm nonresidential properties:				M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK114 0	RCONK115 0	RCONK116 0	M.1.d.1.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
	RCONK117	RCONK118	RCONK119	
2. Loans secured by other nonfarm nonresidential properties...	0	0	0	M.1.d.2.
	RCONK257	RCONK258	RCONK259	
e. Commercial and industrial loans..	0	0	0	M.1.e.
	RCONK120	RCONK121	RCONK122	
1. To U.S. addressees (domicile)..	0	0	0	M.1.e.1.
	RCONK123	RCONK124	RCONK125	
2. To non-U.S. addressees (domicile).......................................	0	0	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)...	RCONK126	RCONK127	RCONK128	
	0	0	0	M.1.f.
	RCONK130	RCONK131	RCONK132	
1. Loans secured by farmland..	0	0	0	M.1.f.1.
2. Loans to depository institutions and acceptances of other banks..	RCONK134	RCONK135	RCONK136	
	0	0	0	M.1.f.2.
3. Not applicable				M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:				M.1.f.4.
	RCONK274	RCONK275	RCONK276	
a. Credit cards...	0	0	0	M.1.f.4.a.
	RCONK277	RCONK278	RCONK279	
b. Automobile loans..	0	0	0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).......................................	RCONK280	RCONK281	RCONK282	
	0	0	0	M.1.f.4.c.
	RCONK283	RCONK284	RCONK285	
5. Loans to foreign governments and official institutions..........	0	0	0	M.1.f.5.
	RCONK286	RCONK287	RCONK288	
6. Other loans...	0	0	0	M.1.f.6.
a. Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, Memorandum item 1.f.(6), above...	RCONK138	RCONK139	RCONK140	
	0	0	0	M.1.f.6.a.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above...	RCON6558	RCON6559	RCON6560	
	0	0	0	M.2.
3. Not available				M.3.
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above).................................	RCON1248	RCON1249	RCON1250	
	0	0	0	M.3.a.
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2, above)..	RCON5380	RCON5381	RCON5382	
	0	0	0	M.3.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above).................	RCON1254	RCON1255	RCON1256	
	0	0	0	M.3.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8, above).............	RCONF166	RCONF167	RCONF168	
	0	0	0	M.3.d.
4. Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above)..	RCON1594	RCON1597	RCON1583	
	0	0	0	M.4.
5. Loans and leases held for sale and loans measured at fair value (included in Schedule RC-N, items 1 through 8, above):				M.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
	RCONC240	RCONC241	RCONC226	
a. Loans and leases held for sale	0	0	0	M.5.a.
b. Loans measured at fair value:				M.5.b.
	RCONF664	RCONF665	RCONF666	
1. Fair value	346,838	540,973	0	M.5.b.1.
	RCONF667	RCONF668	RCONF669	
2. Unpaid principal balance	483,219	1,049,087	0	M.5.b.2.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
6. Derivative contracts: Fair value of amounts carried as assets	RCON3529	0	RCON3530	0	M.6.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands			
7. Additions to nonaccrual assets during the quarter	RCONC410	22,131	M.7.
8. Nonaccrual assets sold during the quarter	RCONC411	0	M.8.

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):				M.9.
	RCONL183	RCONL184	RCONL185	
a. Outstanding balance	146,367	211,922	0	M.9.a.
	RCONL186	RCONL187	RCONL188	
b. Carrying amount included in Schedule RC-N, items 1 through 7, above	106,621	142,403	0	M.9.b.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments

Dollar amounts in thousands			
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONF236	14,989,032	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	RCONF237	0	2.
3. Not applicable			3.
4. Average consolidated total assets for the calendar quarter	RCONK652	21,985,067	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2)	RCONK653	1	4.a.
5. Average tangible equity for the calendar quarter	RCONK654	2,797,930	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	RCONK655	0	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.

Dollar amounts in thousands			
a. One year or less	RCONG465	179	7.a.
b. Over one year through three years	RCONG466	0	7.b.
c. Over three years through five years	RCONG467	0	7.c.
d. Over five years	RCONG468	0	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less	RCONG469	0	8.a.
b. Over one year through three years	RCONG470	0	8.b.
c. Over three years through five years	RCONG471	0	8.c.
d. Over five years	RCONG472	0	8.d.
9. Reciprocal brokered deposits (included in Schedule RC-E, part I, Memorandum item 1.b)	RCONG803	0	9.
a. Fully consolidated reciprocal brokered deposits	RCONL190	NR	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b	RCONK656	No	10.
a. Banker's bank deduction	RCONK657	NR	10.a.
b. Banker's bank deduction limit	RCONK658	NR	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b	RCONK659	No	11.
a. Custodial bank deduction	RCONK660	NR	11.a.
b. Custodial bank deduction limit	RCONK661	NR	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF049	9,362,519	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF050	233452	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF051	4,730,762	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF052	7425	M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:			M.1.c.
1. Amount of retirement deposit accounts of $250,000 or less	RCONF045	847,050	M.1.c.1.
2. Number of retirement deposit accounts of $250,000 or less	RCONF046	18563	M.1.c.2.
d. Retirement deposit accounts of more than $250,000:			M.1.d.
1. Amount of retirement deposit accounts of more than $250,000	RCONF047	48,701	M.1.d.1.
2. Number of retirement deposit accounts of more than $250,000	RCONF048	162	M.1.d.2.
2. Estimated amount of uninsured deposits, including related interest accrued and unpaid (see instructions)	RCON5597	1,738,619	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title	TEXTA545	NR	M.3.a.
b. FDIC Certificate Number	RCONA545	0	M.3.b.
4. Not applicable			M.4.
5. Not applicable			M.5.
6. Criticized and classified items:			M.6.
a. Special mention	RCONK663	CONF	M.6.a.
b. Substandard	RCONK664	CONF	M.6.b.
c. Doubtful	RCONK665	CONF	M.6.c.

Dollar amounts in thousands			
d. Loss	RCONK666	CONF	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans	RCONN025	CONF	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	RCONN026	CONF	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans	RCONN027	CONF	M.8.a.
b. Securitizations of higher-risk consumer loans	RCONN028	CONF	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities	RCONN029	CONF	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	RCONN030	CONF	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate:			M.10.
a. Total unfunded commitments	RCONK676	39,782	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCONK677	1,690	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCONK669	43,300	M.11.
12. Nonbrokered time deposits of more than $250,000 (included in Schedule RC-E, Memorandum item 2.d)	RCONK678	1,006,754	M.12.
13. Portion of funded loans and securities guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate	RCONN177	1,586	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	RCONN178	1,223,911	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	RCONN179	5,127,546	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONN180	735,136	M.13.d.
e. Commercial and industrial loans	RCONN181	7,393	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	RCONN182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	RCONN183	2,039	M.13.g.
h. Non-agency residential mortgage-backed securities	RCONM963	0	M.13.h.
14. Amount of the institution's largest counterparty exposure	RCONK673	CONF	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	RCONK674	CONF	M.15.
16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1)	RCONL189	0	M.16.
17. Selected fully consolidated data for deposit insurance assessment purposes:			M.17.
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONL194	NR	M.17.a.
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	RCONL195	NR	M.17.b.
c. Unsecured "Other borrowings" with a remaining maturity of one year or less	RCONL196	NR	M.17.c.
d. Estimated amount of uninsured deposits, including related interest accrued and unpaid	RCONL197	NR	M.17.d.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments

Dollar amounts in thousands	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01–4%	(Column C) Two-Year Probability of Default (PD) 4.01–7%	(Column D) Two-Year Probability of Default (PD) 7.01–10%	(Column E) Two-Year Probability of Default (PD) 10.01–14%	(Column F) Two-Year Probability of Default (PD) 14.01–16%	(Column G) Two-Year Probability of Default (PD) 16.01–18%	(Column H) Two-Year Probability of Default (PD) 18.01–20%	(Column I) Two-Year Probability of Default (PD) 20.01–22%	(Column J) Two-Year Probability of Default (PD) 22.01–26%	(Column K) Two-Year Probability of Default (PD) 26.01–30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDs Were Derived Using	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18
	RCONM964	RCONM965	RCONM966	RCONM967	RCONM968	RCONM969	RCONM970	RCONM971	RCONM972	RCONM973	RCONM974	RCONM975	RCONM976	RCONM977	RCONM978	
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations................................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18a
	RCONM979	RCONM980	RCONM981	RCONM982	RCONM983	RCONM984	RCONM985	RCONM986	RCONM987	RCONM988	RCONM989	RCONM990	RCONM991	RCONM992	RCONM993	
b. Closed-end loans secured by first liens on 1-4 family residential properties................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18b
	RCONM994	RCONM995	RCONM996	RCONM997	RCONM998	RCONM999	RCONN001	RCONN002	RCONN003	RCONN004	RCONN005	RCONN006	RCONN007	RCONN008	RCONN009	
c. Closed-end loans secured by junior liens on 1-4 family residential properties................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18c
	RCONN010	RCONN011	RCONN012	RCONN013	RCONN014	RCONN015	RCONN016	RCONN017	RCONN018	RCONN019	RCONN020	RCONN021	RCONN022	RCONN023	RCONN024	
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit............................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18d
	RCONN040	RCONN041	RCONN042	RCONN043	RCONN044	RCONN045	RCONN046	RCONN047	RCONN048	RCONN049	RCONN050	RCONN051	RCONN052	RCONN053	RCONN054	
e. Credit cards..........................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18e
	RCONN055	RCONN056	RCONN057	RCONN058	RCONN059	RCONN060	RCONN061	RCONN062	RCONN063	RCONN064	RCONN065	RCONN066	RCONN067	RCONN068	RCONN069	
f. Automobile loans...................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18f
	RCONN070	RCONN071	RCONN072	RCONN073	RCONN074	RCONN075	RCONN076	RCONN077	RCONN078	RCONN079	RCONN080	RCONN081	RCONN082	RCONN083	RCONN084	
g. Student loans.......................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18g
	RCONN085	RCONN086	RCONN087	RCONN088	RCONN089	RCONN090	RCONN091	RCONN092	RCONN093	RCONN094	RCONN095	RCONN096	RCONN097	RCONN098	RCONN099	
h. Other consumer loans and revolving credit plans other than credit cards..............................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18h
	RCONN100	RCONN101	RCONN102	RCONN103	RCONN104	RCONN105	RCONN106	RCONN107	RCONN108	RCONN109	RCONN110	RCONN111	RCONN112	RCONN113	RCONN114	
i. Consumer leases...................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	M18i
	RCONN115	RCONN116	RCONN117	RCONN118	RCONN119	RCONN120	RCONN121	RCONN122	RCONN123	RCONN124	RCONN125	RCONN126	RCONN127	RCONN128		
j. Total......................................	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF	CONF		M18j

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities

Dollar amounts in thousands			
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale:			1.
a. Closed-end first liens	RCONF066	4,384	1.a.
b. Closed-end junior liens	RCONF067	0	1.b.
c. Open-end loans extended under lines of credit:			1.c.
1. Total commitment under the lines of credit	RCONF670	0	1.c.1.
2. Principal amount funded under the lines of credit	RCONF671	0	1.c.2.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale:			2.
a. Closed-end first liens	RCONF068	0	2.a.
b. Closed-end junior liens	RCONF069	0	2.b.
c. Open-end loans extended under lines of credit:			2.c.
1. Total commitment under the lines of credit	RCONF672	0	2.c.1.
2. Principal amount funded under the lines of credit	RCONF673	0	2.c.2.
3. 1-4 family residential mortgages sold during the quarter:			3.
a. Closed-end first liens	RCONF070	15,292	3.a.
b. Closed-end junior liens	RCONF071	0	3.b.
c. Open-end loans extended under lines of credit:			3.c.
1. Total commitment under the lines of credit	RCONF674	868	3.c.1.
2. Principal amount funded under the lines of credit	RCONF675	863	3.c.2.
4. 1-4 family residential mortgages held for sale at quarter-end (included in Schedule RC, item 4.a):			4.
a. Closed-end first liens	RCONF072	346,413	4.a.
b. Closed-end junior liens	RCONF073	0	4.b.
c. Open-end loans extended under lines of credit:			4.c.
1. Total commitment under the lines of credit	RCONF676	0	4.c.1.
2. Principal amount funded under the lines of credit	RCONF677	170,590	4.c.2.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.f, 5.g, and 5.i):			5.
a. Closed-end 1-4 family residential mortgage loans	RIADF184	1,096	5.a.
b. Open-end 1-4 family residential mortgage loans extended under lines of credit	RIADF560	218	5.b.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter:			6.
a. Closed-end first liens	RCONF678	16,941	6.a.
b. Closed-end junior liens	RCONF679	0	6.b.
c. Open-end loans extended under line of credit:			6.c.
1. Total commitment under the lines of credit	RCONF680	1,934	6.c.1.
2. Principal amount funded under the lines of credit	RCONF681	1,079	6.c.2.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	RCONM288	22,860	7.c.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCON1773	RCONG474	RCONG475	RCONG476	RCONG477	
1. Available-for-sale securities	1,222,058	0	0	60,934	1,161,124	1.
	RCONG478	RCONG479	RCONG480	RCONG481	RCONG482	
2. Federal funds sold and securities purchased under agreements to resell	0	0	0	0	0	2.
	RCONG483	RCONG484	RCONG485	RCONG486	RCONG487	
3. Loans and leases held for sale	12,466	0	0	12,466	0	3.
	RCONG488	RCONG489	RCONG490	RCONG491	RCONG492	
4. Loans and leases held for investment	4,551,289	0	0	0	4,551,289	4.
5. Trading assets:						5.
	RCON3543	RCONG493	RCONG494	RCONG495	RCONG496	
a. Derivative assets	4,542	1,402	0	1,690	4,254	5.a.
	RCONG497	RCONG498	RCONG499	RCONG500	RCONG501	
b. Other trading assets	7,385	0	0	0	7,385	5.b.
	RCONF240	RCONF684	RCONF692	RCONF241	RCONF242	
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)	0	0	0	0	0	5.b.1.
	RCONG391	RCONG392	RCONG395	RCONG396	RCONG804	
6. All other assets	1,115,649	14,127	0	14,232	1,115,544	6.
	RCONG502	RCONG503	RCONG504	RCONG505	RCONG506	
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	6,913,389	15,529	0	89,322	6,839,596	7.
	RCONF252	RCONF686	RCONF694	RCONF253	RCONF254	
8. Deposits	0	0	0	0	0	8.
	RCONG507	RCONG508	RCONG509	RCONG510	RCONG511	
9. Federal funds purchased and securities sold under agreements to repurchase	0	0	0	0	0	9.
10. Trading liabilities:						10.
	RCON3547	RCONG512	RCONG513	RCONG514	RCONG515	
a. Derivative liabilities	3,768	780	0	4,029	519	10.a.
	RCONG516	RCONG517	RCONG518	RCONG519	RCONG520	
b. Other trading liabilities	0	0	0	0	0	10.b.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG521	RCONG522	RCONG523	RCONG524	RCONG525	
11. Other borrowed money	**891,184**	**0**	**0**	**891,184**	**0**	11.
	RCONG526	RCONG527	RCONG528	RCONG529	RCONG530	
12. Subordinated notes and debentures	**0**	**0**	**0**	**0**	**0**	12.
	RCONG805	RCONG806	RCONG807	RCONG808	RCONG809	
13. All other liabilities	**56,823**	**6,938**	**39**	**14,593**	**49,129**	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	RCONG531	RCONG532	RCONG533	RCONG534	RCONG535	
	951,775	**7,718**	**39**	**909,806**	**49,648**	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than $25,000 and exceed 25% of item 6):						M.1.
	RCONG536	RCONG537	RCONG538	RCONG539	RCONG540	
a. Mortgage servicing assets	**0**	**0**	**0**	**0**	**0**	M.1.a.
	RCONG541	RCONG542	RCONG543	RCONG544	RCONG545	
b. Nontrading derivative assets	**0**	**0**	**0**	**0**	**0**	M.1.b.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component	TEXTG546	**Click here for value**	M.1.c.1.

(TEXTG546) FDIC loss-sharing indemnification assets

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG546	RCONG547	RCONG548	RCONG549	RCONG550	
2. Amount of component	1,054,557	0	0	0	1,054,557	M.1.c.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component	TEXTG551	**FDIC Receivable**	M.1.d.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG551	RCONG552	RCONG553	RCONG554	RCONG555	
2. Amount of component	**60,952**	**0**	**0**	**0**	**60,952**	M.1.d.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component	TEXTG556	NR	M.1.e.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG556	RCONG557	RCONG558	RCONG559	RCONG560	
2. Amount of component	0	0	0	0	0	M.1.e.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component	TEXTG561	**NR**	M.1.f.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG561	RCONG562	RCONG563	RCONG564	RCONG565	
2. Amount of component	0	0	0	0	0	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than $25,000 and exceed 25% of item 13):						M.2.
	RCONF261	RCONF689	RCONF697	RCONF262	RCONF263	
a. Loan commitments (not accounted for as derivatives)	0	0	0	0	0	M.2.a.
	RCONG566	RCONG567	RCONG568	RCONG569	RCONG570	
b. Nontrading derivative liabilities	0	0	0	0	0	M.2.b.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.2.c.
1. Describe component	TEXTG571	**Derivative Activities**	M.2.c.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG571	RCONG572	RCONG573	RCONG574	RCONG575	
2. Amount of component	**56,823**	**6,938**	**39**	**14,593**	**49,129**	M.2.c.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.2.d.
1. Describe component	TEXTG576	NR	M.2.d.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG576	RCONG577	RCONG578	RCONG579	RCONG580	
2. Amount of component	0	0	0	0	0	M.2.d.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.2.e.
1. Describe component	TEXTG581	**NR**	M.2.e.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG581	RCONG582	RCONG583	RCONG584	RCONG585	
2. Amount of component	0	0	0	0	0	M.2.e.2.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.2.f.
1. Describe component	TEXTG586	**NR**	M.2.f.1.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG586	RCONG587	RCONG588	RCONG589	RCONG590	
2. Amount of component	0	0	0	0	0	M.2.f.2.

Schedule RC-R Part I.A - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
1. Total bank equity capital (from Schedule RC, item 27.a)	RCON3210	2,795,424	1.
2. LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value)	RCON8434	140,440	2.
3. LESS: Net unrealized loss on available-for-sale equity securities (report loss as a positive value)	RCONA221	0	3.
4. LESS: Accumulated net gains (losses) on cash flow hedges and amounts recorded in AOCI resulting from the initial and subsequent application of FASB ASC 715-20 (former FASB Statement No. 158) to defined benefit postretirement plans (if a gain, report as a positive value; if a loss, report as a negative value)	RCON4336	0	4.
5. LESS: Nonqualifying perpetual preferred stock	RCONB588	0	5.
6. Qualifying noncontrolling (minority) interests in consolidated subsidiaries	RCONB589	0	6.
7. LESS: Disallowed goodwill and other disallowed intangible assets and cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness			7.
a. LESS: Disallowed goodwill and other disallowed intangible assets	RCONB590	109,708	7.a.
b. LESS: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness (if a net gain, report as a positive value; if a net loss, report as a negative value)	RCONF264	0	7.b.
8. Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5, 7.a, and 7.b)	RCONC227	2,545,276	8.
9. LESS: Disallowed servicing assets and purchased credit card relationships and disallowed deferred tax assets			9.
a. LESS: Disallowed servicing assets and purchased credit card relationships	RCONB591	1,694	9.a.
b. LESS: Disallowed deferred tax assets	RCON5610	0	9.b.
10. Other additions to (deductions from) Tier 1 capital	RCONB592	0	10.
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	RCON8274	2,543,582	11.
12. Qualifying subordinated debt and redeemable preferred stock	RCON5306	0	12.
13. Cumulative perpetual preferred stock includible in Tier 2 capital	RCONB593	0	13.
14. Allowance for loan and lease losses includible in Tier 2 capital	RCON5310	90,115	14.
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	RCON2221	0	15.
16. Other Tier 2 capital components	RCONB594	0	16.
17. Tier 2 capital (sum of items 12 through 16)	RCON5311	90,115	17.
18. Allowable Tier 2 capital (lesser of item 11 or 17)	RCON8275	90,115	18.
19. Not applicable			19.
20. LESS: Deductions for total risk-based capital	RCONB595	0	20.
21. Total risk-based capital (sum of items 11 and 18 less item 20)	RCON3792	2,633,697	21.
22. Total assets (for banks, from Schedule RC-K, item 9; for savings associations, from Schedule RC, item 12)	RCONL136	21,985,067	22.
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7.a above)	RCONB590	109,708	23.
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	RCONB591	1,694	24.
25. LESS: Disallowed deferred tax assets (from item 9.b above)	RCON5610	0	25.
26. Other additions to (deductions from) assets for leverage capital purposes	RCONL137	0	26.
27. Total assets for leverage capital purposes (sum of items 22 and 26 less items 23 through 25)	RCONL138	21,873,665	27.
28. Adjustments			28.
a. Adjustment to Tier 1 capital reported in item 11	RCONC228	0	28.a.
b. Adjustment to total risk-based capital reported in item 21	RCONB503	0	28.b.
29. Adjustment to risk-weighted assets reported in item 62	RCONB504	0	29.
30. Adjustment to average total assets reported in item 27	RCONB505	0	30.

Schedule RC-R Part I.A - Regulatory Capital Components and Ratios

Dollar amounts in thousands	(Column A) Percentage (Banks with Financial Subsidiaries)		(Column B) Percentage (All Banks)		
31. Tier 1 leverage ratio	RCON7273	0	RCON7204	0.116285	31.
32. Tier 1 risk-based capital ratio	RCON7274	0	RCON7206	0.238198	32.
33. Total risk-based capital ratio	RCON7275	0	RCON7205	0.246637	33.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	RCOAP742	NR	1.
2. Retained earnings	RCON3632	1,035,851	2.
3. Accumulated other comprehensive income (AOCI)	RCOAB530	NR	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No)	RCOAP838	NR	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCOAP839	NR	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	RCOAP840	NR	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	RCOAP841	NR	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	RCOAP842	NR	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	RCOAP843	NR	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale securities (if a gain, report as a positive value; if a loss, report as a negative value)			9.a.
b. LESS: Net unrealized loss on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures (report loss as a positive value)			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)			9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)			9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)			9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a)	RCOAP849	NR	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAQ258	NR	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions	RCOAP850	NR	10.b.
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments	RCOAP851	NR	11.
12. Subtotal (item 5 minus items 6 through 11)	RCOAP852	NR	12.

Dollar amounts in thousands			
13. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCOAP853	NR	13.
14. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCOAP854	NR	14.
15. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold	RCOAP855	NR	15.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold	RCOAP856	NR	16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions	RCOAP857	NR	17.
18. Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17)	RCOAP858	NR	18.
19. Common equity tier 1 capital (item 12 minus item 18)	RCOAP859	NR	19.
20. Additional tier 1 capital instruments plus related surplus	RCOAP860	NR	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	RCOAP861	NR	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	RCOAP862	NR	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	RCOAP863	NR	23.
24. LESS: Additional tier 1 capital deductions	RCOAP864	NR	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	RCOAP865	NR	25.
26. Tier 1 capital (sum of items 19 and 25)	RCOA8274	NR	26.
27. Tier 2 capital instruments plus related surplus	RCOAP866	NR	27.
28. Non-qualifying capital instruments subject to phase out from tier 2 capital	RCOAP867	NR	28.
29. Total capital minority interest that is not included in tier 1 capital	RCOAP868	NR	29.
30. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			30.
a. Allowance for loan and lease losses includable in tier 2 capital	RCOA5310	NR	30.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital	RCOW5310	NR	30.b.
31. Unrealized gains on available-for-sale preferred stock classified as an equity security under GAAP and available-for-sale equity exposures includable in tier 2 capital	RCOAQ257	NR	31.
32. Tier 2 capital before deductions			32.
a. Tier 2 capital before deductions (sum of items 27 through 30.a, plus item 31)	RCOAP870	NR	32.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 27 through 29, plus items 30.b and 31)	RCOWP870	NR	32.b.
33. LESS: Tier 2 capital deductions	RCOAP872	NR	33.
34. Tier 2 capital			34.
a. Tier 2 capital (greater of item 32.a minus item 33, or zero)	RCOA5311	NR	34.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 32.b minus item 33, or zero)	RCOW5311	NR	34.b.
35. Total capital			35.
a. Total capital (sum of items 26 and 34.a)	RCOA3792	NR	35.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 34.b)	RCOW3792	NR	35.b.
36. Average total consolidated assets	RCON3368	**21,985,067**	36.
37. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 11, 13 through 17, and certain elements of item 24 - see instructions)	RCOAP875	NR	37.
38. LESS: Other deductions from (additions to) assets for leverage ratio purposes	RCOAB596	NR	38.
39. Total assets for the leverage ratio (item 36 minus items 37 and 38)	RCOAA224	NR	39.
40. Total risk-weighted assets			40.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 62)	RCOAA223	NR	40.a.

Dollar amounts in thousands			
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60)............	RCOWA223	NR	40.b.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands	(Column A) Percentage		(Column B) Percentage		
41. Common equity tier 1 capital ratio (Column A: item 19 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19 divided by item 40.b)...	RCOAP793	NR	RCOWP793	NR	41.
42. Tier 1 capital ratio (Column A: item 26 divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 40.b)..	RCOA7206	NR	RCOW7206	NR	42.
43. Total capital ratio (Column A: item 35.a divided by item 40.a) (Advanced approaches institutions that exit parallel run only: Column B: item 35.b divided by item 40.b)..	RCOA7205	NR	RCOW7205	NR	43.

Schedule RC-R Part I.B - Regulatory Capital Components and Ratios

Dollar amounts in thousands			
44. Tier 1 leverage ratio (item 26 divided by item 39)..	RCOA7204	NR	44.
45. Advanced approaches institutions only: Supplementary leverage ratio (from FFIEC 101 Schedule A, item 98) (effective January 1, 2015)			45.
46. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments (effective January 1, 2016):			46.
a. Capital conservation buffer			46.a.
b. (Advanced approaches institutions that exit parallel run only): Total applicable capital buffer			46.b.
47. Eligible retained income (effective January 1, 2016)			47.
48. Distributions and discretionary bonus payments during the quarter (effective January 1, 2016)			48.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) Totals (from Schedule RC)	(Column B) Items Not Subject to Risk-Weighting	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
	RCON0010	RCONC869	RCONB600	RCONB601		RCONB602	
34. Cash and balances due from depository institutions................	4,534,379	0	4,423,902	110,477		0	34.
	RCON1754	RCONB603	RCONB604	RCONB605	RCONB606	RCONB607	
35. Held-to-maturity securities..	0	0	0	0	0	0	35.
	RCON1773	RCONB608	RCONB609	RCONB610	RCONB611	RCONB612	
36. Available-for-sale securities..	1,222,058	225,497	44	72,010	441	924,066	36.
	RCONC225		RCONC063	RCONC064		RCONB520	
37. Federal funds sold and securities purchased under agreements to resell..	0		0	0		0	37.
	RCON5369	RCONB617	RCONB618	RCONB619	RCONB620	RCONB621	
38. Loans and leases held for sale..	517,003	0	0	504,537	4,417	8,049	38.
	RCONB528	RCONB622	RCONB623	RCONB624	RCONB625	RCONB626	
39. Loans and leases, net of unearned income............................	14,112,648	0	0	6,947,924	1,875,412	5,289,312	39.
	RCON3123	RCON3123					
40. Allowance for loan and lease losses.......................................	83,570	83,570					40.
	RCON3545	RCONB627	RCONB628	RCONB629	RCONB630	RCONB631	
41. Trading Assets...	11,927	7,250	0	47	0	4,630	41.
	RCONB639	RCONB640	RCONB641	RCONB642	RCONB643	RCON5339	
42. All other assets..	2,196,892	109,708	48,320	1,469,671	2	569,191	42.
	RCON2170	RCONB644	RCON5320	RCON5327	RCON5334	RCON5340	
43. Total Assets..	22,511,337	258,885	4,472,266	9,104,666	1,880,272	6,795,248	43.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
	RCONB546	RCONB547	RCONB548	RCONB581	RCONB582	RCONB583	
44. Financial standby letters of credit..	49,797	49,797	0	0	0	49,797	44.
	RCON3821	RCONB650	RCONB651	RCONB652	RCONB653	RCONB654	
45. Performance standby letters of credit......................................	0	0	0	0	0	0	45.
	RCON3411	RCONB655	RCONB656	RCONB657	RCONB658	RCONB659	
46. Commercial and similar letters of credit..................................	0	0	0	0	0	0	46.

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
47. Risk participations in bankers acceptances acquired by the reporting institution	RCON3429 0	RCONB660 0	RCONB661 0	RCONB662 0		RCONB663 0	47.
48. Securities lent	RCON3433 0	RCONB664 0	RCONB665 0	RCONB666 0	RCONB667 0	RCONB668 0	48.
49. Retained recourse on small business obligations sold with recourse	RCONA250 0	RCONB669 0	RCONB670 0	RCONB671 0	RCONB672 0	RCONB673 0	49.
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement	RCONB541 6,891	RCONB542 27,940				RCONB543 27,940	50.
51. All other financial assets sold with recourse	RCONB675 0	RCONB676 0	RCONB677 0	RCONB678 0	RCONB679 0	RCONB680 0	51.
52. All other off-balance sheet liabilities	RCONB681 0	RCONB682 0	RCONB683 0	RCONB684 0	RCONB685 0	RCONB686 0	52.
53. Unused commitments:							53.
a. With an original maturity exceeding one year	RCON3833 2,162,259	RCONB687 1,081,130	RCONB688 0	RCONB689 65,391	RCONB690 787	RCONB691 1,014,952	53.a.
b. With an original maturity of one year or less to asset-backed commercial paper conduits	RCONG591 0	RCONG592 0	RCONG593 0	RCONG594 0	RCONG595 0	RCONG596 0	53.b.
54. Derivative contracts		RCONA167 31,918	RCONB693 0	RCONB694 0	RCONB695 31,918		54.
55. Total assets, derivatives, and off-balance sheet items by risk weight category			RCONB696 4,472,266	RCONB697 9,170,057	RCONB698 1,912,977	RCONB699 7,887,937	55.
56. Risk weight factor							56.
57. Risk-weighted assets by risk weight category			RCONB700 0	RCONB701 1,834,011	RCONB702 956,489	RCONB703 7,887,937	57.
58. Market risk equivalent assets						RCON1651 0	58.
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve						RCONB704 10,678,437	59.
60. Excess allowance for loan and lease losses						RCONA222 0	60.
61. Allocated transfer risk reserve						RCON3128 0	61.

Dollar amounts in thousands	(Column A) Face Value or Notional Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%	
						RCONA223	
62. Total risk-weighted assets						10,678,437	62.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands			
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards	RCON8764	0	M.1.

Schedule RC-R Part II - Risk-Weighted Assets

Dollar amounts in thousands	(Column A) With a remaining maturity of one year or less	(Column B) With a remaining maturity of over one year through five years	(Column C) With a remaining maturity of over five years	
2. Notional principal amounts of derivative contracts:				M.2.
	RCON3809	RCON8766	RCON8767	
a. Interest rate contracts	22,047	3,718,002	887,639	M.2.a.
	RCON3812	RCON8769	RCON8770	
b. Foreign exchange contracts	1,313	0	0	M.2.b.
	RCON8771	RCON8772	RCON8773	
c. Gold contracts	0	0	0	M.2.c.
	RCON8774	RCON8775	RCON8776	
d. Other precious metals contracts	0	0	0	M.2.d.
	RCON8777	RCON8778	RCON8779	
e. Other commodity contracts	0	0	0	M.2.e.
	RCONA000	RCONA001	RCONA002	
f. Equity derivative contracts	0	0	0	M.2.f.
g. Credit derivative contracts: Purchased credit protection that (a) is a covered position under the market risk rule or (b) is not a covered position under the market risk rule and is not recognized as a guarantee for risk-based capital purposes:				M.2.g.
	RCONG597	RCONG598	RCONG599	
1. Investment grade	0	0	0	M.2.g.1.
	RCONG600	RCONG601	RCONG602	
2. Subinvestment grade	0	0	0	M.2.g.2.

Schedule RC-S - Servicing Securitization and Asset Sale Activities

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	RCONB705	RCONB706	RCONB707	RCONB708	RCONB709	RCONB710	RCONB711	
	0	0	0	0	0	0	0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1 in the form of:								2.
a. Credit-enhancing interest-only strips (included in Schedules RC-B or RC-F or in Schedule RC, item 5)	RCONB712	RCONB713	RCONB714	RCONB715	RCONB716	RCONB717	RCONB718	
	0	0	0	0	0	0	0	2.a.
b. Subordinated securities and other residual interests	RCONC393	RCONC394	RCONC395	RCONC396	RCONC397	RCONC398	RCONC399	
	0	0	0	0	0	0	0	2.b.
c. Standby letters of credit and other enhancements	RCONC400	RCONC401	RCONC402	RCONC403	RCONC404	RCONC405	RCONC406	
	0	0	0	0	0	0	0	2.c.
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1	RCONB726	RCONB727	RCONB728	RCONB729	RCONB730	RCONB731	RCONB732	
	0	0	0	0	0	0	0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due	RCONB733	RCONB734	RCONB735	RCONB736	RCONB737	RCONB738	RCONB739	
	0	0	0	0	0	0	0	4.a.
b. 90 days or more past due	RCONB740	RCONB741	RCONB742	RCONB743	RCONB744	RCONB745	RCONB746	
	0	0	0	0	0	0	0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs	RIADB747	RIADB748	RIADB749	RIADB750	RIADB751	RIADB752	RIADB753	
	0	0	0	0	0	0	0	5.a.
b. Recoveries	RIADB754	RIADB755	RIADB756	RIADB757	RIADB758	RIADB759	RIADB760	
	0	0	0	0	0	0	0	5.b.
6. Amount of ownership (or seller's) interests carried as:								6.
a. Securities (included in Schedule RC-B or in Schedule RC, item 5)		RCONB761	RCONB762			RCONB763		
		0	0			0		6.a.

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
		RCONB500	RCONB501			RCONB502		
b. Loans (included in Schedule RC-C)		0	0			0		6.b.
7. Past due loan amounts included in interests reported in item 6.a:								7.
		RCONB764	RCONB765			RCONB766		
a. 30-89 days past due		0	0			0		7.a.
		RCONB767	RCONB768			RCONB769		
b. 90 days or more past due		0	0			0		7.b.
8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):								8.
		RIADB770	RIADB771			RIADB772		
a. Charge-offs		0	0			0		8.a.
		RIADB773	RIADB774			RIADB775		
b. Recoveries		0	0			0		8.b.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements	RCONB776	RCONB777	RCONB778	RCONB779	RCONB780	RCONB781	RCONB782	
	0	0	0	0	0	0	0	9.
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures	RCONB783	RCONB784	RCONB785	RCONB786	RCONB787	RCONB788	RCONB789	
	0	0	0	0	0	0	0	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	RCONB790	RCONB791	RCONB792	RCONB793	RCONB794	RCONB795	RCONB796	
	0	0	0	0	0	0	0	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	RCONB797	RCONB798	RCONB799	RCONB800	RCONB801	RCONB802	RCONB803	
	0	0	0	0	0	0	0	12.

Schedule RC-S - Servicing Securitization and Asset Sale Activities

Dollar amounts in thousands			
1. Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:			M.1.
a. Outstanding principal balance	RCONA249	0	M.1.a.
b. Amount of retained recourse on these obligations as of the report date	RCONA250	0	M.1.b.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCONB804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCONB805	1,187,777	M.2.b.
c. Other financial assets (includes home equity lines)	RCONA591	19,227,381	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCONF699	1,831,319	M.2.d.
3. Asset-backed commercial paper conduits:			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions	RCONB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions	RCONB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C	RCONC407	NR	M.4.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands			
1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCONA345	Yes	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCONA346	Yes	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCONB867	Yes	3.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Managed Assets	(Column B) Non-Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non-Managed Accounts	
	RCONB868	RCONB869	RCONB870	RCONB871	
4. Personal trust and agency accounts	NR	NR	NR	NR	4.
5. Employee benefit and retirement-related trust and agency accounts:					5.
	RCONB872	RCONB873	RCONB874	RCONB875	
a. Employee benefit - defined contribution	NR	NR	NR	NR	5.a.
	RCONB876	RCONB877	RCONB878	RCONB879	
b. Employee benefit - defined benefit	NR	NR	NR	NR	5.b.
	RCONB880	RCONB881	RCONB882	RCONB883	
c. Other employee benefit and retirement-related accounts	NR	NR	NR	NR	5.c.
	RCONB884	RCONB885	RCONC001	RCONC002	
6. Corporate trust and agency accounts	NR	NR	NR	NR	6.
	RCONB886	RCONJ253	RCONB888	RCONJ254	
7. Investment management and investment advisory agency accounts	NR	NR	NR	NR	7.
	RCONJ255	RCONJ256	RCONJ257	RCONJ258	
8. Foundation and endowment trust and agency accounts	NR	NR	NR	NR	8.
	RCONB890	RCONB891	RCONB892	RCONB893	
9. Other fiduciary accounts	NR	NR	NR	NR	9.
	RCONB894	RCONB895	RCONB896	RCONB897	
10. Total fiduciary accounts (sum of items 4 through 9)	NR	NR	NR	NR	10.
		RCONB898		RCONB899	
11. Custody and safekeeping accounts		NR		NR	11.
12. Not applicable					12.
	RCONJ259	RCONJ260	RCONJ261	RCONJ262	
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	NR	NR	NR	NR	13.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands			
14. Personal trust and agency accounts	RIADB904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution	RIADB905	NR	15.a.
b. Employee benefit - defined benefit	RIADB906	NR	15.b.
c. Other employee benefit and retirement-related accounts	RIADB907	NR	15.c.
16. Corporate trust and agency accounts	RIADA479	NR	16.
17. Investment management and investment advisory agency accounts	RIADJ315	NR	17.
18. Foundation and endowment trust and agency accounts	RIADJ316	NR	18.
19. Other fiduciary accounts	RIADA480	NR	19.
20. Custody and safekeeping accounts	RIADB909	NR	20.
21. Other fiduciary and related services income	RIADB910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	RIAD4070	261	22.
23. Less: Expenses	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services	RIADB911	NR	25.
26. Net fiduciary and related services income	RIADA491	NR	26.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts	(Column C) All Other Accounts	
1. Managed assets held in fiduciary accounts:				M.1.
	RCONJ263	RCONJ264	RCONJ265	
a. Noninterest-bearing deposits	NR	NR	NR	M.1.a.
	RCONJ266	RCONJ267	RCONJ268	
b. Interest-bearing deposits	NR	NR	NR	M.1.b.
	RCONJ269	RCONJ270	RCONJ271	
c. U.S. Treasury and U.S. Government agency obligations	NR	NR	NR	M.1.c.
	RCONJ272	RCONJ273	RCONJ274	
d. State, county, and municipal obligations	NR	NR	NR	M.1.d.
	RCONJ275	RCONJ276	RCONJ277	
e. Money market mutual funds	NR	NR	NR	M.1.e.
	RCONJ278	RCONJ279	RCONJ280	
f. Equity mutual funds	NR	NR	NR	M.1.f.
	RCONJ281	RCONJ282	RCONJ283	
g. Other mutual funds	NR	NR	NR	M.1.g.
	RCONJ284	RCONJ285	RCONJ286	
h. Common trust funds and collective investment funds	NR	NR	NR	M.1.h.
	RCONJ287	RCONJ288	RCONJ289	
i. Other short-term obligations	NR	NR	NR	M.1.i.
	RCONJ290	RCONJ291	RCONJ292	
j. Other notes and bonds	NR	NR	NR	M.1.j.

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts	(Column C) All Other Accounts	
k. Investments in unregistered funds and private equity investments	RCONJ293 NR	RCONJ294 NR	RCONJ295 NR	M.1.k.
l. Other common and preferred stocks	RCONJ296 NR	RCONJ297 NR	RCONJ298 NR	M.1.l.
m. Real estate mortgages	RCONJ299 NR	RCONJ300 NR	RCONJ301 NR	M.1.m.
n. Real estate	RCONJ302 NR	RCONJ303 NR	RCONJ304 NR	M.1.n.
o. Miscellaneous assets	RCONJ305 NR	RCONJ306 NR	RCONJ307 NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	RCONJ308 NR	RCONJ309 NR	RCONJ310 NR	M.1.p.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	RCONJ311	NR	RCONJ312	NR	M.1.q.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
2. Corporate trust and agency accounts:					M.2.
a. Corporate and municipal trusteeships	RCONB927	NR	RCONB928	NR	M.2.a.
1. Issues reported in Memorandum item 2.a that are in default	RCONJ313	NR	RCONJ314	NR	M2a1.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCONB929	NR			M.2.b.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
3. Collective investment funds and common trust funds:					M.3.
a. Domestic equity	RCONB931	NR	RCONB932	NR	M.3.a.
b. International/Global equity	RCONB933	NR	RCONB934	NR	M.3.b.
c. Stock/Bond blend	RCONB935	NR	RCONB936	NR	M.3.c.
d. Taxable bond	RCONB937	NR	RCONB938	NR	M.3.d.
e. Municipal bond	RCONB939	NR	RCONB940	NR	M.3.e.
f. Short term investments/Money market	RCONB941	NR	RCONB942	NR	M.3.f.
g. Specialty/Other	RCONB943	NR	RCONB944	NR	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCONB945	NR	RCONB946	NR	M.3.h.

Schedule RC-T - Fiduciary and Related Services

Dollar amounts in thousands	(Column A) Gross Losses Managed Accounts	(Column B) Gross Losses Non-Managed Accounts	(Column C) Recoveries	
4. Fiduciary settlements, surcharges, and other losses:				M.4.
	RIADB947	RIADB948	RIADB949	
a. Personal trust and agency accounts	NR	NR	NR	M.4.a.
	RIADB950	RIADB951	RIADB952	
b. Employee benefit and retirement-related trust and agency accounts	NR	NR	NR	M.4.b.
	RIADB953	RIADB954	RIADB955	
c. Investment management agency accounts	NR	NR	NR	M.4.c.
	RIADB956	RIADB957	RIADB958	
d. Other fiduciary accounts and related services	NR	NR	NR	M.4.d.
	RIADB959	RIADB960	RIADB961	
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	NR	NR	NR	M.4.e.

Schedule RC-V - Variable Interest Entities

Dollar amounts in thousands	(Column A) Securitization Vehicles	(Column B) ABCP Conduits	(Column C) Other VIEs	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:				1.
	RCONJ981	RCONJ982	RCONJ983	
a. Cash and balances due from depository institutions	0	0	0	1.a.
	RCONJ984	RCONJ985	RCONJ986	
b. Held-to-maturity securities	0	0	0	1.b.
	RCONJ987	RCONJ988	RCONJ989	
c. Available-for-sale securities	0	0	0	1.c.
	RCONJ990	RCONJ991	RCONJ992	
d. Securities purchased under agreements to resell	0	0	0	1.d.
	RCONJ993	RCONJ994	RCONJ995	
e. Loans and leases held for sale	0	0	0	1.e.
	RCONJ996	RCONJ997	RCONJ998	
f. Loans and leases, net of unearned income	0	0	0	1.f.
	RCONJ999	RCONK001	RCONK002	
g. Less: Allowance for loan and lease losses	0	0	0	1.g.
	RCONK003	RCONK004	RCONK005	
h. Trading assets (other than derivatives)	0	0	0	1.h.
	RCONK006	RCONK007	RCONK008	
i. Derivative trading assets	0	0	0	1.i.
	RCONK009	RCONK010	RCONK011	
j. Other real estate owned	0	0	0	1.j.
	RCONK012	RCONK013	RCONK014	
k. Other assets	0	0	0	1.k.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:				2.
	RCONK015	RCONK016	RCONK017	
a. Securities sold under agreements to repurchase	0	0	0	2.a.

Dollar amounts in thousands	(Column A) Securitization Vehicles	(Column B) ABCP Conduits	(Column C) Other VIEs	
	RCONK018	RCONK019	RCONK020	
b. Derivative trading liabilities	0	0	0	2.b.
	RCONK021	RCONK022	RCONK023	
c. Commercial paper	0	0	0	2.c.
	RCONK024	RCONK025	RCONK026	
d. Other borrowed money (exclude commercial paper)	0	0	0	2.d.
	RCONK027	RCONK028	RCONK029	
e. Other liabilities	0	0	0	2.e.
	RCONK030	RCONK031	RCONK032	
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.k above)	0	0	0	3.
	RCONK033	RCONK034	RCONK035	
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.e above)	0	0	0	4.

General Instructions

Dollar amounts in thousands			
1. Who Must Report on What Forms			1.
a. Close of Business			1.a.
b. Frequency of Reporting			1.b.
c. Differences in Detail of Reports			1.c.
d. Shifts in Reporting Status			1.d.
2. Organization of the Instruction Books			2.
3. Preparation of the Reports			3.
4. Signatures			4.
a. Officer Declaration			4.a.
b. Director Attestation			4.b.
5. Submission of the Reports			5.
a. Submission Date			5.a.
b. Amended Reports			5.b.
6. Retention of Reports			6.
7. Scope of the "Consolidated Bank" Required to be Reported in the Submitted Reports			7.
a. Exclusions from the Coverage of the Consolidated Report			7.a.
8. Rules of Consolidation			8.
9. Reporting by Type of Office (For banks with foreign offices)			9.
10. Publication Requirements for the Report of Condition			10.
11. Release of Individual Bank Reports			11.
12. Applicability of Generally Accepted Accounting Principles to Regulatory Reporting Requirements			12.
13. Accrual Basis Reporting			13.
14. Miscellaneous General Instructions			14.
a. Rounding			14.a.
b. Negative Entries			14.b.
c. Verification			14.c.
d. Transactions Occurring Near the End of a Reporting Period			14.d.
15. Separate Branch Reports			15.

Glossary

Dollar amounts in thousands			
1. Glossary			1.
2. Acceptances			2.
3. Accounting Changes			3.
4. Accounting Errors, Corrections of			4.
5. Accounting Estimates, Changes in			5.
6. Accounting Principles, Changes in			6.
7. Accrued Interest Receivable Related to Credit Card Securitizations			7.
8. Acquisition, Development, or Construction (ADC) Arrangements			8.
9. Agreement Corporation			9.
10. Allowance for Loan and Lease Losses			10.
11. Applicable Income Taxes			11.
12. Associated Company			12.
13. ATS Account			13.
14. Bankers Acceptances			14.
a. Bank-Owned Life Insurance			14.a.
15. Banks, U.S. and Foreign			15.
16. Banks in Foreign Countries			16.
17. Bill-of-Lading Draft			17.
18. Borrowings and Deposits in Foreign Offices			18.
19. Brokered Deposits			19.
20. Broker's Security Draft			20.
21. Business Combinations			21.
22. Call Option			22.
a. Capital Contributions of Cash and Notes Receivable			22.a.
23. Capitalization of Interest Costs			23.
24. Carrybacks and Carryforwards			24.
25. Cash Management Arrangements			25.
26. Certificate of Deposit			26.
27. Changes in Accounting Estimates			27.
28. Changes in Accounting Principles			28.
29. Clearing Accounts			29.
30. Commercial Banks in the U.S.			30.
31. Commercial Letter of Credit			31.
32. Commercial Paper			32.
33. Commodity or Bill-of-Lading Draft			33.
34. Common Stock of Unconsolidated Subsidaries, Investments in			34.
35. Continuing Contract			35.
36. Corporate Joint Venture			36.
37. Corrections of Accounting Errors			37.
38. Coupon Stripping, Treasury Receipts, and STRIPS			38.
39. Custody Account			39.
40. Dealer Reserve Account			40.
a. Deferred Compensation Agreements			40.a.
41. Deferred Income Taxes			41.
a. Defined Benefit Postretirement Plans			41.a.
42. Demand Deposits			42.
43. Depository Institutions in the U.S.			43.
44. Deposits			44.
45. Derivative Contracts			45.

Dollar amounts in thousands			
a. Discounts			45.a.
46. Dividends			46.
47. Domestic Office			47.
48. Domicile			48.
49. Due Bills			49.
50. Edge and Agreement Corporation			50.
a. Equity-Indexed Certificates of Deposit			50.a.
51. Equity Method of Accounting			51.
52. Extinguishments of Liabilities			52.
53. Extraordinary Items			53.
54. Fails			54.
a. Fair Value			54.a.
55. Federal Funds Transactions			55.
56. Federally-Sponsored Lending Agency			56.
57. Fees, Loan			57.
58. Foreclosed Assets			58.
59. Foreign Banks			59.
60. Foreign Currency Transactions and Translation			60.
61. Foreign Debt Exchange Transactions			61.
62. Foreign Governments and Official Institutions			62.
63. Foreign Office			63.
64. Forward Contracts			64.
65. Functional Currency			65.
66. Futures Contracts			66.
67. Goodwill			67.
68. Hypothecated Deposit			68.
69. IBF			69.
70. Income Taxes			70.
71. Intangible Assets			71.
72. Interest-Bearing Account			72.
73. Interest Capitalization			73.
74. Interest Rate Swaps			74.
75. Internal-Use Computer Software			75.
76. International Banking Facility (IBF)			76.
77. Interoffice Accounts			77.
78. Investments in Common Stock of Unconsolidated Subsidiaries			78.
79. Joint Venture			79.
80. Lease Accounting			80.
81. Letter of Credit			81.
82. Limited-Life Preferred Stock			82.
83. Loan			83.
84. Loan Fees			84.
85. Loan Impairment			85.
86. Loan Secured by Real Estate			86.
87. Loss Contingencies			87.
88. Majority-Owned Subsidiary			88.
89. Mandatory Convertible Debt			89.
91. Mergers			91.
92. Money Market Deposit Account (MMDA)			92.
93. Nonaccrual Status			93.
94. Noninterest-Bearing Account			94.

Dollar amounts in thousands			
95. Nontransaction Account			95.
96. NOW Account			96.
97. Offsetting			97.
98. One-Day Transaction			98.
99. Option			99.
100. Organization Costs			100.
101. Other Depository Institutions in the U.S.			101.
102. Other Real Estate Owned			102.
103. Overdraft			103.
104. Participations			104.
105. Participations in Acceptances			105.
106. Participations in Pools of Securities			106.
107. Pass-through Reserve Balances			107.
108. Perpetual Preferred Stock			108.
109. Placements and Takings			109.
110. Pooling of Interests			110.
111. Preauthorized Transfer Account			111.
112. Preferred Stock			112.
113. Premiums and Discounts			113.
114. Purchase Acquisition			114.
a. Purchased Impaired Loans and Debt Securities			114.a.
115. Put Option			115.
116. Real Estate ADC Arrangements			116.
117. Real Estate, Loan Secured By			117.
118. Reciprocal Balances			118.
119. Renegotiated Troubled Debt			119.
120. Reorganizations			120.
121. Repurchase/Resale Agreements			121.
122. Reserve Balances, Pass-through			122.
123. Retail Sweep Arrangements			123.
124. Sales of Assets for Risk-Based Capital Purposes			124.
125. Savings Deposits			125.
126. Securities Activities			126.
127. Securities Borrowing/Lending Transactions			127.
128. Securities, Participations in Pools of			128.
129. Servicing Assets and Liabilities			129.
130. Settlement Date Accounting			130.
131. Shell Branches			131.
132. Short Position			132.
133. Significant Subsidary			133.
134. Standby Letter of Credit			134.
135. Start-Up Activities			135.
136. STRIPS			136.
137. Subordinated Notes and Debentures			137.
138. Subsidiaries			138.
139. Suspense Accounts			139.
140. Syndications			140.
141. Telephone Transfer Account			141.
142. Term Federal Funds			142.
143. Time Deposits			143.
144. Trade Date and Settlement Date Accounting			144.

Dollar amounts in thousands			
145. Trading Account			145.
146. Transction Account			146.
147. Transfers of Financial Assets			147.
148. Traveler's Letter of Credit			148.
149. Treasury Receipts			149.
150. Treasury Stock			150.
151. Troubled Debt Restructurings			151.
152. Trust Preferred Securities			152.
153. U.S. Banks			153.
154. U.S. Territories and Possessions			154.
155. Valuation Allowance			155.
156. When-Issued Securities Transactions			156.

PUBLIC EXHIBIT 9

Competition Supplement

PUBLIC EXHIBIT 9

SECTION A: HHI Exhibits for FRB Markets

SUMMARY SHEET

ACQUIROR : CIT Group Inc.
TARGET : IMB HoldCo LLC

08/19/2014 23:39

Market	Scenario *	Institutions	WEIGHTED DEPOSITS ($000) A	WEIGHTED DEPOSITS ($000) T / Market Total	HHI Pre	HHI Post	HHI Delta	MARKET SHARE A	MARKET SHARE T	MARKET SHARE C	RANK A	RANK T	RANK C	Gap	Divest to 1800 ($000)	Divest to 200 ($000)	Divest to 35% ($000)
LOS ANGELES, CA (FRB Market)		**317**		**438,685,615**													
001	FRB Initial Screen		0	13,226,126	1,031	1,031	0	0.00%	3.39%	3.39%	126	7	7	-	-	-	-
002	DOJ Initial Screen		0	13,226,126	1,042	1,042	0	0.00%	3.40%	3.40%	116	7	7	-	-	-	-
OXNARD-THOUSAND OAKS-VENTURA, CA (FRB Market)		**42**		**15,504,740**													
003	FRB Initial Screen		0	600,170	1,421	1,421	0	0.00%	4.22%	4.22%	27	8	8	-	-	-	-
004	DOJ Initial Screen		0	600,170	1,421	1,421	0	0.00%	4.22%	4.22%	27	8	8	-	-	-	-
PALM SPRINGS-CATHEDRAL CITY-PALM DESERT, CA (FRB Market)		**27**		**6,983,423**													
005	FRB Initial Screen		0	468,935	1,116	1,116	0	0.00%	6.81%	6.81%	22	6	6	-	-	-	-
006	DOJ Initial Screen		0	468,935	1,143	1,143	0	0.00%	6.90%	6.90%	20	6	6	-	-	-	-
SALT LAKE CITY, UT (FRB Market)		**87**		**370,663,109**													
007	FRB Initial Screen		11,111,079	0	1,287	1,287	0	3.20%	0.00%	3.20%	7	0	7	-	-	-	-
008	DOJ Initial Screen		11,111,079	0	1,399	1,399	0	3.37%	0.00%	3.37%	6	0	6	-	-	-	-
SAN DIEGO, CA (FRB Market)		**88**		**76,472,332**													
009	FRB Initial Screen		0	850,646	1,371	1,371	0	0.00%	1.36%	1.36%	51	11	11	-	-	-	-
010	DOJ Initial Screen		0	850,646	1,417	1,417	0	0.00%	1.38%	1.38%	47	10	10	-	-	-	-

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%.**
DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%.

001

Los Angeles, CA - FRB Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Ownership info as of 8/19/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
126		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
7		IMB HoldCo LLC	Bank	63	13,226,126	100	13,226,126	3.39	11.47					
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							63	13,226,126	13,226,126	3.39	11.47
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Bank of America Corp.	Bank	352	83,647,296	100	83,647,296	21.42	458.79	352	83,647,296	83,647,296	21.42	458.79
2	2	Wells Fargo & Co.	Bank	369	63,999,711	100	63,999,711	16.39	268.58	369	63,999,711	63,999,711	16.39	268.58
3	3	Mitsubishi UFJ Financial Group Inc.	Bank	124	41,617,982	100	41,617,982	10.66	113.57	124	41,617,982	41,617,982	10.66	113.57
4	4	JPMorgan Chase & Co.	Bank	431	37,412,144	100	37,412,144	9.58	91.78	431	37,412,144	37,412,144	9.58	91.78
5	5	City National Corp.	Bank	42	18,375,916	100	18,375,916	4.71	22.14	42	18,375,916	18,375,916	4.71	22.14
6	6	Citigroup Inc.	Bank	155	17,734,035	100	17,734,035	4.54	20.62	155	17,734,035	17,734,035	4.54	20.62
8	8	U.S. Bancorp	Bank	244	13,171,279	100	13,171,279	3.37	11.38	244	13,171,279	13,171,279	3.37	11.38
9	9	East West Bancorp Inc.	Bank	58	12,532,939	100	12,532,939	3.21	10.30	58	12,532,939	12,532,939	3.21	10.30
10	10	BNP Paribas SA	Bank	73	10,800,410	100	10,800,410	2.77	7.65	73	10,800,410	10,800,410	2.77	7.65
11	11	PacWest Bancorp	Bank	49	6,913,467	100	6,913,467	1.77	3.13	49	6,913,467	6,913,467	1.77	3.13
12	12	Comerica Inc.	Bank	44	5,287,184	100	5,287,184	1.35	1.83	44	5,287,184	5,287,184	1.35	1.83
13	13	Cathay General Bancorp	Bank	20	4,860,586	100	4,860,586	1.24	1.55	20	4,860,586	4,860,586	1.24	1.55
14	14	HSBC Holdings Plc	Bank	21	4,196,121	100	4,196,121	1.07	1.15	21	4,196,121	4,196,121	1.07	1.15
15	15	Zions Bancorp.	Bank	42	3,985,251	100	3,985,251	1.02	1.04	42	3,985,251	3,985,251	1.02	1.04
16	16	Farmers & Merchants Bank of Long Beach	Bank	23	3,772,073	100	3,772,073	0.97	0.93	23	3,772,073	3,772,073	0.97	0.93
17	17	CVB Financial Corp.	Bank	31	3,552,962	100	3,552,962	0.91	0.83	31	3,552,962	3,552,962	0.91	0.83
18	18	BBCN Bancorp Inc.	Bank	26	3,200,705	100	3,200,705	0.82	0.67	26	3,200,705	3,200,705	0.82	0.67
19	19	Banc of California Inc.	Bank	36	3,013,639	100	3,013,639	0.77	0.60	36	3,013,639	3,013,639	0.77	0.60
20	20	First Republic Bank	Bank	8	2,934,134	100	2,934,134	0.75	0.56	8	2,934,134	2,934,134	0.75	0.56
21	21	Hanmi Financial Corp.	Bank	27	2,302,191	100	2,302,191	0.59	0.35	27	2,302,191	2,302,191	0.59	0.35
22	22	Wilshire Bancorp Inc.	Bank	26	2,206,094	100	2,206,094	0.56	0.32	26	2,206,094	2,206,094	0.56	0.32
23	23	Community Bank	Bank	15	1,858,101	100	1,858,101	0.48	0.23	15	1,858,101	1,858,101	0.48	0.23
24	24	Sumitomo Mitsui Financial Group Inc.	Bank	9	1,641,282	100	1,641,282	0.42	0.18	9	1,641,282	1,641,282	0.42	0.18
25	25	CU Bancorp	Bank	10	1,474,040	100	1,474,040	0.38	0.14	10	1,474,040	1,474,040	0.38	0.14
26	26	Preferred Bank	Bank	10	1,390,529	100	1,390,529	0.36	0.13	10	1,390,529	1,390,529	0.36	0.13
27	27	Carpenter Bank Partners Inc.	Bank	14	1,284,744	100	1,284,744	0.33	0.11	14	1,284,744	1,284,744	0.33	0.11
28	28	First Banks Inc.	Bank	25	1,190,515	100	1,190,515	0.30	0.09	25	1,190,515	1,190,515	0.30	0.09
29	29	American Business Bank	Bank	1	1,142,380	100	1,142,380	0.29	0.09	1	1,142,380	1,142,380	0.29	0.09
30	30	Opus Bank	Bank	25	1,070,098	100	1,070,098	0.27	0.08	25	1,070,098	1,070,098	0.27	0.08
31	31	Grandpoint Capital Inc.	Bank	12	914,211	100	914,211	0.23	0.05	12	914,211	914,211	0.23	0.05
32	32	Northern Trust Corp.	Bank	3	687,887	100	687,887	0.18	0.03	3	687,887	687,887	0.18	0.03
33	33	First American Financial Corp.	Thrift	2	1,275,674	50	637,837	0.16	0.03	2	1,275,674	637,837	0.16	0.03
34	34	Morgan Stanley	Bank	7	615,147	100	615,147	0.16	0.02	7	615,147	615,147	0.16	0.02
35	35	California Republic Bancorp	Bank	3	613,059	100	613,059	0.16	0.02	3	613,059	613,059	0.16	0.02
36	36	Pacific City Financial Corp.	Bank	9	603,264	100	603,264	0.15	0.02	9	603,264	603,264	0.15	0.02
37	37	First Foundation Inc.	Bank	4	602,998	100	602,998	0.15	0.02	4	602,998	602,998	0.15	0.02
38	38	Luther Burbank Corp.	Thrift	4	1,128,558	50	564,279	0.14	0.02	4	1,128,558	564,279	0.14	0.02

001

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Ownership info as of 8/19/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
39	39	SinoPac Financial Holdings Co. Ltd.	Bank	6	552,217	100	552,217	0.14	0.02	6	552,217	552,217	0.14	0.02
40	40	RBB Bancorp	Bank	7	515,207	100	515,207	0.13	0.02	7	515,207	515,207	0.13	0.02
41	41	Mizrahi Tefahot Bank Ltd.	Bank	1	453,624	100	453,624	0.12	0.01	1	453,624	453,624	0.12	0.01
42	42	Commonwealth Business Bank	Bank	3	450,012	100	450,012	0.12	0.01	3	450,012	450,012	0.12	0.01
43	43	First General Bank	Bank	4	443,167	100	443,167	0.11	0.01	4	443,167	443,167	0.11	0.01
44	44	Sunwest Bank	Bank	4	420,310	100	420,310	0.11	0.01	4	420,310	420,310	0.11	0.01
45	45	1st Century Bancshares Inc.	Bank	1	407,841	100	407,841	0.10	0.01	1	407,841	407,841	0.10	0.01
46	46	Shinhan Financial Group Co. Ltd.	Bank	4	403,333	100	403,333	0.10	0.01	4	403,333	403,333	0.10	0.01
47	47	Pacific Premier Bancorp Inc.	Bank	5	401,754	100	401,754	0.10	0.01	5	401,754	401,754	0.10	0.01
48	48	First Citizens BancShares Inc.	Bank	7	386,493	100	386,493	0.10	0.01	7	386,493	386,493	0.10	0.01
49	49	Industrial Bank of Taiwan Co. Ltd.	Bank	6	361,152	100	361,152	0.09	0.01	6	361,152	361,152	0.09	0.01
50	50	Israel Discount Bank Ltd.	Bank	2	354,096	100	354,096	0.09	0.01	2	354,096	354,096	0.09	0.01
51	51	California First National Bancorp	Bank	1	348,116	100	348,116	0.09	0.01	1	348,116	348,116	0.09	0.01
52	52	Boston Private Financial Holdings Inc.	Bank	5	346,239	100	346,239	0.09	0.01	5	346,239	346,239	0.09	0.01
53	53	State Bank of India	Bank	5	346,190	100	346,190	0.09	0.01	5	346,190	346,190	0.09	0.01
54	54	TFC Holding Co.	Bank	6	328,939	100	328,939	0.08	0.01	6	328,939	328,939	0.08	0.01
55	55	First Choice Bank	Bank	4	318,877	100	318,877	0.08	0.01	4	318,877	318,877	0.08	0.01
56	56	NCAL Bancorp	Bank	4	316,008	100	316,008	0.08	0.01	4	316,008	316,008	0.08	0.01
57	57	Malaga Financial Corp.	Thrift	5	614,165	50	307,083	0.08	0.01	5	614,165	307,083	0.08	0.01
58	58	First Financial Holding Co. Ltd.	Bank	5	297,471	100	297,471	0.08	0.01	5	297,471	297,471	0.08	0.01
59	59	OneUnited Bank	Bank	5	291,005	100	291,005	0.07	0.01	5	291,005	291,005	0.07	0.01
60	60	Pacific Enterprise Bancorp	Bank	2	268,773	100	268,773	0.07	0.00	2	268,773	268,773	0.07	0.00
61	61	Simplicity Bancorp Inc.	Thrift	7	506,489	50	253,245	0.06	0.00	7	506,489	253,245	0.06	0.00
62	62	CommerceWest Bank	Bank	3	236,917	100	236,917	0.06	0.00	3	236,917	236,917	0.06	0.00
63	63	First Credit Bank	Bank	2	233,734	100	233,734	0.06	0.00	2	233,734	233,734	0.06	0.00
64	64	Mega Bank	Bank	4	232,455	100	232,455	0.06	0.00	4	232,455	232,455	0.06	0.00
65	65	American Plus Bank N.A.	Bank	2	226,475	100	226,475	0.06	0.00	2	226,475	226,475	0.06	0.00
66	66	Mission Valley Bancorp	Bank	3	216,394	100	216,394	0.06	0.00	3	216,394	216,394	0.06	0.00
67	67	Open Bank	Bank	6	214,807	100	214,807	0.06	0.00	6	214,807	214,807	0.06	0.00
68	68	Umpqua Holdings Corp.	Bank	3	204,931	100	204,931	0.05	0.00	3	204,931	204,931	0.05	0.00
69	69	GBC Holdings Inc.	Bank	4	201,975	100	201,975	0.05	0.00	4	201,975	201,975	0.05	0.00
70	70	Maham Beteiligungsgesellschaft AG	Bank	2	190,051	100	190,051	0.05	0.00	2	190,051	190,051	0.05	0.00
71	71	Western Alliance Bancorp.	Bank	2	189,597	100	189,597	0.05	0.00	2	189,597	189,597	0.05	0.00
72	72	Independence Bank	Bank	4	189,315	100	189,315	0.05	0.00	4	189,315	189,315	0.05	0.00
73	73	Industrial & Commercial Bank of China Ltd.	Bank	5	187,501	100	187,501	0.05	0.00	5	187,501	187,501	0.05	0.00
74	74	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	2	181,056	100	181,056	0.05	0.00	2	181,056	181,056	0.05	0.00
75	75	Bank of Santa Clarita	Bank	2	169,060	100	169,060	0.04	0.00	2	169,060	169,060	0.04	0.00
76	76	EH National Bank	Bank	1	165,849	100	165,849	0.04	0.00	1	165,849	165,849	0.04	0.00
77	77	CKH Capital Inc.	Bank	3	161,437	100	161,437	0.04	0.00	3	161,437	161,437	0.04	0.00
78	78	Commercial Bank of California	Bank	2	159,926	100	159,926	0.04	0.00	2	159,926	159,926	0.04	0.00
79	79	Community Commerce Bank	Bank	4	158,936	100	158,936	0.04	0.00	4	158,936	158,936	0.04	0.00
80	80	Americas United Bank	Bank	3	147,310	100	147,310	0.04	0.00	3	147,310	147,310	0.04	0.00
81	81	Universal Financial Inc.	Thrift (c.a.)	5	289,975	50	144,988	0.04	0.00	5	289,975	144,988	0.04	0.00
82	82	SKBHC Holdings LLC	Bank	5	143,104	100	143,104	0.04	0.00	5	143,104	143,104	0.04	0.00
83	83	Pacific Commerce Bank	Bank	2	139,850	100	139,850	0.04	0.00	2	139,850	139,850	0.04	0.00
84	84	Uniti Financial Corp.	Bank	3	137,271	100	137,271	0.04	0.00	3	137,271	137,271	0.04	0.00
85	85	Capital Bank	Bank	1	136,914	100	136,914	0.04	0.00	1	136,914	136,914	0.04	0.00

001

Ownership info as of 8/19/2014

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
86	86	ProAmrica Bank	Bank	1	133,433	100	133,433	0.03	0.00	1	133,433	133,433	0.03	0.00
87	87	American Continental Bank	Bank	4	132,750	100	132,750	0.03	0.00	4	132,750	132,750	0.03	0.00
88	88	Orange County Business Bank	Bank	1	126,914	100	126,914	0.03	0.00	1	126,914	126,914	0.03	0.00
89	89	CalWest Bancorp	Bank	3	126,324	100	126,324	0.03	0.00	3	126,324	126,324	0.03	0.00
90	90	Broadway Financial Corp.	Thrift	4	230,818	50	115,409	0.03	0.00	4	230,818	115,409	0.03	0.00
91	91	Eastern International Bank	Bank	2	108,258	100	108,258	0.03	0.00	2	108,258	108,258	0.03	0.00
92	92	Pacific Alliance Bank	Bank	2	106,990	100	106,990	0.03	0.00	2	106,990	106,990	0.03	0.00
93	93	Partners Bank of California	Bank	1	106,600	100	106,600	0.03	0.00	1	106,600	106,600	0.03	0.00
94	94	AltaPacific Bancorp	Bank	2	105,326	100	105,326	0.03	0.00	2	105,326	105,326	0.03	0.00
95	95	Chino Commercial Bancorp	Bank	3	104,461	100	104,461	0.03	0.00	3	104,461	104,461	0.03	0.00
96	96	Premier Business Bank	Bank	2	102,223	100	102,223	0.03	0.00	2	102,223	102,223	0.03	0.00
97	97	International City Bank NA	Bank	2	96,619	100	96,619	0.02	0.00	2	96,619	96,619	0.02	0.00
98	98	Woori Finance Holdings Co. Ltd.	Bank	4	94,650	100	94,650	0.02	0.00	4	94,650	94,650	0.02	0.00
99	99	United Pacific Bank	Bank	2	88,344	100	88,344	0.02	0.00	2	88,344	88,344	0.02	0.00
100	100	Independent Bankers Financial Corp.	Bank	1	87,429	100	87,429	0.02	0.00	1	87,429	87,429	0.02	0.00
101	101	Workers United	Bank	1	81,296	100	81,296	0.02	0.00	1	81,296	81,296	0.02	0.00
102	102	Friendly Hills Bank	Bank	2	77,989	100	77,989	0.02	0.00	2	77,989	77,989	0.02	0.00
103	103	Golden State Bank	Bank	2	76,461	100	76,461	0.02	0.00	2	76,461	76,461	0.02	0.00
104	104	US Metro Bk	Bank	1	72,671	100	72,671	0.02	0.00	1	72,671	72,671	0.02	0.00
105	105	Merchants Bank of California NA	Bank	1	71,241	100	71,241	0.02	0.00	1	71,241	71,241	0.02	0.00
106	106	Bank Leumi le-Israel B.M.	Bank	1	66,538	100	66,538	0.02	0.00	1	66,538	66,538	0.02	0.00
107	107	Saddleback Bancorp	Bank	1	49,400	100	49,400	0.01	0.00	1	49,400	49,400	0.01	0.00
108	108	Asian Pacific National Bank	Bank	2	45,021	100	45,021	0.01	0.00	2	45,021	45,021	0.01	0.00
109	109	California Business Bank	Bank	1	44,752	100	44,752	0.01	0.00	1	44,752	44,752	0.01	0.00
110	110	Greater Pacific Bancshares	Bank	1	41,530	100	41,530	0.01	0.00	1	41,530	41,530	0.01	0.00
111	111	Saigon National Bank	Bank	1	40,116	100	40,116	0.01	0.00	1	40,116	40,116	0.01	0.00
112	112	Mission Bancorp	Bank	1	38,699	100	38,699	0.01	0.00	1	38,699	38,699	0.01	0.00
113	113	Pan American Bank	Bank	1	35,339	100	35,339	0.01	0.00	1	35,339	35,339	0.01	0.00
114	114	Banco Bilbao Vizcaya Argentaria SA	Bank	2	32,126	100	32,126	0.01	0.00	2	32,126	32,126	0.01	0.00
115	115	Security California Bancorp	Bank	1	29,777	100	29,777	0.01	0.00	1	29,777	29,777	0.01	0.00
116	116	Beal Financial Corp.	Thrift	2	45,743	50	22,872	0.01	0.00	2	45,743	22,872	0.01	0.00
117	117	First ULB Corp.	Thrift (c.a.)	2	43,505	50	21,753	0.01	0.00	2	43,505	21,753	0.01	0.00
118	118	Sierra Bancorp	Bank	1	21,322	100	21,322	0.01	0.00	1	21,322	21,322	0.01	0.00
119	119	Balboa Thrift and Loan Association	Bank	1	14,598	100	14,598	0.00	0.00	1	14,598	14,598	0.00	0.00
120	120	San Diego Private Bank	Bank	1	12,518	100	12,518	0.00	0.00	1	12,518	12,518	0.00	0.00
121	121	First Western Financial Inc.	Bank	1	9,498	100	9,498	0.00	0.00	1	9,498	9,498	0.00	0.00
122	122	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	11,962	50	5,981	0.00	0.00	1	11,962	5,981	0.00	0.00
123	123	Bank of New York Mellon Corp.	Bank	3	541	100	541	0.00	0.00	3	541	541	0.00	0.00
124	124	Capital Bank and Trust Co. FSB	Thrift	1	500	50	250	0.00	0.00	1	500	250	0.00	0.00
125	125	Canadian Imperial Bank of Commerce	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
127	126	Farmers & Merchants Bancorp	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
128	127	M&T Bank Corp.	Bank	2	0	100	0	0.00	0.00	2	0	0	0.00	0.00
129	128	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
130	129	Seacoast Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
131	130	20th Century Fox Federal Credit Union	CU (comp.)	2	40,553	0	0	0.00	0.00	2	40,553	0	0.00	0.00
132	131	Actors Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
133	132	Allied Healthcare Federal Credit Union	CU (comp.)	5	61,738	0	0	0.00	0.00	5	61,738	0	0.00	0.00

Los Angeles, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
134	133	American Federal Credit Union	CU (comp.)	1	13,198	0	0	0.00	0.00	1	13,198	0	0.00	0.00
135	134	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
136	135	Arrowhead Central Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
137	136	Baxter Credit Union	CU (comp.)	4	0	0	0	0.00	0.00	4	0	0	0.00	0.00
138	137	California Adventist Federal Credit Union	CU (comp.)	1	37,616	0	0	0.00	0.00	1	37,616	0	0.00	0.00
139	138	California Credit Union	CU (comp.)	13	980,554	0	0	0.00	0.00	13	980,554	0	0.00	0.00
140	139	California Lithuanian Credit Union	CU (comp.)	1	85,170	0	0	0.00	0.00	1	85,170	0	0.00	0.00
141	140	Chevron Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
142	141	Christian Community Credit Union	CU (comp.)	2	506,516	0	0	0.00	0.00	2	506,516	0	0.00	0.00
143	142	E-Central Credit Union	CU (comp.)	2	140,798	0	0	0.00	0.00	2	140,798	0	0.00	0.00
144	143	Evangelical Christian Credit Union	CU (comp.)	1	827,319	0	0	0.00	0.00	1	827,319	0	0.00	0.00
145	144	Farmers Insurance Group Federal Credit Union	CU (comp.)	3	547,680	0	0	0.00	0.00	3	547,680	0	0.00	0.00
146	145	Financial Partners Credit Union	CU (comp.)	12	681,452	0	0	0.00	0.00	12	681,452	0	0.00	0.00
147	146	Kinecta Federal Credit Union	CU (comp.)	22	2,607,841	0	0	0.00	0.00	22	2,607,841	0	0.00	0.00
148	147	Logix Federal Credit Union	CU (comp.)	10	2,986,747	0	0	0.00	0.00	10	2,986,747	0	0.00	0.00
149	148	NuVision Federal Credit Union	CU (comp.)	13	1,039,836	0	0	0.00	0.00	13	1,039,836	0	0.00	0.00
150	149	Polam Federal Credit Union	CU (comp.)	2	43,313	0	0	0.00	0.00	2	43,313	0	0.00	0.00
151	150	Premier America Credit Union	CU (comp.)	10	1,390,840	0	0	0.00	0.00	10	1,390,840	0	0.00	0.00
152	151	Prospectors Federal Credit Union	CU (comp.)	2	52,232	0	0	0.00	0.00	2	52,232	0	0.00	0.00
153	152	San Diego County Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
154	153	SCE Federal Credit Union	CU (comp.)	6	522,018	0	0	0.00	0.00	6	522,018	0	0.00	0.00
155	154	Self-Help Federal Credit Union	CU (comp.)	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
156	155	South Bay Credit Union	CU (comp.)	2	75,377	0	0	0.00	0.00	2	75,377	0	0.00	0.00
157	156	Southland Credit Union	CU (comp.)	6	426,049	0	0	0.00	0.00	6	426,049	0	0.00	0.00
158	157	Star Harbor Federal Credit Union	CU (comp.)	1	11,539	0	0	0.00	0.00	1	11,539	0	0.00	0.00
159	158	Union Yes Federal Credit Union	CU (comp.)	2	47,290	0	0	0.00	0.00	2	47,290	0	0.00	0.00
160	159	United Methodist Federal Credit Union	CU (comp.)	1	79,754	0	0	0.00	0.00	1	79,754	0	0.00	0.00
161	160	University Credit Union	CU (comp.)	2	437,244	0	0	0.00	0.00	2	437,244	0	0.00	0.00
162	161	VA Desert Pacific Federal Credit Union	CU (comp.)	2	48,217	0	0	0.00	0.00	2	48,217	0	0.00	0.00
163	162	Westside Employees Federal Credit Union	CU (comp.)	1	10,714	0	0	0.00	0.00	1	10,714	0	0.00	0.00
164	163	Xceed Financial Federal Credit Union	CU (comp.)	2	666,949	0	0	0.00	0.00	2	666,949	0	0.00	0.00
165	164	Aerospace Federal Credit Union	CU	1	331,076	0	0	0.00	0.00	1	331,076	0	0.00	0.00
166	165	AFTRA-SAG Federal Credit Union	CU	4	194,821	0	0	0.00	0.00	4	194,821	0	0.00	0.00
167	166	Airco Federal Credit Union	CU	1	9,821	0	0	0.00	0.00	1	9,821	0	0.00	0.00
168	167	Alliant Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
169	168	America"s Christian Credit Union	CU	3	239,931	0	0	0.00	0.00	3	239,931	0	0.00	0.00
170	169	American Airlines Federal Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
171	170	American Broadcast Employees FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
172	171	American First Credit Union	CU	3	458,414	0	0	0.00	0.00	3	458,414	0	0.00	0.00
173	172	Auto Club Federal Credit Union	CU	2	26,427	0	0	0.00	0.00	2	26,427	0	0.00	0.00
174	173	Bakery Employees Credit Union	CU	1	7,050	0	0	0.00	0.00	1	7,050	0	0.00	0.00
175	174	Beverly Hills City Employees FCU	CU	1	17,533	0	0	0.00	0.00	1	17,533	0	0.00	0.00
176	175	Bopti Federal Credit Union	CU	1	50,095	0	0	0.00	0.00	1	50,095	0	0.00	0.00
177	176	Burbank City Federal Credit Union	CU	1	229,816	0	0	0.00	0.00	1	229,816	0	0.00	0.00
178	177	C B S Employees Federal Credit Union	CU	2	16,648	0	0	0.00	0.00	2	16,648	0	0.00	0.00
179	178	CAHP Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
180	179	Cal Poly Federal Credit Union	CU	1	11,317	0	0	0.00	0.00	1	11,317	0	0.00	0.00

001

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Ownership info as of 8/19/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
181	180	Cal State L.A. FCU	CU	1	38,195	0	0	0.00	0.00	1	38,195	0	0.00	0.00
182	181	CalCom Federal Credit Union	CU	5	56,672	0	0	0.00	0.00	5	56,672	0	0.00	0.00
183	182	California Agribusiness Credit Union	CU	3	25,712	0	0	0.00	0.00	3	25,712	0	0.00	0.00
184	183	California Bear Credit Union	CU	3	95,979	0	0	0.00	0.00	3	95,979	0	0.00	0.00
185	184	California Center Credit Union	CU	1	7,627	0	0	0.00	0.00	1	7,627	0	0.00	0.00
186	185	Caltech Employees Federal Credit Union	CU	3	1,106,402	0	0	0.00	0.00	3	1,106,402	0	0.00	0.00
187	186	Calvary Baptist of Pacoima FCU	CU	1	127	0	0	0.00	0.00	1	127	0	0.00	0.00
188	187	Camino Federal Credit Union	CU	2	113,164	0	0	0.00	0.00	2	113,164	0	0.00	0.00
189	188	Canoga Postal Federal Credit Union	CU	1	731	0	0	0.00	0.00	1	731	0	0.00	0.00
190	189	Capstone Federal Credit Union	CU	3	33,331	0	0	0.00	0.00	3	33,331	0	0.00	0.00
191	190	Catalyst Corporate Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
192	191	Cedars-Sinai Federal Credit Union	CU	1	18,004	0	0	0.00	0.00	1	18,004	0	0.00	0.00
193	192	Chaffey Federal Credit Union	CU	4	95,459	0	0	0.00	0.00	4	95,459	0	0.00	0.00
194	193	Cherry Employees Federal Credit Union	CU	1	3,155	0	0	0.00	0.00	1	3,155	0	0.00	0.00
195	194	Clearpath Federal Credit Union	CU	1	74,760	0	0	0.00	0.00	1	74,760	0	0.00	0.00
196	195	Columbus Club Federal Credit Union	CU	1	6,472	0	0	0.00	0.00	1	6,472	0	0.00	0.00
197	196	Compton Municipal Employees Federal Credit Uni	CU	1	792	0	0	0.00	0.00	1	792	0	0.00	0.00
198	197	Comunidad Latina Federal Credit Union	CU	1	3,087	0	0	0.00	0.00	1	3,087	0	0.00	0.00
199	198	Credit Union of Southern California	CU	12	660,966	0	0	0.00	0.00	12	660,966	0	0.00	0.00
200	199	CSC Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
201	200	Culver City Employees FCU	CU	1	20,890	0	0	0.00	0.00	1	20,890	0	0.00	0.00
202	201	Daijo Federal Credit Union	CU	1	2,229	0	0	0.00	0.00	1	2,229	0	0.00	0.00
203	202	Deluxe Federal Credit Union	CU	1	8,178	0	0	0.00	0.00	1	8,178	0	0.00	0.00
204	203	Downey Federal Credit Union	CU	1	155,998	0	0	0.00	0.00	1	155,998	0	0.00	0.00
205	204	Eagle Community Credit Union	CU	6	190,969	0	0	0.00	0.00	6	190,969	0	0.00	0.00
206	205	Edwards Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
207	206	El Monte Community Credit Union	CU	2	19,337	0	0	0.00	0.00	2	19,337	0	0.00	0.00
208	207	Episcopal Community FCU	CU	1	4,562	0	0	0.00	0.00	1	4,562	0	0.00	0.00
209	208	F&A Federal Credit Union	CU	2	1,087,082	0	0	0.00	0.00	2	1,087,082	0	0.00	0.00
210	209	Fairview Employees Federal Credit Union	CU	1	11,586	0	0	0.00	0.00	1	11,586	0	0.00	0.00
211	210	Family Federal Credit Union	CU	1	7,224	0	0	0.00	0.00	1	7,224	0	0.00	0.00
212	211	Federal Employees West FCU	CU	1	10,753	0	0	0.00	0.00	1	10,753	0	0.00	0.00
213	212	FEDEX Employees Credit Association FCU	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
214	213	FedONE Federal Credit Union	CU	2	17,681	0	0	0.00	0.00	2	17,681	0	0.00	0.00
215	214	Firefighters First Credit Union	CU	1	747,483	0	0	0.00	0.00	1	747,483	0	0.00	0.00
216	215	First City Credit Union	CU	8	445,685	0	0	0.00	0.00	8	445,685	0	0.00	0.00
217	216	First Entertainment Credit Union	CU	10	938,949	0	0	0.00	0.00	10	938,949	0	0.00	0.00
218	217	First Financial Credit Union	CU	9	397,025	0	0	0.00	0.00	9	397,025	0	0.00	0.00
219	218	Fiscal Credit Union	CU	2	126,222	0	0	0.00	0.00	2	126,222	0	0.00	0.00
220	219	FME Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
221	220	Foothill Federal Credit Union	CU	5	261,345	0	0	0.00	0.00	5	261,345	0	0.00	0.00
222	221	Fountain Valley Credit Union	CU	1	2,047	0	0	0.00	0.00	1	2,047	0	0.00	0.00
223	222	Glendale Area Schools FCU	CU	2	293,229	0	0	0.00	0.00	2	293,229	0	0.00	0.00
224	223	Glendale Federal Credit Union	CU	1	55,615	0	0	0.00	0.00	1	55,615	0	0.00	0.00
225	224	Golden 1 Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
226	225	Guidance Church of Religious Science FCU	CU	1	124	0	0	0.00	0.00	1	124	0	0.00	0.00
227	226	Hanin Federal Credit Union	CU	2	19,124	0	0	0.00	0.00	2	19,124	0	0.00	0.00

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Ownership info as of 8/19/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
228	227	Harbor Area Postal Employees Federal Credit Uni	CU	1	16,135	0	0	0.00	0.00	1	16,135	0	0.00	0.00
229	228	Harbor Federal Credit Union	CU	1	87,087	0	0	0.00	0.00	1	87,087	0	0.00	0.00
230	229	Health Associates Federal Credit Union	CU	2	44,283	0	0	0.00	0.00	2	44,283	0	0.00	0.00
231	230	Honda Federal Credit Union	CU	2	547,027	0	0	0.00	0.00	2	547,027	0	0.00	0.00
232	231	Huntington Beach Cty Emps CU	CU	1	42,655	0	0	0.00	0.00	1	42,655	0	0.00	0.00
233	232	I.L.W.U. Credit Union	CU	2	117,356	0	0	0.00	0.00	2	117,356	0	0.00	0.00
234	233	Interstate Federal Credit Union	CU	1	15,613	0	0	0.00	0.00	1	15,613	0	0.00	0.00
235	234	JACOM Credit Union	CU	2	71,580	0	0	0.00	0.00	2	71,580	0	0.00	0.00
236	235	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
237	236	L. A. Electrical Workers Credit Union	CU	1	36,692	0	0	0.00	0.00	1	36,692	0	0.00	0.00
238	237	L.A. Healthcare Federal Credit Union	CU	3	13,064	0	0	0.00	0.00	3	13,064	0	0.00	0.00
239	238	LA Financial Federal Credit Union	CU	4	319,859	0	0	0.00	0.00	4	319,859	0	0.00	0.00
240	239	LA Mission Federal Credit Union	CU	1	5,728	0	0	0.00	0.00	1	5,728	0	0.00	0.00
241	240	LBS Financial Credit Union	CU	7	964,134	0	0	0.00	0.00	7	964,134	0	0.00	0.00
242	241	Long Beach City Employees Federal Credit Union	CU	1	288,107	0	0	0.00	0.00	1	288,107	0	0.00	0.00
243	242	Long Beach Firemen"s Credit Union	CU	1	136,810	0	0	0.00	0.00	1	136,810	0	0.00	0.00
244	243	Los Angeles Federal Credit Union	CU	7	687,105	0	0	0.00	0.00	7	687,105	0	0.00	0.00
245	244	Los Angeles Lee Federal Credit Union	CU	1	482	0	0	0.00	0.00	1	482	0	0.00	0.00
246	245	Los Angeles Police Federal Credit Union	CU	4	676,921	0	0	0.00	0.00	4	676,921	0	0.00	0.00
247	246	Maryknoll of Los Angeles FCU	CU	1	856	0	0	0.00	0.00	1	856	0	0.00	0.00
248	247	Matadors Community Credit Union	CU	2	127,465	0	0	0.00	0.00	2	127,465	0	0.00	0.00
249	248	Mattel Federal Credit Union	CU	1	28,422	0	0	0.00	0.00	1	28,422	0	0.00	0.00
250	249	Media City Community Credit Union	CU	1	29,809	0	0	0.00	0.00	1	29,809	0	0.00	0.00
251	250	Mid-Cities Credit Union	CU	1	18,376	0	0	0.00	0.00	1	18,376	0	0.00	0.00
252	251	Monrovia City Employees FCU	CU	1	2,848	0	0	0.00	0.00	1	2,848	0	0.00	0.00
253	252	Musicians" Interguild Credit Union	CU	1	70,501	0	0	0.00	0.00	1	70,501	0	0.00	0.00
254	253	MWD Federal Credit Union	CU	1	37,339	0	0	0.00	0.00	1	37,339	0	0.00	0.00
255	254	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
256	255	Newport Beach City Employees FCU	CU	1	11,547	0	0	0.00	0.00	1	11,547	0	0.00	0.00
257	256	Nikkei Credit Union	CU	1	63,285	0	0	0.00	0.00	1	63,285	0	0.00	0.00
258	257	Northrop Grumman FCU	CU	10	820,665	0	0	0.00	0.00	10	820,665	0	0.00	0.00
259	258	Ocean Crest Federal Credit Union	CU	1	31,370	0	0	0.00	0.00	1	31,370	0	0.00	0.00
260	259	Olive View Employees Federal Credit Union	CU	1	27,925	0	0	0.00	0.00	1	27,925	0	0.00	0.00
261	260	Ontario Montclair School Employees FCU	CU	1	76,439	0	0	0.00	0.00	1	76,439	0	0.00	0.00
262	261	Ontario Public Employees FCU	CU	1	15,911	0	0	0.00	0.00	1	15,911	0	0.00	0.00
263	262	Orange County"s Credit Union	CU	11	967,517	0	0	0.00	0.00	11	967,517	0	0.00	0.00
264	263	P.V.H.M.C. Federal Credit Union	CU	1	8,503	0	0	0.00	0.00	1	8,503	0	0.00	0.00
265	264	Pacific Community Credit Union	CU	5	159,145	0	0	0.00	0.00	5	159,145	0	0.00	0.00
266	265	Pacific Federal Credit Union	CU	1	15,916	0	0	0.00	0.00	1	15,916	0	0.00	0.00
267	266	Pacific Transportation FCU	CU	3	61,657	0	0	0.00	0.00	3	61,657	0	0.00	0.00
268	267	Pacoima Development Federal Credit Union	CU	1	3,804	0	0	0.00	0.00	1	3,804	0	0.00	0.00
269	268	Parishioners Federal Credit Union	CU	1	32,798	0	0	0.00	0.00	1	32,798	0	0.00	0.00
270	269	Parsons Federal Credit Union	CU	1	213,095	0	0	0.00	0.00	1	213,095	0	0.00	0.00
271	270	Partners Federal Credit Union	CU	8	1,028,398	0	0	0.00	0.00	8	1,028,398	0	0.00	0.00
272	271	Pasadena Federal Credit Union	CU	1	125,606	0	0	0.00	0.00	1	125,606	0	0.00	0.00
273	272	Pasadena Service Federal Credit Union	CU	3	97,683	0	0	0.00	0.00	3	97,683	0	0.00	0.00
274	273	Patriots Federal Credit Union	CU	1	77,970	0	0	0.00	0.00	1	77,970	0	0.00	0.00

001

Los Angeles, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
275	274	Peoples Independent Church FCU	CU	1	78	0	0	0.00	0.00	1	78	0	0.00	0.00
276	275	Pomona Postal Federal Credit Union	CU	1	3,848	0	0	0.00	0.00	1	3,848	0	0.00	0.00
277	276	POPA Federal Credit Union	CU	4	153,436	0	0	0.00	0.00	4	153,436	0	0.00	0.00
278	277	PostCity Financial Credit Union	CU	2	65,989	0	0	0.00	0.00	2	65,989	0	0.00	0.00
279	278	Printing Industries Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
280	279	Printing Office Employees Credit Union	CU	1	3,830	0	0	0.00	0.00	1	3,830	0	0.00	0.00
281	280	Priority One Credit Union	CU	3	137,660	0	0	0.00	0.00	3	137,660	0	0.00	0.00
282	281	Rancho Federal Credit Union	CU	5	76,427	0	0	0.00	0.00	5	76,427	0	0.00	0.00
283	282	San Fernando Valley Japanese Credit Union	CU	1	801	0	0	0.00	0.00	1	801	0	0.00	0.00
284	283	San Gabriel Valley Postal Credit Union	CU	1	15,971	0	0	0.00	0.00	1	15,971	0	0.00	0.00
285	284	Santa Ana Federal Credit Union	CU	1	55,861	0	0	0.00	0.00	1	55,861	0	0.00	0.00
286	285	Schools Federal Credit Union	CU	2	100,475	0	0	0.00	0.00	2	100,475	0	0.00	0.00
287	286	SchoolsFirst Federal Credit Union	CU	33	8,168,222	0	0	0.00	0.00	33	8,168,222	0	0.00	0.00
288	287	Sea Air Federal Credit Union	CU	2	110,392	0	0	0.00	0.00	2	110,392	0	0.00	0.00
289	288	SkyOne Federal Credit Union	CU	2	327,306	0	0	0.00	0.00	2	327,306	0	0.00	0.00
290	289	Socal Federal Credit Union	CU	1	570	0	0	0.00	0.00	1	570	0	0.00	0.00
291	290	South Western Federal Credit Union	CU	2	112,189	0	0	0.00	0.00	2	112,189	0	0.00	0.00
292	291	Southland Savings Federal Credit Union	CU	1	7,390	0	0	0.00	0.00	1	7,390	0	0.00	0.00
293	292	Sunkist Employees Federal Credit Union	CU	1	5,032	0	0	0.00	0.00	1	5,032	0	0.00	0.00
294	293	Technicolor Federal Credit Union	CU	2	35,830	0	0	0.00	0.00	2	35,830	0	0.00	0.00
295	294	Torrance Community FCU	CU	1	101,301	0	0	0.00	0.00	1	101,301	0	0.00	0.00
296	295	Treasury Department Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
297	296	TruGrocer Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
298	297	U.P.S. Employees Federal Credit Union	CU	1	27,836	0	0	0.00	0.00	1	27,836	0	0.00	0.00
299	298	U.S. Postal Service Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
300	299	U.S.B. Employees Federal Credit Union	CU	1	1,843	0	0	0.00	0.00	1	1,843	0	0.00	0.00
301	300	UMe Federal Credit Union	CU	1	134,815	0	0	0.00	0.00	1	134,815	0	0.00	0.00
302	301	Union Oil Santa Fe Springs Employees FCU	CU	1	4,606	0	0	0.00	0.00	1	4,606	0	0.00	0.00
303	302	Union Pacific California Employees FCU	CU	1	8,505	0	0	0.00	0.00	1	8,505	0	0.00	0.00
304	303	United America West Federal Credit Union	CU	1	3,877	0	0	0.00	0.00	1	3,877	0	0.00	0.00
305	304	United Catholics Federal Credit Union	CU	1	27,423	0	0	0.00	0.00	1	27,423	0	0.00	0.00
306	305	United Financial Credit Union	CU	1	31,636	0	0	0.00	0.00	1	31,636	0	0.00	0.00
307	306	Universal City Studios Credit Union	CU	2	55,079	0	0	0.00	0.00	2	55,079	0	0.00	0.00
308	307	USC Credit Union	CU	3	336,818	0	0	0.00	0.00	3	336,818	0	0.00	0.00
309	308	Ventura County Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
310	309	Vons Employees Federal Credit Union	CU	5	317,191	0	0	0.00	0.00	5	317,191	0	0.00	0.00
311	310	Water and Power Community Credit Union	CU	5	454,653	0	0	0.00	0.00	5	454,653	0	0.00	0.00
312	311	Wescom Central Credit Union	CU	17	2,161,084	0	0	0.00	0.00	17	2,161,084	0	0.00	0.00
313	312	Western Federal Credit Union	CU	11	1,690,736	0	0	0.00	0.00	11	1,690,736	0	0.00	0.00
314	313	Western States Regional FCU	CU	1	465	0	0	0.00	0.00	1	465	0	0.00	0.00
315	314	Zion Hill Baptist Church FCU	CU	1	145	0	0	0.00	0.00	1	145	0	0.00	0.00
316	315	E*TRADE Financial Corp.	Thrift	3	0	50	0	0.00	0.00	3	0	0	0.00	0.00
317	316	Fidelity Personal Trust Co. FSB	Thrift	1	0	50	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**3,181**	**438,685,615**		**390,521,638**	**100.00**	**1,030.79**	**3,181**	**438,685,615**	**390,521,638**	**100.00**	**1,030.79**

001

Los Angeles, CA - FRB Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Ownership info as of 8/19/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

PRE-MERGER HHI: 1,031
POST-MERGER HHI: 1,031
HHI CHANGE: 0

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

002

Los Angeles, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
116		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
7		IMB HoldCo LLC	Bank	63	13,226,126	100	13,226,126	3.40	11.59					
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							63	13,226,126	13,226,126	3.40	11.59
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Bank of America Corp.	Bank	352	83,647,296	100	83,647,296	21.53	463.70	352	83,647,296	83,647,296	21.53	463.70
2	2	Wells Fargo & Co.	Bank	369	63,999,711	100	63,999,711	16.48	271.45	369	63,999,711	63,999,711	16.48	271.45
3	3	Mitsubishi UFJ Financial Group Inc.	Bank	124	41,617,982	100	41,617,982	10.71	114.79	124	41,617,982	41,617,982	10.71	114.79
4	4	JPMorgan Chase & Co.	Bank	431	37,412,144	100	37,412,144	9.63	92.76	431	37,412,144	37,412,144	9.63	92.76
5	5	City National Corp.	Bank	42	18,375,916	100	18,375,916	4.73	22.38	42	18,375,916	18,375,916	4.73	22.38
6	6	Citigroup Inc.	Bank	155	17,734,035	100	17,734,035	4.57	20.84	155	17,734,035	17,734,035	4.57	20.84
8	8	U.S. Bancorp	Bank	244	13,171,279	100	13,171,279	3.39	11.50	244	13,171,279	13,171,279	3.39	11.50
9	9	East West Bancorp Inc.	Bank	58	12,532,939	100	12,532,939	3.23	10.41	58	12,532,939	12,532,939	3.23	10.41
10	10	BNP Paribas SA	Bank	73	10,800,410	100	10,800,410	2.78	7.73	73	10,800,410	10,800,410	2.78	7.73
11	11	PacWest Bancorp	Bank	49	6,913,467	100	6,913,467	1.78	3.17	49	6,913,467	6,913,467	1.78	3.17
12	12	Comerica Inc.	Bank	44	5,287,184	100	5,287,184	1.36	1.85	44	5,287,184	5,287,184	1.36	1.85
13	13	Cathay General Bancorp	Bank	20	4,860,586	100	4,860,586	1.25	1.57	20	4,860,586	4,860,586	1.25	1.57
14	14	HSBC Holdings Plc	Bank	21	4,196,121	100	4,196,121	1.08	1.17	21	4,196,121	4,196,121	1.08	1.17
15	15	Zions Bancorp.	Bank	42	3,985,251	100	3,985,251	1.03	1.05	42	3,985,251	3,985,251	1.03	1.05
16	16	Farmers & Merchants Bank of Long Beach	Bank	23	3,772,073	100	3,772,073	0.97	0.94	23	3,772,073	3,772,073	0.97	0.94
17	17	CVB Financial Corp.	Bank	31	3,552,962	100	3,552,962	0.91	0.84	31	3,552,962	3,552,962	0.91	0.84
18	18	BBCN Bancorp Inc.	Bank	26	3,200,705	100	3,200,705	0.82	0.68	26	3,200,705	3,200,705	0.82	0.68
19	19	Banc of California Inc.	Bank	36	3,013,639	100	3,013,639	0.78	0.60	36	3,013,639	3,013,639	0.78	0.60
20	20	First Republic Bank	Bank	8	2,934,134	100	2,934,134	0.76	0.57	8	2,934,134	2,934,134	0.76	0.57
21	21	Hanmi Financial Corp.	Bank	27	2,302,191	100	2,302,191	0.59	0.35	27	2,302,191	2,302,191	0.59	0.35
22	22	Wilshire Bancorp Inc.	Bank	26	2,206,094	100	2,206,094	0.57	0.32	26	2,206,094	2,206,094	0.57	0.32
23	23	Community Bank	Bank	15	1,858,101	100	1,858,101	0.48	0.23	15	1,858,101	1,858,101	0.48	0.23
24	24	Sumitomo Mitsui Financial Group Inc.	Bank	9	1,641,282	100	1,641,282	0.42	0.18	9	1,641,282	1,641,282	0.42	0.18
25	25	CU Bancorp	Bank	10	1,474,040	100	1,474,040	0.38	0.14	10	1,474,040	1,474,040	0.38	0.14
26	26	Preferred Bank	Bank	10	1,390,529	100	1,390,529	0.36	0.13	10	1,390,529	1,390,529	0.36	0.13
27	27	Carpenter Bank Partners Inc.	Bank	14	1,284,744	100	1,284,744	0.33	0.11	14	1,284,744	1,284,744	0.33	0.11
28	28	First Banks Inc.	Bank	25	1,190,515	100	1,190,515	0.31	0.09	25	1,190,515	1,190,515	0.31	0.09
29	29	American Business Bank	Bank	1	1,142,380	100	1,142,380	0.29	0.09	1	1,142,380	1,142,380	0.29	0.09
30	30	Opus Bank	Bank	25	1,070,098	100	1,070,098	0.28	0.08	25	1,070,098	1,070,098	0.28	0.08
31	31	Grandpoint Capital Inc.	Bank	12	914,211	100	914,211	0.24	0.06	12	914,211	914,211	0.24	0.06
32	32	Northern Trust Corp.	Bank	3	687,887	100	687,887	0.18	0.03	3	687,887	687,887	0.18	0.03
33	33	Morgan Stanley	Bank	7	615,147	100	615,147	0.16	0.03	7	615,147	615,147	0.16	0.03
34	34	California Republic Bancorp	Bank	3	613,059	100	613,059	0.16	0.02	3	613,059	613,059	0.16	0.02
35	35	Pacific City Financial Corp.	Bank	9	603,264	100	603,264	0.16	0.02	9	603,264	603,264	0.16	0.02
36	36	First Foundation Inc.	Bank	4	602,998	100	602,998	0.16	0.02	4	602,998	602,998	0.16	0.02
37	37	SinoPac Financial Holdings Co. Ltd.	Bank	6	552,217	100	552,217	0.14	0.02	6	552,217	552,217	0.14	0.02
38	38	RBB Bancorp	Bank	7	515,207	100	515,207	0.13	0.02	7	515,207	515,207	0.13	0.02

Ownership info as of 8/19/2014

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
39	39	Mizrahi Tefahot Bank Ltd.	Bank	1	453,624	100	453,624	0.12	0.01	1	453,624	453,624	0.12	0.01
40	40	Commonwealth Business Bank	Bank	3	450,012	100	450,012	0.12	0.01	3	450,012	450,012	0.12	0.01
41	41	First General Bank	Bank	4	443,167	100	443,167	0.11	0.01	4	443,167	443,167	0.11	0.01
42	42	Sunwest Bank	Bank	4	420,310	100	420,310	0.11	0.01	4	420,310	420,310	0.11	0.01
43	43	1st Century Bancshares Inc.	Bank	1	407,841	100	407,841	0.10	0.01	1	407,841	407,841	0.10	0.01
44	44	Shinhan Financial Group Co. Ltd.	Bank	4	403,333	100	403,333	0.10	0.01	4	403,333	403,333	0.10	0.01
45	45	Pacific Premier Bancorp Inc.	Bank	5	401,754	100	401,754	0.10	0.01	5	401,754	401,754	0.10	0.01
46	46	First Citizens BancShares Inc.	Bank	7	386,493	100	386,493	0.10	0.01	7	386,493	386,493	0.10	0.01
47	47	Industrial Bank of Taiwan Co. Ltd.	Bank	6	361,152	100	361,152	0.09	0.01	6	361,152	361,152	0.09	0.01
48	48	Israel Discount Bank Ltd.	Bank	2	354,096	100	354,096	0.09	0.01	2	354,096	354,096	0.09	0.01
49	49	California First National Bancorp	Bank	1	348,116	100	348,116	0.09	0.01	1	348,116	348,116	0.09	0.01
50	50	Boston Private Financial Holdings Inc.	Bank	5	346,239	100	346,239	0.09	0.01	5	346,239	346,239	0.09	0.01
51	51	State Bank of India	Bank	5	346,190	100	346,190	0.09	0.01	5	346,190	346,190	0.09	0.01
52	52	TFC Holding Co.	Bank	6	328,939	100	328,939	0.08	0.01	6	328,939	328,939	0.08	0.01
53	53	First Choice Bank	Bank	4	318,877	100	318,877	0.08	0.01	4	318,877	318,877	0.08	0.01
54	54	NCAL Bancorp	Bank	4	316,008	100	316,008	0.08	0.01	4	316,008	316,008	0.08	0.01
55	55	First Financial Holding Co. Ltd.	Bank	5	297,471	100	297,471	0.08	0.01	5	297,471	297,471	0.08	0.01
56	56	OneUnited Bank	Bank	5	291,005	100	291,005	0.07	0.01	5	291,005	291,005	0.07	0.01
57	57	Pacific Enterprise Bancorp	Bank	2	268,773	100	268,773	0.07	0.00	2	268,773	268,773	0.07	0.00
58	58	CommerceWest Bank	Bank	3	236,917	100	236,917	0.06	0.00	3	236,917	236,917	0.06	0.00
59	59	First Credit Bank	Bank	2	233,734	100	233,734	0.06	0.00	2	233,734	233,734	0.06	0.00
60	60	Mega Bank	Bank	4	232,455	100	232,455	0.06	0.00	4	232,455	232,455	0.06	0.00
61	61	American Plus Bank N.A.	Bank	2	226,475	100	226,475	0.06	0.00	2	226,475	226,475	0.06	0.00
62	62	Mission Valley Bancorp	Bank	3	216,394	100	216,394	0.06	0.00	3	216,394	216,394	0.06	0.00
63	63	Open Bank	Bank	6	214,807	100	214,807	0.06	0.00	6	214,807	214,807	0.06	0.00
64	64	Umpqua Holdings Corp.	Bank	3	204,931	100	204,931	0.05	0.00	3	204,931	204,931	0.05	0.00
65	65	GBC Holdings Inc.	Bank	4	201,975	100	201,975	0.05	0.00	4	201,975	201,975	0.05	0.00
66	66	Maham Beteiligungsgesellschaft AG	Bank	2	190,051	100	190,051	0.05	0.00	2	190,051	190,051	0.05	0.00
67	67	Western Alliance Bancorp.	Bank	2	189,597	100	189,597	0.05	0.00	2	189,597	189,597	0.05	0.00
68	68	Independence Bank	Bank	4	189,315	100	189,315	0.05	0.00	4	189,315	189,315	0.05	0.00
69	69	Industrial & Commercial Bank of China Ltd.	Bank	5	187,501	100	187,501	0.05	0.00	5	187,501	187,501	0.05	0.00
70	70	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	2	181,056	100	181,056	0.05	0.00	2	181,056	181,056	0.05	0.00
71	71	Bank of Santa Clarita	Bank	2	169,060	100	169,060	0.04	0.00	2	169,060	169,060	0.04	0.00
72	72	EH National Bank	Bank	1	165,849	100	165,849	0.04	0.00	1	165,849	165,849	0.04	0.00
73	73	CKH Capital Inc.	Bank	3	161,437	100	161,437	0.04	0.00	3	161,437	161,437	0.04	0.00
74	74	Commercial Bank of California	Bank	2	159,926	100	159,926	0.04	0.00	2	159,926	159,926	0.04	0.00
75	75	Community Commerce Bank	Bank	4	158,936	100	158,936	0.04	0.00	4	158,936	158,936	0.04	0.00
76	76	Americas United Bank	Bank	3	147,310	100	147,310	0.04	0.00	3	147,310	147,310	0.04	0.00
77	77	SKBHC Holdings LLC	Bank	5	143,104	100	143,104	0.04	0.00	5	143,104	143,104	0.04	0.00
78	78	Pacific Commerce Bank	Bank	2	139,850	100	139,850	0.04	0.00	2	139,850	139,850	0.04	0.00
79	79	Uniti Financial Corp.	Bank	3	137,271	100	137,271	0.04	0.00	3	137,271	137,271	0.04	0.00
80	80	Capital Bank	Bank	1	136,914	100	136,914	0.04	0.00	1	136,914	136,914	0.04	0.00
81	81	ProAmrica Bank	Bank	1	133,433	100	133,433	0.03	0.00	1	133,433	133,433	0.03	0.00
82	82	American Continental Bank	Bank	4	132,750	100	132,750	0.03	0.00	4	132,750	132,750	0.03	0.00
83	83	Orange County Business Bank	Bank	1	126,914	100	126,914	0.03	0.00	1	126,914	126,914	0.03	0.00
84	84	CalWest Bancorp	Bank	3	126,324	100	126,324	0.03	0.00	3	126,324	126,324	0.03	0.00
85	85	Eastern International Bank	Bank	2	108,258	100	108,258	0.03	0.00	2	108,258	108,258	0.03	0.00

002

Los Angeles, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
86	86	Pacific Alliance Bank	Bank	2	106,990	100	106,990	0.03	0.00	2	106,990	106,990	0.03	0.00
87	87	Partners Bank of California	Bank	1	106,600	100	106,600	0.03	0.00	1	106,600	106,600	0.03	0.00
88	88	AltaPacific Bancorp	Bank	2	105,326	100	105,326	0.03	0.00	2	105,326	105,326	0.03	0.00
89	89	Chino Commercial Bancorp	Bank	3	104,461	100	104,461	0.03	0.00	3	104,461	104,461	0.03	0.00
90	90	Premier Business Bank	Bank	2	102,223	100	102,223	0.03	0.00	2	102,223	102,223	0.03	0.00
91	91	International City Bank NA	Bank	2	96,619	100	96,619	0.02	0.00	2	96,619	96,619	0.02	0.00
92	92	Woori Finance Holdings Co. Ltd.	Bank	4	94,650	100	94,650	0.02	0.00	4	94,650	94,650	0.02	0.00
93	93	United Pacific Bank	Bank	2	88,344	100	88,344	0.02	0.00	2	88,344	88,344	0.02	0.00
94	94	Independent Bankers Financial Corp.	Bank	1	87,429	100	87,429	0.02	0.00	1	87,429	87,429	0.02	0.00
95	95	Workers United	Bank	1	81,296	100	81,296	0.02	0.00	1	81,296	81,296	0.02	0.00
96	96	Friendly Hills Bank	Bank	2	77,989	100	77,989	0.02	0.00	2	77,989	77,989	0.02	0.00
97	97	Golden State Bank	Bank	2	76,461	100	76,461	0.02	0.00	2	76,461	76,461	0.02	0.00
98	98	US Metro Bk	Bank	1	72,671	100	72,671	0.02	0.00	1	72,671	72,671	0.02	0.00
99	99	Merchants Bank of California NA	Bank	1	71,241	100	71,241	0.02	0.00	1	71,241	71,241	0.02	0.00
100	100	Bank Leumi le-Israel B.M.	Bank	1	66,538	100	66,538	0.02	0.00	1	66,538	66,538	0.02	0.00
101	101	Saddleback Bancorp	Bank	1	49,400	100	49,400	0.01	0.00	1	49,400	49,400	0.01	0.00
102	102	Asian Pacific National Bank	Bank	2	45,021	100	45,021	0.01	0.00	2	45,021	45,021	0.01	0.00
103	103	California Business Bank	Bank	1	44,752	100	44,752	0.01	0.00	1	44,752	44,752	0.01	0.00
104	104	Greater Pacific Bancshares	Bank	1	41,530	100	41,530	0.01	0.00	1	41,530	41,530	0.01	0.00
105	105	Saigon National Bank	Bank	1	40,116	100	40,116	0.01	0.00	1	40,116	40,116	0.01	0.00
106	106	Mission Bancorp	Bank	1	38,699	100	38,699	0.01	0.00	1	38,699	38,699	0.01	0.00
107	107	Pan American Bank	Bank	1	35,339	100	35,339	0.01	0.00	1	35,339	35,339	0.01	0.00
108	108	Banco Bilbao Vizcaya Argentaria SA	Bank	2	32,126	100	32,126	0.01	0.00	2	32,126	32,126	0.01	0.00
109	109	Security California Bancorp	Bank	1	29,777	100	29,777	0.01	0.00	1	29,777	29,777	0.01	0.00
110	110	Sierra Bancorp	Bank	1	21,322	100	21,322	0.01	0.00	1	21,322	21,322	0.01	0.00
111	111	Balboa Thrift and Loan Association	Bank	1	14,598	100	14,598	0.00	0.00	1	14,598	14,598	0.00	0.00
112	112	San Diego Private Bank	Bank	1	12,518	100	12,518	0.00	0.00	1	12,518	12,518	0.00	0.00
113	113	First Western Financial Inc.	Bank	1	9,498	100	9,498	0.00	0.00	1	9,498	9,498	0.00	0.00
114	114	Bank of New York Mellon Corp.	Bank	3	541	100	541	0.00	0.00	3	541	541	0.00	0.00
115	115	Canadian Imperial Bank of Commerce	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
117	116	Farmers & Merchants Bancorp	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
118	117	M&T Bank Corp.	Bank	2	0	100	0	0.00	0.00	2	0	0	0.00	0.00
119	118	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
120	119	Seacoast Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
121	120	20th Century Fox Federal Credit Union	CU (comp.)	2	40,553	0	0	0.00	0.00	2	40,553	0	0.00	0.00
122	121	Actors Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
123	122	Allied Healthcare Federal Credit Union	CU (comp.)	5	61,738	0	0	0.00	0.00	5	61,738	0	0.00	0.00
124	123	American Federal Credit Union	CU (comp.)	1	13,198	0	0	0.00	0.00	1	13,198	0	0.00	0.00
125	124	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
126	125	Arrowhead Central Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
127	126	Baxter Credit Union	CU (comp.)	4	0	0	0	0.00	0.00	4	0	0	0.00	0.00
128	127	California Adventist Federal Credit Union	CU (comp.)	1	37,616	0	0	0.00	0.00	1	37,616	0	0.00	0.00
129	128	California Credit Union	CU (comp.)	13	980,554	0	0	0.00	0.00	13	980,554	0	0.00	0.00
130	129	California Lithuanian Credit Union	CU (comp.)	1	85,170	0	0	0.00	0.00	1	85,170	0	0.00	0.00
131	130	Chevron Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
132	131	Christian Community Credit Union	CU (comp.)	2	506,516	0	0	0.00	0.00	2	506,516	0	0.00	0.00
133	132	E-Central Credit Union	CU (comp.)	2	140,798	0	0	0.00	0.00	2	140,798	0	0.00	0.00

002

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Ownership info as of 8/19/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
134	133	Evangelical Christian Credit Union	CU (comp.)	1	827,319	0	0	0.00	0.00	1	827,319	0	0.00	0.00
135	134	Farmers Insurance Group Federal Credit Union	CU (comp.)	3	547,680	0	0	0.00	0.00	3	547,680	0	0.00	0.00
136	135	Financial Partners Credit Union	CU (comp.)	12	681,452	0	0	0.00	0.00	12	681,452	0	0.00	0.00
137	136	Kinecta Federal Credit Union	CU (comp.)	22	2,607,841	0	0	0.00	0.00	22	2,607,841	0	0.00	0.00
138	137	Logix Federal Credit Union	CU (comp.)	10	2,986,747	0	0	0.00	0.00	10	2,986,747	0	0.00	0.00
139	138	NuVision Federal Credit Union	CU (comp.)	13	1,039,836	0	0	0.00	0.00	13	1,039,836	0	0.00	0.00
140	139	Polam Federal Credit Union	CU (comp.)	2	43,313	0	0	0.00	0.00	2	43,313	0	0.00	0.00
141	140	Premier America Credit Union	CU (comp.)	10	1,390,840	0	0	0.00	0.00	10	1,390,840	0	0.00	0.00
142	141	Prospectors Federal Credit Union	CU (comp.)	2	52,232	0	0	0.00	0.00	2	52,232	0	0.00	0.00
143	142	San Diego County Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
144	143	SCE Federal Credit Union	CU (comp.)	6	522,018	0	0	0.00	0.00	6	522,018	0	0.00	0.00
145	144	Self-Help Federal Credit Union	CU (comp.)	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
146	145	South Bay Credit Union	CU (comp.)	2	75,377	0	0	0.00	0.00	2	75,377	0	0.00	0.00
147	146	Southland Credit Union	CU (comp.)	6	426,049	0	0	0.00	0.00	6	426,049	0	0.00	0.00
148	147	Star Harbor Federal Credit Union	CU (comp.)	1	11,539	0	0	0.00	0.00	1	11,539	0	0.00	0.00
149	148	Union Yes Federal Credit Union	CU (comp.)	2	47,290	0	0	0.00	0.00	2	47,290	0	0.00	0.00
150	149	United Methodist Federal Credit Union	CU (comp.)	1	79,754	0	0	0.00	0.00	1	79,754	0	0.00	0.00
151	150	University Credit Union	CU (comp.)	2	437,244	0	0	0.00	0.00	2	437,244	0	0.00	0.00
152	151	VA Desert Pacific Federal Credit Union	CU (comp.)	2	48,217	0	0	0.00	0.00	2	48,217	0	0.00	0.00
153	152	Westside Employees Federal Credit Union	CU (comp.)	1	10,714	0	0	0.00	0.00	1	10,714	0	0.00	0.00
154	153	Xceed Financial Federal Credit Union	CU (comp.)	2	666,949	0	0	0.00	0.00	2	666,949	0	0.00	0.00
155	154	Aerospace Federal Credit Union	CU	1	331,076	0	0	0.00	0.00	1	331,076	0	0.00	0.00
156	155	AFTRA-SAG Federal Credit Union	CU	4	194,821	0	0	0.00	0.00	4	194,821	0	0.00	0.00
157	156	Airco Federal Credit Union	CU	1	9,821	0	0	0.00	0.00	1	9,821	0	0.00	0.00
158	157	Alliant Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
159	158	America"s Christian Credit Union	CU	3	239,931	0	0	0.00	0.00	3	239,931	0	0.00	0.00
160	159	American Airlines Federal Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
161	160	American Broadcast Employees FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
162	161	American First Credit Union	CU	3	458,414	0	0	0.00	0.00	3	458,414	0	0.00	0.00
163	162	Auto Club Federal Credit Union	CU	2	26,427	0	0	0.00	0.00	2	26,427	0	0.00	0.00
164	163	Bakery Employees Credit Union	CU	1	7,050	0	0	0.00	0.00	1	7,050	0	0.00	0.00
165	164	Beverly Hills City Employees FCU	CU	1	17,533	0	0	0.00	0.00	1	17,533	0	0.00	0.00
166	165	Bopti Federal Credit Union	CU	1	50,095	0	0	0.00	0.00	1	50,095	0	0.00	0.00
167	166	Burbank City Federal Credit Union	CU	1	229,816	0	0	0.00	0.00	1	229,816	0	0.00	0.00
168	167	C B S Employees Federal Credit Union	CU	2	16,648	0	0	0.00	0.00	2	16,648	0	0.00	0.00
169	168	CAHP Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
170	169	Cal Poly Federal Credit Union	CU	1	11,317	0	0	0.00	0.00	1	11,317	0	0.00	0.00
171	170	Cal State L.A. FCU	CU	1	38,195	0	0	0.00	0.00	1	38,195	0	0.00	0.00
172	171	CalCom Federal Credit Union	CU	5	56,672	0	0	0.00	0.00	5	56,672	0	0.00	0.00
173	172	California Agribusiness Credit Union	CU	3	25,712	0	0	0.00	0.00	3	25,712	0	0.00	0.00
174	173	California Bear Credit Union	CU	3	95,979	0	0	0.00	0.00	3	95,979	0	0.00	0.00
175	174	California Center Credit Union	CU	1	7,627	0	0	0.00	0.00	1	7,627	0	0.00	0.00
176	175	Caltech Employees Federal Credit Union	CU	3	1,106,402	0	0	0.00	0.00	3	1,106,402	0	0.00	0.00
177	176	Calvary Baptist of Pacoima FCU	CU	1	127	0	0	0.00	0.00	1	127	0	0.00	0.00
178	177	Camino Federal Credit Union	CU	2	113,164	0	0	0.00	0.00	2	113,164	0	0.00	0.00
179	178	Canoga Postal Federal Credit Union	CU	1	731	0	0	0.00	0.00	1	731	0	0.00	0.00
180	179	Capstone Federal Credit Union	CU	3	33,331	0	0	0.00	0.00	3	33,331	0	0.00	0.00

002

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Ownership info as of 8/19/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
181	180	Catalyst Corporate Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
182	181	Cedars-Sinai Federal Credit Union	CU	1	18,004	0	0	0.00	0.00	1	18,004	0	0.00	0.00
183	182	Chaffey Federal Credit Union	CU	4	95,459	0	0	0.00	0.00	4	95,459	0	0.00	0.00
184	183	Cherry Employees Federal Credit Union	CU	1	3,155	0	0	0.00	0.00	1	3,155	0	0.00	0.00
185	184	Clearpath Federal Credit Union	CU	1	74,760	0	0	0.00	0.00	1	74,760	0	0.00	0.00
186	185	Columbus Club Federal Credit Union	CU	1	6,472	0	0	0.00	0.00	1	6,472	0	0.00	0.00
187	186	Compton Municipal Employees Federal Credit Uni	CU	1	792	0	0	0.00	0.00	1	792	0	0.00	0.00
188	187	Comunidad Latina Federal Credit Union	CU	1	3,087	0	0	0.00	0.00	1	3,087	0	0.00	0.00
189	188	Credit Union of Southern California	CU	12	660,966	0	0	0.00	0.00	12	660,966	0	0.00	0.00
190	189	CSC Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
191	190	Culver City Employees FCU	CU	1	20,890	0	0	0.00	0.00	1	20,890	0	0.00	0.00
192	191	Daijo Federal Credit Union	CU	1	2,229	0	0	0.00	0.00	1	2,229	0	0.00	0.00
193	192	Deluxe Federal Credit Union	CU	1	8,178	0	0	0.00	0.00	1	8,178	0	0.00	0.00
194	193	Downey Federal Credit Union	CU	1	155,998	0	0	0.00	0.00	1	155,998	0	0.00	0.00
195	194	Eagle Community Credit Union	CU	6	190,969	0	0	0.00	0.00	6	190,969	0	0.00	0.00
196	195	Edwards Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
197	196	El Monte Community Credit Union	CU	2	19,337	0	0	0.00	0.00	2	19,337	0	0.00	0.00
198	197	Episcopal Community FCU	CU	1	4,562	0	0	0.00	0.00	1	4,562	0	0.00	0.00
199	198	F&A Federal Credit Union	CU	2	1,087,082	0	0	0.00	0.00	2	1,087,082	0	0.00	0.00
200	199	Fairview Employees Federal Credit Union	CU	1	11,586	0	0	0.00	0.00	1	11,586	0	0.00	0.00
201	200	Family Federal Credit Union	CU	1	7,224	0	0	0.00	0.00	1	7,224	0	0.00	0.00
202	201	Federal Employees West FCU	CU	1	10,753	0	0	0.00	0.00	1	10,753	0	0.00	0.00
203	202	FEDEX Employees Credit Association FCU	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
204	203	FedONE Federal Credit Union	CU	2	17,681	0	0	0.00	0.00	2	17,681	0	0.00	0.00
205	204	Firefighters First Credit Union	CU	1	747,483	0	0	0.00	0.00	1	747,483	0	0.00	0.00
206	205	First City Credit Union	CU	8	445,685	0	0	0.00	0.00	8	445,685	0	0.00	0.00
207	206	First Entertainment Credit Union	CU	10	938,949	0	0	0.00	0.00	10	938,949	0	0.00	0.00
208	207	First Financial Credit Union	CU	9	397,025	0	0	0.00	0.00	9	397,025	0	0.00	0.00
209	208	Fiscal Credit Union	CU	2	126,222	0	0	0.00	0.00	2	126,222	0	0.00	0.00
210	209	FME Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
211	210	Foothill Federal Credit Union	CU	5	261,345	0	0	0.00	0.00	5	261,345	0	0.00	0.00
212	211	Fountain Valley Credit Union	CU	1	2,047	0	0	0.00	0.00	1	2,047	0	0.00	0.00
213	212	Glendale Area Schools FCU	CU	2	293,229	0	0	0.00	0.00	2	293,229	0	0.00	0.00
214	213	Glendale Federal Credit Union	CU	1	55,615	0	0	0.00	0.00	1	55,615	0	0.00	0.00
215	214	Golden 1 Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
216	215	Guidance Church of Religious Science FCU	CU	1	124	0	0	0.00	0.00	1	124	0	0.00	0.00
217	216	Hanin Federal Credit Union	CU	2	19,124	0	0	0.00	0.00	2	19,124	0	0.00	0.00
218	217	Harbor Area Postal Employees Federal Credit Uni	CU	1	16,135	0	0	0.00	0.00	1	16,135	0	0.00	0.00
219	218	Harbor Federal Credit Union	CU	1	87,087	0	0	0.00	0.00	1	87,087	0	0.00	0.00
220	219	Health Associates Federal Credit Union	CU	2	44,283	0	0	0.00	0.00	2	44,283	0	0.00	0.00
221	220	Honda Federal Credit Union	CU	2	547,027	0	0	0.00	0.00	2	547,027	0	0.00	0.00
222	221	Huntington Beach Cty Emps CU	CU	1	42,655	0	0	0.00	0.00	1	42,655	0	0.00	0.00
223	222	I.L.W.U. Credit Union	CU	2	117,356	0	0	0.00	0.00	2	117,356	0	0.00	0.00
224	223	Interstate Federal Credit Union	CU	1	15,613	0	0	0.00	0.00	1	15,613	0	0.00	0.00
225	224	JACOM Credit Union	CU	2	71,580	0	0	0.00	0.00	2	71,580	0	0.00	0.00
226	225	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
227	226	L. A. Electrical Workers Credit Union	CU	1	36,692	0	0	0.00	0.00	1	36,692	0	0.00	0.00

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Ownership info as of 8/19/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
228	227	L.A. Healthcare Federal Credit Union	CU	3	13,064	0	0	0.00	0.00	3	13,064	0	0.00	0.00
229	228	LA Financial Federal Credit Union	CU	4	319,859	0	0	0.00	0.00	4	319,859	0	0.00	0.00
230	229	LA Mission Federal Credit Union	CU	1	5,728	0	0	0.00	0.00	1	5,728	0	0.00	0.00
231	230	LBS Financial Credit Union	CU	7	964,134	0	0	0.00	0.00	7	964,134	0	0.00	0.00
232	231	Long Beach City Employees Federal Credit Union	CU	1	288,107	0	0	0.00	0.00	1	288,107	0	0.00	0.00
233	232	Long Beach Firemen"s Credit Union	CU	1	136,810	0	0	0.00	0.00	1	136,810	0	0.00	0.00
234	233	Los Angeles Federal Credit Union	CU	7	687,105	0	0	0.00	0.00	7	687,105	0	0.00	0.00
235	234	Los Angeles Lee Federal Credit Union	CU	1	482	0	0	0.00	0.00	1	482	0	0.00	0.00
236	235	Los Angeles Police Federal Credit Union	CU	4	676,921	0	0	0.00	0.00	4	676,921	0	0.00	0.00
237	236	Maryknoll of Los Angeles FCU	CU	1	856	0	0	0.00	0.00	1	856	0	0.00	0.00
238	237	Matadors Community Credit Union	CU	2	127,465	0	0	0.00	0.00	2	127,465	0	0.00	0.00
239	238	Mattel Federal Credit Union	CU	1	28,422	0	0	0.00	0.00	1	28,422	0	0.00	0.00
240	239	Media City Community Credit Union	CU	1	29,809	0	0	0.00	0.00	1	29,809	0	0.00	0.00
241	240	Mid-Cities Credit Union	CU	1	18,376	0	0	0.00	0.00	1	18,376	0	0.00	0.00
242	241	Monrovia City Employees FCU	CU	1	2,848	0	0	0.00	0.00	1	2,848	0	0.00	0.00
243	242	Musicians" Interguild Credit Union	CU	1	70,501	0	0	0.00	0.00	1	70,501	0	0.00	0.00
244	243	MWD Federal Credit Union	CU	1	37,339	0	0	0.00	0.00	1	37,339	0	0.00	0.00
245	244	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
246	245	Newport Beach City Employees FCU	CU	1	11,547	0	0	0.00	0.00	1	11,547	0	0.00	0.00
247	246	Nikkei Credit Union	CU	1	63,285	0	0	0.00	0.00	1	63,285	0	0.00	0.00
248	247	Northrop Grumman FCU	CU	10	820,665	0	0	0.00	0.00	10	820,665	0	0.00	0.00
249	248	Ocean Crest Federal Credit Union	CU	1	31,370	0	0	0.00	0.00	1	31,370	0	0.00	0.00
250	249	Olive View Employees Federal Credit Union	CU	1	27,925	0	0	0.00	0.00	1	27,925	0	0.00	0.00
251	250	Ontario Montclair School Employees FCU	CU	1	76,439	0	0	0.00	0.00	1	76,439	0	0.00	0.00
252	251	Ontario Public Employees FCU	CU	1	15,911	0	0	0.00	0.00	1	15,911	0	0.00	0.00
253	252	Orange County"s Credit Union	CU	11	967,517	0	0	0.00	0.00	11	967,517	0	0.00	0.00
254	253	P.V.H.M.C. Federal Credit Union	CU	1	8,503	0	0	0.00	0.00	1	8,503	0	0.00	0.00
255	254	Pacific Community Credit Union	CU	5	159,145	0	0	0.00	0.00	5	159,145	0	0.00	0.00
256	255	Pacific Federal Credit Union	CU	1	15,916	0	0	0.00	0.00	1	15,916	0	0.00	0.00
257	256	Pacific Transportation FCU	CU	3	61,657	0	0	0.00	0.00	3	61,657	0	0.00	0.00
258	257	Pacoima Development Federal Credit Union	CU	1	3,804	0	0	0.00	0.00	1	3,804	0	0.00	0.00
259	258	Parishioners Federal Credit Union	CU	1	32,798	0	0	0.00	0.00	1	32,798	0	0.00	0.00
260	259	Parsons Federal Credit Union	CU	1	213,095	0	0	0.00	0.00	1	213,095	0	0.00	0.00
261	260	Partners Federal Credit Union	CU	8	1,028,398	0	0	0.00	0.00	8	1,028,398	0	0.00	0.00
262	261	Pasadena Federal Credit Union	CU	1	125,606	0	0	0.00	0.00	1	125,606	0	0.00	0.00
263	262	Pasadena Service Federal Credit Union	CU	3	97,683	0	0	0.00	0.00	3	97,683	0	0.00	0.00
264	263	Patriots Federal Credit Union	CU	1	77,970	0	0	0.00	0.00	1	77,970	0	0.00	0.00
265	264	Peoples Independent Church FCU	CU	1	78	0	0	0.00	0.00	1	78	0	0.00	0.00
266	265	Pomona Postal Federal Credit Union	CU	1	3,848	0	0	0.00	0.00	1	3,848	0	0.00	0.00
267	266	POPA Federal Credit Union	CU	4	153,436	0	0	0.00	0.00	4	153,436	0	0.00	0.00
268	267	PostCity Financial Credit Union	CU	2	65,989	0	0	0.00	0.00	2	65,989	0	0.00	0.00
269	268	Printing Industries Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
270	269	Printing Office Employees Credit Union	CU	1	3,830	0	0	0.00	0.00	1	3,830	0	0.00	0.00
271	270	Priority One Credit Union	CU	3	137,660	0	0	0.00	0.00	3	137,660	0	0.00	0.00
272	271	Rancho Federal Credit Union	CU	5	76,427	0	0	0.00	0.00	5	76,427	0	0.00	0.00
273	272	San Fernando Valley Japanese Credit Union	CU	1	801	0	0	0.00	0.00	1	801	0	0.00	0.00
274	273	San Gabriel Valley Postal Credit Union	CU	1	15,971	0	0	0.00	0.00	1	15,971	0	0.00	0.00

Ownership info as of 8/19/2014

Los Angeles, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
275	274	Santa Ana Federal Credit Union	CU	1	55,861	0	0	0.00	0.00	1	55,861	0	0.00	0.00
276	275	Schools Federal Credit Union	CU	2	100,475	0	0	0.00	0.00	2	100,475	0	0.00	0.00
277	276	SchoolsFirst Federal Credit Union	CU	33	8,168,222	0	0	0.00	0.00	33	8,168,222	0	0.00	0.00
278	277	Sea Air Federal Credit Union	CU	2	110,392	0	0	0.00	0.00	2	110,392	0	0.00	0.00
279	278	SkyOne Federal Credit Union	CU	2	327,306	0	0	0.00	0.00	2	327,306	0	0.00	0.00
280	279	Socal Federal Credit Union	CU	1	570	0	0	0.00	0.00	1	570	0	0.00	0.00
281	280	South Western Federal Credit Union	CU	2	112,189	0	0	0.00	0.00	2	112,189	0	0.00	0.00
282	281	Southland Savings Federal Credit Union	CU	1	7,390	0	0	0.00	0.00	1	7,390	0	0.00	0.00
283	282	Sunkist Employees Federal Credit Union	CU	1	5,032	0	0	0.00	0.00	1	5,032	0	0.00	0.00
284	283	Technicolor Federal Credit Union	CU	2	35,830	0	0	0.00	0.00	2	35,830	0	0.00	0.00
285	284	Torrance Community FCU	CU	1	101,301	0	0	0.00	0.00	1	101,301	0	0.00	0.00
286	285	Treasury Department Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
287	286	TruGrocer Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
288	287	U.P.S. Employees Federal Credit Union	CU	1	27,836	0	0	0.00	0.00	1	27,836	0	0.00	0.00
289	288	U.S. Postal Service Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
290	289	U.S.B. Employees Federal Credit Union	CU	1	1,843	0	0	0.00	0.00	1	1,843	0	0.00	0.00
291	290	UMe Federal Credit Union	CU	1	134,815	0	0	0.00	0.00	1	134,815	0	0.00	0.00
292	291	Union Oil Santa Fe Springs Employees FCU	CU	1	4,606	0	0	0.00	0.00	1	4,606	0	0.00	0.00
293	292	Union Pacific California Employees FCU	CU	1	8,505	0	0	0.00	0.00	1	8,505	0	0.00	0.00
294	293	United America West Federal Credit Union	CU	1	3,877	0	0	0.00	0.00	1	3,877	0	0.00	0.00
295	294	United Catholics Federal Credit Union	CU	1	27,423	0	0	0.00	0.00	1	27,423	0	0.00	0.00
296	295	United Financial Credit Union	CU	1	31,636	0	0	0.00	0.00	1	31,636	0	0.00	0.00
297	296	Universal City Studios Credit Union	CU	2	55,079	0	0	0.00	0.00	2	55,079	0	0.00	0.00
298	297	USC Credit Union	CU	3	336,818	0	0	0.00	0.00	3	336,818	0	0.00	0.00
299	298	Ventura County Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
300	299	Vons Employees Federal Credit Union	CU	5	317,191	0	0	0.00	0.00	5	317,191	0	0.00	0.00
301	300	Water and Power Community Credit Union	CU	5	454,653	0	0	0.00	0.00	5	454,653	0	0.00	0.00
302	301	Wescom Central Credit Union	CU	17	2,161,084	0	0	0.00	0.00	17	2,161,084	0	0.00	0.00
303	302	Western Federal Credit Union	CU	11	1,690,736	0	0	0.00	0.00	11	1,690,736	0	0.00	0.00
304	303	Western States Regional FCU	CU	1	465	0	0	0.00	0.00	1	465	0	0.00	0.00
305	304	Zion Hill Baptist Church FCU	CU	1	145	0	0	0.00	0.00	1	145	0	0.00	0.00
306	305	First ULB Corp.	Thrift (c.a.)	2	43,505	0	0	0.00	0.00	2	43,505	0	0.00	0.00
307	306	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	11,962	0	0	0.00	0.00	1	11,962	0	0.00	0.00
308	307	Universal Financial Inc.	Thrift (c.a.)	5	289,975	0	0	0.00	0.00	5	289,975	0	0.00	0.00
309	308	Beal Financial Corp.	Thrift	2	45,743	0	0	0.00	0.00	2	45,743	0	0.00	0.00
310	309	Broadway Financial Corp.	Thrift	4	230,818	0	0	0.00	0.00	4	230,818	0	0.00	0.00
311	310	Capital Bank and Trust Co. FSB	Thrift	1	500	0	0	0.00	0.00	1	500	0	0.00	0.00
312	311	E*TRADE Financial Corp.	Thrift	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
313	312	Fidelity Personal Trust Co. FSB	Thrift	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
314	313	First American Financial Corp.	Thrift	2	1,275,674	0	0	0.00	0.00	2	1,275,674	0	0.00	0.00
315	314	Luther Burbank Corp.	Thrift	4	1,128,558	0	0	0.00	0.00	4	1,128,558	0	0.00	0.00
316	315	Malaga Financial Corp.	Thrift	5	614,165	0	0	0.00	0.00	5	614,165	0	0.00	0.00
317	316	Simplicity Bancorp Inc.	Thrift	7	506,489	0	0	0.00	0.00	7	506,489	0	0.00	0.00
		TOTALS:		**3,181**	**438,685,615**		**388,447,943**	**100.00**	**1,041.77**	**3,181**	**438,685,615**	**388,447,943**	**100.00**	**1,041.77**

002

Los Angeles, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

PRE-MERGER HHI: 1,042
POST-MERGER HHI: 1,042
HHI CHANGE: 0

Footnotes:

* DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

003

Ownership info as of 8/19/2014

Oxnard-Thousand Oaks-Ventura, CA - FRB Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
27		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
8		IMB HoldCo LLC	Bank	5	600,170	100	600,170	4.22	17.82					
RESULTING INSTITUTION														
	8	CIT Group Inc.	Bank							5	600,170	600,170	4.22	17.82
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	26	3,860,698	100	3,860,698	27.16	737.42	26	3,860,698	3,860,698	27.16	737.42
2	2	Bank of America Corp.	Bank	20	2,670,065	100	2,670,065	18.78	352.72	20	2,670,065	2,670,065	18.78	352.72
3	3	JPMorgan Chase & Co.	Bank	25	1,774,953	100	1,774,953	12.48	155.87	25	1,774,953	1,774,953	12.48	155.87
4	4	Citigroup Inc.	Bank	10	1,008,396	100	1,008,396	7.09	50.31	10	1,008,396	1,008,396	7.09	50.31
5	5	Mitsubishi UFJ Financial Group Inc.	Bank	10	847,165	100	847,165	5.96	35.51	10	847,165	847,165	5.96	35.51
6	6	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	10	735,113	100	735,113	5.17	26.74	10	735,113	735,113	5.17	26.74
7	7	PacWest Bancorp	Bank	8	700,818	100	700,818	4.93	24.30	8	700,818	700,818	4.93	24.30
9	9	City National Corp.	Bank	4	403,847	100	403,847	2.84	8.07	4	403,847	403,847	2.84	8.07
10	10	U.S. Bancorp	Bank	14	267,879	100	267,879	1.88	3.55	14	267,879	267,879	1.88	3.55
11	11	CU Bancorp	Bank	1	225,557	100	225,557	1.59	2.52	1	225,557	225,557	1.59	2.52
12	12	County Commerce Bank	Bank	3	177,773	100	177,773	1.25	1.56	3	177,773	177,773	1.25	1.56
13	13	First Banks Inc.	Bank	2	170,451	100	170,451	1.20	1.44	2	170,451	170,451	1.20	1.44
14	14	OCB Bancorp	Bank	3	130,332	100	130,332	0.92	0.84	3	130,332	130,332	0.92	0.84
15	15	Community West Bancshares	Bank	2	115,507	100	115,507	0.81	0.66	2	115,507	115,507	0.81	0.66
16	16	BNP Paribas SA	Bank	2	95,136	100	95,136	0.67	0.45	2	95,136	95,136	0.67	0.45
17	17	Sierra Bancorp	Bank	2	91,971	100	91,971	0.65	0.42	2	91,971	91,971	0.65	0.42
18	18	Comerica Inc.	Bank	1	87,004	100	87,004	0.61	0.37	1	87,004	87,004	0.61	0.37
19	19	Montecito Bancorp	Bank	2	71,109	100	71,109	0.50	0.25	2	71,109	71,109	0.50	0.25
20	20	California Republic Bancorp	Bank	1	56,604	100	56,604	0.40	0.16	1	56,604	56,604	0.40	0.16
21	21	Zions Bancorp.	Bank	1	42,523	100	42,523	0.30	0.09	1	42,523	42,523	0.30	0.09
22	22	Boston Private Financial Holdings Inc.	Bank	1	39,778	100	39,778	0.28	0.08	1	39,778	39,778	0.28	0.08
23	23	RBB Bancorp	Bank	2	34,948	100	34,948	0.25	0.06	2	34,948	34,948	0.25	0.06
24	24	Heritage Oaks Bancorp	Bank	1	5,215	100	5,215	0.04	0.00	1	5,215	5,215	0.04	0.00
25	25	Dickinson Financial Corp. II	Bank	1	2,341	100	2,341	0.02	0.00	1	2,341	2,341	0.02	0.00
26	26	Community Bank	Bank	1	1,701	100	1,701	0.01	0.00	1	1,701	1,701	0.01	0.00
28	27	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
29	28	Umpqua Holdings Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
30	29	Baxter Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
31	30	Farmers Insurance Group Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
32	31	Kinecta Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
33	32	Logix Federal Credit Union	CU (comp.)	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
34	33	Premier America Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
35	34	CBC Federal Credit Union	CU	7	362,669	0	0	0.00	0.00	7	362,669	0	0.00	0.00
36	35	County Schools Federal Credit Union	CU	1	50,757	0	0	0.00	0.00	1	50,757	0	0.00	0.00
37	36	Limoneira Federal Credit Union	CU	1	4,687	0	0	0.00	0.00	1	4,687	0	0.00	0.00
38	37	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
39	38	Pacific Oaks Federal Credit Union	CU	5	271,365	0	0	0.00	0.00	5	271,365	0	0.00	0.00

003

Oxnard-Thousand Oaks-Ventura, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
40	39	Ventura County Credit Union	CU	5	598,208	0	0	0.00	0.00	5	598,208	0	0.00	0.00
41	40	Wescom Central Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
42	41	Western Federal Credit Union	CU	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
		TOTALS:		**196**	**15,504,740**		**14,217,054**	**100.00**	**1,421.19**	**196**	**15,504,740**	**14,217,054**	**100.00**	**1,421.19**

PRE-MERGER HHI: 1,421
POST-MERGER HHI: 1,421
HHI CHANGE: 0

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%**

** **Pro Forma Ownership assumes that announced transactions have been completed**

004

Oxnard-Thousand Oaks-Ventura, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
27		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
8		IMB HoldCo LLC	Bank	5	600,170	100	600,170	4.22	17.82					
RESULTING INSTITUTION														
	8	CIT Group Inc.	Bank							5	600,170	600,170	4.22	17.82
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	26	3,860,698	100	3,860,698	27.16	737.42	26	3,860,698	3,860,698	27.16	737.42
2	2	Bank of America Corp.	Bank	20	2,670,065	100	2,670,065	18.78	352.72	20	2,670,065	2,670,065	18.78	352.72
3	3	JPMorgan Chase & Co.	Bank	25	1,774,953	100	1,774,953	12.48	155.87	25	1,774,953	1,774,953	12.48	155.87
4	4	Citigroup Inc.	Bank	10	1,008,396	100	1,008,396	7.09	50.31	10	1,008,396	1,008,396	7.09	50.31
5	5	Mitsubishi UFJ Financial Group Inc.	Bank	10	847,165	100	847,165	5.96	35.51	10	847,165	847,165	5.96	35.51
6	6	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	10	735,113	100	735,113	5.17	26.74	10	735,113	735,113	5.17	26.74
7	7	PacWest Bancorp	Bank	8	700,818	100	700,818	4.93	24.30	8	700,818	700,818	4.93	24.30
9	9	City National Corp.	Bank	4	403,847	100	403,847	2.84	8.07	4	403,847	403,847	2.84	8.07
10	10	U.S. Bancorp	Bank	14	267,879	100	267,879	1.88	3.55	14	267,879	267,879	1.88	3.55
11	11	CU Bancorp	Bank	1	225,557	100	225,557	1.59	2.52	1	225,557	225,557	1.59	2.52
12	12	County Commerce Bank	Bank	3	177,773	100	177,773	1.25	1.56	3	177,773	177,773	1.25	1.56
13	13	First Banks Inc.	Bank	2	170,451	100	170,451	1.20	1.44	2	170,451	170,451	1.20	1.44
14	14	OCB Bancorp	Bank	3	130,332	100	130,332	0.92	0.84	3	130,332	130,332	0.92	0.84
15	15	Community West Bancshares	Bank	2	115,507	100	115,507	0.81	0.66	2	115,507	115,507	0.81	0.66
16	16	BNP Paribas SA	Bank	2	95,136	100	95,136	0.67	0.45	2	95,136	95,136	0.67	0.45
17	17	Sierra Bancorp	Bank	2	91,971	100	91,971	0.65	0.42	2	91,971	91,971	0.65	0.42
18	18	Comerica Inc.	Bank	1	87,004	100	87,004	0.61	0.37	1	87,004	87,004	0.61	0.37
19	19	Montecito Bancorp	Bank	2	71,109	100	71,109	0.50	0.25	2	71,109	71,109	0.50	0.25
20	20	California Republic Bancorp	Bank	1	56,604	100	56,604	0.40	0.16	1	56,604	56,604	0.40	0.16
21	21	Zions Bancorp.	Bank	1	42,523	100	42,523	0.30	0.09	1	42,523	42,523	0.30	0.09
22	22	Boston Private Financial Holdings Inc.	Bank	1	39,778	100	39,778	0.28	0.08	1	39,778	39,778	0.28	0.08
23	23	RBB Bancorp	Bank	2	34,948	100	34,948	0.25	0.06	2	34,948	34,948	0.25	0.06
24	24	Heritage Oaks Bancorp	Bank	1	5,215	100	5,215	0.04	0.00	1	5,215	5,215	0.04	0.00
25	25	Dickinson Financial Corp. II	Bank	1	2,341	100	2,341	0.02	0.00	1	2,341	2,341	0.02	0.00
26	26	Community Bank	Bank	1	1,701	100	1,701	0.01	0.00	1	1,701	1,701	0.01	0.00
28	27	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
29	28	Umpqua Holdings Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
30	29	Baxter Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
31	30	Farmers Insurance Group Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
32	31	Kinecta Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
33	32	Logix Federal Credit Union	CU (comp.)	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
34	33	Premier America Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
35	34	CBC Federal Credit Union	CU	7	362,669	0	0	0.00	0.00	7	362,669	0	0.00	0.00
36	35	County Schools Federal Credit Union	CU	1	50,757	0	0	0.00	0.00	1	50,757	0	0.00	0.00
37	36	Limoneira Federal Credit Union	CU	1	4,687	0	0	0.00	0.00	1	4,687	0	0.00	0.00
38	37	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
39	38	Pacific Oaks Federal Credit Union	CU	5	271,365	0	0	0.00	0.00	5	271,365	0	0.00	0.00

004

Ownership info as of 8/19/2014

Oxnard-Thousand Oaks-Ventura, CA - FRB Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
40	39	Ventura County Credit Union	CU	5	598,208	0	0	0.00	0.00	5	598,208	0	0.00	0.00
41	40	Wescom Central Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
42	41	Western Federal Credit Union	CU	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
		TOTALS:		**196**	**15,504,740**		**14,217,054**	**100.00**	**1,421.19**	**196**	**15,504,740**	**14,217,054**	**100.00**	**1,421.19**

PRE-MERGER HHI: 1,421
POST-MERGER HHI: 1,421
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

005

Ownership info as of 8/19/2014

Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
22		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
6		IMB HoldCo LLC	Bank	3	468,935	100	468,935	6.81	46.39					
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							3	468,935	468,935	6.81	46.39
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	20	1,498,326	100	1,498,326	21.76	473.58	20	1,498,326	1,498,326	21.76	473.58
2	2	Bank of America Corp.	Bank	14	1,070,503	100	1,070,503	15.55	241.74	14	1,070,503	1,070,503	15.55	241.74
3	3	JPMorgan Chase & Co.	Bank	14	760,913	100	760,913	11.05	122.14	14	760,913	760,913	11.05	122.14
4	4	U.S. Bancorp	Bank	15	597,671	100	597,671	8.68	75.35	15	597,671	597,671	8.68	75.35
5	5	PacWest Bancorp	Bank	4	484,114	100	484,114	7.03	49.44	4	484,114	484,114	7.03	49.44
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	6	415,399	100	415,399	6.03	36.40	6	415,399	415,399	6.03	36.40
8	8	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	6	330,059	100	330,059	4.79	22.98	6	330,059	330,059	4.79	22.98
9	9	FirstBank Holding Co.	Bank	5	273,730	100	273,730	3.98	15.81	5	273,730	273,730	3.98	15.81
10	10	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	3.95	15.61	4	272,054	272,054	3.95	15.61
11	11	Banco Bilbao Vizcaya Argentaria SA	Bank	4	166,785	100	166,785	2.42	5.87	4	166,785	166,785	2.42	5.87
12	12	Citigroup Inc.	Bank	2	158,674	100	158,674	2.30	5.31	2	158,674	158,674	2.30	5.31
13	13	Zions Bancorp.	Bank	2	83,680	100	83,680	1.22	1.48	2	83,680	83,680	1.22	1.48
14	14	First Republic Bank	Bank	1	74,330	100	74,330	1.08	1.17	1	74,330	74,330	1.08	1.17
15	15	First Foundation Inc.	Bank	1	66,377	100	66,377	0.96	0.93	1	66,377	66,377	0.96	0.93
16	16	Western Community Bancshares Inc.	Thrift	2	94,010	50	47,005	0.68	0.47	2	94,010	47,005	0.68	0.47
17	17	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.63	0.39	2	43,119	43,119	0.63	0.39
18	18	Provident Financial Holdings Inc.	Thrift	2	79,450	50	39,725	0.58	0.33	2	79,450	39,725	0.58	0.33
19	19	Opus Bank	Bank	2	30,077	100	30,077	0.44	0.19	2	30,077	30,077	0.44	0.19
20	20	JRMB II Inc.	Bank	1	2,236	100	2,236	0.03	0.00	1	2,236	2,236	0.03	0.00
21	21	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
23	22	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
24	23	Altura Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
25	24	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
26	25	Pacific Marine Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
27	26	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
		TOTALS:		**117**	**6,983,423**		**6,885,095**	**100.00**	**1,115.58**	**117**	**6,983,423**	**6,885,095**	**100.00**	**1,115.58**

PRE-MERGER HHI: 1,116
POST-MERGER HHI: 1,116
HHI CHANGE: 0

005

Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

006

Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
20		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
6		IMB HoldCo LLC	Bank	3	468,935	100	468,935	6.90	47.58					
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							3	468,935	468,935	6.90	47.58
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	20	1,498,326	100	1,498,326	22.04	485.74	20	1,498,326	1,498,326	22.04	485.74
2	2	Bank of America Corp.	Bank	14	1,070,503	100	1,070,503	15.75	247.95	14	1,070,503	1,070,503	15.75	247.95
3	3	JPMorgan Chase & Co.	Bank	14	760,913	100	760,913	11.19	125.27	14	760,913	760,913	11.19	125.27
4	4	U.S. Bancorp	Bank	15	597,671	100	597,671	8.79	77.29	15	597,671	597,671	8.79	77.29
5	5	PacWest Bancorp	Bank	4	484,114	100	484,114	7.12	50.71	4	484,114	484,114	7.12	50.71
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	6	415,399	100	415,399	6.11	37.34	6	415,399	415,399	6.11	37.34
8	8	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	6	330,059	100	330,059	4.85	23.57	6	330,059	330,059	4.85	23.57
9	9	FirstBank Holding Co.	Bank	5	273,730	100	273,730	4.03	16.21	5	273,730	273,730	4.03	16.21
10	10	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	4.00	16.01	4	272,054	272,054	4.00	16.01
11	11	Banco Bilbao Vizcaya Argentaria SA	Bank	4	166,785	100	166,785	2.45	6.02	4	166,785	166,785	2.45	6.02
12	12	Citigroup Inc.	Bank	2	158,674	100	158,674	2.33	5.45	2	158,674	158,674	2.33	5.45
13	13	Zions Bancorp.	Bank	2	83,680	100	83,680	1.23	1.52	2	83,680	83,680	1.23	1.52
14	14	First Republic Bank	Bank	1	74,330	100	74,330	1.09	1.20	1	74,330	74,330	1.09	1.20
15	15	First Foundation Inc.	Bank	1	66,377	100	66,377	0.98	0.95	1	66,377	66,377	0.98	0.95
16	16	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.63	0.40	2	43,119	43,119	0.63	0.40
17	17	Opus Bank	Bank	2	30,077	100	30,077	0.44	0.20	2	30,077	30,077	0.44	0.20
18	18	JRMB II Inc.	Bank	1	2,236	100	2,236	0.03	0.00	1	2,236	2,236	0.03	0.00
19	19	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
21	20	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
22	21	Altura Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
23	22	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
24	23	Pacific Marine Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
25	24	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
26	25	Provident Financial Holdings Inc.	Thrift	2	79,450	0	0	0.00	0.00	2	79,450	0	0.00	0.00
27	26	Western Community Bancshares Inc.	Thrift	2	94,010	0	0	0.00	0.00	2	94,010	0	0.00	0.00
		TOTALS:		**117**	**6,983,423**		**6,798,365**	**100.00**	**1,143.40**	**117**	**6,983,423**	**6,798,365**	**100.00**	**1,143.40**

PRE-MERGER HHI: 1,143
POST-MERGER HHI: 1,143
HHI CHANGE: 0

006

Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

Footnotes:

* DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

007

Salt Lake City, UT - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
7		CIT Group Inc.	Bank	1	11,111,079	100	11,111,079	3.20	10.26					
TARGET														
		IMB HoldCo LLC	-											
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							1	11,111,079	11,111,079	3.20	10.26
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Morgan Stanley	Bank	1	66,068,000	100	66,068,000	19.05	362.84	1	66,068,000	66,068,000	19.05	362.84
2	2	Goldman Sachs Group Inc.	Bank	2	65,384,000	100	65,384,000	18.85	355.36	2	65,384,000	65,384,000	18.85	355.36
3	3	Ally Financial Inc.	Bank	1	50,769,639	100	50,769,639	14.64	214.26	1	50,769,639	50,769,639	14.64	214.26
4	4	UBS AG	Bank	1	43,384,766	100	43,384,766	12.51	156.46	1	43,384,766	43,384,766	12.51	156.46
5	5	American Express Co.	Bank	2	40,685,365	100	40,685,365	11.73	137.60	2	40,685,365	40,685,365	11.73	137.60
6	6	General Electric Co.	Thrift (c.a.)	2	32,710,240	50	16,355,120	4.72	22.24	2	32,710,240	16,355,120	4.72	22.24
8	8	JPMorgan Chase & Co.	Bank	38	9,507,203	100	9,507,203	2.74	7.51	38	9,507,203	9,507,203	2.74	7.51
9	9	Zions Bancorp.	Bank	47	9,256,455	100	9,256,455	2.67	7.12	47	9,256,455	9,256,455	2.67	7.12
10	10	Sallie Mae Bank	Bank	1	7,633,904	100	7,633,904	2.20	4.84	1	7,633,904	7,633,904	2.20	4.84
11	11	Wells Fargo & Co.	Bank	48	6,928,429	100	6,928,429	2.00	3.99	48	6,928,429	6,928,429	2.00	3.99
12	12	BMW of North America LLC	Bank	1	6,129,281	100	6,129,281	1.77	3.12	1	6,129,281	6,129,281	1.77	3.12
13	13	KeyCorp	Bank	23	2,721,130	100	2,721,130	0.78	0.62	23	2,721,130	2,721,130	0.78	0.62
14	14	UnitedHealth Group Inc.	Bank	1	2,043,302	100	2,043,302	0.59	0.35	1	2,043,302	2,043,302	0.59	0.35
15	15	U.S. Bancorp	Bank	42	1,450,639	100	1,450,639	0.42	0.17	42	1,450,639	1,450,639	0.42	0.17
16	16	WEX Bank	Bank	1	1,338,421	100	1,338,421	0.39	0.15	1	1,338,421	1,338,421	0.39	0.15
17	17	CardWorks Inc.	Thrift	1	1,405,020	50	702,510	0.20	0.04	1	1,405,020	702,510	0.20	0.04
18	18	Comenity Capital Bank	Bank	1	634,959	100	634,959	0.18	0.03	1	634,959	634,959	0.18	0.03
19	19	Medallion Bank	Bank	1	632,413	100	632,413	0.18	0.03	1	632,413	632,413	0.18	0.03
20	20	Pitney Bowes Bank Inc.	Bank	1	616,627	100	616,627	0.18	0.03	1	616,627	616,627	0.18	0.03
21	21	EnerBank USA	Bank	1	499,436	100	499,436	0.14	0.02	1	499,436	499,436	0.14	0.02
22	22	Republic Bank	Bank	1	482,248	100	482,248	0.14	0.02	1	482,248	482,248	0.14	0.02
23	23	Marlin Business Services Corp.	Bank	1	461,912	100	461,912	0.13	0.02	1	461,912	461,912	0.13	0.02
24	24	Washington Federal Inc.	Bank	7	235,497	100	235,497	0.07	0.00	7	235,497	235,497	0.07	0.00
25	25	First Utah Bancorp.	Bank	7	230,553	100	230,553	0.07	0.00	7	230,553	230,553	0.07	0.00
26	26	Celtic Bank	Bank	1	220,998	100	220,998	0.06	0.00	1	220,998	220,998	0.06	0.00
27	27	NHB Holdings Inc.	Bank	1	164,271	100	164,271	0.05	0.00	1	164,271	164,271	0.05	0.00
28	28	BOU Bancorp Inc.	Bank	3	149,841	100	149,841	0.04	0.00	3	149,841	149,841	0.04	0.00
29	29	Brighton Bancorp	Bank	4	131,788	100	131,788	0.04	0.00	4	131,788	131,788	0.04	0.00
30	30	People''s Utah Bancorp	Bank	4	127,788	100	127,788	0.04	0.00	4	127,788	127,788	0.04	0.00
31	31	BNP Paribas SA	Bank	4	127,709	100	127,709	0.04	0.00	4	127,709	127,709	0.04	0.00
32	32	Prime Alliance Bank	Bank	1	116,562	100	116,562	0.03	0.00	1	116,562	116,562	0.03	0.00
33	33	Continental BanCorp.	Bank	1	102,906	100	102,906	0.03	0.00	1	102,906	102,906	0.03	0.00
34	34	WebBank	Bank	1	102,119	100	102,119	0.03	0.00	1	102,119	102,119	0.03	0.00
35	35	Home Credit Corp.	Bank	2	88,702	100	88,702	0.03	0.00	2	88,702	88,702	0.03	0.00
36	36	FNB Bancorp	Bank	3	71,988	100	71,988	0.02	0.00	3	71,988	71,988	0.02	0.00
37	37	Holladay Bank & Trust	Bank	1	41,225	100	41,225	0.01	0.00	1	41,225	41,225	0.01	0.00
38	38	Franklin Resources Inc.	Bank	1	40,589	100	40,589	0.01	0.00	1	40,589	40,589	0.01	0.00

Salt Lake City, UT - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	Target Bank	Bank	1	32,543	100	32,543	0.01	0.00	1	32,543	32,543	0.01	0.00
40	40	All West Bancorp	Bank	1	23,707	100	23,707	0.01	0.00	1	23,707	23,707	0.01	0.00
41	41	SKBHC Holdings LLC	Bank	3	22,124	100	22,124	0.01	0.00	3	22,124	22,124	0.01	0.00
42	42	Liberty Bank	Bank	1	9,082	100	9,082	0.00	0.00	1	9,082	9,082	0.00	0.00
43	43	First American Financial Corp.	Thrift	1	13,259	50	6,630	0.00	0.00	1	13,259	6,630	0.00	0.00
44	44	First Electronic Bank	Bank	1	947	100	947	0.00	0.00	1	947	947	0.00	0.00
45	45	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
46	46	America First Federal Credit Union	CU (comp.)	40	0	0	0	0.00	0.00	40	0	0	0.00	0.00
47	47	Chartway Federal Credit Union	CU (comp.)	11	0	0	0	0.00	0.00	11	0	0	0.00	0.00
48	48	Chevron Federal Credit Union	CU (comp.)	2	72,646	0	0	0.00	0.00	2	72,646	0	0.00	0.00
49	49	Cyprus Federal Credit Union	CU (comp.)	17	591,727	0	0	0.00	0.00	17	591,727	0	0.00	0.00
50	50	Delta Community Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
51	51	Deseret First Federal Credit Union	CU (comp.)	7	407,390	0	0	0.00	0.00	7	407,390	0	0.00	0.00
52	52	Goldenwest Federal Credit Union	CU (comp.)	6	0	0	0	0.00	0.00	6	0	0	0.00	0.00
53	53	Granite Federal Credit Union	CU (comp.)	8	317,127	0	0	0.00	0.00	8	317,127	0	0.00	0.00
54	54	Hi-Land Credit Union	CU (comp.)	1	32,225	0	0	0.00	0.00	1	32,225	0	0.00	0.00
55	55	Jordan Federal Credit Union	CU (comp.)	7	203,195	0	0	0.00	0.00	7	203,195	0	0.00	0.00
56	56	Mountain America Federal Credit Union	CU (comp.)	33	3,260,449	0	0	0.00	0.00	33	3,260,449	0	0.00	0.00
57	57	Security Service Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00	7	0	0	0.00	0.00
58	58	Transwest Credit Union	CU (comp.)	5	105,859	0	0	0.00	0.00	5	105,859	0	0.00	0.00
59	59	University First Federal Credit Union	CU (comp.)	17	578,641	0	0	0.00	0.00	17	578,641	0	0.00	0.00
60	60	Utah First Federal Credit Union	CU (comp.)	6	223,703	0	0	0.00	0.00	6	223,703	0	0.00	0.00
61	61	American United Family of Credit Unions Federal (	CU	8	133,808	0	0	0.00	0.00	8	133,808	0	0.00	0.00
62	62	Associated Federal Employees FCU	CU	2	27,876	0	0	0.00	0.00	2	27,876	0	0.00	0.00
63	63	Bailey Inc. Employees Credit Union	CU	1	695	0	0	0.00	0.00	1	695	0	0.00	0.00
64	64	Beckstrand & Associates Credit Union	CU	1	187	0	0	0.00	0.00	1	187	0	0.00	0.00
65	65	Deseret News Employees Credit Union	CU	1	1,381	0	0	0.00	0.00	1	1,381	0	0.00	0.00
66	66	Firefighters Credit Union	CU	1	26,971	0	0	0.00	0.00	1	26,971	0	0.00	0.00
67	67	Gibbons & Reed Employees FCU	CU	1	4,704	0	0	0.00	0.00	1	4,704	0	0.00	0.00
68	68	Granite Furniture Employees FCU	CU	1	480	0	0	0.00	0.00	1	480	0	0.00	0.00
69	69	Grantsville Federal Credit Union	CU	1	4,434	0	0	0.00	0.00	1	4,434	0	0.00	0.00
70	70	Health Care Credit Union	CU	7	62,632	0	0	0.00	0.00	7	62,632	0	0.00	0.00
71	71	Hercules Credit Union	CU	1	52,919	0	0	0.00	0.00	1	52,919	0	0.00	0.00
72	72	HollyFrontier Employee"s Credit Union	CU	1	4,881	0	0	0.00	0.00	1	4,881	0	0.00	0.00
73	73	Horizon Utah Federal Credit Union	CU	3	105,626	0	0	0.00	0.00	3	105,626	0	0.00	0.00
74	74	LU 354 IBEW Federal Credit Union	CU	3	16,774	0	0	0.00	0.00	3	16,774	0	0.00	0.00
75	75	Meadow Gold Employees Credit Union	CU	1	3,739	0	0	0.00	0.00	1	3,739	0	0.00	0.00
76	76	MidValley Federal Credit Union	CU	1	4,775	0	0	0.00	0.00	1	4,775	0	0.00	0.00
77	77	National J.A.C.L. Credit Union	CU	1	26,879	0	0	0.00	0.00	1	26,879	0	0.00	0.00
78	78	Operating Engineers Local Union #3 Federal Cred	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
79	79	P & S Credit Union	CU	1	12,469	0	0	0.00	0.00	1	12,469	0	0.00	0.00
80	80	Tanner Employees Credit Union	CU	1	5,664	0	0	0.00	0.00	1	5,664	0	0.00	0.00
81	81	Teamsters Local #222 Federal Credit Union	CU	1	2,516	0	0	0.00	0.00	1	2,516	0	0.00	0.00
82	82	UCB Credit Union	CU	1	1,115	0	0	0.00	0.00	1	1,115	0	0.00	0.00
83	83	Utah Federal Credit Union	CU	1	16,586	0	0	0.00	0.00	1	16,586	0	0.00	0.00
84	84	Utah Power Credit Union	CU	2	429,738	0	0	0.00	0.00	2	429,738	0	0.00	0.00
85	85	Utah Prison Employees Credit Union	CU	1	3,402	0	0	0.00	0.00	1	3,402	0	0.00	0.00

007

Salt Lake City, UT - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
86	86	Varian Federal Credit Union	CU	1	11,230	0	0	0.00	0.00	1	11,230	0	0.00	0.00
87	87	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**482**	**370,663,109**		**346,844,407**	**100.00**	**1,287.12**	**482**	**370,663,109**	**346,844,407**	**100.00**	**1,287.12**

PRE-MERGER HHI: 1,287
POST-MERGER HHI: 1,287
HHI CHANGE: 0

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

Salt Lake City, UT - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI
DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
6		CIT Group Inc.	Bank	1	11,111,079	100	11,111,079	3.37	11.35					
TARGET														
		IMB HoldCo LLC	-											
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							1	11,111,079	11,111,079	3.37	11.35
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Morgan Stanley	Bank	1	66,068,000	100	66,068,000	20.03	401.36	1	66,068,000	66,068,000	20.03	401.36
2	2	Goldman Sachs Group Inc.	Bank	2	65,384,000	100	65,384,000	19.83	393.09	2	65,384,000	65,384,000	19.83	393.09
3	3	Ally Financial Inc.	Bank	1	50,769,639	100	50,769,639	15.39	237.01	1	50,769,639	50,769,639	15.39	237.01
4	4	UBS AG	Bank	1	43,384,766	100	43,384,766	13.16	173.07	1	43,384,766	43,384,766	13.16	173.07
5	5	American Express Co.	Bank	2	40,685,365	100	40,685,365	12.34	152.20	2	40,685,365	40,685,365	12.34	152.20
7	7	JPMorgan Chase & Co.	Bank	38	9,507,203	100	9,507,203	2.88	8.31	38	9,507,203	9,507,203	2.88	8.31
8	8	Zions Bancorp.	Bank	47	9,256,455	100	9,256,455	2.81	7.88	47	9,256,455	9,256,455	2.81	7.88
9	9	Sallie Mae Bank	Bank	1	7,633,904	100	7,633,904	2.31	5.36	1	7,633,904	7,633,904	2.31	5.36
10	10	Wells Fargo & Co.	Bank	48	6,928,429	100	6,928,429	2.10	4.41	48	6,928,429	6,928,429	2.10	4.41
11	11	BMW of North America LLC	Bank	1	6,129,281	100	6,129,281	1.86	3.45	1	6,129,281	6,129,281	1.86	3.45
12	12	KeyCorp	Bank	23	2,721,130	100	2,721,130	0.83	0.68	23	2,721,130	2,721,130	0.83	0.68
13	13	UnitedHealth Group Inc.	Bank	1	2,043,302	100	2,043,302	0.62	0.38	1	2,043,302	2,043,302	0.62	0.38
14	14	U.S. Bancorp	Bank	42	1,450,639	100	1,450,639	0.44	0.19	42	1,450,639	1,450,639	0.44	0.19
15	15	WEX Bank	Bank	1	1,338,421	100	1,338,421	0.41	0.16	1	1,338,421	1,338,421	0.41	0.16
16	16	Comenity Capital Bank	Bank	1	634,959	100	634,959	0.19	0.04	1	634,959	634,959	0.19	0.04
17	17	Medallion Bank	Bank	1	632,413	100	632,413	0.19	0.04	1	632,413	632,413	0.19	0.04
18	18	Pitney Bowes Bank Inc.	Bank	1	616,627	100	616,627	0.19	0.03	1	616,627	616,627	0.19	0.03
19	19	EnerBank USA	Bank	1	499,436	100	499,436	0.15	0.02	1	499,436	499,436	0.15	0.02
20	20	Republic Bank	Bank	1	482,248	100	482,248	0.15	0.02	1	482,248	482,248	0.15	0.02
21	21	Marlin Business Services Corp.	Bank	1	461,912	100	461,912	0.14	0.02	1	461,912	461,912	0.14	0.02
22	22	Washington Federal Inc.	Bank	7	235,497	100	235,497	0.07	0.01	7	235,497	235,497	0.07	0.01
23	23	First Utah Bancorp.	Bank	7	230,553	100	230,553	0.07	0.00	7	230,553	230,553	0.07	0.00
24	24	Celtic Bank	Bank	1	220,998	100	220,998	0.07	0.00	1	220,998	220,998	0.07	0.00
25	25	NHB Holdings Inc.	Bank	1	164,271	100	164,271	0.05	0.00	1	164,271	164,271	0.05	0.00
26	26	BOU Bancorp Inc.	Bank	3	149,841	100	149,841	0.05	0.00	3	149,841	149,841	0.05	0.00
27	27	Brighton Bancorp	Bank	4	131,788	100	131,788	0.04	0.00	4	131,788	131,788	0.04	0.00
28	28	People"s Utah Bancorp	Bank	4	127,788	100	127,788	0.04	0.00	4	127,788	127,788	0.04	0.00
29	29	BNP Paribas SA	Bank	4	127,709	100	127,709	0.04	0.00	4	127,709	127,709	0.04	0.00
30	30	Prime Alliance Bank	Bank	1	116,562	100	116,562	0.04	0.00	1	116,562	116,562	0.04	0.00
31	31	Continental BanCorp.	Bank	1	102,906	100	102,906	0.03	0.00	1	102,906	102,906	0.03	0.00
32	32	WebBank	Bank	1	102,119	100	102,119	0.03	0.00	1	102,119	102,119	0.03	0.00
33	33	Home Credit Corp.	Bank	2	88,702	100	88,702	0.03	0.00	2	88,702	88,702	0.03	0.00
34	34	FNB Bancorp	Bank	3	71,988	100	71,988	0.02	0.00	3	71,988	71,988	0.02	0.00
35	35	Holladay Bank & Trust	Bank	1	41,225	100	41,225	0.01	0.00	1	41,225	41,225	0.01	0.00
36	36	Franklin Resources Inc.	Bank	1	40,589	100	40,589	0.01	0.00	1	40,589	40,589	0.01	0.00
37	37	Target Bank	Bank	1	32,543	100	32,543	0.01	0.00	1	32,543	32,543	0.01	0.00
38	38	All West Bancorp	Bank	1	23,707	100	23,707	0.01	0.00	1	23,707	23,707	0.01	0.00

Ownership info as of 8/19/2014

Salt Lake City, UT - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
39	39	SKBHC Holdings LLC	Bank	3	22,124	100	22,124	0.01	0.00	3	22,124	22,124	0.01	0.00
40	40	Liberty Bank	Bank	1	9,082	100	9,082	0.00	0.00	1	9,082	9,082	0.00	0.00
41	41	First Electronic Bank	Bank	1	947	100	947	0.00	0.00	1	947	947	0.00	0.00
42	42	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
43	43	America First Federal Credit Union	CU (comp.)	40	0	0	0	0.00	0.00	40	0	0	0.00	0.00
44	44	Chartway Federal Credit Union	CU (comp.)	11	0	0	0	0.00	0.00	11	0	0	0.00	0.00
45	45	Chevron Federal Credit Union	CU (comp.)	2	72,646	0	0	0.00	0.00	2	72,646	0	0.00	0.00
46	46	Cyprus Federal Credit Union	CU (comp.)	17	591,727	0	0	0.00	0.00	17	591,727	0	0.00	0.00
47	47	Delta Community Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
48	48	Deseret First Federal Credit Union	CU (comp.)	7	407,390	0	0	0.00	0.00	7	407,390	0	0.00	0.00
49	49	Goldenwest Federal Credit Union	CU (comp.)	6	0	0	0	0.00	0.00	6	0	0	0.00	0.00
50	50	Granite Federal Credit Union	CU (comp.)	8	317,127	0	0	0.00	0.00	8	317,127	0	0.00	0.00
51	51	Hi-Land Credit Union	CU (comp.)	1	32,225	0	0	0.00	0.00	1	32,225	0	0.00	0.00
52	52	Jordan Federal Credit Union	CU (comp.)	7	203,195	0	0	0.00	0.00	7	203,195	0	0.00	0.00
53	53	Mountain America Federal Credit Union	CU (comp.)	33	3,260,449	0	0	0.00	0.00	33	3,260,449	0	0.00	0.00
54	54	Security Service Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00	7	0	0	0.00	0.00
55	55	Transwest Credit Union	CU (comp.)	5	105,859	0	0	0.00	0.00	5	105,859	0	0.00	0.00
56	56	University First Federal Credit Union	CU (comp.)	17	578,641	0	0	0.00	0.00	17	578,641	0	0.00	0.00
57	57	Utah First Federal Credit Union	CU (comp.)	6	223,703	0	0	0.00	0.00	6	223,703	0	0.00	0.00
58	58	American United Family of Credit Unions Federal	CU	8	133,808	0	0	0.00	0.00	8	133,808	0	0.00	0.00
59	59	Associated Federal Employees FCU	CU	2	27,876	0	0	0.00	0.00	2	27,876	0	0.00	0.00
60	60	Bailey Inc. Employees Credit Union	CU	1	695	0	0	0.00	0.00	1	695	0	0.00	0.00
61	61	Beckstrand & Associates Credit Union	CU	1	187	0	0	0.00	0.00	1	187	0	0.00	0.00
62	62	Deseret News Employees Credit Union	CU	1	1,381	0	0	0.00	0.00	1	1,381	0	0.00	0.00
63	63	Firefighters Credit Union	CU	1	26,971	0	0	0.00	0.00	1	26,971	0	0.00	0.00
64	64	Gibbons & Reed Employees FCU	CU	1	4,704	0	0	0.00	0.00	1	4,704	0	0.00	0.00
65	65	Granite Furniture Employees FCU	CU	1	480	0	0	0.00	0.00	1	480	0	0.00	0.00
66	66	Grantsville Federal Credit Union	CU	1	4,434	0	0	0.00	0.00	1	4,434	0	0.00	0.00
67	67	Health Care Credit Union	CU	7	62,632	0	0	0.00	0.00	7	62,632	0	0.00	0.00
68	68	Hercules Credit Union	CU	1	52,919	0	0	0.00	0.00	1	52,919	0	0.00	0.00
69	69	HollyFrontier Employee"s Credit Union	CU	1	4,881	0	0	0.00	0.00	1	4,881	0	0.00	0.00
70	70	Horizon Utah Federal Credit Union	CU	3	105,626	0	0	0.00	0.00	3	105,626	0	0.00	0.00
71	71	LU 354 IBEW Federal Credit Union	CU	3	16,774	0	0	0.00	0.00	3	16,774	0	0.00	0.00
72	72	Meadow Gold Employees Credit Union	CU	1	3,739	0	0	0.00	0.00	1	3,739	0	0.00	0.00
73	73	MidValley Federal Credit Union	CU	1	4,775	0	0	0.00	0.00	1	4,775	0	0.00	0.00
74	74	National J.A.C.L. Credit Union	CU	1	26,879	0	0	0.00	0.00	1	26,879	0	0.00	0.00
75	75	Operating Engineers Local Union #3 Federal Cred	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
76	76	P & S Credit Union	CU	1	12,469	0	0	0.00	0.00	1	12,469	0	0.00	0.00
77	77	Tanner Employees Credit Union	CU	1	5,664	0	0	0.00	0.00	1	5,664	0	0.00	0.00
78	78	Teamsters Local #222 Federal Credit Union	CU	1	2,516	0	0	0.00	0.00	1	2,516	0	0.00	0.00
79	79	UCB Credit Union	CU	1	1,115	0	0	0.00	0.00	1	1,115	0	0.00	0.00
80	80	Utah Federal Credit Union	CU	1	16,586	0	0	0.00	0.00	1	16,586	0	0.00	0.00
81	81	Utah Power Credit Union	CU	2	429,738	0	0	0.00	0.00	2	429,738	0	0.00	0.00
82	82	Utah Prison Employees Credit Union	CU	1	3,402	0	0	0.00	0.00	1	3,402	0	0.00	0.00
83	83	Varian Federal Credit Union	CU	1	11,230	0	0	0.00	0.00	1	11,230	0	0.00	0.00
84	84	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
85	85	General Electric Co.	Thrift (c.a.)	2	32,710,240	0	0	0.00	0.00	2	32,710,240	0	0.00	0.00

008

Salt Lake City, UT - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
86	86	CardWorks Inc.	Thrift	1	1,405,020	0	0	0.00	0.00	1	1,405,020	0	0.00	0.00
87	87	First American Financial Corp.	Thrift	1	13,259	0	0	0.00	0.00	1	13,259	0	0.00	0.00
		TOTALS:		**482**	**370,663,109**		**329,780,147**	**100.00**	**1,399.13**	**482**	**370,663,109**	**329,780,147**	**100.00**	**1,399.13**

PRE-MERGER HHI: 1,399
POST-MERGER HHI: 1,399
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

009

Ownership info as of 8/19/2014

San Diego, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
51		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
11		IMB HoldCo LLC	Bank	3	850,646	100	850,646	1.36	1.84					
RESULTING INSTITUTION														
	11	CIT Group Inc.	Bank							3	850,646	850,646	1.36	1.84
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	105	16,244,563	100	16,244,563	25.89	670.55	105	16,244,563	16,244,563	25.89	670.55
2	2	Mitsubishi UFJ Financial Group Inc.	Bank	57	9,869,358	100	9,869,358	15.73	247.51	57	9,869,358	9,869,358	15.73	247.51
3	3	Bank of America Corp.	Bank	71	9,613,956	100	9,613,956	15.33	234.86	71	9,613,956	9,613,956	15.33	234.86
4	4	JPMorgan Chase & Co.	Bank	95	7,405,852	100	7,405,852	11.81	139.37	95	7,405,852	7,405,852	11.81	139.37
5	5	U.S. Bancorp	Bank	81	3,586,829	100	3,586,829	5.72	32.69	81	3,586,829	3,586,829	5.72	32.69
6	6	Zions Bancorp.	Bank	27	2,738,307	100	2,738,307	4.37	19.05	27	2,738,307	2,738,307	4.37	19.05
7	7	Citigroup Inc.	Bank	26	1,636,264	100	1,636,264	2.61	6.80	26	1,636,264	1,636,264	2.61	6.80
8	8	Western Alliance Bancorp.	Bank	8	1,327,245	100	1,327,245	2.12	4.48	8	1,327,245	1,327,245	2.12	4.48
9	9	PacWest Bancorp	Bank	15	1,128,393	100	1,128,393	1.80	3.24	15	1,128,393	1,128,393	1.80	3.24
10	10	BofI Holding Inc.	Thrift	1	2,110,340	50	1,055,170	1.68	2.83	1	2,110,340	1,055,170	1.68	2.83
12	12	First Republic Bank	Bank	6	800,978	100	800,978	1.28	1.63	6	800,978	800,978	1.28	1.63
13	13	SKBHC Holdings LLC	Bank	10	673,151	100	673,151	1.07	1.15	10	673,151	673,151	1.07	1.15
14	14	BNP Paribas SA	Bank	5	622,071	100	622,071	0.99	0.98	5	622,071	622,071	0.99	0.98
15	15	City National Corp.	Bank	7	610,987	100	610,987	0.97	0.95	7	610,987	610,987	0.97	0.95
16	16	Comerica Inc.	Bank	15	474,252	100	474,252	0.76	0.57	15	474,252	474,252	0.76	0.57
17	17	Silvergate Capital Corp.	Bank	6	431,465	100	431,465	0.69	0.47	6	431,465	431,465	0.69	0.47
18	18	Grandpoint Capital Inc.	Bank	4	409,236	100	409,236	0.65	0.43	4	409,236	409,236	0.65	0.43
19	19	First Citizens BancShares Inc.	Bank	7	314,675	100	314,675	0.50	0.25	7	314,675	314,675	0.50	0.25
20	20	Banco Bilbao Vizcaya Argentaria SA	Bank	6	284,207	100	284,207	0.45	0.21	6	284,207	284,207	0.45	0.21
21	21	Banc of California Inc.	Bank	3	277,097	100	277,097	0.44	0.20	3	277,097	277,097	0.44	0.20
22	22	San Diego Private Bank	Bank	3	239,388	100	239,388	0.38	0.15	3	239,388	239,388	0.38	0.15
23	23	Seacoast Commerce Bank	Bank	3	218,607	100	218,607	0.35	0.12	3	218,607	218,607	0.35	0.12
24	24	HSBC Holdings Plc	Bank	2	182,682	100	182,682	0.29	0.08	2	182,682	182,682	0.29	0.08
25	25	Pacific Premier Bancorp Inc.	Bank	3	182,236	100	182,236	0.29	0.08	3	182,236	182,236	0.29	0.08
26	26	Northern Trust Corp.	Bank	2	145,196	100	145,196	0.23	0.05	2	145,196	145,196	0.23	0.05
27	27	Bank of Southern California, NA	Bank	4	131,794	100	131,794	0.21	0.04	4	131,794	131,794	0.21	0.04
28	28	East West Bancorp Inc.	Bank	1	117,335	100	117,335	0.19	0.03	1	117,335	117,335	0.19	0.03
29	29	Opus Bank	Bank	5	113,888	100	113,888	0.18	0.03	5	113,888	113,888	0.18	0.03
30	30	First Banks Inc.	Bank	4	112,939	100	112,939	0.18	0.03	4	112,939	112,939	0.18	0.03
31	31	Vibra Bank	Bank	1	112,276	100	112,276	0.18	0.03	1	112,276	112,276	0.18	0.03
32	32	Balboa Thrift and Loan Association	Bank	1	106,133	100	106,133	0.17	0.03	1	106,133	106,133	0.17	0.03
33	33	Neighborhood Bancorp	Bank	3	88,974	100	88,974	0.14	0.02	3	88,974	88,974	0.14	0.02
34	34	Umpqua Holdings Corp.	Bank	2	77,420	100	77,420	0.12	0.02	2	77,420	77,420	0.12	0.02
35	35	Cathay General Bancorp	Bank	1	76,126	100	76,126	0.12	0.01	1	76,126	76,126	0.12	0.01
36	36	Hanmi Financial Corp.	Bank	1	70,942	100	70,942	0.11	0.01	1	70,942	70,942	0.11	0.01
37	37	Carpenter Bank Partners Inc.	Bank	1	70,045	100	70,045	0.11	0.01	1	70,045	70,045	0.11	0.01
38	38	Home Bank of California	Bank	1	64,161	100	64,161	0.10	0.01	1	64,161	64,161	0.10	0.01

Ownership info as of 8/19/2014

San Diego, CA - FRB Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	State Bank of India	Bank	1	55,878	100	55,878	0.09	0.01	1	55,878	55,878	0.09	0.01
40	40	First National Bank of Southern California	Bank	2	54,719	100	54,719	0.09	0.01	2	54,719	54,719	0.09	0.01
41	41	BBCN Bancorp Inc.	Bank	1	46,493	100	46,493	0.07	0.01	1	46,493	46,493	0.07	0.01
42	42	CommerceWest Bank	Bank	1	44,509	100	44,509	0.07	0.01	1	44,509	44,509	0.07	0.01
43	43	Beal Financial Corp.	Thrift	1	43,928	50	21,964	0.04	0.00	1	43,928	21,964	0.04	0.00
44	44	AltaPacific Bancorp	Bank	1	15,134	100	15,134	0.02	0.00	1	15,134	15,134	0.02	0.00
45	45	Dickinson Financial Corp. II	Bank	5	9,642	100	9,642	0.02	0.00	5	9,642	9,642	0.02	0.00
46	46	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	17,990	50	8,995	0.01	0.00	1	17,990	8,995	0.01	0.00
47	47	First Foundation Inc.	Bank	1	7,485	100	7,485	0.01	0.00	1	7,485	7,485	0.01	0.00
48	48	First ULB Corp.	Thrift (c.a.)	1	3,836	50	1,918	0.00	0.00	1	3,836	1,918	0.00	0.00
49	49	Rancho Santa Fe Thrift & Loan Association	Bank	1	1,052	100	1,052	0.00	0.00	1	1,052	1,052	0.00	0.00
50	50	Capital Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
52	51	CVB Financial Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
53	52	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
54	53	Pacific Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
55	54	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
56	55	California Coast Credit Union	CU (comp.)	22	1,571,127	0	0	0.00	0.00	22	1,571,127	0	0.00	0.00
57	56	First Technology Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
58	57	Kinecta Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
59	58	North Island Financial Credit Union	CU (comp.)	11	1,006,360	0	0	0.00	0.00	11	1,006,360	0	0.00	0.00
60	59	Paradise Valley Federal Credit Union	CU (comp.)	1	68,951	0	0	0.00	0.00	1	68,951	0	0.00	0.00
61	60	San Diego County Credit Union	CU (comp.)	30	5,339,715	0	0	0.00	0.00	30	5,339,715	0	0.00	0.00
62	61	San Diego Firefighters FCU	CU (comp.)	1	76,900	0	0	0.00	0.00	1	76,900	0	0.00	0.00
63	62	San Diego Metropolitan Credit Union	CU (comp.)	3	223,201	0	0	0.00	0.00	3	223,201	0	0.00	0.00
64	63	University & State Employees Credit Union	CU (comp.)	7	680,892	0	0	0.00	0.00	7	680,892	0	0.00	0.00
65	64	Cabrillo Credit Union	CU	5	185,417	0	0	0.00	0.00	5	185,417	0	0.00	0.00
66	65	Chula Vista City Employees FCU	CU	1	2,355	0	0	0.00	0.00	1	2,355	0	0.00	0.00
67	66	El Cajon Federal Credit Union	CU	1	11,573	0	0	0.00	0.00	1	11,573	0	0.00	0.00
68	67	Escondido Federal Credit Union	CU	1	33,290	0	0	0.00	0.00	1	33,290	0	0.00	0.00
69	68	Faith Based Federal Credit Union	CU	1	922	0	0	0.00	0.00	1	922	0	0.00	0.00
70	69	First Financial Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
71	70	GEICO Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
72	71	Grossmont Schools Federal Credit Union	CU	2	85,319	0	0	0.00	0.00	2	85,319	0	0.00	0.00
73	72	Inland Federal Credit Union	CU	1	10,090	0	0	0.00	0.00	1	10,090	0	0.00	0.00
74	73	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
75	74	LMCC Employees Federal Credit Union	CU	1	2,752	0	0	0.00	0.00	1	2,752	0	0.00	0.00
76	75	Miramar Federal Credit Union	CU	1	149,978	0	0	0.00	0.00	1	149,978	0	0.00	0.00
77	76	Mission Federal Credit Union	CU	25	2,095,147	0	0	0.00	0.00	25	2,095,147	0	0.00	0.00
78	77	Navy Federal Credit Union	CU	22	0	0	0	0.00	0.00	22	0	0	0.00	0.00
79	78	North County Credit Union	CU	1	55,269	0	0	0.00	0.00	1	55,269	0	0.00	0.00
80	79	Northrop Grumman FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
81	80	Pacific Marine Credit Union	CU	7	583,859	0	0	0.00	0.00	7	583,859	0	0.00	0.00
82	81	Point Loma Credit Union	CU	6	402,855	0	0	0.00	0.00	6	402,855	0	0.00	0.00
83	82	Scient Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
84	83	SD Medical Federal Credit Union	CU	3	59,069	0	0	0.00	0.00	3	59,069	0	0.00	0.00
85	84	Sony San Diego Employees FCU	CU	1	6,611	0	0	0.00	0.00	1	6,611	0	0.00	0.00
86	85	Vons Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00

009

Ownership info as of 8/19/2014

San Diego, CA - FRB Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
87	86	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
88	87	E*TRADE Financial Corp.	Thrift	1	0	50	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**782**	**76,472,332**		**62,732,633**	**100.00**	**1,370.86**	**782**	**76,472,332**	**62,732,633**	**100.00**	**1,370.86**

PRE-MERGER HHI: 1,371
POST-MERGER HHI: 1,371
HHI CHANGE: 0

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

010

San Diego, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
47		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
10		IMB HoldCo LLC	Bank	3	850,646	100	850,646	1.38	1.90					
RESULTING INSTITUTION														
	10	CIT Group Inc.	Bank							3	850,646	850,646	1.38	1.90
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	105	16,244,563	100	16,244,563	26.35	694.43	105	16,244,563	16,244,563	26.35	694.43
2	2	Mitsubishi UFJ Financial Group Inc.	Bank	57	9,869,358	100	9,869,358	16.01	256.32	57	9,869,358	9,869,358	16.01	256.32
3	3	Bank of America Corp.	Bank	71	9,613,956	100	9,613,956	15.60	243.23	71	9,613,956	9,613,956	15.60	243.23
4	4	JPMorgan Chase & Co.	Bank	95	7,405,852	100	7,405,852	12.01	144.33	95	7,405,852	7,405,852	12.01	144.33
5	5	U.S. Bancorp	Bank	81	3,586,829	100	3,586,829	5.82	33.86	81	3,586,829	3,586,829	5.82	33.86
6	6	Zions Bancorp.	Bank	27	2,738,307	100	2,738,307	4.44	19.73	27	2,738,307	2,738,307	4.44	19.73
7	7	Citigroup Inc.	Bank	26	1,636,264	100	1,636,264	2.65	7.05	26	1,636,264	1,636,264	2.65	7.05
8	8	Western Alliance Bancorp.	Bank	8	1,327,245	100	1,327,245	2.15	4.64	8	1,327,245	1,327,245	2.15	4.64
9	9	PacWest Bancorp	Bank	15	1,128,393	100	1,128,393	1.83	3.35	15	1,128,393	1,128,393	1.83	3.35
11	11	First Republic Bank	Bank	6	800,978	100	800,978	1.30	1.69	6	800,978	800,978	1.30	1.69
12	12	SKBHC Holdings LLC	Bank	10	673,151	100	673,151	1.09	1.19	10	673,151	673,151	1.09	1.19
13	13	BNP Paribas SA	Bank	5	622,071	100	622,071	1.01	1.02	5	622,071	622,071	1.01	1.02
14	14	City National Corp.	Bank	7	610,987	100	610,987	0.99	0.98	7	610,987	610,987	0.99	0.98
15	15	Comerica Inc.	Bank	15	474,252	100	474,252	0.77	0.59	15	474,252	474,252	0.77	0.59
16	16	Silvergate Capital Corp.	Bank	6	431,465	100	431,465	0.70	0.49	6	431,465	431,465	0.70	0.49
17	17	Grandpoint Capital Inc.	Bank	4	409,236	100	409,236	0.66	0.44	4	409,236	409,236	0.66	0.44
18	18	First Citizens BancShares Inc.	Bank	7	314,675	100	314,675	0.51	0.26	7	314,675	314,675	0.51	0.26
19	19	Banco Bilbao Vizcaya Argentaria SA	Bank	6	284,207	100	284,207	0.46	0.21	6	284,207	284,207	0.46	0.21
20	20	Banc of California Inc.	Bank	3	277,097	100	277,097	0.45	0.20	3	277,097	277,097	0.45	0.20
21	21	San Diego Private Bank	Bank	3	239,388	100	239,388	0.39	0.15	3	239,388	239,388	0.39	0.15
22	22	Seacoast Commerce Bank	Bank	3	218,607	100	218,607	0.35	0.13	3	218,607	218,607	0.35	0.13
23	23	HSBC Holdings Plc	Bank	2	182,682	100	182,682	0.30	0.09	2	182,682	182,682	0.30	0.09
24	24	Pacific Premier Bancorp Inc.	Bank	3	182,236	100	182,236	0.30	0.09	3	182,236	182,236	0.30	0.09
25	25	Northern Trust Corp.	Bank	2	145,196	100	145,196	0.24	0.06	2	145,196	145,196	0.24	0.06
26	26	Bank of Southern California, NA	Bank	4	131,794	100	131,794	0.21	0.05	4	131,794	131,794	0.21	0.05
27	27	East West Bancorp Inc.	Bank	1	117,335	100	117,335	0.19	0.04	1	117,335	117,335	0.19	0.04
28	28	Opus Bank	Bank	5	113,888	100	113,888	0.18	0.03	5	113,888	113,888	0.18	0.03
29	29	First Banks Inc.	Bank	4	112,939	100	112,939	0.18	0.03	4	112,939	112,939	0.18	0.03
30	30	Vibra Bank	Bank	1	112,276	100	112,276	0.18	0.03	1	112,276	112,276	0.18	0.03
31	31	Balboa Thrift and Loan Association	Bank	1	106,133	100	106,133	0.17	0.03	1	106,133	106,133	0.17	0.03
32	32	Neighborhood Bancorp	Bank	3	88,974	100	88,974	0.14	0.02	3	88,974	88,974	0.14	0.02
33	33	Umpqua Holdings Corp.	Bank	2	77,420	100	77,420	0.13	0.02	2	77,420	77,420	0.13	0.02
34	34	Cathay General Bancorp	Bank	1	76,126	100	76,126	0.12	0.02	1	76,126	76,126	0.12	0.02
35	35	Hanmi Financial Corp.	Bank	1	70,942	100	70,942	0.12	0.01	1	70,942	70,942	0.12	0.01
36	36	Carpenter Bank Partners Inc.	Bank	1	70,045	100	70,045	0.11	0.01	1	70,045	70,045	0.11	0.01
37	37	Home Bank of California	Bank	1	64,161	100	64,161	0.10	0.01	1	64,161	64,161	0.10	0.01
38	38	State Bank of India	Bank	1	55,878	100	55,878	0.09	0.01	1	55,878	55,878	0.09	0.01

Ownership info as of 8/19/2014

San Diego, CA - FRB Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
39	39	First National Bank of Southern California	Bank	2	54,719	100	54,719	0.09	0.01	2	54,719	54,719	0.09	0.01
40	40	BBCN Bancorp Inc.	Bank	1	46,493	100	46,493	0.08	0.01	1	46,493	46,493	0.08	0.01
41	41	CommerceWest Bank	Bank	1	44,509	100	44,509	0.07	0.01	1	44,509	44,509	0.07	0.01
42	42	AltaPacific Bancorp	Bank	1	15,134	100	15,134	0.02	0.00	1	15,134	15,134	0.02	0.00
43	43	Dickinson Financial Corp. II	Bank	5	9,642	100	9,642	0.02	0.00	5	9,642	9,642	0.02	0.00
44	44	First Foundation Inc.	Bank	1	7,485	100	7,485	0.01	0.00	1	7,485	7,485	0.01	0.00
45	45	Rancho Santa Fe Thrift & Loan Association	Bank	1	1,052	100	1,052	0.00	0.00	1	1,052	1,052	0.00	0.00
46	46	Capital Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
48	47	CVB Financial Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
49	48	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
50	49	Pacific Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
51	50	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
52	51	California Coast Credit Union	CU (comp.)	22	1,571,127	0	0	0.00	0.00	22	1,571,127	0	0.00	0.00
53	52	First Technology Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
54	53	Kinecta Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
55	54	North Island Financial Credit Union	CU (comp.)	11	1,006,360	0	0	0.00	0.00	11	1,006,360	0	0.00	0.00
56	55	Paradise Valley Federal Credit Union	CU (comp.)	1	68,951	0	0	0.00	0.00	1	68,951	0	0.00	0.00
57	56	San Diego County Credit Union	CU (comp.)	30	5,339,715	0	0	0.00	0.00	30	5,339,715	0	0.00	0.00
58	57	San Diego Firefighters FCU	CU (comp.)	1	76,900	0	0	0.00	0.00	1	76,900	0	0.00	0.00
59	58	San Diego Metropolitan Credit Union	CU (comp.)	3	223,201	0	0	0.00	0.00	3	223,201	0	0.00	0.00
60	59	University & State Employees Credit Union	CU (comp.)	7	680,892	0	0	0.00	0.00	7	680,892	0	0.00	0.00
61	60	Cabrillo Credit Union	CU	5	185,417	0	0	0.00	0.00	5	185,417	0	0.00	0.00
62	61	Chula Vista City Employees FCU	CU	1	2,355	0	0	0.00	0.00	1	2,355	0	0.00	0.00
63	62	El Cajon Federal Credit Union	CU	1	11,573	0	0	0.00	0.00	1	11,573	0	0.00	0.00
64	63	Escondido Federal Credit Union	CU	1	33,290	0	0	0.00	0.00	1	33,290	0	0.00	0.00
65	64	Faith Based Federal Credit Union	CU	1	922	0	0	0.00	0.00	1	922	0	0.00	0.00
66	65	First Financial Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
67	66	GEICO Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
68	67	Grossmont Schools Federal Credit Union	CU	2	85,319	0	0	0.00	0.00	2	85,319	0	0.00	0.00
69	68	Inland Federal Credit Union	CU	1	10,090	0	0	0.00	0.00	1	10,090	0	0.00	0.00
70	69	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
71	70	LMCC Employees Federal Credit Union	CU	1	2,752	0	0	0.00	0.00	1	2,752	0	0.00	0.00
72	71	Miramar Federal Credit Union	CU	1	149,978	0	0	0.00	0.00	1	149,978	0	0.00	0.00
73	72	Mission Federal Credit Union	CU	25	2,095,147	0	0	0.00	0.00	25	2,095,147	0	0.00	0.00
74	73	Navy Federal Credit Union	CU	22	0	0	0	0.00	0.00	22	0	0	0.00	0.00
75	74	North County Credit Union	CU	1	55,269	0	0	0.00	0.00	1	55,269	0	0.00	0.00
76	75	Northrop Grumman FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
77	76	Pacific Marine Credit Union	CU	7	583,859	0	0	0.00	0.00	7	583,859	0	0.00	0.00
78	77	Point Loma Credit Union	CU	6	402,855	0	0	0.00	0.00	6	402,855	0	0.00	0.00
79	78	Scient Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
80	79	SD Medical Federal Credit Union	CU	3	59,069	0	0	0.00	0.00	3	59,069	0	0.00	0.00
81	80	Sony San Diego Employees FCU	CU	1	6,611	0	0	0.00	0.00	1	6,611	0	0.00	0.00
82	81	Vons Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
83	82	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
84	83	First ULB Corp.	Thrift (c.a.)	1	3,836	0	0	0.00	0.00	1	3,836	0	0.00	0.00
85	84	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	17,990	0	0	0.00	0.00	1	17,990	0	0.00	0.00
86	85	Beal Financial Corp.	Thrift	1	43,928	0	0	0.00	0.00	1	43,928	0	0.00	0.00

010

San Diego, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
87	86	BofI Holding Inc.	Thrift	1	2,110,340	0	0	0.00	0.00	1	2,110,340	0	0.00	0.00
88	87	E*TRADE Financial Corp.	Thrift	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**782**	**76,472,332**		**61,644,586**	**100.00**	**1,416.75**	**782**	**76,472,332**	**61,644,586**	**100.00**	**1,416.75**

PRE-MERGER HHI: 1,417
POST-MERGER HHI: 1,417
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

PUBLIC EXHIBIT 9

SECTION B: HHI Exhibits for RMAs

SUMMARY SHEET

ACQUIROR : CIT Group Inc.
TARGET : IMB HoldCo LLC

Market	Scenario *	Institutions	WEIGHTED DEPOSITS ($000) A	WEIGHTED DEPOSITS ($000) T	HHI Pre	HHI Post	HHI Delta	MARKET SHARE A	MARKET SHARE T	MARKET SHARE C	RANK A	RANK T	RANK C	Gap	Divest to 1800 ($000)	Divest to 200 ($000)	Divest to 35% ($000)
LOS ANGELES, CA (RMA)		**318**	**438,587,831**														
001	FRB Initial Screen		0	13,221,962	1,031	1,031	0	0.00%	3.39%	3.39%	126	7	7	-	-	-	-
002	DOJ Initial Screen		0	13,221,962	1,042	1,042	0	0.00%	3.40%	3.40%	116	7	7	-	-	-	-
OXNARD-THOUSAND OAKS-VENTURA, CA (RMA)		**42**	**15,415,995**														
003	FRB Initial Screen		0	600,170	1,425	1,425	0	0.00%	4.25%	4.25%	27	8	8	-	-	-	-
004	DOJ Initial Screen		0	600,170	1,425	1,425	0	0.00%	4.25%	4.25%	27	8	8	-	-	-	-
PALM SPRINGS-CATHEDRAL CITY-PALM DESERT, (RMA)		**24**	**6,072,178**														
005	FRB Initial Screen		0	468,935	1,125	1,125	0	0.00%	7.85%	7.85%	21	4	4	-	-	-	-
006	DOJ Initial Screen		0	468,935	1,157	1,157	0	0.00%	7.97%	7.97%	19	4	4	-	-	-	-
SALT LAKE CITY, UT (RMA)		**86**	**370,537,930**														
007	FRB Initial Screen		11,111,079	0	1,288	1,288	0	3.20%	0.00%	3.20%	7	0	7	-	-	-	-
008	DOJ Initial Screen		11,111,079	0	1,400	1,400	0	3.37%	0.00%	3.37%	6	0	6	-	-	-	-
SAN DIEGO, CA-MEX. (RMA)		**88**	**76,426,738**														
009	FRB Initial Screen		0	850,646	1,370	1,370	0	0.00%	1.36%	1.36%	51	11	11	-	-	-	-
010	DOJ Initial Screen		0	850,646	1,416	1,416	0	0.00%	1.38%	1.38%	47	10	10	-	-	-	-

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%.**
DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%.

001

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
126		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
7		IMB HoldCo LLC	Bank	62	13,221,962	100	13,221,962	3.39	11.47					
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							62	13,221,962	13,221,962	3.39	11.47
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Bank of America Corp.	Bank	351	83,606,675	100	83,606,675	21.41	458.57	351	83,606,675	83,606,675	21.41	458.57
2	2	Wells Fargo & Co.	Bank	369	63,999,711	100	63,999,711	16.39	268.71	369	63,999,711	63,999,711	16.39	268.71
3	3	Mitsubishi UFJ Financial Group Inc.	Bank	124	41,617,982	100	41,617,982	10.66	113.63	124	41,617,982	41,617,982	10.66	113.63
4	4	JPMorgan Chase & Co.	Bank	433	37,438,923	100	37,438,923	9.59	91.95	433	37,438,923	37,438,923	9.59	91.95
5	5	City National Corp.	Bank	42	18,375,916	100	18,375,916	4.71	22.15	42	18,375,916	18,375,916	4.71	22.15
6	6	Citigroup Inc.	Bank	155	17,734,035	100	17,734,035	4.54	20.63	155	17,734,035	17,734,035	4.54	20.63
8	8	U.S. Bancorp	Bank	243	13,120,321	100	13,120,321	3.36	11.29	243	13,120,321	13,120,321	3.36	11.29
9	9	East West Bancorp Inc.	Bank	58	12,532,939	100	12,532,939	3.21	10.30	58	12,532,939	12,532,939	3.21	10.30
10	10	BNP Paribas SA	Bank	73	10,800,410	100	10,800,410	2.77	7.65	73	10,800,410	10,800,410	2.77	7.65
11	11	PacWest Bancorp	Bank	49	6,913,467	100	6,913,467	1.77	3.14	49	6,913,467	6,913,467	1.77	3.14
12	12	Comerica Inc.	Bank	44	5,287,184	100	5,287,184	1.35	1.83	44	5,287,184	5,287,184	1.35	1.83
13	13	Cathay General Bancorp	Bank	20	4,860,586	100	4,860,586	1.24	1.55	20	4,860,586	4,860,586	1.24	1.55
14	14	HSBC Holdings Plc	Bank	21	4,196,121	100	4,196,121	1.07	1.16	21	4,196,121	4,196,121	1.07	1.16
15	15	Zions Bancorp.	Bank	41	3,956,431	100	3,956,431	1.01	1.03	41	3,956,431	3,956,431	1.01	1.03
16	16	Farmers & Merchants Bank of Long Beach	Bank	23	3,772,073	100	3,772,073	0.97	0.93	23	3,772,073	3,772,073	0.97	0.93
17	17	CVB Financial Corp.	Bank	31	3,552,962	100	3,552,962	0.91	0.83	31	3,552,962	3,552,962	0.91	0.83
18	18	BBCN Bancorp Inc.	Bank	26	3,200,705	100	3,200,705	0.82	0.67	26	3,200,705	3,200,705	0.82	0.67
19	19	Banc of California Inc.	Bank	36	3,013,639	100	3,013,639	0.77	0.60	36	3,013,639	3,013,639	0.77	0.60
20	20	First Republic Bank	Bank	8	2,934,134	100	2,934,134	0.75	0.56	8	2,934,134	2,934,134	0.75	0.56
21	21	Hanmi Financial Corp.	Bank	27	2,302,191	100	2,302,191	0.59	0.35	27	2,302,191	2,302,191	0.59	0.35
22	22	Wilshire Bancorp Inc.	Bank	26	2,206,094	100	2,206,094	0.57	0.32	26	2,206,094	2,206,094	0.57	0.32
23	23	Community Bank	Bank	15	1,858,101	100	1,858,101	0.48	0.23	15	1,858,101	1,858,101	0.48	0.23
24	24	Sumitomo Mitsui Financial Group Inc.	Bank	9	1,641,282	100	1,641,282	0.42	0.18	9	1,641,282	1,641,282	0.42	0.18
25	25	CU Bancorp	Bank	10	1,474,040	100	1,474,040	0.38	0.14	10	1,474,040	1,474,040	0.38	0.14
26	26	Preferred Bank	Bank	10	1,390,529	100	1,390,529	0.36	0.13	10	1,390,529	1,390,529	0.36	0.13
27	27	Carpenter Bank Partners Inc.	Bank	14	1,284,744	100	1,284,744	0.33	0.11	14	1,284,744	1,284,744	0.33	0.11
28	28	First Banks Inc.	Bank	25	1,190,515	100	1,190,515	0.30	0.09	25	1,190,515	1,190,515	0.30	0.09
29	29	American Business Bank	Bank	1	1,142,380	100	1,142,380	0.29	0.09	1	1,142,380	1,142,380	0.29	0.09
30	30	Opus Bank	Bank	25	1,070,098	100	1,070,098	0.27	0.08	25	1,070,098	1,070,098	0.27	0.08
31	31	Grandpoint Capital Inc.	Bank	12	914,211	100	914,211	0.23	0.05	12	914,211	914,211	0.23	0.05
32	32	Northern Trust Corp.	Bank	3	687,887	100	687,887	0.18	0.03	3	687,887	687,887	0.18	0.03
33	33	First American Financial Corp.	Thrift	2	1,275,674	50	637,837	0.16	0.03	2	1,275,674	637,837	0.16	0.03
34	34	Morgan Stanley	Bank	7	615,147	100	615,147	0.16	0.02	7	615,147	615,147	0.16	0.02
35	35	California Republic Bancorp	Bank	3	613,059	100	613,059	0.16	0.02	3	613,059	613,059	0.16	0.02
36	36	Pacific City Financial Corp.	Bank	9	603,264	100	603,264	0.15	0.02	9	603,264	603,264	0.15	0.02
37	37	First Foundation Inc.	Bank	4	602,998	100	602,998	0.15	0.02	4	602,998	602,998	0.15	0.02
38	38	Luther Burbank Corp.	Thrift	4	1,128,558	50	564,279	0.14	0.02	4	1,128,558	564,279	0.14	0.02

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	SinoPac Financial Holdings Co. Ltd.	Bank	6	552,217	100	552,217	0.14	0.02	6	552,217	552,217	0.14	0.02
40	40	RBB Bancorp	Bank	7	515,207	100	515,207	0.13	0.02	7	515,207	515,207	0.13	0.02
41	41	Mizrahi Tefahot Bank Ltd.	Bank	1	453,624	100	453,624	0.12	0.01	1	453,624	453,624	0.12	0.01
42	42	Commonwealth Business Bank	Bank	3	450,012	100	450,012	0.12	0.01	3	450,012	450,012	0.12	0.01
43	43	First General Bank	Bank	4	443,167	100	443,167	0.11	0.01	4	443,167	443,167	0.11	0.01
44	44	Sunwest Bank	Bank	4	420,310	100	420,310	0.11	0.01	4	420,310	420,310	0.11	0.01
45	45	1st Century Bancshares Inc.	Bank	1	407,841	100	407,841	0.10	0.01	1	407,841	407,841	0.10	0.01
46	46	Shinhan Financial Group Co. Ltd.	Bank	4	403,333	100	403,333	0.10	0.01	4	403,333	403,333	0.10	0.01
47	47	Pacific Premier Bancorp Inc.	Bank	5	401,754	100	401,754	0.10	0.01	5	401,754	401,754	0.10	0.01
48	48	First Citizens BancShares Inc.	Bank	7	386,493	100	386,493	0.10	0.01	7	386,493	386,493	0.10	0.01
49	49	Industrial Bank of Taiwan Co. Ltd.	Bank	6	361,152	100	361,152	0.09	0.01	6	361,152	361,152	0.09	0.01
50	50	Israel Discount Bank Ltd.	Bank	2	354,096	100	354,096	0.09	0.01	2	354,096	354,096	0.09	0.01
51	51	California First National Bancorp	Bank	1	348,116	100	348,116	0.09	0.01	1	348,116	348,116	0.09	0.01
52	52	Boston Private Financial Holdings Inc.	Bank	5	346,239	100	346,239	0.09	0.01	5	346,239	346,239	0.09	0.01
53	53	State Bank of India	Bank	5	346,190	100	346,190	0.09	0.01	5	346,190	346,190	0.09	0.01
54	54	TFC Holding Co.	Bank	6	328,939	100	328,939	0.08	0.01	6	328,939	328,939	0.08	0.01
55	55	First Choice Bank	Bank	4	318,877	100	318,877	0.08	0.01	4	318,877	318,877	0.08	0.01
56	56	NCAL Bancorp	Bank	4	316,008	100	316,008	0.08	0.01	4	316,008	316,008	0.08	0.01
57	57	Malaga Financial Corp.	Thrift	5	614,165	50	307,083	0.08	0.01	5	614,165	307,083	0.08	0.01
58	58	First Financial Holding Co. Ltd.	Bank	5	297,471	100	297,471	0.08	0.01	5	297,471	297,471	0.08	0.01
59	59	OneUnited Bank	Bank	5	291,005	100	291,005	0.07	0.01	5	291,005	291,005	0.07	0.01
60	60	Pacific Enterprise Bancorp	Bank	2	268,773	100	268,773	0.07	0.00	2	268,773	268,773	0.07	0.00
61	61	Simplicity Bancorp Inc.	Thrift	7	506,489	50	253,245	0.06	0.00	7	506,489	253,245	0.06	0.00
62	62	CommerceWest Bank	Bank	3	236,917	100	236,917	0.06	0.00	3	236,917	236,917	0.06	0.00
63	63	First Credit Bank	Bank	2	233,734	100	233,734	0.06	0.00	2	233,734	233,734	0.06	0.00
64	64	Mega Bank	Bank	4	232,455	100	232,455	0.06	0.00	4	232,455	232,455	0.06	0.00
65	65	American Plus Bank N.A.	Bank	2	226,475	100	226,475	0.06	0.00	2	226,475	226,475	0.06	0.00
66	66	Mission Valley Bancorp	Bank	3	216,394	100	216,394	0.06	0.00	3	216,394	216,394	0.06	0.00
67	67	Open Bank	Bank	6	214,807	100	214,807	0.06	0.00	6	214,807	214,807	0.06	0.00
68	68	Umpqua Holdings Corp.	Bank	3	204,931	100	204,931	0.05	0.00	3	204,931	204,931	0.05	0.00
69	69	GBC Holdings Inc.	Bank	4	201,975	100	201,975	0.05	0.00	4	201,975	201,975	0.05	0.00
70	70	Maham Beteiligungsgesellschaft AG	Bank	2	190,051	100	190,051	0.05	0.00	2	190,051	190,051	0.05	0.00
71	71	Western Alliance Bancorp.	Bank	2	189,597	100	189,597	0.05	0.00	2	189,597	189,597	0.05	0.00
72	72	Independence Bank	Bank	4	189,315	100	189,315	0.05	0.00	4	189,315	189,315	0.05	0.00
73	73	Industrial & Commercial Bank of China Ltd.	Bank	5	187,501	100	187,501	0.05	0.00	5	187,501	187,501	0.05	0.00
74	74	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	2	181,056	100	181,056	0.05	0.00	2	181,056	181,056	0.05	0.00
75	75	Bank of Santa Clarita	Bank	2	169,060	100	169,060	0.04	0.00	2	169,060	169,060	0.04	0.00
76	76	EH National Bank	Bank	1	165,849	100	165,849	0.04	0.00	1	165,849	165,849	0.04	0.00
77	77	CKH Capital Inc.	Bank	3	161,437	100	161,437	0.04	0.00	3	161,437	161,437	0.04	0.00
78	78	Commercial Bank of California	Bank	2	159,926	100	159,926	0.04	0.00	2	159,926	159,926	0.04	0.00
79	79	Community Commerce Bank	Bank	4	158,936	100	158,936	0.04	0.00	4	158,936	158,936	0.04	0.00
80	80	Americas United Bank	Bank	3	147,310	100	147,310	0.04	0.00	3	147,310	147,310	0.04	0.00
81	81	Universal Financial Inc.	Thrift (c.a.)	5	289,975	50	144,988	0.04	0.00	5	289,975	144,988	0.04	0.00
82	82	SKBHC Holdings LLC	Bank	5	143,104	100	143,104	0.04	0.00	5	143,104	143,104	0.04	0.00
83	83	Pacific Commerce Bank	Bank	2	139,850	100	139,850	0.04	0.00	2	139,850	139,850	0.04	0.00
84	84	Uniti Financial Corp.	Bank	3	137,271	100	137,271	0.04	0.00	3	137,271	137,271	0.04	0.00
85	85	Capital Bank	Bank	1	136,914	100	136,914	0.04	0.00	1	136,914	136,914	0.04	0.00

001

Los Angeles, CA - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
86	86	ProAmrica Bank	Bank	1	133,433	100	133,433	0.03	0.00	1	133,433	133,433	0.03	0.00
87	87	American Continental Bank	Bank	4	132,750	100	132,750	0.03	0.00	4	132,750	132,750	0.03	0.00
88	88	Orange County Business Bank	Bank	1	126,914	100	126,914	0.03	0.00	1	126,914	126,914	0.03	0.00
89	89	CalWest Bancorp	Bank	3	126,324	100	126,324	0.03	0.00	3	126,324	126,324	0.03	0.00
90	90	Broadway Financial Corp.	Thrift	4	230,818	50	115,409	0.03	0.00	4	230,818	115,409	0.03	0.00
91	91	Eastern International Bank	Bank	2	108,258	100	108,258	0.03	0.00	2	108,258	108,258	0.03	0.00
92	92	Pacific Alliance Bank	Bank	2	106,990	100	106,990	0.03	0.00	2	106,990	106,990	0.03	0.00
93	93	Partners Bank of California	Bank	1	106,600	100	106,600	0.03	0.00	1	106,600	106,600	0.03	0.00
94	94	AltaPacific Bancorp	Bank	2	105,326	100	105,326	0.03	0.00	2	105,326	105,326	0.03	0.00
95	95	Chino Commercial Bancorp	Bank	3	104,461	100	104,461	0.03	0.00	3	104,461	104,461	0.03	0.00
96	96	Premier Business Bank	Bank	2	102,223	100	102,223	0.03	0.00	2	102,223	102,223	0.03	0.00
97	97	International City Bank NA	Bank	2	96,619	100	96,619	0.02	0.00	2	96,619	96,619	0.02	0.00
98	98	Woori Finance Holdings Co. Ltd.	Bank	4	94,650	100	94,650	0.02	0.00	4	94,650	94,650	0.02	0.00
99	99	United Pacific Bank	Bank	2	88,344	100	88,344	0.02	0.00	2	88,344	88,344	0.02	0.00
100	100	Independent Bankers Financial Corp.	Bank	1	87,429	100	87,429	0.02	0.00	1	87,429	87,429	0.02	0.00
101	101	Workers United	Bank	1	81,296	100	81,296	0.02	0.00	1	81,296	81,296	0.02	0.00
102	102	Friendly Hills Bank	Bank	2	77,989	100	77,989	0.02	0.00	2	77,989	77,989	0.02	0.00
103	103	Golden State Bank	Bank	2	76,461	100	76,461	0.02	0.00	2	76,461	76,461	0.02	0.00
104	104	US Metro Bk	Bank	1	72,671	100	72,671	0.02	0.00	1	72,671	72,671	0.02	0.00
105	105	Merchants Bank of California NA	Bank	1	71,241	100	71,241	0.02	0.00	1	71,241	71,241	0.02	0.00
106	106	Bank Leumi le-Israel B.M.	Bank	1	66,538	100	66,538	0.02	0.00	1	66,538	66,538	0.02	0.00
107	107	Saddleback Bancorp	Bank	1	49,400	100	49,400	0.01	0.00	1	49,400	49,400	0.01	0.00
108	108	Asian Pacific National Bank	Bank	2	45,021	100	45,021	0.01	0.00	2	45,021	45,021	0.01	0.00
109	109	California Business Bank	Bank	1	44,752	100	44,752	0.01	0.00	1	44,752	44,752	0.01	0.00
110	110	Greater Pacific Bancshares	Bank	1	41,530	100	41,530	0.01	0.00	1	41,530	41,530	0.01	0.00
111	111	Saigon National Bank	Bank	1	40,116	100	40,116	0.01	0.00	1	40,116	40,116	0.01	0.00
112	112	Mission Bancorp	Bank	1	38,699	100	38,699	0.01	0.00	1	38,699	38,699	0.01	0.00
113	113	Pan American Bank	Bank	1	35,339	100	35,339	0.01	0.00	1	35,339	35,339	0.01	0.00
114	114	Banco Bilbao Vizcaya Argentaria SA	Bank	2	32,126	100	32,126	0.01	0.00	2	32,126	32,126	0.01	0.00
115	115	Security California Bancorp	Bank	1	29,777	100	29,777	0.01	0.00	1	29,777	29,777	0.01	0.00
116	116	Beal Financial Corp.	Thrift	2	45,743	50	22,872	0.01	0.00	2	45,743	22,872	0.01	0.00
117	117	First ULB Corp.	Thrift (c.a.)	2	43,505	50	21,753	0.01	0.00	2	43,505	21,753	0.01	0.00
118	118	Sierra Bancorp	Bank	1	21,322	100	21,322	0.01	0.00	1	21,322	21,322	0.01	0.00
119	119	Balboa Thrift and Loan Association	Bank	1	14,598	100	14,598	0.00	0.00	1	14,598	14,598	0.00	0.00
120	120	San Diego Private Bank	Bank	1	12,518	100	12,518	0.00	0.00	1	12,518	12,518	0.00	0.00
121	121	First Western Financial Inc.	Bank	1	9,498	100	9,498	0.00	0.00	1	9,498	9,498	0.00	0.00
122	122	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	11,962	50	5,981	0.00	0.00	1	11,962	5,981	0.00	0.00
123	123	Bank of New York Mellon Corp.	Bank	3	541	100	541	0.00	0.00	3	541	541	0.00	0.00
124	124	Capital Bank and Trust Co. FSB	Thrift	1	500	50	250	0.00	0.00	1	500	250	0.00	0.00
125	125	Canadian Imperial Bank of Commerce	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
127	126	Farmers & Merchants Bancorp	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
128	127	M&T Bank Corp.	Bank	2	0	100	0	0.00	0.00	2	0	0	0.00	0.00
129	128	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
130	129	Seacoast Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
131	130	20th Century Fox Federal Credit Union	CU (comp.)	2	40,553	0	0	0.00	0.00	2	40,553	0	0.00	0.00
132	131	Actors Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
133	132	Allied Healthcare Federal Credit Union	CU (comp.)	5	61,738	0	0	0.00	0.00	5	61,738	0	0.00	0.00

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
134	133	American Federal Credit Union	CU (comp.)	1	13,198	0	0	0.00	0.00	1	13,198	0	0.00	0.00
135	134	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
136	135	Arrowhead Central Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
137	136	Baxter Credit Union	CU (comp.)	4	0	0	0	0.00	0.00	4	0	0	0.00	0.00
138	137	California Adventist Federal Credit Union	CU (comp.)	1	37,616	0	0	0.00	0.00	1	37,616	0	0.00	0.00
139	138	California Credit Union	CU (comp.)	13	980,554	0	0	0.00	0.00	13	980,554	0	0.00	0.00
140	139	California Lithuanian Credit Union	CU (comp.)	1	85,170	0	0	0.00	0.00	1	85,170	0	0.00	0.00
141	140	Chevron Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
142	141	Christian Community Credit Union	CU (comp.)	2	506,516	0	0	0.00	0.00	2	506,516	0	0.00	0.00
143	142	E-Central Credit Union	CU (comp.)	2	140,798	0	0	0.00	0.00	2	140,798	0	0.00	0.00
144	143	Evangelical Christian Credit Union	CU (comp.)	1	827,319	0	0	0.00	0.00	1	827,319	0	0.00	0.00
145	144	Farmers Insurance Group Federal Credit Union	CU (comp.)	3	547,680	0	0	0.00	0.00	3	547,680	0	0.00	0.00
146	145	Financial Partners Credit Union	CU (comp.)	12	681,452	0	0	0.00	0.00	12	681,452	0	0.00	0.00
147	146	Kinecta Federal Credit Union	CU (comp.)	22	2,607,841	0	0	0.00	0.00	22	2,607,841	0	0.00	0.00
148	147	Logix Federal Credit Union	CU (comp.)	10	2,986,747	0	0	0.00	0.00	10	2,986,747	0	0.00	0.00
149	148	NuVision Federal Credit Union	CU (comp.)	13	1,039,836	0	0	0.00	0.00	13	1,039,836	0	0.00	0.00
150	149	Polam Federal Credit Union	CU (comp.)	2	43,313	0	0	0.00	0.00	2	43,313	0	0.00	0.00
151	150	Premier America Credit Union	CU (comp.)	10	1,390,840	0	0	0.00	0.00	10	1,390,840	0	0.00	0.00
152	151	Prospectors Federal Credit Union	CU (comp.)	2	52,232	0	0	0.00	0.00	2	52,232	0	0.00	0.00
153	152	San Diego County Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
154	153	SCE Federal Credit Union	CU (comp.)	6	522,018	0	0	0.00	0.00	6	522,018	0	0.00	0.00
155	154	Self-Help Federal Credit Union	CU (comp.)	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
156	155	South Bay Credit Union	CU (comp.)	2	75,377	0	0	0.00	0.00	2	75,377	0	0.00	0.00
157	156	Southland Credit Union	CU (comp.)	6	426,049	0	0	0.00	0.00	6	426,049	0	0.00	0.00
158	157	Star Harbor Federal Credit Union	CU (comp.)	1	11,539	0	0	0.00	0.00	1	11,539	0	0.00	0.00
159	158	Union Yes Federal Credit Union	CU (comp.)	2	47,290	0	0	0.00	0.00	2	47,290	0	0.00	0.00
160	159	United Methodist Federal Credit Union	CU (comp.)	1	79,754	0	0	0.00	0.00	1	79,754	0	0.00	0.00
161	160	University & State Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
162	161	University Credit Union	CU (comp.)	2	437,244	0	0	0.00	0.00	2	437,244	0	0.00	0.00
163	162	VA Desert Pacific Federal Credit Union	CU (comp.)	2	48,217	0	0	0.00	0.00	2	48,217	0	0.00	0.00
164	163	Westside Employees Federal Credit Union	CU (comp.)	1	10,714	0	0	0.00	0.00	1	10,714	0	0.00	0.00
165	164	Xceed Financial Federal Credit Union	CU (comp.)	2	666,949	0	0	0.00	0.00	2	666,949	0	0.00	0.00
166	165	Aerospace Federal Credit Union	CU	1	331,076	0	0	0.00	0.00	1	331,076	0	0.00	0.00
167	166	AFTRA-SAG Federal Credit Union	CU	4	194,821	0	0	0.00	0.00	4	194,821	0	0.00	0.00
168	167	Airco Federal Credit Union	CU	1	9,821	0	0	0.00	0.00	1	9,821	0	0.00	0.00
169	168	Alliant Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
170	169	America"s Christian Credit Union	CU	3	239,931	0	0	0.00	0.00	3	239,931	0	0.00	0.00
171	170	American Airlines Federal Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
172	171	American Broadcast Employees FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
173	172	American First Credit Union	CU	3	458,414	0	0	0.00	0.00	3	458,414	0	0.00	0.00
174	173	Auto Club Federal Credit Union	CU	2	26,427	0	0	0.00	0.00	2	26,427	0	0.00	0.00
175	174	Bakery Employees Credit Union	CU	1	7,050	0	0	0.00	0.00	1	7,050	0	0.00	0.00
176	175	Beverly Hills City Employees FCU	CU	1	17,533	0	0	0.00	0.00	1	17,533	0	0.00	0.00
177	176	Bopti Federal Credit Union	CU	1	50,095	0	0	0.00	0.00	1	50,095	0	0.00	0.00
178	177	Burbank City Federal Credit Union	CU	1	229,816	0	0	0.00	0.00	1	229,816	0	0.00	0.00
179	178	C B S Employees Federal Credit Union	CU	2	16,648	0	0	0.00	0.00	2	16,648	0	0.00	0.00
180	179	CAHP Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
181	180	Cal Poly Federal Credit Union	CU	1	11,317	0	0	0.00	0.00	1	11,317	0	0.00	0.00
182	181	Cal State L.A. FCU	CU	1	38,195	0	0	0.00	0.00	1	38,195	0	0.00	0.00
183	182	CalCom Federal Credit Union	CU	5	56,672	0	0	0.00	0.00	5	56,672	0	0.00	0.00
184	183	California Agribusiness Credit Union	CU	3	25,712	0	0	0.00	0.00	3	25,712	0	0.00	0.00
185	184	California Bear Credit Union	CU	3	95,979	0	0	0.00	0.00	3	95,979	0	0.00	0.00
186	185	California Center Credit Union	CU	1	7,627	0	0	0.00	0.00	1	7,627	0	0.00	0.00
187	186	Caltech Employees Federal Credit Union	CU	3	1,106,402	0	0	0.00	0.00	3	1,106,402	0	0.00	0.00
188	187	Calvary Baptist of Pacoima FCU	CU	1	127	0	0	0.00	0.00	1	127	0	0.00	0.00
189	188	Camino Federal Credit Union	CU	2	113,164	0	0	0.00	0.00	2	113,164	0	0.00	0.00
190	189	Canoga Postal Federal Credit Union	CU	1	731	0	0	0.00	0.00	1	731	0	0.00	0.00
191	190	Capstone Federal Credit Union	CU	3	33,331	0	0	0.00	0.00	3	33,331	0	0.00	0.00
192	191	Catalyst Corporate Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
193	192	Cedars-Sinai Federal Credit Union	CU	1	18,004	0	0	0.00	0.00	1	18,004	0	0.00	0.00
194	193	Chaffey Federal Credit Union	CU	4	95,459	0	0	0.00	0.00	4	95,459	0	0.00	0.00
195	194	Cherry Employees Federal Credit Union	CU	1	3,155	0	0	0.00	0.00	1	3,155	0	0.00	0.00
196	195	Clearpath Federal Credit Union	CU	1	74,760	0	0	0.00	0.00	1	74,760	0	0.00	0.00
197	196	Columbus Club Federal Credit Union	CU	1	6,472	0	0	0.00	0.00	1	6,472	0	0.00	0.00
198	197	Compton Municipal Employees Federal Credit Uni	CU	1	792	0	0	0.00	0.00	1	792	0	0.00	0.00
199	198	Comunidad Latina Federal Credit Union	CU	1	3,087	0	0	0.00	0.00	1	3,087	0	0.00	0.00
200	199	Credit Union of Southern California	CU	12	660,966	0	0	0.00	0.00	12	660,966	0	0.00	0.00
201	200	CSC Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
202	201	Culver City Employees FCU	CU	1	20,890	0	0	0.00	0.00	1	20,890	0	0.00	0.00
203	202	Daijo Federal Credit Union	CU	1	2,229	0	0	0.00	0.00	1	2,229	0	0.00	0.00
204	203	Deluxe Federal Credit Union	CU	1	8,178	0	0	0.00	0.00	1	8,178	0	0.00	0.00
205	204	Downey Federal Credit Union	CU	1	155,998	0	0	0.00	0.00	1	155,998	0	0.00	0.00
206	205	Eagle Community Credit Union	CU	6	190,969	0	0	0.00	0.00	6	190,969	0	0.00	0.00
207	206	Edwards Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
208	207	El Monte Community Credit Union	CU	2	19,337	0	0	0.00	0.00	2	19,337	0	0.00	0.00
209	208	Episcopal Community FCU	CU	1	4,562	0	0	0.00	0.00	1	4,562	0	0.00	0.00
210	209	F&A Federal Credit Union	CU	2	1,087,082	0	0	0.00	0.00	2	1,087,082	0	0.00	0.00
211	210	Fairview Employees Federal Credit Union	CU	1	11,586	0	0	0.00	0.00	1	11,586	0	0.00	0.00
212	211	Family Federal Credit Union	CU	1	7,224	0	0	0.00	0.00	1	7,224	0	0.00	0.00
213	212	Federal Employees West FCU	CU	1	10,753	0	0	0.00	0.00	1	10,753	0	0.00	0.00
214	213	FEDEX Employees Credit Association FCU	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
215	214	FedONE Federal Credit Union	CU	2	17,681	0	0	0.00	0.00	2	17,681	0	0.00	0.00
216	215	Firefighters First Credit Union	CU	1	747,483	0	0	0.00	0.00	1	747,483	0	0.00	0.00
217	216	First City Credit Union	CU	8	445,685	0	0	0.00	0.00	8	445,685	0	0.00	0.00
218	217	First Entertainment Credit Union	CU	10	938,949	0	0	0.00	0.00	10	938,949	0	0.00	0.00
219	218	First Financial Credit Union	CU	9	397,025	0	0	0.00	0.00	9	397,025	0	0.00	0.00
220	219	Fiscal Credit Union	CU	2	126,222	0	0	0.00	0.00	2	126,222	0	0.00	0.00
221	220	FME Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
222	221	Foothill Federal Credit Union	CU	5	261,345	0	0	0.00	0.00	5	261,345	0	0.00	0.00
223	222	Fountain Valley Credit Union	CU	1	2,047	0	0	0.00	0.00	1	2,047	0	0.00	0.00
224	223	Glendale Area Schools FCU	CU	2	293,229	0	0	0.00	0.00	2	293,229	0	0.00	0.00
225	224	Glendale Federal Credit Union	CU	1	55,615	0	0	0.00	0.00	1	55,615	0	0.00	0.00
226	225	Golden 1 Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
227	226	Guidance Church of Religious Science FCU	CU	1	124	0	0	0.00	0.00	1	124	0	0.00	0.00

001

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Ownership info as of 8/20/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
228	227	Hanin Federal Credit Union	CU	2	19,124	0	0	0.00	0.00	2	19,124	0	0.00	0.00
229	228	Harbor Area Postal Employees Federal Credit Uni	CU	1	16,135	0	0	0.00	0.00	1	16,135	0	0.00	0.00
230	229	Harbor Federal Credit Union	CU	1	87,087	0	0	0.00	0.00	1	87,087	0	0.00	0.00
231	230	Health Associates Federal Credit Union	CU	2	44,283	0	0	0.00	0.00	2	44,283	0	0.00	0.00
232	231	Honda Federal Credit Union	CU	2	547,027	0	0	0.00	0.00	2	547,027	0	0.00	0.00
233	232	Huntington Beach Cty Emps CU	CU	1	42,655	0	0	0.00	0.00	1	42,655	0	0.00	0.00
234	233	I.L.W.U. Credit Union	CU	2	117,356	0	0	0.00	0.00	2	117,356	0	0.00	0.00
235	234	Interstate Federal Credit Union	CU	1	15,613	0	0	0.00	0.00	1	15,613	0	0.00	0.00
236	235	JACOM Credit Union	CU	2	71,580	0	0	0.00	0.00	2	71,580	0	0.00	0.00
237	236	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
238	237	L. A. Electrical Workers Credit Union	CU	1	36,692	0	0	0.00	0.00	1	36,692	0	0.00	0.00
239	238	L.A. Healthcare Federal Credit Union	CU	3	13,064	0	0	0.00	0.00	3	13,064	0	0.00	0.00
240	239	LA Financial Federal Credit Union	CU	4	319,859	0	0	0.00	0.00	4	319,859	0	0.00	0.00
241	240	LA Mission Federal Credit Union	CU	1	5,728	0	0	0.00	0.00	1	5,728	0	0.00	0.00
242	241	LBS Financial Credit Union	CU	7	964,134	0	0	0.00	0.00	7	964,134	0	0.00	0.00
243	242	Long Beach City Employees Federal Credit Union	CU	1	288,107	0	0	0.00	0.00	1	288,107	0	0.00	0.00
244	243	Long Beach Firemen"s Credit Union	CU	1	136,810	0	0	0.00	0.00	1	136,810	0	0.00	0.00
245	244	Los Angeles Federal Credit Union	CU	7	687,105	0	0	0.00	0.00	7	687,105	0	0.00	0.00
246	245	Los Angeles Lee Federal Credit Union	CU	1	482	0	0	0.00	0.00	1	482	0	0.00	0.00
247	246	Los Angeles Police Federal Credit Union	CU	4	676,921	0	0	0.00	0.00	4	676,921	0	0.00	0.00
248	247	Maryknoll of Los Angeles FCU	CU	1	856	0	0	0.00	0.00	1	856	0	0.00	0.00
249	248	Matadors Community Credit Union	CU	2	127,465	0	0	0.00	0.00	2	127,465	0	0.00	0.00
250	249	Mattel Federal Credit Union	CU	1	28,422	0	0	0.00	0.00	1	28,422	0	0.00	0.00
251	250	Media City Community Credit Union	CU	1	29,809	0	0	0.00	0.00	1	29,809	0	0.00	0.00
252	251	Mid-Cities Credit Union	CU	1	18,376	0	0	0.00	0.00	1	18,376	0	0.00	0.00
253	252	Monrovia City Employees FCU	CU	1	2,848	0	0	0.00	0.00	1	2,848	0	0.00	0.00
254	253	Musicians" Interguild Credit Union	CU	1	70,501	0	0	0.00	0.00	1	70,501	0	0.00	0.00
255	254	MWD Federal Credit Union	CU	1	37,339	0	0	0.00	0.00	1	37,339	0	0.00	0.00
256	255	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
257	256	Newport Beach City Employees FCU	CU	1	11,547	0	0	0.00	0.00	1	11,547	0	0.00	0.00
258	257	Nikkei Credit Union	CU	1	63,285	0	0	0.00	0.00	1	63,285	0	0.00	0.00
259	258	Northrop Grumman FCU	CU	10	820,665	0	0	0.00	0.00	10	820,665	0	0.00	0.00
260	259	Ocean Crest Federal Credit Union	CU	1	31,370	0	0	0.00	0.00	1	31,370	0	0.00	0.00
261	260	Olive View Employees Federal Credit Union	CU	1	27,925	0	0	0.00	0.00	1	27,925	0	0.00	0.00
262	261	Ontario Montclair School Employees FCU	CU	1	76,439	0	0	0.00	0.00	1	76,439	0	0.00	0.00
263	262	Ontario Public Employees FCU	CU	1	15,911	0	0	0.00	0.00	1	15,911	0	0.00	0.00
264	263	Orange County"s Credit Union	CU	11	967,517	0	0	0.00	0.00	11	967,517	0	0.00	0.00
265	264	P.V.H.M.C. Federal Credit Union	CU	1	8,503	0	0	0.00	0.00	1	8,503	0	0.00	0.00
266	265	Pacific Community Credit Union	CU	5	159,145	0	0	0.00	0.00	5	159,145	0	0.00	0.00
267	266	Pacific Federal Credit Union	CU	1	15,916	0	0	0.00	0.00	1	15,916	0	0.00	0.00
268	267	Pacific Transportation FCU	CU	3	61,657	0	0	0.00	0.00	3	61,657	0	0.00	0.00
269	268	Pacoima Development Federal Credit Union	CU	1	3,804	0	0	0.00	0.00	1	3,804	0	0.00	0.00
270	269	Parishioners Federal Credit Union	CU	1	32,798	0	0	0.00	0.00	1	32,798	0	0.00	0.00
271	270	Parsons Federal Credit Union	CU	1	213,095	0	0	0.00	0.00	1	213,095	0	0.00	0.00
272	271	Partners Federal Credit Union	CU	8	1,028,398	0	0	0.00	0.00	8	1,028,398	0	0.00	0.00
273	272	Pasadena Federal Credit Union	CU	1	125,606	0	0	0.00	0.00	1	125,606	0	0.00	0.00
274	273	Pasadena Service Federal Credit Union	CU	3	97,683	0	0	0.00	0.00	3	97,683	0	0.00	0.00

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
275	274	Patriots Federal Credit Union	CU	1	77,970	0	0	0.00	0.00	1	77,970	0	0.00	0.00
276	275	Peoples Independent Church FCU	CU	1	78	0	0	0.00	0.00	1	78	0	0.00	0.00
277	276	Pomona Postal Federal Credit Union	CU	1	3,848	0	0	0.00	0.00	1	3,848	0	0.00	0.00
278	277	POPA Federal Credit Union	CU	4	153,436	0	0	0.00	0.00	4	153,436	0	0.00	0.00
279	278	PostCity Financial Credit Union	CU	2	65,989	0	0	0.00	0.00	2	65,989	0	0.00	0.00
280	279	Printing Industries Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
281	280	Printing Office Employees Credit Union	CU	1	3,830	0	0	0.00	0.00	1	3,830	0	0.00	0.00
282	281	Priority One Credit Union	CU	3	137,660	0	0	0.00	0.00	3	137,660	0	0.00	0.00
283	282	Rancho Federal Credit Union	CU	5	76,427	0	0	0.00	0.00	5	76,427	0	0.00	0.00
284	283	San Fernando Valley Japanese Credit Union	CU	1	801	0	0	0.00	0.00	1	801	0	0.00	0.00
285	284	San Gabriel Valley Postal Credit Union	CU	1	15,971	0	0	0.00	0.00	1	15,971	0	0.00	0.00
286	285	Santa Ana Federal Credit Union	CU	1	55,861	0	0	0.00	0.00	1	55,861	0	0.00	0.00
287	286	Schools Federal Credit Union	CU	2	100,475	0	0	0.00	0.00	2	100,475	0	0.00	0.00
288	287	SchoolsFirst Federal Credit Union	CU	33	8,168,222	0	0	0.00	0.00	33	8,168,222	0	0.00	0.00
289	288	Sea Air Federal Credit Union	CU	2	110,392	0	0	0.00	0.00	2	110,392	0	0.00	0.00
290	289	SkyOne Federal Credit Union	CU	2	327,306	0	0	0.00	0.00	2	327,306	0	0.00	0.00
291	290	Socal Federal Credit Union	CU	1	570	0	0	0.00	0.00	1	570	0	0.00	0.00
292	291	South Western Federal Credit Union	CU	2	112,189	0	0	0.00	0.00	2	112,189	0	0.00	0.00
293	292	Southland Savings Federal Credit Union	CU	1	7,390	0	0	0.00	0.00	1	7,390	0	0.00	0.00
294	293	Sunkist Employees Federal Credit Union	CU	1	5,032	0	0	0.00	0.00	1	5,032	0	0.00	0.00
295	294	Technicolor Federal Credit Union	CU	2	35,830	0	0	0.00	0.00	2	35,830	0	0.00	0.00
296	295	Torrance Community FCU	CU	1	101,301	0	0	0.00	0.00	1	101,301	0	0.00	0.00
297	296	Treasury Department Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
298	297	TruGrocer Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
299	298	U.P.S. Employees Federal Credit Union	CU	1	27,836	0	0	0.00	0.00	1	27,836	0	0.00	0.00
300	299	U.S. Postal Service Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
301	300	U.S.B. Employees Federal Credit Union	CU	1	1,843	0	0	0.00	0.00	1	1,843	0	0.00	0.00
302	301	UMe Federal Credit Union	CU	1	134,815	0	0	0.00	0.00	1	134,815	0	0.00	0.00
303	302	Union Oil Santa Fe Springs Employees FCU	CU	1	4,606	0	0	0.00	0.00	1	4,606	0	0.00	0.00
304	303	Union Pacific California Employees FCU	CU	1	8,505	0	0	0.00	0.00	1	8,505	0	0.00	0.00
305	304	United America West Federal Credit Union	CU	1	3,877	0	0	0.00	0.00	1	3,877	0	0.00	0.00
306	305	United Catholics Federal Credit Union	CU	1	27,423	0	0	0.00	0.00	1	27,423	0	0.00	0.00
307	306	United Financial Credit Union	CU	1	31,636	0	0	0.00	0.00	1	31,636	0	0.00	0.00
308	307	Universal City Studios Credit Union	CU	2	55,079	0	0	0.00	0.00	2	55,079	0	0.00	0.00
309	308	USC Credit Union	CU	3	336,818	0	0	0.00	0.00	3	336,818	0	0.00	0.00
310	309	Ventura County Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
311	310	Vons Employees Federal Credit Union	CU	5	317,191	0	0	0.00	0.00	5	317,191	0	0.00	0.00
312	311	Water and Power Community Credit Union	CU	5	454,653	0	0	0.00	0.00	5	454,653	0	0.00	0.00
313	312	Wescom Central Credit Union	CU	17	2,161,084	0	0	0.00	0.00	17	2,161,084	0	0.00	0.00
314	313	Western Federal Credit Union	CU	11	1,690,736	0	0	0.00	0.00	11	1,690,736	0	0.00	0.00
315	314	Western States Regional FCU	CU	1	465	0	0	0.00	0.00	1	465	0	0.00	0.00
316	315	Zion Hill Baptist Church FCU	CU	1	145	0	0	0.00	0.00	1	145	0	0.00	0.00
317	316	E*TRADE Financial Corp.	Thrift	3	0	50	0	0.00	0.00	3	0	0	0.00	0.00
318	317	Fidelity Personal Trust Co. FSB	Thrift	1	0	50	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**3,181**	**438,587,831**		**390,423,854**	**100.00**	**1,030.89**	**3,181**	**438,587,831**	**390,423,854**	**100.00**	**1,030.89**

001

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

PRE-MERGER HHI: 1,031
POST-MERGER HHI: 1,031
HHI CHANGE: 0

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

002

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
116		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
7		IMB HoldCo LLC	Bank	62	13,221,962	100	13,221,962	3.40	11.59					
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							62	13,221,962	13,221,962	3.40	11.59
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Bank of America Corp.	Bank	351	83,606,675	100	83,606,675	21.53	463.48	351	83,606,675	83,606,675	21.53	463.48
2	2	Wells Fargo & Co.	Bank	369	63,999,711	100	63,999,711	16.48	271.59	369	63,999,711	63,999,711	16.48	271.59
3	3	Mitsubishi UFJ Financial Group Inc.	Bank	124	41,617,982	100	41,617,982	10.72	114.85	124	41,617,982	41,617,982	10.72	114.85
4	4	JPMorgan Chase & Co.	Bank	433	37,438,923	100	37,438,923	9.64	92.94	433	37,438,923	37,438,923	9.64	92.94
5	5	City National Corp.	Bank	42	18,375,916	100	18,375,916	4.73	22.39	42	18,375,916	18,375,916	4.73	22.39
6	6	Citigroup Inc.	Bank	155	17,734,035	100	17,734,035	4.57	20.85	155	17,734,035	17,734,035	4.57	20.85
8	8	U.S. Bancorp	Bank	243	13,120,321	100	13,120,321	3.38	11.41	243	13,120,321	13,120,321	3.38	11.41
9	9	East West Bancorp Inc.	Bank	58	12,532,939	100	12,532,939	3.23	10.41	58	12,532,939	12,532,939	3.23	10.41
10	10	BNP Paribas SA	Bank	73	10,800,410	100	10,800,410	2.78	7.73	73	10,800,410	10,800,410	2.78	7.73
11	11	PacWest Bancorp	Bank	49	6,913,467	100	6,913,467	1.78	3.17	49	6,913,467	6,913,467	1.78	3.17
12	12	Comerica Inc.	Bank	44	5,287,184	100	5,287,184	1.36	1.85	44	5,287,184	5,287,184	1.36	1.85
13	13	Cathay General Bancorp	Bank	20	4,860,586	100	4,860,586	1.25	1.57	20	4,860,586	4,860,586	1.25	1.57
14	14	HSBC Holdings Plc	Bank	21	4,196,121	100	4,196,121	1.08	1.17	21	4,196,121	4,196,121	1.08	1.17
15	15	Zions Bancorp.	Bank	41	3,956,431	100	3,956,431	1.02	1.04	41	3,956,431	3,956,431	1.02	1.04
16	16	Farmers & Merchants Bank of Long Beach	Bank	23	3,772,073	100	3,772,073	0.97	0.94	23	3,772,073	3,772,073	0.97	0.94
17	17	CVB Financial Corp.	Bank	31	3,552,962	100	3,552,962	0.91	0.84	31	3,552,962	3,552,962	0.91	0.84
18	18	BBCN Bancorp Inc.	Bank	26	3,200,705	100	3,200,705	0.82	0.68	26	3,200,705	3,200,705	0.82	0.68
19	19	Banc of California Inc.	Bank	36	3,013,639	100	3,013,639	0.78	0.60	36	3,013,639	3,013,639	0.78	0.60
20	20	First Republic Bank	Bank	8	2,934,134	100	2,934,134	0.76	0.57	8	2,934,134	2,934,134	0.76	0.57
21	21	Hanmi Financial Corp.	Bank	27	2,302,191	100	2,302,191	0.59	0.35	27	2,302,191	2,302,191	0.59	0.35
22	22	Wilshire Bancorp Inc.	Bank	26	2,206,094	100	2,206,094	0.57	0.32	26	2,206,094	2,206,094	0.57	0.32
23	23	Community Bank	Bank	15	1,858,101	100	1,858,101	0.48	0.23	15	1,858,101	1,858,101	0.48	0.23
24	24	Sumitomo Mitsui Financial Group Inc.	Bank	9	1,641,282	100	1,641,282	0.42	0.18	9	1,641,282	1,641,282	0.42	0.18
25	25	CU Bancorp	Bank	10	1,474,040	100	1,474,040	0.38	0.14	10	1,474,040	1,474,040	0.38	0.14
26	26	Preferred Bank	Bank	10	1,390,529	100	1,390,529	0.36	0.13	10	1,390,529	1,390,529	0.36	0.13
27	27	Carpenter Bank Partners Inc.	Bank	14	1,284,744	100	1,284,744	0.33	0.11	14	1,284,744	1,284,744	0.33	0.11
28	28	First Banks Inc.	Bank	25	1,190,515	100	1,190,515	0.31	0.09	25	1,190,515	1,190,515	0.31	0.09
29	29	American Business Bank	Bank	1	1,142,380	100	1,142,380	0.29	0.09	1	1,142,380	1,142,380	0.29	0.09
30	30	Opus Bank	Bank	25	1,070,098	100	1,070,098	0.28	0.08	25	1,070,098	1,070,098	0.28	0.08
31	31	Grandpoint Capital Inc.	Bank	12	914,211	100	914,211	0.24	0.06	12	914,211	914,211	0.24	0.06
32	32	Northern Trust Corp.	Bank	3	687,887	100	687,887	0.18	0.03	3	687,887	687,887	0.18	0.03
33	33	Morgan Stanley	Bank	7	615,147	100	615,147	0.16	0.03	7	615,147	615,147	0.16	0.03
34	34	California Republic Bancorp	Bank	3	613,059	100	613,059	0.16	0.02	3	613,059	613,059	0.16	0.02
35	35	Pacific City Financial Corp.	Bank	9	603,264	100	603,264	0.16	0.02	9	603,264	603,264	0.16	0.02
36	36	First Foundation Inc.	Bank	4	602,998	100	602,998	0.16	0.02	4	602,998	602,998	0.16	0.02
37	37	SinoPac Financial Holdings Co. Ltd.	Bank	6	552,217	100	552,217	0.14	0.02	6	552,217	552,217	0.14	0.02
38	38	RBB Bancorp	Bank	7	515,207	100	515,207	0.13	0.02	7	515,207	515,207	0.13	0.02

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	Mizrahi Tefahot Bank Ltd.	Bank	1	453,624	100	453,624	0.12	0.01	1	453,624	453,624	0.12	0.01
40	40	Commonwealth Business Bank	Bank	3	450,012	100	450,012	0.12	0.01	3	450,012	450,012	0.12	0.01
41	41	First General Bank	Bank	4	443,167	100	443,167	0.11	0.01	4	443,167	443,167	0.11	0.01
42	42	Sunwest Bank	Bank	4	420,310	100	420,310	0.11	0.01	4	420,310	420,310	0.11	0.01
43	43	1st Century Bancshares Inc.	Bank	1	407,841	100	407,841	0.11	0.01	1	407,841	407,841	0.11	0.01
44	44	Shinhan Financial Group Co. Ltd.	Bank	4	403,333	100	403,333	0.10	0.01	4	403,333	403,333	0.10	0.01
45	45	Pacific Premier Bancorp Inc.	Bank	5	401,754	100	401,754	0.10	0.01	5	401,754	401,754	0.10	0.01
46	46	First Citizens BancShares Inc.	Bank	7	386,493	100	386,493	0.10	0.01	7	386,493	386,493	0.10	0.01
47	47	Industrial Bank of Taiwan Co. Ltd.	Bank	6	361,152	100	361,152	0.09	0.01	6	361,152	361,152	0.09	0.01
48	48	Israel Discount Bank Ltd.	Bank	2	354,096	100	354,096	0.09	0.01	2	354,096	354,096	0.09	0.01
49	49	California First National Bancorp	Bank	1	348,116	100	348,116	0.09	0.01	1	348,116	348,116	0.09	0.01
50	50	Boston Private Financial Holdings Inc.	Bank	5	346,239	100	346,239	0.09	0.01	5	346,239	346,239	0.09	0.01
51	51	State Bank of India	Bank	5	346,190	100	346,190	0.09	0.01	5	346,190	346,190	0.09	0.01
52	52	TFC Holding Co.	Bank	6	328,939	100	328,939	0.08	0.01	6	328,939	328,939	0.08	0.01
53	53	First Choice Bank	Bank	4	318,877	100	318,877	0.08	0.01	4	318,877	318,877	0.08	0.01
54	54	NCAL Bancorp	Bank	4	316,008	100	316,008	0.08	0.01	4	316,008	316,008	0.08	0.01
55	55	First Financial Holding Co. Ltd.	Bank	5	297,471	100	297,471	0.08	0.01	5	297,471	297,471	0.08	0.01
56	56	OneUnited Bank	Bank	5	291,005	100	291,005	0.07	0.01	5	291,005	291,005	0.07	0.01
57	57	Pacific Enterprise Bancorp	Bank	2	268,773	100	268,773	0.07	0.00	2	268,773	268,773	0.07	0.00
58	58	CommerceWest Bank	Bank	3	236,917	100	236,917	0.06	0.00	3	236,917	236,917	0.06	0.00
59	59	First Credit Bank	Bank	2	233,734	100	233,734	0.06	0.00	2	233,734	233,734	0.06	0.00
60	60	Mega Bank	Bank	4	232,455	100	232,455	0.06	0.00	4	232,455	232,455	0.06	0.00
61	61	American Plus Bank N.A.	Bank	2	226,475	100	226,475	0.06	0.00	2	226,475	226,475	0.06	0.00
62	62	Mission Valley Bancorp	Bank	3	216,394	100	216,394	0.06	0.00	3	216,394	216,394	0.06	0.00
63	63	Open Bank	Bank	6	214,807	100	214,807	0.06	0.00	6	214,807	214,807	0.06	0.00
64	64	Umpqua Holdings Corp.	Bank	3	204,931	100	204,931	0.05	0.00	3	204,931	204,931	0.05	0.00
65	65	GBC Holdings Inc.	Bank	4	201,975	100	201,975	0.05	0.00	4	201,975	201,975	0.05	0.00
66	66	Maham Beteiligungsgesellschaft AG	Bank	2	190,051	100	190,051	0.05	0.00	2	190,051	190,051	0.05	0.00
67	67	Western Alliance Bancorp.	Bank	2	189,597	100	189,597	0.05	0.00	2	189,597	189,597	0.05	0.00
68	68	Independence Bank	Bank	4	189,315	100	189,315	0.05	0.00	4	189,315	189,315	0.05	0.00
69	69	Industrial & Commercial Bank of China Ltd.	Bank	5	187,501	100	187,501	0.05	0.00	5	187,501	187,501	0.05	0.00
70	70	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	2	181,056	100	181,056	0.05	0.00	2	181,056	181,056	0.05	0.00
71	71	Bank of Santa Clarita	Bank	2	169,060	100	169,060	0.04	0.00	2	169,060	169,060	0.04	0.00
72	72	EH National Bank	Bank	1	165,849	100	165,849	0.04	0.00	1	165,849	165,849	0.04	0.00
73	73	CKH Capital Inc.	Bank	3	161,437	100	161,437	0.04	0.00	3	161,437	161,437	0.04	0.00
74	74	Commercial Bank of California	Bank	2	159,926	100	159,926	0.04	0.00	2	159,926	159,926	0.04	0.00
75	75	Community Commerce Bank	Bank	4	158,936	100	158,936	0.04	0.00	4	158,936	158,936	0.04	0.00
76	76	Americas United Bank	Bank	3	147,310	100	147,310	0.04	0.00	3	147,310	147,310	0.04	0.00
77	77	SKBHC Holdings LLC	Bank	5	143,104	100	143,104	0.04	0.00	5	143,104	143,104	0.04	0.00
78	78	Pacific Commerce Bank	Bank	2	139,850	100	139,850	0.04	0.00	2	139,850	139,850	0.04	0.00
79	79	Uniti Financial Corp.	Bank	3	137,271	100	137,271	0.04	0.00	3	137,271	137,271	0.04	0.00
80	80	Capital Bank	Bank	1	136,914	100	136,914	0.04	0.00	1	136,914	136,914	0.04	0.00
81	81	ProAmrica Bank	Bank	1	133,433	100	133,433	0.03	0.00	1	133,433	133,433	0.03	0.00
82	82	American Continental Bank	Bank	4	132,750	100	132,750	0.03	0.00	4	132,750	132,750	0.03	0.00
83	83	Orange County Business Bank	Bank	1	126,914	100	126,914	0.03	0.00	1	126,914	126,914	0.03	0.00
84	84	CalWest Bancorp	Bank	3	126,324	100	126,324	0.03	0.00	3	126,324	126,324	0.03	0.00
85	85	Eastern International Bank	Bank	2	108,258	100	108,258	0.03	0.00	2	108,258	108,258	0.03	0.00

002

Los Angeles, CA - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI
DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
86	86	Pacific Alliance Bank	Bank	2	106,990	100	106,990	0.03	0.00	2	106,990	106,990	0.03	0.00
87	87	Partners Bank of California	Bank	1	106,600	100	106,600	0.03	0.00	1	106,600	106,600	0.03	0.00
88	88	AltaPacific Bancorp	Bank	2	105,326	100	105,326	0.03	0.00	2	105,326	105,326	0.03	0.00
89	89	Chino Commercial Bancorp	Bank	3	104,461	100	104,461	0.03	0.00	3	104,461	104,461	0.03	0.00
90	90	Premier Business Bank	Bank	2	102,223	100	102,223	0.03	0.00	2	102,223	102,223	0.03	0.00
91	91	International City Bank NA	Bank	2	96,619	100	96,619	0.02	0.00	2	96,619	96,619	0.02	0.00
92	92	Woori Finance Holdings Co. Ltd.	Bank	4	94,650	100	94,650	0.02	0.00	4	94,650	94,650	0.02	0.00
93	93	United Pacific Bank	Bank	2	88,344	100	88,344	0.02	0.00	2	88,344	88,344	0.02	0.00
94	94	Independent Bankers Financial Corp.	Bank	1	87,429	100	87,429	0.02	0.00	1	87,429	87,429	0.02	0.00
95	95	Workers United	Bank	1	81,296	100	81,296	0.02	0.00	1	81,296	81,296	0.02	0.00
96	96	Friendly Hills Bank	Bank	2	77,989	100	77,989	0.02	0.00	2	77,989	77,989	0.02	0.00
97	97	Golden State Bank	Bank	2	76,461	100	76,461	0.02	0.00	2	76,461	76,461	0.02	0.00
98	98	US Metro Bk	Bank	1	72,671	100	72,671	0.02	0.00	1	72,671	72,671	0.02	0.00
99	99	Merchants Bank of California NA	Bank	1	71,241	100	71,241	0.02	0.00	1	71,241	71,241	0.02	0.00
100	100	Bank Leumi le-Israel B.M.	Bank	1	66,538	100	66,538	0.02	0.00	1	66,538	66,538	0.02	0.00
101	101	Saddleback Bancorp	Bank	1	49,400	100	49,400	0.01	0.00	1	49,400	49,400	0.01	0.00
102	102	Asian Pacific National Bank	Bank	2	45,021	100	45,021	0.01	0.00	2	45,021	45,021	0.01	0.00
103	103	California Business Bank	Bank	1	44,752	100	44,752	0.01	0.00	1	44,752	44,752	0.01	0.00
104	104	Greater Pacific Bancshares	Bank	1	41,530	100	41,530	0.01	0.00	1	41,530	41,530	0.01	0.00
105	105	Saigon National Bank	Bank	1	40,116	100	40,116	0.01	0.00	1	40,116	40,116	0.01	0.00
106	106	Mission Bancorp	Bank	1	38,699	100	38,699	0.01	0.00	1	38,699	38,699	0.01	0.00
107	107	Pan American Bank	Bank	1	35,339	100	35,339	0.01	0.00	1	35,339	35,339	0.01	0.00
108	108	Banco Bilbao Vizcaya Argentaria SA	Bank	2	32,126	100	32,126	0.01	0.00	2	32,126	32,126	0.01	0.00
109	109	Security California Bancorp	Bank	1	29,777	100	29,777	0.01	0.00	1	29,777	29,777	0.01	0.00
110	110	Sierra Bancorp	Bank	1	21,322	100	21,322	0.01	0.00	1	21,322	21,322	0.01	0.00
111	111	Balboa Thrift and Loan Association	Bank	1	14,598	100	14,598	0.00	0.00	1	14,598	14,598	0.00	0.00
112	112	San Diego Private Bank	Bank	1	12,518	100	12,518	0.00	0.00	1	12,518	12,518	0.00	0.00
113	113	First Western Financial Inc.	Bank	1	9,498	100	9,498	0.00	0.00	1	9,498	9,498	0.00	0.00
114	114	Bank of New York Mellon Corp.	Bank	3	541	100	541	0.00	0.00	3	541	541	0.00	0.00
115	115	Canadian Imperial Bank of Commerce	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
117	116	Farmers & Merchants Bancorp	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
118	117	M&T Bank Corp.	Bank	2	0	100	0	0.00	0.00	2	0	0	0.00	0.00
119	118	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
120	119	Seacoast Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
121	120	20th Century Fox Federal Credit Union	CU (comp.)	2	40,553	0	0	0.00	0.00	2	40,553	0	0.00	0.00
122	121	Actors Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
123	122	Allied Healthcare Federal Credit Union	CU (comp.)	5	61,738	0	0	0.00	0.00	5	61,738	0	0.00	0.00
124	123	American Federal Credit Union	CU (comp.)	1	13,198	0	0	0.00	0.00	1	13,198	0	0.00	0.00
125	124	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
126	125	Arrowhead Central Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
127	126	Baxter Credit Union	CU (comp.)	4	0	0	0	0.00	0.00	4	0	0	0.00	0.00
128	127	California Adventist Federal Credit Union	CU (comp.)	1	37,616	0	0	0.00	0.00	1	37,616	0	0.00	0.00
129	128	California Credit Union	CU (comp.)	13	980,554	0	0	0.00	0.00	13	980,554	0	0.00	0.00
130	129	California Lithuanian Credit Union	CU (comp.)	1	85,170	0	0	0.00	0.00	1	85,170	0	0.00	0.00
131	130	Chevron Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
132	131	Christian Community Credit Union	CU (comp.)	2	506,516	0	0	0.00	0.00	2	506,516	0	0.00	0.00
133	132	E-Central Credit Union	CU (comp.)	2	140,798	0	0	0.00	0.00	2	140,798	0	0.00	0.00

002

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

Ownership info as of 8/20/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
134	133	Evangelical Christian Credit Union	CU (comp.)	1	827,319	0	0	0.00	0.00	1	827,319	0	0.00	0.00
135	134	Farmers Insurance Group Federal Credit Union	CU (comp.)	3	547,680	0	0	0.00	0.00	3	547,680	0	0.00	0.00
136	135	Financial Partners Credit Union	CU (comp.)	12	681,452	0	0	0.00	0.00	12	681,452	0	0.00	0.00
137	136	Kinecta Federal Credit Union	CU (comp.)	22	2,607,841	0	0	0.00	0.00	22	2,607,841	0	0.00	0.00
138	137	Logix Federal Credit Union	CU (comp.)	10	2,986,747	0	0	0.00	0.00	10	2,986,747	0	0.00	0.00
139	138	NuVision Federal Credit Union	CU (comp.)	13	1,039,836	0	0	0.00	0.00	13	1,039,836	0	0.00	0.00
140	139	Polam Federal Credit Union	CU (comp.)	2	43,313	0	0	0.00	0.00	2	43,313	0	0.00	0.00
141	140	Premier America Credit Union	CU (comp.)	10	1,390,840	0	0	0.00	0.00	10	1,390,840	0	0.00	0.00
142	141	Prospectors Federal Credit Union	CU (comp.)	2	52,232	0	0	0.00	0.00	2	52,232	0	0.00	0.00
143	142	San Diego County Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
144	143	SCE Federal Credit Union	CU (comp.)	6	522,018	0	0	0.00	0.00	6	522,018	0	0.00	0.00
145	144	Self-Help Federal Credit Union	CU (comp.)	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
146	145	South Bay Credit Union	CU (comp.)	2	75,377	0	0	0.00	0.00	2	75,377	0	0.00	0.00
147	146	Southland Credit Union	CU (comp.)	6	426,049	0	0	0.00	0.00	6	426,049	0	0.00	0.00
148	147	Star Harbor Federal Credit Union	CU (comp.)	1	11,539	0	0	0.00	0.00	1	11,539	0	0.00	0.00
149	148	Union Yes Federal Credit Union	CU (comp.)	2	47,290	0	0	0.00	0.00	2	47,290	0	0.00	0.00
150	149	United Methodist Federal Credit Union	CU (comp.)	1	79,754	0	0	0.00	0.00	1	79,754	0	0.00	0.00
151	150	University & State Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
152	151	University Credit Union	CU (comp.)	2	437,244	0	0	0.00	0.00	2	437,244	0	0.00	0.00
153	152	VA Desert Pacific Federal Credit Union	CU (comp.)	2	48,217	0	0	0.00	0.00	2	48,217	0	0.00	0.00
154	153	Westside Employees Federal Credit Union	CU (comp.)	1	10,714	0	0	0.00	0.00	1	10,714	0	0.00	0.00
155	154	Xceed Financial Federal Credit Union	CU (comp.)	2	666,949	0	0	0.00	0.00	2	666,949	0	0.00	0.00
156	155	Aerospace Federal Credit Union	CU	1	331,076	0	0	0.00	0.00	1	331,076	0	0.00	0.00
157	156	AFTRA-SAG Federal Credit Union	CU	4	194,821	0	0	0.00	0.00	4	194,821	0	0.00	0.00
158	157	Airco Federal Credit Union	CU	1	9,821	0	0	0.00	0.00	1	9,821	0	0.00	0.00
159	158	Alliant Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
160	159	America"s Christian Credit Union	CU	3	239,931	0	0	0.00	0.00	3	239,931	0	0.00	0.00
161	160	American Airlines Federal Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
162	161	American Broadcast Employees FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
163	162	American First Credit Union	CU	3	458,414	0	0	0.00	0.00	3	458,414	0	0.00	0.00
164	163	Auto Club Federal Credit Union	CU	2	26,427	0	0	0.00	0.00	2	26,427	0	0.00	0.00
165	164	Bakery Employees Credit Union	CU	1	7,050	0	0	0.00	0.00	1	7,050	0	0.00	0.00
166	165	Beverly Hills City Employees FCU	CU	1	17,533	0	0	0.00	0.00	1	17,533	0	0.00	0.00
167	166	Bopti Federal Credit Union	CU	1	50,095	0	0	0.00	0.00	1	50,095	0	0.00	0.00
168	167	Burbank City Federal Credit Union	CU	1	229,816	0	0	0.00	0.00	1	229,816	0	0.00	0.00
169	168	C B S Employees Federal Credit Union	CU	2	16,648	0	0	0.00	0.00	2	16,648	0	0.00	0.00
170	169	CAHP Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
171	170	Cal Poly Federal Credit Union	CU	1	11,317	0	0	0.00	0.00	1	11,317	0	0.00	0.00
172	171	Cal State L.A. FCU	CU	1	38,195	0	0	0.00	0.00	1	38,195	0	0.00	0.00
173	172	CalCom Federal Credit Union	CU	5	56,672	0	0	0.00	0.00	5	56,672	0	0.00	0.00
174	173	California Agribusiness Credit Union	CU	3	25,712	0	0	0.00	0.00	3	25,712	0	0.00	0.00
175	174	California Bear Credit Union	CU	3	95,979	0	0	0.00	0.00	3	95,979	0	0.00	0.00
176	175	California Center Credit Union	CU	1	7,627	0	0	0.00	0.00	1	7,627	0	0.00	0.00
177	176	Caltech Employees Federal Credit Union	CU	3	1,106,402	0	0	0.00	0.00	3	1,106,402	0	0.00	0.00
178	177	Calvary Baptist of Pacoima FCU	CU	1	127	0	0	0.00	0.00	1	127	0	0.00	0.00
179	178	Camino Federal Credit Union	CU	2	113,164	0	0	0.00	0.00	2	113,164	0	0.00	0.00
180	179	Canoga Postal Federal Credit Union	CU	1	731	0	0	0.00	0.00	1	731	0	0.00	0.00

Ownership info as of 8/20/2014

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
181	180	Capstone Federal Credit Union	CU	3	33,331	0	0	0.00	0.00	3	33,331	0	0.00	0.00
182	181	Catalyst Corporate Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
183	182	Cedars-Sinai Federal Credit Union	CU	1	18,004	0	0	0.00	0.00	1	18,004	0	0.00	0.00
184	183	Chaffey Federal Credit Union	CU	4	95,459	0	0	0.00	0.00	4	95,459	0	0.00	0.00
185	184	Cherry Employees Federal Credit Union	CU	1	3,155	0	0	0.00	0.00	1	3,155	0	0.00	0.00
186	185	Clearpath Federal Credit Union	CU	1	74,760	0	0	0.00	0.00	1	74,760	0	0.00	0.00
187	186	Columbus Club Federal Credit Union	CU	1	6,472	0	0	0.00	0.00	1	6,472	0	0.00	0.00
188	187	Compton Municipal Employees Federal Credit Uni	CU	1	792	0	0	0.00	0.00	1	792	0	0.00	0.00
189	188	Comunidad Latina Federal Credit Union	CU	1	3,087	0	0	0.00	0.00	1	3,087	0	0.00	0.00
190	189	Credit Union of Southern California	CU	12	660,966	0	0	0.00	0.00	12	660,966	0	0.00	0.00
191	190	CSC Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
192	191	Culver City Employees FCU	CU	1	20,890	0	0	0.00	0.00	1	20,890	0	0.00	0.00
193	192	Daijo Federal Credit Union	CU	1	2,229	0	0	0.00	0.00	1	2,229	0	0.00	0.00
194	193	Deluxe Federal Credit Union	CU	1	8,178	0	0	0.00	0.00	1	8,178	0	0.00	0.00
195	194	Downey Federal Credit Union	CU	1	155,998	0	0	0.00	0.00	1	155,998	0	0.00	0.00
196	195	Eagle Community Credit Union	CU	6	190,969	0	0	0.00	0.00	6	190,969	0	0.00	0.00
197	196	Edwards Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
198	197	El Monte Community Credit Union	CU	2	19,337	0	0	0.00	0.00	2	19,337	0	0.00	0.00
199	198	Episcopal Community FCU	CU	1	4,562	0	0	0.00	0.00	1	4,562	0	0.00	0.00
200	199	F&A Federal Credit Union	CU	2	1,087,082	0	0	0.00	0.00	2	1,087,082	0	0.00	0.00
201	200	Fairview Employees Federal Credit Union	CU	1	11,586	0	0	0.00	0.00	1	11,586	0	0.00	0.00
202	201	Family Federal Credit Union	CU	1	7,224	0	0	0.00	0.00	1	7,224	0	0.00	0.00
203	202	Federal Employees West FCU	CU	1	10,753	0	0	0.00	0.00	1	10,753	0	0.00	0.00
204	203	FEDEX Employees Credit Association FCU	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
205	204	FedONE Federal Credit Union	CU	2	17,681	0	0	0.00	0.00	2	17,681	0	0.00	0.00
206	205	Firefighters First Credit Union	CU	1	747,483	0	0	0.00	0.00	1	747,483	0	0.00	0.00
207	206	First City Credit Union	CU	8	445,685	0	0	0.00	0.00	8	445,685	0	0.00	0.00
208	207	First Entertainment Credit Union	CU	10	938,949	0	0	0.00	0.00	10	938,949	0	0.00	0.00
209	208	First Financial Credit Union	CU	9	397,025	0	0	0.00	0.00	9	397,025	0	0.00	0.00
210	209	Fiscal Credit Union	CU	2	126,222	0	0	0.00	0.00	2	126,222	0	0.00	0.00
211	210	FME Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
212	211	Foothill Federal Credit Union	CU	5	261,345	0	0	0.00	0.00	5	261,345	0	0.00	0.00
213	212	Fountain Valley Credit Union	CU	1	2,047	0	0	0.00	0.00	1	2,047	0	0.00	0.00
214	213	Glendale Area Schools FCU	CU	2	293,229	0	0	0.00	0.00	2	293,229	0	0.00	0.00
215	214	Glendale Federal Credit Union	CU	1	55,615	0	0	0.00	0.00	1	55,615	0	0.00	0.00
216	215	Golden 1 Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
217	216	Guidance Church of Religious Science FCU	CU	1	124	0	0	0.00	0.00	1	124	0	0.00	0.00
218	217	Hanin Federal Credit Union	CU	2	19,124	0	0	0.00	0.00	2	19,124	0	0.00	0.00
219	218	Harbor Area Postal Employees Federal Credit Uni	CU	1	16,135	0	0	0.00	0.00	1	16,135	0	0.00	0.00
220	219	Harbor Federal Credit Union	CU	1	87,087	0	0	0.00	0.00	1	87,087	0	0.00	0.00
221	220	Health Associates Federal Credit Union	CU	2	44,283	0	0	0.00	0.00	2	44,283	0	0.00	0.00
222	221	Honda Federal Credit Union	CU	2	547,027	0	0	0.00	0.00	2	547,027	0	0.00	0.00
223	222	Huntington Beach Cty Emps CU	CU	1	42,655	0	0	0.00	0.00	1	42,655	0	0.00	0.00
224	223	I.L.W.U. Credit Union	CU	2	117,356	0	0	0.00	0.00	2	117,356	0	0.00	0.00
225	224	Interstate Federal Credit Union	CU	1	15,613	0	0	0.00	0.00	1	15,613	0	0.00	0.00
226	225	JACOM Credit Union	CU	2	71,580	0	0	0.00	0.00	2	71,580	0	0.00	0.00
227	226	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00

002

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Ownership info as of 8/20/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
228	227	L. A. Electrical Workers Credit Union	CU	1	36,692	0	0	0.00	0.00	1	36,692	0	0.00	0.00
229	228	L.A. Healthcare Federal Credit Union	CU	3	13,064	0	0	0.00	0.00	3	13,064	0	0.00	0.00
230	229	LA Financial Federal Credit Union	CU	4	319,859	0	0	0.00	0.00	4	319,859	0	0.00	0.00
231	230	LA Mission Federal Credit Union	CU	1	5,728	0	0	0.00	0.00	1	5,728	0	0.00	0.00
232	231	LBS Financial Credit Union	CU	7	964,134	0	0	0.00	0.00	7	964,134	0	0.00	0.00
233	232	Long Beach City Employees Federal Credit Union	CU	1	288,107	0	0	0.00	0.00	1	288,107	0	0.00	0.00
234	233	Long Beach Firemen"s Credit Union	CU	1	136,810	0	0	0.00	0.00	1	136,810	0	0.00	0.00
235	234	Los Angeles Federal Credit Union	CU	7	687,105	0	0	0.00	0.00	7	687,105	0	0.00	0.00
236	235	Los Angeles Lee Federal Credit Union	CU	1	482	0	0	0.00	0.00	1	482	0	0.00	0.00
237	236	Los Angeles Police Federal Credit Union	CU	4	676,921	0	0	0.00	0.00	4	676,921	0	0.00	0.00
238	237	Maryknoll of Los Angeles FCU	CU	1	856	0	0	0.00	0.00	1	856	0	0.00	0.00
239	238	Matadors Community Credit Union	CU	2	127,465	0	0	0.00	0.00	2	127,465	0	0.00	0.00
240	239	Mattel Federal Credit Union	CU	1	28,422	0	0	0.00	0.00	1	28,422	0	0.00	0.00
241	240	Media City Community Credit Union	CU	1	29,809	0	0	0.00	0.00	1	29,809	0	0.00	0.00
242	241	Mid-Cities Credit Union	CU	1	18,376	0	0	0.00	0.00	1	18,376	0	0.00	0.00
243	242	Monrovia City Employees FCU	CU	1	2,848	0	0	0.00	0.00	1	2,848	0	0.00	0.00
244	243	Musicians" Interguild Credit Union	CU	1	70,501	0	0	0.00	0.00	1	70,501	0	0.00	0.00
245	244	MWD Federal Credit Union	CU	1	37,339	0	0	0.00	0.00	1	37,339	0	0.00	0.00
246	245	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
247	246	Newport Beach City Employees FCU	CU	1	11,547	0	0	0.00	0.00	1	11,547	0	0.00	0.00
248	247	Nikkei Credit Union	CU	1	63,285	0	0	0.00	0.00	1	63,285	0	0.00	0.00
249	248	Northrop Grumman FCU	CU	10	820,665	0	0	0.00	0.00	10	820,665	0	0.00	0.00
250	249	Ocean Crest Federal Credit Union	CU	1	31,370	0	0	0.00	0.00	1	31,370	0	0.00	0.00
251	250	Olive View Employees Federal Credit Union	CU	1	27,925	0	0	0.00	0.00	1	27,925	0	0.00	0.00
252	251	Ontario Montclair School Employees FCU	CU	1	76,439	0	0	0.00	0.00	1	76,439	0	0.00	0.00
253	252	Ontario Public Employees FCU	CU	1	15,911	0	0	0.00	0.00	1	15,911	0	0.00	0.00
254	253	Orange County"s Credit Union	CU	11	967,517	0	0	0.00	0.00	11	967,517	0	0.00	0.00
255	254	P.V.H.M.C. Federal Credit Union	CU	1	8,503	0	0	0.00	0.00	1	8,503	0	0.00	0.00
256	255	Pacific Community Credit Union	CU	5	159,145	0	0	0.00	0.00	5	159,145	0	0.00	0.00
257	256	Pacific Federal Credit Union	CU	1	15,916	0	0	0.00	0.00	1	15,916	0	0.00	0.00
258	257	Pacific Transportation FCU	CU	3	61,657	0	0	0.00	0.00	3	61,657	0	0.00	0.00
259	258	Pacoima Development Federal Credit Union	CU	1	3,804	0	0	0.00	0.00	1	3,804	0	0.00	0.00
260	259	Parishioners Federal Credit Union	CU	1	32,798	0	0	0.00	0.00	1	32,798	0	0.00	0.00
261	260	Parsons Federal Credit Union	CU	1	213,095	0	0	0.00	0.00	1	213,095	0	0.00	0.00
262	261	Partners Federal Credit Union	CU	8	1,028,398	0	0	0.00	0.00	8	1,028,398	0	0.00	0.00
263	262	Pasadena Federal Credit Union	CU	1	125,606	0	0	0.00	0.00	1	125,606	0	0.00	0.00
264	263	Pasadena Service Federal Credit Union	CU	3	97,683	0	0	0.00	0.00	3	97,683	0	0.00	0.00
265	264	Patriots Federal Credit Union	CU	1	77,970	0	0	0.00	0.00	1	77,970	0	0.00	0.00
266	265	Peoples Independent Church FCU	CU	1	78	0	0	0.00	0.00	1	78	0	0.00	0.00
267	266	Pomona Postal Federal Credit Union	CU	1	3,848	0	0	0.00	0.00	1	3,848	0	0.00	0.00
268	267	POPA Federal Credit Union	CU	4	153,436	0	0	0.00	0.00	4	153,436	0	0.00	0.00
269	268	PostCity Financial Credit Union	CU	2	65,989	0	0	0.00	0.00	2	65,989	0	0.00	0.00
270	269	Printing Industries Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
271	270	Printing Office Employees Credit Union	CU	1	3,830	0	0	0.00	0.00	1	3,830	0	0.00	0.00
272	271	Priority One Credit Union	CU	3	137,660	0	0	0.00	0.00	3	137,660	0	0.00	0.00
273	272	Rancho Federal Credit Union	CU	5	76,427	0	0	0.00	0.00	5	76,427	0	0.00	0.00
274	273	San Fernando Valley Japanese Credit Union	CU	1	801	0	0	0.00	0.00	1	801	0	0.00	0.00

Los Angeles, CA - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
275	274	San Gabriel Valley Postal Credit Union	CU	1	15,971	0	0	0.00	0.00	1	15,971	0	0.00	0.00
276	275	Santa Ana Federal Credit Union	CU	1	55,861	0	0	0.00	0.00	1	55,861	0	0.00	0.00
277	276	Schools Federal Credit Union	CU	2	100,475	0	0	0.00	0.00	2	100,475	0	0.00	0.00
278	277	SchoolsFirst Federal Credit Union	CU	33	8,168,222	0	0	0.00	0.00	33	8,168,222	0	0.00	0.00
279	278	Sea Air Federal Credit Union	CU	2	110,392	0	0	0.00	0.00	2	110,392	0	0.00	0.00
280	279	SkyOne Federal Credit Union	CU	2	327,306	0	0	0.00	0.00	2	327,306	0	0.00	0.00
281	280	Socal Federal Credit Union	CU	1	570	0	0	0.00	0.00	1	570	0	0.00	0.00
282	281	South Western Federal Credit Union	CU	2	112,189	0	0	0.00	0.00	2	112,189	0	0.00	0.00
283	282	Southland Savings Federal Credit Union	CU	1	7,390	0	0	0.00	0.00	1	7,390	0	0.00	0.00
284	283	Sunkist Employees Federal Credit Union	CU	1	5,032	0	0	0.00	0.00	1	5,032	0	0.00	0.00
285	284	Technicolor Federal Credit Union	CU	2	35,830	0	0	0.00	0.00	2	35,830	0	0.00	0.00
286	285	Torrance Community FCU	CU	1	101,301	0	0	0.00	0.00	1	101,301	0	0.00	0.00
287	286	Treasury Department Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
288	287	TruGrocer Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
289	288	U.P.S. Employees Federal Credit Union	CU	1	27,836	0	0	0.00	0.00	1	27,836	0	0.00	0.00
290	289	U.S. Postal Service Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
291	290	U.S.B. Employees Federal Credit Union	CU	1	1,843	0	0	0.00	0.00	1	1,843	0	0.00	0.00
292	291	UMe Federal Credit Union	CU	1	134,815	0	0	0.00	0.00	1	134,815	0	0.00	0.00
293	292	Union Oil Santa Fe Springs Employees FCU	CU	1	4,606	0	0	0.00	0.00	1	4,606	0	0.00	0.00
294	293	Union Pacific California Employees FCU	CU	1	8,505	0	0	0.00	0.00	1	8,505	0	0.00	0.00
295	294	United America West Federal Credit Union	CU	1	3,877	0	0	0.00	0.00	1	3,877	0	0.00	0.00
296	295	United Catholics Federal Credit Union	CU	1	27,423	0	0	0.00	0.00	1	27,423	0	0.00	0.00
297	296	United Financial Credit Union	CU	1	31,636	0	0	0.00	0.00	1	31,636	0	0.00	0.00
298	297	Universal City Studios Credit Union	CU	2	55,079	0	0	0.00	0.00	2	55,079	0	0.00	0.00
299	298	USC Credit Union	CU	3	336,818	0	0	0.00	0.00	3	336,818	0	0.00	0.00
300	299	Ventura County Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
301	300	Vons Employees Federal Credit Union	CU	5	317,191	0	0	0.00	0.00	5	317,191	0	0.00	0.00
302	301	Water and Power Community Credit Union	CU	5	454,653	0	0	0.00	0.00	5	454,653	0	0.00	0.00
303	302	Wescom Central Credit Union	CU	17	2,161,084	0	0	0.00	0.00	17	2,161,084	0	0.00	0.00
304	303	Western Federal Credit Union	CU	11	1,690,736	0	0	0.00	0.00	11	1,690,736	0	0.00	0.00
305	304	Western States Regional FCU	CU	1	465	0	0	0.00	0.00	1	465	0	0.00	0.00
306	305	Zion Hill Baptist Church FCU	CU	1	145	0	0	0.00	0.00	1	145	0	0.00	0.00
307	306	First ULB Corp.	Thrift (c.a.)	2	43,505	0	0	0.00	0.00	2	43,505	0	0.00	0.00
308	307	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	11,962	0	0	0.00	0.00	1	11,962	0	0.00	0.00
309	308	Universal Financial Inc.	Thrift (c.a.)	5	289,975	0	0	0.00	0.00	5	289,975	0	0.00	0.00
310	309	Beal Financial Corp.	Thrift	2	45,743	0	0	0.00	0.00	2	45,743	0	0.00	0.00
311	310	Broadway Financial Corp.	Thrift	4	230,818	0	0	0.00	0.00	4	230,818	0	0.00	0.00
312	311	Capital Bank and Trust Co. FSB	Thrift	1	500	0	0	0.00	0.00	1	500	0	0.00	0.00
313	312	E*TRADE Financial Corp.	Thrift	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
314	313	Fidelity Personal Trust Co. FSB	Thrift	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
315	314	First American Financial Corp.	Thrift	2	1,275,674	0	0	0.00	0.00	2	1,275,674	0	0.00	0.00
316	315	Luther Burbank Corp.	Thrift	4	1,128,558	0	0	0.00	0.00	4	1,128,558	0	0.00	0.00
317	316	Malaga Financial Corp.	Thrift	5	614,165	0	0	0.00	0.00	5	614,165	0	0.00	0.00
318	317	Simplicity Bancorp Inc.	Thrift	7	506,489	0	0	0.00	0.00	7	506,489	0	0.00	0.00
		TOTALS:		**3,181**	**438,587,831**		**388,350,159**	**100.00**	**1,041.86**	**3,181**	**438,587,831**	**388,350,159**	**100.00**	**1,041.86**

002

Los Angeles, CA - RMA Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

PRE-MERGER HHI: 1,042
POST-MERGER HHI: 1,042
HHI CHANGE: 0

Footnotes:

* DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

Oxnard-Thousand Oaks-Ventura, CA - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
27		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
8		IMB HoldCo LLC	Bank	5	600,170	100	600,170	4.25	18.05					
RESULTING INSTITUTION														
	8	CIT Group Inc.	Bank							5	600,170	600,170	4.25	18.05
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	25	3,830,833	100	3,830,833	27.11	735.20	25	3,830,833	3,830,833	27.11	735.20
2	2	Bank of America Corp.	Bank	20	2,670,065	100	2,670,065	18.90	357.16	20	2,670,065	2,670,065	18.90	357.16
3	3	JPMorgan Chase & Co.	Bank	25	1,774,953	100	1,774,953	12.56	157.83	25	1,774,953	1,774,953	12.56	157.83
4	4	Citigroup Inc.	Bank	10	1,008,396	100	1,008,396	7.14	50.94	10	1,008,396	1,008,396	7.14	50.94
5	5	Mitsubishi UFJ Financial Group Inc.	Bank	9	815,940	100	815,940	5.78	33.35	9	815,940	815,940	5.78	33.35
6	6	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	10	735,113	100	735,113	5.20	27.07	10	735,113	735,113	5.20	27.07
7	7	PacWest Bancorp	Bank	8	700,818	100	700,818	4.96	24.61	8	700,818	700,818	4.96	24.61
9	9	City National Corp.	Bank	4	403,847	100	403,847	2.86	8.17	4	403,847	403,847	2.86	8.17
10	10	U.S. Bancorp	Bank	14	267,879	100	267,879	1.90	3.59	14	267,879	267,879	1.90	3.59
11	11	CU Bancorp	Bank	1	225,557	100	225,557	1.60	2.55	1	225,557	225,557	1.60	2.55
12	12	County Commerce Bank	Bank	3	177,773	100	177,773	1.26	1.58	3	177,773	177,773	1.26	1.58
13	13	First Banks Inc.	Bank	2	170,451	100	170,451	1.21	1.46	2	170,451	170,451	1.21	1.46
14	14	OCB Bancorp	Bank	3	130,332	100	130,332	0.92	0.85	3	130,332	130,332	0.92	0.85
15	15	Community West Bancshares	Bank	2	115,507	100	115,507	0.82	0.67	2	115,507	115,507	0.82	0.67
16	16	BNP Paribas SA	Bank	2	95,136	100	95,136	0.67	0.45	2	95,136	95,136	0.67	0.45
17	17	Comerica Inc.	Bank	1	87,004	100	87,004	0.62	0.38	1	87,004	87,004	0.62	0.38
18	18	Montecito Bancorp	Bank	2	71,109	100	71,109	0.50	0.25	2	71,109	71,109	0.50	0.25
19	19	Sierra Bancorp	Bank	1	64,316	100	64,316	0.46	0.21	1	64,316	64,316	0.46	0.21
20	20	California Republic Bancorp	Bank	1	56,604	100	56,604	0.40	0.16	1	56,604	56,604	0.40	0.16
21	21	Zions Bancorp.	Bank	1	42,523	100	42,523	0.30	0.09	1	42,523	42,523	0.30	0.09
22	22	Boston Private Financial Holdings Inc.	Bank	1	39,778	100	39,778	0.28	0.08	1	39,778	39,778	0.28	0.08
23	23	RBB Bancorp	Bank	2	34,948	100	34,948	0.25	0.06	2	34,948	34,948	0.25	0.06
24	24	Heritage Oaks Bancorp	Bank	1	5,215	100	5,215	0.04	0.00	1	5,215	5,215	0.04	0.00
25	25	Dickinson Financial Corp. II	Bank	1	2,341	100	2,341	0.02	0.00	1	2,341	2,341	0.02	0.00
26	26	Community Bank	Bank	1	1,701	100	1,701	0.01	0.00	1	1,701	1,701	0.01	0.00
28	27	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
29	28	Umpqua Holdings Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
30	29	Baxter Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
31	30	Farmers Insurance Group Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
32	31	Kinecta Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
33	32	Logix Federal Credit Union	CU (comp.)	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
34	33	Premier America Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
35	34	CBC Federal Credit Union	CU	7	362,669	0	0	0.00	0.00	7	362,669	0	0.00	0.00
36	35	County Schools Federal Credit Union	CU	1	50,757	0	0	0.00	0.00	1	50,757	0	0.00	0.00
37	36	Limoneira Federal Credit Union	CU	1	4,687	0	0	0.00	0.00	1	4,687	0	0.00	0.00
38	37	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
39	38	Pacific Oaks Federal Credit Union	CU	5	271,365	0	0	0.00	0.00	5	271,365	0	0.00	0.00

Oxnard-Thousand Oaks-Ventura, CA - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
40	39	Ventura County Credit Union	CU	5	598,208	0	0	0.00	0.00	5	598,208	0	0.00	0.00
41	40	Wescom Central Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
42	41	Western Federal Credit Union	CU	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
		TOTALS:		**193**	**15,415,995**		**14,128,309**	**100.00**	**1,424.77**	**193**	**15,415,995**	**14,128,309**	**100.00**	**1,424.77**

PRE-MERGER HHI: **1,425**
POST-MERGER HHI: **1,425**
HHI CHANGE: **0**

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

004

Oxnard-Thousand Oaks-Ventura, CA - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
27		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
8		IMB HoldCo LLC	Bank	5	600,170	100	600,170	4.25	18.05					
RESULTING INSTITUTION														
	8	CIT Group Inc.	Bank							5	600,170	600,170	4.25	18.05
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	25	3,830,833	100	3,830,833	27.11	735.20	25	3,830,833	3,830,833	27.11	735.20
2	2	Bank of America Corp.	Bank	20	2,670,065	100	2,670,065	18.90	357.16	20	2,670,065	2,670,065	18.90	357.16
3	3	JPMorgan Chase & Co.	Bank	25	1,774,953	100	1,774,953	12.56	157.83	25	1,774,953	1,774,953	12.56	157.83
4	4	Citigroup Inc.	Bank	10	1,008,396	100	1,008,396	7.14	50.94	10	1,008,396	1,008,396	7.14	50.94
5	5	Mitsubishi UFJ Financial Group Inc.	Bank	9	815,940	100	815,940	5.78	33.35	9	815,940	815,940	5.78	33.35
6	6	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	10	735,113	100	735,113	5.20	27.07	10	735,113	735,113	5.20	27.07
7	7	PacWest Bancorp	Bank	8	700,818	100	700,818	4.96	24.61	8	700,818	700,818	4.96	24.61
9	9	City National Corp.	Bank	4	403,847	100	403,847	2.86	8.17	4	403,847	403,847	2.86	8.17
10	10	U.S. Bancorp	Bank	14	267,879	100	267,879	1.90	3.59	14	267,879	267,879	1.90	3.59
11	11	CU Bancorp	Bank	1	225,557	100	225,557	1.60	2.55	1	225,557	225,557	1.60	2.55
12	12	County Commerce Bank	Bank	3	177,773	100	177,773	1.26	1.58	3	177,773	177,773	1.26	1.58
13	13	First Banks Inc.	Bank	2	170,451	100	170,451	1.21	1.46	2	170,451	170,451	1.21	1.46
14	14	OCB Bancorp	Bank	3	130,332	100	130,332	0.92	0.85	3	130,332	130,332	0.92	0.85
15	15	Community West Bancshares	Bank	2	115,507	100	115,507	0.82	0.67	2	115,507	115,507	0.82	0.67
16	16	BNP Paribas SA	Bank	2	95,136	100	95,136	0.67	0.45	2	95,136	95,136	0.67	0.45
17	17	Comerica Inc.	Bank	1	87,004	100	87,004	0.62	0.38	1	87,004	87,004	0.62	0.38
18	18	Montecito Bancorp	Bank	2	71,109	100	71,109	0.50	0.25	2	71,109	71,109	0.50	0.25
19	19	Sierra Bancorp	Bank	1	64,316	100	64,316	0.46	0.21	1	64,316	64,316	0.46	0.21
20	20	California Republic Bancorp	Bank	1	56,604	100	56,604	0.40	0.16	1	56,604	56,604	0.40	0.16
21	21	Zions Bancorp.	Bank	1	42,523	100	42,523	0.30	0.09	1	42,523	42,523	0.30	0.09
22	22	Boston Private Financial Holdings Inc.	Bank	1	39,778	100	39,778	0.28	0.08	1	39,778	39,778	0.28	0.08
23	23	RBB Bancorp	Bank	2	34,948	100	34,948	0.25	0.06	2	34,948	34,948	0.25	0.06
24	24	Heritage Oaks Bancorp	Bank	1	5,215	100	5,215	0.04	0.00	1	5,215	5,215	0.04	0.00
25	25	Dickinson Financial Corp. II	Bank	1	2,341	100	2,341	0.02	0.00	1	2,341	2,341	0.02	0.00
26	26	Community Bank	Bank	1	1,701	100	1,701	0.01	0.00	1	1,701	1,701	0.01	0.00
28	27	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
29	28	Umpqua Holdings Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
30	29	Baxter Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
31	30	Farmers Insurance Group Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
32	31	Kinecta Federal Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
33	32	Logix Federal Credit Union	CU (comp.)	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
34	33	Premier America Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
35	34	CBC Federal Credit Union	CU	7	362,669	0	0	0.00	0.00	7	362,669	0	0.00	0.00
36	35	County Schools Federal Credit Union	CU	1	50,757	0	0	0.00	0.00	1	50,757	0	0.00	0.00
37	36	Limoneira Federal Credit Union	CU	1	4,687	0	0	0.00	0.00	1	4,687	0	0.00	0.00
38	37	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
39	38	Pacific Oaks Federal Credit Union	CU	5	271,365	0	0	0.00	0.00	5	271,365	0	0.00	0.00

004

Oxnard-Thousand Oaks-Ventura, CA - RMA Banking Market

DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
40	39	Ventura County Credit Union	CU	5	598,208	0	0	0.00	0.00	5	598,208	0	0.00	0.00
41	40	Wescom Central Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
42	41	Western Federal Credit Union	CU	5	0	0	0	0.00	0.00	5	0	0	0.00	0.00
		TOTALS:		**193**	**15,415,995**		**14,128,309**	**100.00**	**1,424.77**	**193**	**15,415,995**	**14,128,309**	**100.00**	**1,424.77**

PRE-MERGER HHI: 1,425
POST-MERGER HHI: 1,425
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

005

Palm Springs-Cathedral City-Palm Desert, - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI
FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
21		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
4		IMB HoldCo LLC	Bank	3	468,935	100	468,935	7.85	61.62					
RESULTING INSTITUTION														
	4	CIT Group Inc.	Bank							3	468,935	468,935	7.85	61.62
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	17	1,370,926	100	1,370,926	22.95	526.65	17	1,370,926	1,370,926	22.95	526.65
2	2	Bank of America Corp.	Bank	11	871,681	100	871,681	14.59	212.92	11	871,681	871,681	14.59	212.92
3	3	JPMorgan Chase & Co.	Bank	11	623,474	100	623,474	10.44	108.93	11	623,474	623,474	10.44	108.93
5	5	PacWest Bancorp	Bank	3	433,409	100	433,409	7.26	52.64	3	433,409	433,409	7.26	52.64
6	6	U.S. Bancorp	Bank	10	412,730	100	412,730	6.91	47.73	10	412,730	412,730	6.91	47.73
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	5	371,944	100	371,944	6.23	38.77	5	371,944	371,944	6.23	38.77
8	8	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	4.55	20.74	4	272,054	272,054	4.55	20.74
9	9	FirstBank Holding Co.	Bank	4	261,580	100	261,580	4.38	19.17	4	261,580	261,580	4.38	19.17
10	10	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	4	248,046	100	248,046	4.15	17.24	4	248,046	248,046	4.15	17.24
11	11	Citigroup Inc.	Bank	2	158,674	100	158,674	2.66	7.06	2	158,674	158,674	2.66	7.06
12	12	Banco Bilbao Vizcaya Argentaria SA	Bank	3	153,301	100	153,301	2.57	6.59	3	153,301	153,301	2.57	6.59
13	13	First Republic Bank	Bank	1	74,330	100	74,330	1.24	1.55	1	74,330	74,330	1.24	1.55
14	14	First Foundation Inc.	Bank	1	66,377	100	66,377	1.11	1.23	1	66,377	66,377	1.11	1.23
15	15	Western Community Bancshares Inc.	Thrift	2	94,010	50	47,005	0.79	0.62	2	94,010	47,005	0.79	0.62
16	16	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.72	0.52	2	43,119	43,119	0.72	0.52
17	17	Provident Financial Holdings Inc.	Thrift	2	79,450	50	39,725	0.66	0.44	2	79,450	39,725	0.66	0.44
18	18	Zions Bancorp.	Bank	1	38,313	100	38,313	0.64	0.41	1	38,313	38,313	0.64	0.41
19	19	Opus Bank	Bank	1	16,844	100	16,844	0.28	0.08	1	16,844	16,844	0.28	0.08
20	20	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
22	21	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
23	22	Altura Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
24	23	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
		TOTALS:		**90**	**6,072,178**		**5,973,850**	**100.00**	**1,124.89**	**90**	**6,072,178**	**5,973,850**	**100.00**	**1,124.89**

PRE-MERGER HHI: 1,125
POST-MERGER HHI: 1,125
HHI CHANGE: 0

Footnotes:

Ownership info as of 8/20/2014

Palm Springs-Cathedral City-Palm Desert, - RMA Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

006

Palm Springs-Cathedral City-Palm Desert, - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
19		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
4		IMB HoldCo LLC	Bank	3	468,935	100	468,935	7.97	63.45					
RESULTING INSTITUTION														
	4	CIT Group Inc.	Bank							3	468,935	468,935	7.97	63.45
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	17	1,370,926	100	1,370,926	23.29	542.28	17	1,370,926	1,370,926	23.29	542.28
2	2	Bank of America Corp.	Bank	11	871,681	100	871,681	14.81	219.23	11	871,681	871,681	14.81	219.23
3	3	JPMorgan Chase & Co.	Bank	11	623,474	100	623,474	10.59	112.16	11	623,474	623,474	10.59	112.16
5	5	PacWest Bancorp	Bank	3	433,409	100	433,409	7.36	54.20	3	433,409	433,409	7.36	54.20
6	6	U.S. Bancorp	Bank	10	412,730	100	412,730	7.01	49.15	10	412,730	412,730	7.01	49.15
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	5	371,944	100	371,944	6.32	39.92	5	371,944	371,944	6.32	39.92
8	8	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	4.62	21.36	4	272,054	272,054	4.62	21.36
9	9	FirstBank Holding Co.	Bank	4	261,580	100	261,580	4.44	19.74	4	261,580	261,580	4.44	19.74
10	10	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	4	248,046	100	248,046	4.21	17.75	4	248,046	248,046	4.21	17.75
11	11	Citigroup Inc.	Bank	2	158,674	100	158,674	2.70	7.26	2	158,674	158,674	2.70	7.26
12	12	Banco Bilbao Vizcaya Argentaria SA	Bank	3	153,301	100	153,301	2.60	6.78	3	153,301	153,301	2.60	6.78
13	13	First Republic Bank	Bank	1	74,330	100	74,330	1.26	1.59	1	74,330	74,330	1.26	1.59
14	14	First Foundation Inc.	Bank	1	66,377	100	66,377	1.13	1.27	1	66,377	66,377	1.13	1.27
15	15	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.73	0.54	2	43,119	43,119	0.73	0.54
16	16	Zions Bancorp.	Bank	1	38,313	100	38,313	0.65	0.42	1	38,313	38,313	0.65	0.42
17	17	Opus Bank	Bank	1	16,844	100	16,844	0.29	0.08	1	16,844	16,844	0.29	0.08
18	18	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
20	19	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
21	20	Altura Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
22	21	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
23	22	Provident Financial Holdings Inc.	Thrift	2	79,450	0	0	0.00	0.00	2	79,450	0	0.00	0.00
24	23	Western Community Bancshares Inc.	Thrift	2	94,010	0	0	0.00	0.00	2	94,010	0	0.00	0.00
		TOTALS:		**90**	**6,072,178**		**5,887,120**	**100.00**	**1,157.19**	**90**	**6,072,178**	**5,887,120**	**100.00**	**1,157.19**

PRE-MERGER HHI: **1,157**
POST-MERGER HHI: **1,157**
HHI CHANGE: **0**

Footnotes:

006

Palm Springs-Cathedral City-Palm Desert, - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

* DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

007

Ownership info as of 8/20/2014

Salt Lake City, UT - RMA Banking Market
DEPOSIT BASED HHI
FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
7		CIT Group Inc.	Bank	1	11,111,079	100	11,111,079	3.20	10.27					
TARGET														
		IMB HoldCo LLC	-											
RESULTING INSTITUTION														
	7	CIT Group Inc.	Bank							1	11,111,079	11,111,079	3.20	10.27
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Morgan Stanley	Bank	1	66,068,000	100	66,068,000	19.05	363.09	1	66,068,000	66,068,000	19.05	363.09
2	2	Goldman Sachs Group Inc.	Bank	2	65,384,000	100	65,384,000	18.86	355.61	2	65,384,000	65,384,000	18.86	355.61
3	3	Ally Financial Inc.	Bank	1	50,769,639	100	50,769,639	14.64	214.41	1	50,769,639	50,769,639	14.64	214.41
4	4	UBS AG	Bank	1	43,384,766	100	43,384,766	12.51	156.57	1	43,384,766	43,384,766	12.51	156.57
5	5	American Express Co.	Bank	2	40,685,365	100	40,685,365	11.73	137.69	2	40,685,365	40,685,365	11.73	137.69
6	6	General Electric Co.	Thrift (c.a.)	2	32,710,240	50	16,355,120	4.72	22.25	2	32,710,240	16,355,120	4.72	22.25
8	8	JPMorgan Chase & Co.	Bank	37	9,499,128	100	9,499,128	2.74	7.51	37	9,499,128	9,499,128	2.74	7.51
9	9	Zions Bancorp.	Bank	46	9,216,236	100	9,216,236	2.66	7.07	46	9,216,236	9,216,236	2.66	7.07
10	10	Sallie Mae Bank	Bank	1	7,633,904	100	7,633,904	2.20	4.85	1	7,633,904	7,633,904	2.20	4.85
11	11	Wells Fargo & Co.	Bank	47	6,881,637	100	6,881,637	1.98	3.94	47	6,881,637	6,881,637	1.98	3.94
12	12	BMW of North America LLC	Bank	1	6,129,281	100	6,129,281	1.77	3.13	1	6,129,281	6,129,281	1.77	3.13
13	13	KeyCorp	Bank	22	2,701,163	100	2,701,163	0.78	0.61	22	2,701,163	2,701,163	0.78	0.61
14	14	UnitedHealth Group Inc.	Bank	1	2,043,302	100	2,043,302	0.59	0.35	1	2,043,302	2,043,302	0.59	0.35
15	15	U.S. Bancorp	Bank	39	1,444,947	100	1,444,947	0.42	0.17	39	1,444,947	1,444,947	0.42	0.17
16	16	WEX Bank	Bank	1	1,338,421	100	1,338,421	0.39	0.15	1	1,338,421	1,338,421	0.39	0.15
17	17	CardWorks Inc.	Thrift	1	1,405,020	50	702,510	0.20	0.04	1	1,405,020	702,510	0.20	0.04
18	18	Comenity Capital Bank	Bank	1	634,959	100	634,959	0.18	0.03	1	634,959	634,959	0.18	0.03
19	19	Medallion Bank	Bank	1	632,413	100	632,413	0.18	0.03	1	632,413	632,413	0.18	0.03
20	20	Pitney Bowes Bank Inc.	Bank	1	616,627	100	616,627	0.18	0.03	1	616,627	616,627	0.18	0.03
21	21	EnerBank USA	Bank	1	499,436	100	499,436	0.14	0.02	1	499,436	499,436	0.14	0.02
22	22	Republic Bank	Bank	1	482,248	100	482,248	0.14	0.02	1	482,248	482,248	0.14	0.02
23	23	Marlin Business Services Corp.	Bank	1	461,912	100	461,912	0.13	0.02	1	461,912	461,912	0.13	0.02
24	24	Washington Federal Inc.	Bank	7	235,497	100	235,497	0.07	0.00	7	235,497	235,497	0.07	0.00
25	25	First Utah Bancorp.	Bank	7	230,553	100	230,553	0.07	0.00	7	230,553	230,553	0.07	0.00
26	26	Celtic Bank	Bank	1	220,998	100	220,998	0.06	0.00	1	220,998	220,998	0.06	0.00
27	27	NHB Holdings Inc.	Bank	1	164,271	100	164,271	0.05	0.00	1	164,271	164,271	0.05	0.00
28	28	BOU Bancorp Inc.	Bank	3	149,841	100	149,841	0.04	0.00	3	149,841	149,841	0.04	0.00
29	29	Brighton Bancorp	Bank	4	131,788	100	131,788	0.04	0.00	4	131,788	131,788	0.04	0.00
30	30	People"s Utah Bancorp	Bank	4	127,788	100	127,788	0.04	0.00	4	127,788	127,788	0.04	0.00
31	31	BNP Paribas SA	Bank	4	127,709	100	127,709	0.04	0.00	4	127,709	127,709	0.04	0.00
32	32	Prime Alliance Bank	Bank	1	116,562	100	116,562	0.03	0.00	1	116,562	116,562	0.03	0.00
33	33	Continental BanCorp.	Bank	1	102,906	100	102,906	0.03	0.00	1	102,906	102,906	0.03	0.00
34	34	WebBank	Bank	1	102,119	100	102,119	0.03	0.00	1	102,119	102,119	0.03	0.00
35	35	Home Credit Corp.	Bank	2	88,702	100	88,702	0.03	0.00	2	88,702	88,702	0.03	0.00
36	36	FNB Bancorp	Bank	3	71,988	100	71,988	0.02	0.00	3	71,988	71,988	0.02	0.00
37	37	Holladay Bank & Trust	Bank	1	41,225	100	41,225	0.01	0.00	1	41,225	41,225	0.01	0.00
38	38	Franklin Resources Inc.	Bank	1	40,589	100	40,589	0.01	0.00	1	40,589	40,589	0.01	0.00

Salt Lake City, UT - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI
FRB Initial Screen *

				Pre-Merger							Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI		Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
39	39	Target Bank	Bank	1	32,543	100	32,543	0.01	0.00		1	32,543	32,543	0.01	0.00
40	40	All West Bancorp	Bank	1	23,707	100	23,707	0.01	0.00		1	23,707	23,707	0.01	0.00
41	41	SKBHC Holdings LLC	Bank	3	22,124	100	22,124	0.01	0.00		3	22,124	22,124	0.01	0.00
42	42	Liberty Bank	Bank	1	9,082	100	9,082	0.00	0.00		1	9,082	9,082	0.00	0.00
43	43	First American Financial Corp.	Thrift	1	13,259	50	6,630	0.00	0.00		1	13,259	6,630	0.00	0.00
44	44	First Electronic Bank	Bank	1	947	100	947	0.00	0.00		1	947	947	0.00	0.00
45	45	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00		0	0	0	0.00	0.00
46	46	America First Federal Credit Union	CU (comp.)	39	0	0	0	0.00	0.00		39	0	0	0.00	0.00
47	47	Chartway Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00		7	0	0	0.00	0.00
48	48	Chevron Federal Credit Union	CU (comp.)	2	72,646	0	0	0.00	0.00		2	72,646	0	0.00	0.00
49	49	Cyprus Federal Credit Union	CU (comp.)	17	591,727	0	0	0.00	0.00		17	591,727	0	0.00	0.00
50	50	Delta Community Credit Union	CU (comp.)	1	0	0	0	0.00	0.00		1	0	0	0.00	0.00
51	51	Deseret First Federal Credit Union	CU (comp.)	7	407,390	0	0	0.00	0.00		7	407,390	0	0.00	0.00
52	52	Goldenwest Federal Credit Union	CU (comp.)	6	0	0	0	0.00	0.00		6	0	0	0.00	0.00
53	53	Granite Federal Credit Union	CU (comp.)	8	317,127	0	0	0.00	0.00		8	317,127	0	0.00	0.00
54	54	Hi-Land Credit Union	CU (comp.)	1	32,225	0	0	0.00	0.00		1	32,225	0	0.00	0.00
55	55	Jordan Federal Credit Union	CU (comp.)	6	203,195	0	0	0.00	0.00		6	203,195	0	0.00	0.00
56	56	Mountain America Federal Credit Union	CU (comp.)	30	3,260,449	0	0	0.00	0.00		30	3,260,449	0	0.00	0.00
57	57	Security Service Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00		7	0	0	0.00	0.00
58	58	Transwest Credit Union	CU (comp.)	5	105,859	0	0	0.00	0.00		5	105,859	0	0.00	0.00
59	59	University First Federal Credit Union	CU (comp.)	17	578,641	0	0	0.00	0.00		17	578,641	0	0.00	0.00
60	60	Utah First Federal Credit Union	CU (comp.)	6	223,703	0	0	0.00	0.00		6	223,703	0	0.00	0.00
61	61	American United Family of Credit Unions Federal (	CU	8	133,808	0	0	0.00	0.00		8	133,808	0	0.00	0.00
62	62	Associated Federal Employees FCU	CU	2	27,876	0	0	0.00	0.00		2	27,876	0	0.00	0.00
63	63	Bailey Inc. Employees Credit Union	CU	1	695	0	0	0.00	0.00		1	695	0	0.00	0.00
64	64	Beckstrand & Associates Credit Union	CU	1	187	0	0	0.00	0.00		1	187	0	0.00	0.00
65	65	Deseret News Employees Credit Union	CU	1	1,381	0	0	0.00	0.00		1	1,381	0	0.00	0.00
66	66	Firefighters Credit Union	CU	1	26,971	0	0	0.00	0.00		1	26,971	0	0.00	0.00
67	67	Gibbons & Reed Employees FCU	CU	1	4,704	0	0	0.00	0.00		1	4,704	0	0.00	0.00
68	68	Granite Furniture Employees FCU	CU	1	480	0	0	0.00	0.00		1	480	0	0.00	0.00
69	69	Health Care Credit Union	CU	7	62,632	0	0	0.00	0.00		7	62,632	0	0.00	0.00
70	70	Hercules Credit Union	CU	1	52,919	0	0	0.00	0.00		1	52,919	0	0.00	0.00
71	71	HollyFrontier Employee"s Credit Union	CU	1	4,881	0	0	0.00	0.00		1	4,881	0	0.00	0.00
72	72	Horizon Utah Federal Credit Union	CU	3	105,626	0	0	0.00	0.00		3	105,626	0	0.00	0.00
73	73	LU 354 IBEW Federal Credit Union	CU	3	16,774	0	0	0.00	0.00		3	16,774	0	0.00	0.00
74	74	Meadow Gold Employees Credit Union	CU	1	3,739	0	0	0.00	0.00		1	3,739	0	0.00	0.00
75	75	MidValley Federal Credit Union	CU	1	4,775	0	0	0.00	0.00		1	4,775	0	0.00	0.00
76	76	National J.A.C.L. Credit Union	CU	1	26,879	0	0	0.00	0.00		1	26,879	0	0.00	0.00
77	77	Operating Engineers Local Union #3 Federal Cred	CU	1	0	0	0	0.00	0.00		1	0	0	0.00	0.00
78	78	P & S Credit Union	CU	1	12,469	0	0	0.00	0.00		1	12,469	0	0.00	0.00
79	79	Tanner Employees Credit Union	CU	1	5,664	0	0	0.00	0.00		1	5,664	0	0.00	0.00
80	80	Teamsters Local #222 Federal Credit Union	CU	1	2,516	0	0	0.00	0.00		1	2,516	0	0.00	0.00
81	81	UCB Credit Union	CU	1	1,115	0	0	0.00	0.00		1	1,115	0	0.00	0.00
82	82	Utah Federal Credit Union	CU	1	16,586	0	0	0.00	0.00		1	16,586	0	0.00	0.00
83	83	Utah Power Credit Union	CU	2	429,738	0	0	0.00	0.00		2	429,738	0	0.00	0.00
84	84	Utah Prison Employees Credit Union	CU	1	3,402	0	0	0.00	0.00		1	3,402	0	0.00	0.00
85	85	Varian Federal Credit Union	CU	1	11,230	0	0	0.00	0.00		1	11,230	0	0.00	0.00

007

Salt Lake City, UT - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
86	86	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**465**	**370,537,930**		**346,723,662**	**100.00**	**1,287.88**	**465**	**370,537,930**	**346,723,662**	**100.00**	**1,287.88**

PRE-MERGER HHI: 1,288
POST-MERGER HHI: 1,288
HHI CHANGE: 0

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

Ownership info as of 8/20/2014

Salt Lake City, UT - RMA Banking Market

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
6		CIT Group Inc.	Bank	1	11,111,079	100	11,111,079	3.37	11.36					
TARGET														
		IMB HoldCo LLC	-											
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							1	11,111,079	11,111,079	3.37	11.36
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Morgan Stanley	Bank	1	66,068,000	100	66,068,000	20.04	401.65	1	66,068,000	66,068,000	20.04	401.65
2	2	Goldman Sachs Group Inc.	Bank	2	65,384,000	100	65,384,000	19.83	393.38	2	65,384,000	65,384,000	19.83	393.38
3	3	Ally Financial Inc.	Bank	1	50,769,639	100	50,769,639	15.40	237.18	1	50,769,639	50,769,639	15.40	237.18
4	4	UBS AG	Bank	1	43,384,766	100	43,384,766	13.16	173.20	1	43,384,766	43,384,766	13.16	173.20
5	5	American Express Co.	Bank	2	40,685,365	100	40,685,365	12.34	152.32	2	40,685,365	40,685,365	12.34	152.32
7	7	JPMorgan Chase & Co.	Bank	37	9,499,128	100	9,499,128	2.88	8.30	37	9,499,128	9,499,128	2.88	8.30
8	8	Zions Bancorp.	Bank	46	9,216,236	100	9,216,236	2.80	7.82	46	9,216,236	9,216,236	2.80	7.82
9	9	Sallie Mae Bank	Bank	1	7,633,904	100	7,633,904	2.32	5.36	1	7,633,904	7,633,904	2.32	5.36
10	10	Wells Fargo & Co.	Bank	47	6,881,637	100	6,881,637	2.09	4.36	47	6,881,637	6,881,637	2.09	4.36
11	11	BMW of North America LLC	Bank	1	6,129,281	100	6,129,281	1.86	3.46	1	6,129,281	6,129,281	1.86	3.46
12	12	KeyCorp	Bank	22	2,701,163	100	2,701,163	0.82	0.67	22	2,701,163	2,701,163	0.82	0.67
13	13	UnitedHealth Group Inc.	Bank	1	2,043,302	100	2,043,302	0.62	0.38	1	2,043,302	2,043,302	0.62	0.38
14	14	U.S. Bancorp	Bank	39	1,444,947	100	1,444,947	0.44	0.19	39	1,444,947	1,444,947	0.44	0.19
15	15	WEX Bank	Bank	1	1,338,421	100	1,338,421	0.41	0.16	1	1,338,421	1,338,421	0.41	0.16
16	16	Comenity Capital Bank	Bank	1	634,959	100	634,959	0.19	0.04	1	634,959	634,959	0.19	0.04
17	17	Medallion Bank	Bank	1	632,413	100	632,413	0.19	0.04	1	632,413	632,413	0.19	0.04
18	18	Pitney Bowes Bank Inc.	Bank	1	616,627	100	616,627	0.19	0.03	1	616,627	616,627	0.19	0.03
19	19	EnerBank USA	Bank	1	499,436	100	499,436	0.15	0.02	1	499,436	499,436	0.15	0.02
20	20	Republic Bank	Bank	1	482,248	100	482,248	0.15	0.02	1	482,248	482,248	0.15	0.02
21	21	Marlin Business Services Corp.	Bank	1	461,912	100	461,912	0.14	0.02	1	461,912	461,912	0.14	0.02
22	22	Washington Federal Inc.	Bank	7	235,497	100	235,497	0.07	0.01	7	235,497	235,497	0.07	0.01
23	23	First Utah Bancorp.	Bank	7	230,553	100	230,553	0.07	0.00	7	230,553	230,553	0.07	0.00
24	24	Celtic Bank	Bank	1	220,998	100	220,998	0.07	0.00	1	220,998	220,998	0.07	0.00
25	25	NHB Holdings Inc.	Bank	1	164,271	100	164,271	0.05	0.00	1	164,271	164,271	0.05	0.00
26	26	BOU Bancorp Inc.	Bank	3	149,841	100	149,841	0.05	0.00	3	149,841	149,841	0.05	0.00
27	27	Brighton Bancorp	Bank	4	131,788	100	131,788	0.04	0.00	4	131,788	131,788	0.04	0.00
28	28	People"s Utah Bancorp	Bank	4	127,788	100	127,788	0.04	0.00	4	127,788	127,788	0.04	0.00
29	29	BNP Paribas SA	Bank	4	127,709	100	127,709	0.04	0.00	4	127,709	127,709	0.04	0.00
30	30	Prime Alliance Bank	Bank	1	116,562	100	116,562	0.04	0.00	1	116,562	116,562	0.04	0.00
31	31	Continental BanCorp.	Bank	1	102,906	100	102,906	0.03	0.00	1	102,906	102,906	0.03	0.00
32	32	WebBank	Bank	1	102,119	100	102,119	0.03	0.00	1	102,119	102,119	0.03	0.00
33	33	Home Credit Corp.	Bank	2	88,702	100	88,702	0.03	0.00	2	88,702	88,702	0.03	0.00
34	34	FNB Bancorp	Bank	3	71,988	100	71,988	0.02	0.00	3	71,988	71,988	0.02	0.00
35	35	Holladay Bank & Trust	Bank	1	41,225	100	41,225	0.01	0.00	1	41,225	41,225	0.01	0.00
36	36	Franklin Resources Inc.	Bank	1	40,589	100	40,589	0.01	0.00	1	40,589	40,589	0.01	0.00
37	37	Target Bank	Bank	1	32,543	100	32,543	0.01	0.00	1	32,543	32,543	0.01	0.00
38	38	All West Bancorp	Bank	1	23,707	100	23,707	0.01	0.00	1	23,707	23,707	0.01	0.00

008

Salt Lake City, UT - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	SKBHC Holdings LLC	Bank	3	22,124	100	22,124	0.01	0.00	3	22,124	22,124	0.01	0.00
40	40	Liberty Bank	Bank	1	9,082	100	9,082	0.00	0.00	1	9,082	9,082	0.00	0.00
41	41	First Electronic Bank	Bank	1	947	100	947	0.00	0.00	1	947	947	0.00	0.00
42	42	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
43	43	America First Federal Credit Union	CU (comp.)	39	0	0	0	0.00	0.00	39	0	0	0.00	0.00
44	44	Chartway Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00	7	0	0	0.00	0.00
45	45	Chevron Federal Credit Union	CU (comp.)	2	72,646	0	0	0.00	0.00	2	72,646	0	0.00	0.00
46	46	Cyprus Federal Credit Union	CU (comp.)	17	591,727	0	0	0.00	0.00	17	591,727	0	0.00	0.00
47	47	Delta Community Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
48	48	Deseret First Federal Credit Union	CU (comp.)	7	407,390	0	0	0.00	0.00	7	407,390	0	0.00	0.00
49	49	Goldenwest Federal Credit Union	CU (comp.)	6	0	0	0	0.00	0.00	6	0	0	0.00	0.00
50	50	Granite Federal Credit Union	CU (comp.)	8	317,127	0	0	0.00	0.00	8	317,127	0	0.00	0.00
51	51	Hi-Land Credit Union	CU (comp.)	1	32,225	0	0	0.00	0.00	1	32,225	0	0.00	0.00
52	52	Jordan Federal Credit Union	CU (comp.)	6	203,195	0	0	0.00	0.00	6	203,195	0	0.00	0.00
53	53	Mountain America Federal Credit Union	CU (comp.)	30	3,260,449	0	0	0.00	0.00	30	3,260,449	0	0.00	0.00
54	54	Security Service Federal Credit Union	CU (comp.)	7	0	0	0	0.00	0.00	7	0	0	0.00	0.00
55	55	Transwest Credit Union	CU (comp.)	5	105,859	0	0	0.00	0.00	5	105,859	0	0.00	0.00
56	56	University First Federal Credit Union	CU (comp.)	17	578,641	0	0	0.00	0.00	17	578,641	0	0.00	0.00
57	57	Utah First Federal Credit Union	CU (comp.)	6	223,703	0	0	0.00	0.00	6	223,703	0	0.00	0.00
58	58	American United Family of Credit Unions Federal	CU	8	133,808	0	0	0.00	0.00	8	133,808	0	0.00	0.00
59	59	Associated Federal Employees FCU	CU	2	27,876	0	0	0.00	0.00	2	27,876	0	0.00	0.00
60	60	Bailey Inc. Employees Credit Union	CU	1	695	0	0	0.00	0.00	1	695	0	0.00	0.00
61	61	Beckstrand & Associates Credit Union	CU	1	187	0	0	0.00	0.00	1	187	0	0.00	0.00
62	62	Deseret News Employees Credit Union	CU	1	1,381	0	0	0.00	0.00	1	1,381	0	0.00	0.00
63	63	Firefighters Credit Union	CU	1	26,971	0	0	0.00	0.00	1	26,971	0	0.00	0.00
64	64	Gibbons & Reed Employees FCU	CU	1	4,704	0	0	0.00	0.00	1	4,704	0	0.00	0.00
65	65	Granite Furniture Employees FCU	CU	1	480	0	0	0.00	0.00	1	480	0	0.00	0.00
66	66	Health Care Credit Union	CU	7	62,632	0	0	0.00	0.00	7	62,632	0	0.00	0.00
67	67	Hercules Credit Union	CU	1	52,919	0	0	0.00	0.00	1	52,919	0	0.00	0.00
68	68	HollyFrontier Employee"s Credit Union	CU	1	4,881	0	0	0.00	0.00	1	4,881	0	0.00	0.00
69	69	Horizon Utah Federal Credit Union	CU	3	105,626	0	0	0.00	0.00	3	105,626	0	0.00	0.00
70	70	LU 354 IBEW Federal Credit Union	CU	3	16,774	0	0	0.00	0.00	3	16,774	0	0.00	0.00
71	71	Meadow Gold Employees Credit Union	CU	1	3,739	0	0	0.00	0.00	1	3,739	0	0.00	0.00
72	72	MidValley Federal Credit Union	CU	1	4,775	0	0	0.00	0.00	1	4,775	0	0.00	0.00
73	73	National J.A.C.L. Credit Union	CU	1	26,879	0	0	0.00	0.00	1	26,879	0	0.00	0.00
74	74	Operating Engineers Local Union #3 Federal Cred	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
75	75	P & S Credit Union	CU	1	12,469	0	0	0.00	0.00	1	12,469	0	0.00	0.00
76	76	Tanner Employees Credit Union	CU	1	5,664	0	0	0.00	0.00	1	5,664	0	0.00	0.00
77	77	Teamsters Local #222 Federal Credit Union	CU	1	2,516	0	0	0.00	0.00	1	2,516	0	0.00	0.00
78	78	UCB Credit Union	CU	1	1,115	0	0	0.00	0.00	1	1,115	0	0.00	0.00
79	79	Utah Federal Credit Union	CU	1	16,586	0	0	0.00	0.00	1	16,586	0	0.00	0.00
80	80	Utah Power Credit Union	CU	2	429,738	0	0	0.00	0.00	2	429,738	0	0.00	0.00
81	81	Utah Prison Employees Credit Union	CU	1	3,402	0	0	0.00	0.00	1	3,402	0	0.00	0.00
82	82	Varian Federal Credit Union	CU	1	11,230	0	0	0.00	0.00	1	11,230	0	0.00	0.00
83	83	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
84	84	General Electric Co.	Thrift (c.a.)	2	32,710,240	0	0	0.00	0.00	2	32,710,240	0	0.00	0.00
85	85	CardWorks Inc.	Thrift	1	1,405,020	0	0	0.00	0.00	1	1,405,020	0	0.00	0.00

008

Ownership info as of 8/20/2014

Salt Lake City, UT - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
86	86	First American Financial Corp.	Thrift	1	13,259	0	0	0.00	0.00	1	13,259	0	0.00	0.00
		TOTALS:		**465**	**370,537,930**		**329,659,402**	**100.00**	**1,400.00**	**465**	**370,537,930**	**329,659,402**	**100.00**	**1,400.00**

PRE-MERGER HHI: 1,400
POST-MERGER HHI: 1,400
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

009

San Diego, CA-MEX. - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
51		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
11		IMB HoldCo LLC	Bank	3	850,646	100	850,646	1.36	1.84					
RESULTING INSTITUTION														
	11	CIT Group Inc.	Bank							3	850,646	850,646	1.36	1.84
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	104	16,225,748	100	16,225,748	25.88	669.97	104	16,225,748	16,225,748	25.88	669.97
2	2	Mitsubishi UFJ Financial Group Inc.	Bank	57	9,869,358	100	9,869,358	15.74	247.87	57	9,869,358	9,869,358	15.74	247.87
3	3	Bank of America Corp.	Bank	71	9,613,956	100	9,613,956	15.34	235.21	71	9,613,956	9,613,956	15.34	235.21
4	4	JPMorgan Chase & Co.	Bank	93	7,379,073	100	7,379,073	11.77	138.56	93	7,379,073	7,379,073	11.77	138.56
5	5	U.S. Bancorp	Bank	81	3,586,829	100	3,586,829	5.72	32.74	81	3,586,829	3,586,829	5.72	32.74
6	6	Zions Bancorp.	Bank	27	2,738,307	100	2,738,307	4.37	19.08	27	2,738,307	2,738,307	4.37	19.08
7	7	Citigroup Inc.	Bank	26	1,636,264	100	1,636,264	2.61	6.81	26	1,636,264	1,636,264	2.61	6.81
8	8	Western Alliance Bancorp.	Bank	8	1,327,245	100	1,327,245	2.12	4.48	8	1,327,245	1,327,245	2.12	4.48
9	9	PacWest Bancorp	Bank	15	1,128,393	100	1,128,393	1.80	3.24	15	1,128,393	1,128,393	1.80	3.24
10	10	BofI Holding Inc.	Thrift	1	2,110,340	50	1,055,170	1.68	2.83	1	2,110,340	1,055,170	1.68	2.83
12	12	First Republic Bank	Bank	6	800,978	100	800,978	1.28	1.63	6	800,978	800,978	1.28	1.63
13	13	SKBHC Holdings LLC	Bank	10	673,151	100	673,151	1.07	1.15	10	673,151	673,151	1.07	1.15
14	14	BNP Paribas SA	Bank	5	622,071	100	622,071	0.99	0.98	5	622,071	622,071	0.99	0.98
15	15	City National Corp.	Bank	7	610,987	100	610,987	0.97	0.95	7	610,987	610,987	0.97	0.95
16	16	Comerica Inc.	Bank	15	474,252	100	474,252	0.76	0.57	15	474,252	474,252	0.76	0.57
17	17	Silvergate Capital Corp.	Bank	6	431,465	100	431,465	0.69	0.47	6	431,465	431,465	0.69	0.47
18	18	Grandpoint Capital Inc.	Bank	4	409,236	100	409,236	0.65	0.43	4	409,236	409,236	0.65	0.43
19	19	First Citizens BancShares Inc.	Bank	7	314,675	100	314,675	0.50	0.25	7	314,675	314,675	0.50	0.25
20	20	Banco Bilbao Vizcaya Argentaria SA	Bank	6	284,207	100	284,207	0.45	0.21	6	284,207	284,207	0.45	0.21
21	21	Banc of California Inc.	Bank	3	277,097	100	277,097	0.44	0.20	3	277,097	277,097	0.44	0.20
22	22	San Diego Private Bank	Bank	3	239,388	100	239,388	0.38	0.15	3	239,388	239,388	0.38	0.15
23	23	Seacoast Commerce Bank	Bank	3	218,607	100	218,607	0.35	0.12	3	218,607	218,607	0.35	0.12
24	24	HSBC Holdings Plc	Bank	2	182,682	100	182,682	0.29	0.08	2	182,682	182,682	0.29	0.08
25	25	Pacific Premier Bancorp Inc.	Bank	3	182,236	100	182,236	0.29	0.08	3	182,236	182,236	0.29	0.08
26	26	Northern Trust Corp.	Bank	2	145,196	100	145,196	0.23	0.05	2	145,196	145,196	0.23	0.05
27	27	Bank of Southern California, NA	Bank	4	131,794	100	131,794	0.21	0.04	4	131,794	131,794	0.21	0.04
28	28	East West Bancorp Inc.	Bank	1	117,335	100	117,335	0.19	0.04	1	117,335	117,335	0.19	0.04
29	29	Opus Bank	Bank	5	113,888	100	113,888	0.18	0.03	5	113,888	113,888	0.18	0.03
30	30	First Banks Inc.	Bank	4	112,939	100	112,939	0.18	0.03	4	112,939	112,939	0.18	0.03
31	31	Vibra Bank	Bank	1	112,276	100	112,276	0.18	0.03	1	112,276	112,276	0.18	0.03
32	32	Balboa Thrift and Loan Association	Bank	1	106,133	100	106,133	0.17	0.03	1	106,133	106,133	0.17	0.03
33	33	Neighborhood Bancorp	Bank	3	88,974	100	88,974	0.14	0.02	3	88,974	88,974	0.14	0.02
34	34	Umpqua Holdings Corp.	Bank	2	77,420	100	77,420	0.12	0.02	2	77,420	77,420	0.12	0.02
35	35	Cathay General Bancorp	Bank	1	76,126	100	76,126	0.12	0.01	1	76,126	76,126	0.12	0.01
36	36	Hanmi Financial Corp.	Bank	1	70,942	100	70,942	0.11	0.01	1	70,942	70,942	0.11	0.01
37	37	Carpenter Bank Partners Inc.	Bank	1	70,045	100	70,045	0.11	0.01	1	70,045	70,045	0.11	0.01
38	38	Home Bank of California	Bank	1	64,161	100	64,161	0.10	0.01	1	64,161	64,161	0.10	0.01

San Diego, CA-MEX. - RMA Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Ownership info as of 8/20/2014

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	State Bank of India	Bank	1	55,878	100	55,878	0.09	0.01	1	55,878	55,878	0.09	0.01
40	40	First National Bank of Southern California	Bank	2	54,719	100	54,719	0.09	0.01	2	54,719	54,719	0.09	0.01
41	41	BBCN Bancorp Inc.	Bank	1	46,493	100	46,493	0.07	0.01	1	46,493	46,493	0.07	0.01
42	42	CommerceWest Bank	Bank	1	44,509	100	44,509	0.07	0.01	1	44,509	44,509	0.07	0.01
43	43	Beal Financial Corp.	Thrift	1	43,928	50	21,964	0.04	0.00	1	43,928	21,964	0.04	0.00
44	44	AltaPacific Bancorp	Bank	1	15,134	100	15,134	0.02	0.00	1	15,134	15,134	0.02	0.00
45	45	Dickinson Financial Corp. II	Bank	5	9,642	100	9,642	0.02	0.00	5	9,642	9,642	0.02	0.00
46	46	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	17,990	50	8,995	0.01	0.00	1	17,990	8,995	0.01	0.00
47	47	First Foundation Inc.	Bank	1	7,485	100	7,485	0.01	0.00	1	7,485	7,485	0.01	0.00
48	48	First ULB Corp.	Thrift (c.a.)	1	3,836	50	1,918	0.00	0.00	1	3,836	1,918	0.00	0.00
49	49	Rancho Santa Fe Thrift & Loan Association	Bank	1	1,052	100	1,052	0.00	0.00	1	1,052	1,052	0.00	0.00
50	50	Capital Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
52	51	CVB Financial Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
53	52	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
54	53	Pacific Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
55	54	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
56	55	California Coast Credit Union	CU (comp.)	22	1,571,127	0	0	0.00	0.00	22	1,571,127	0	0.00	0.00
57	56	First Technology Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
58	57	Kinecta Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
59	58	North Island Financial Credit Union	CU (comp.)	11	1,006,360	0	0	0.00	0.00	11	1,006,360	0	0.00	0.00
60	59	Paradise Valley Federal Credit Union	CU (comp.)	1	68,951	0	0	0.00	0.00	1	68,951	0	0.00	0.00
61	60	San Diego County Credit Union	CU (comp.)	29	5,339,715	0	0	0.00	0.00	29	5,339,715	0	0.00	0.00
62	61	San Diego Firefighters FCU	CU (comp.)	1	76,900	0	0	0.00	0.00	1	76,900	0	0.00	0.00
63	62	San Diego Metropolitan Credit Union	CU (comp.)	3	223,201	0	0	0.00	0.00	3	223,201	0	0.00	0.00
64	63	University & State Employees Credit Union	CU (comp.)	6	680,892	0	0	0.00	0.00	6	680,892	0	0.00	0.00
65	64	Cabrillo Credit Union	CU	5	185,417	0	0	0.00	0.00	5	185,417	0	0.00	0.00
66	65	Chula Vista City Employees FCU	CU	1	2,355	0	0	0.00	0.00	1	2,355	0	0.00	0.00
67	66	El Cajon Federal Credit Union	CU	1	11,573	0	0	0.00	0.00	1	11,573	0	0.00	0.00
68	67	Escondido Federal Credit Union	CU	1	33,290	0	0	0.00	0.00	1	33,290	0	0.00	0.00
69	68	Faith Based Federal Credit Union	CU	1	922	0	0	0.00	0.00	1	922	0	0.00	0.00
70	69	First Financial Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
71	70	GEICO Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
72	71	Grossmont Schools Federal Credit Union	CU	2	85,319	0	0	0.00	0.00	2	85,319	0	0.00	0.00
73	72	Inland Federal Credit Union	CU	1	10,090	0	0	0.00	0.00	1	10,090	0	0.00	0.00
74	73	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
75	74	LMCC Employees Federal Credit Union	CU	1	2,752	0	0	0.00	0.00	1	2,752	0	0.00	0.00
76	75	Miramar Federal Credit Union	CU	1	149,978	0	0	0.00	0.00	1	149,978	0	0.00	0.00
77	76	Mission Federal Credit Union	CU	25	2,095,147	0	0	0.00	0.00	25	2,095,147	0	0.00	0.00
78	77	Navy Federal Credit Union	CU	22	0	0	0	0.00	0.00	22	0	0	0.00	0.00
79	78	North County Credit Union	CU	1	55,269	0	0	0.00	0.00	1	55,269	0	0.00	0.00
80	79	Northrop Grumman FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
81	80	Pacific Marine Credit Union	CU	7	583,859	0	0	0.00	0.00	7	583,859	0	0.00	0.00
82	81	Point Loma Credit Union	CU	6	402,855	0	0	0.00	0.00	6	402,855	0	0.00	0.00
83	82	Scient Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
84	83	SD Medical Federal Credit Union	CU	3	59,069	0	0	0.00	0.00	3	59,069	0	0.00	0.00
85	84	Sony San Diego Employees FCU	CU	1	6,611	0	0	0.00	0.00	1	6,611	0	0.00	0.00
86	85	Vons Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00

009

San Diego, CA-MEX. - RMA Banking Market

DEPOSIT BASED HHI

FRB Initial Screen *

Ownership info as of 8/20/2014

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
87	86	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
88	87	E*TRADE Financial Corp.	Thrift	1	0	50	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**777**	**76,426,738**		**62,687,039**	**100.00**	**1,370.29**	**777**	**76,426,738**	**62,687,039**	**100.00**	**1,370.29**

PRE-MERGER HHI: 1,370
POST-MERGER HHI: 1,370
HHI CHANGE: 0

Footnotes:

* **FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

010

San Diego, CA-MEX. - RMA Banking Market

Ownership info as of 8/20/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
BUYER														
47		CIT Group Inc.	Bank	0	0	100	0	0.00	0.00					
TARGET														
10		IMB HoldCo LLC	Bank	3	850,646	100	850,646	1.38	1.91					
RESULTING INSTITUTION														
	10	CIT Group Inc.	Bank							3	850,646	850,646	1.38	1.91
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	104	16,225,748	100	16,225,748	26.34	693.84	104	16,225,748	16,225,748	26.34	693.84
2	2	Mitsubishi UFJ Financial Group Inc.	Bank	57	9,869,358	100	9,869,358	16.02	256.70	57	9,869,358	9,869,358	16.02	256.70
3	3	Bank of America Corp.	Bank	71	9,613,956	100	9,613,956	15.61	243.59	71	9,613,956	9,613,956	15.61	243.59
4	4	JPMorgan Chase & Co.	Bank	93	7,379,073	100	7,379,073	11.98	143.50	93	7,379,073	7,379,073	11.98	143.50
5	5	U.S. Bancorp	Bank	81	3,586,829	100	3,586,829	5.82	33.91	81	3,586,829	3,586,829	5.82	33.91
6	6	Zions Bancorp.	Bank	27	2,738,307	100	2,738,307	4.45	19.76	27	2,738,307	2,738,307	4.45	19.76
7	7	Citigroup Inc.	Bank	26	1,636,264	100	1,636,264	2.66	7.06	26	1,636,264	1,636,264	2.66	7.06
8	8	Western Alliance Bancorp.	Bank	8	1,327,245	100	1,327,245	2.15	4.64	8	1,327,245	1,327,245	2.15	4.64
9	9	PacWest Bancorp	Bank	15	1,128,393	100	1,128,393	1.83	3.36	15	1,128,393	1,128,393	1.83	3.36
11	11	First Republic Bank	Bank	6	800,978	100	800,978	1.30	1.69	6	800,978	800,978	1.30	1.69
12	12	SKBHC Holdings LLC	Bank	10	673,151	100	673,151	1.09	1.19	10	673,151	673,151	1.09	1.19
13	13	BNP Paribas SA	Bank	5	622,071	100	622,071	1.01	1.02	5	622,071	622,071	1.01	1.02
14	14	City National Corp.	Bank	7	610,987	100	610,987	0.99	0.98	7	610,987	610,987	0.99	0.98
15	15	Comerica Inc.	Bank	15	474,252	100	474,252	0.77	0.59	15	474,252	474,252	0.77	0.59
16	16	Silvergate Capital Corp.	Bank	6	431,465	100	431,465	0.70	0.49	6	431,465	431,465	0.70	0.49
17	17	Grandpoint Capital Inc.	Bank	4	409,236	100	409,236	0.66	0.44	4	409,236	409,236	0.66	0.44
18	18	First Citizens BancShares Inc.	Bank	7	314,675	100	314,675	0.51	0.26	7	314,675	314,675	0.51	0.26
19	19	Banco Bilbao Vizcaya Argentaria SA	Bank	6	284,207	100	284,207	0.46	0.21	6	284,207	284,207	0.46	0.21
20	20	Banc of California Inc.	Bank	3	277,097	100	277,097	0.45	0.20	3	277,097	277,097	0.45	0.20
21	21	San Diego Private Bank	Bank	3	239,388	100	239,388	0.39	0.15	3	239,388	239,388	0.39	0.15
22	22	Seacoast Commerce Bank	Bank	3	218,607	100	218,607	0.35	0.13	3	218,607	218,607	0.35	0.13
23	23	HSBC Holdings Plc	Bank	2	182,682	100	182,682	0.30	0.09	2	182,682	182,682	0.30	0.09
24	24	Pacific Premier Bancorp Inc.	Bank	3	182,236	100	182,236	0.30	0.09	3	182,236	182,236	0.30	0.09
25	25	Northern Trust Corp.	Bank	2	145,196	100	145,196	0.24	0.06	2	145,196	145,196	0.24	0.06
26	26	Bank of Southern California, NA	Bank	4	131,794	100	131,794	0.21	0.05	4	131,794	131,794	0.21	0.05
27	27	East West Bancorp Inc.	Bank	1	117,335	100	117,335	0.19	0.04	1	117,335	117,335	0.19	0.04
28	28	Opus Bank	Bank	5	113,888	100	113,888	0.18	0.03	5	113,888	113,888	0.18	0.03
29	29	First Banks Inc.	Bank	4	112,939	100	112,939	0.18	0.03	4	112,939	112,939	0.18	0.03
30	30	Vibra Bank	Bank	1	112,276	100	112,276	0.18	0.03	1	112,276	112,276	0.18	0.03
31	31	Balboa Thrift and Loan Association	Bank	1	106,133	100	106,133	0.17	0.03	1	106,133	106,133	0.17	0.03
32	32	Neighborhood Bancorp	Bank	3	88,974	100	88,974	0.14	0.02	3	88,974	88,974	0.14	0.02
33	33	Umpqua Holdings Corp.	Bank	2	77,420	100	77,420	0.13	0.02	2	77,420	77,420	0.13	0.02
34	34	Cathay General Bancorp	Bank	1	76,126	100	76,126	0.12	0.02	1	76,126	76,126	0.12	0.02
35	35	Hanmi Financial Corp.	Bank	1	70,942	100	70,942	0.12	0.01	1	70,942	70,942	0.12	0.01
36	36	Carpenter Bank Partners Inc.	Bank	1	70,045	100	70,045	0.11	0.01	1	70,045	70,045	0.11	0.01
37	37	Home Bank of California	Bank	1	64,161	100	64,161	0.10	0.01	1	64,161	64,161	0.10	0.01
38	38	State Bank of India	Bank	1	55,878	100	55,878	0.09	0.01	1	55,878	55,878	0.09	0.01

Ownership info as of 8/20/2014

San Diego, CA-MEX. - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI
39	39	First National Bank of Southern California	Bank	2	54,719	100	54,719	0.09	0.01	2	54,719	54,719	0.09	0.01
40	40	BBCN Bancorp Inc.	Bank	1	46,493	100	46,493	0.08	0.01	1	46,493	46,493	0.08	0.01
41	41	CommerceWest Bank	Bank	1	44,509	100	44,509	0.07	0.01	1	44,509	44,509	0.07	0.01
42	42	AltaPacific Bancorp	Bank	1	15,134	100	15,134	0.02	0.00	1	15,134	15,134	0.02	0.00
43	43	Dickinson Financial Corp. II	Bank	5	9,642	100	9,642	0.02	0.00	5	9,642	9,642	0.02	0.00
44	44	First Foundation Inc.	Bank	1	7,485	100	7,485	0.01	0.00	1	7,485	7,485	0.01	0.00
45	45	Rancho Santa Fe Thrift & Loan Association	Bank	1	1,052	100	1,052	0.00	0.00	1	1,052	1,052	0.00	0.00
46	46	Capital Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
48	47	CVB Financial Corp.	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
49	48	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
50	49	Pacific Commerce Bank	Bank	1	0	100	0	0.00	0.00	1	0	0	0.00	0.00
51	50	Anheuser-Busch Employees Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
52	51	California Coast Credit Union	CU (comp.)	22	1,571,127	0	0	0.00	0.00	22	1,571,127	0	0.00	0.00
53	52	First Technology Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
54	53	Kinecta Federal Credit Union	CU (comp.)	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
55	54	North Island Financial Credit Union	CU (comp.)	11	1,006,360	0	0	0.00	0.00	11	1,006,360	0	0.00	0.00
56	55	Paradise Valley Federal Credit Union	CU (comp.)	1	68,951	0	0	0.00	0.00	1	68,951	0	0.00	0.00
57	56	San Diego County Credit Union	CU (comp.)	29	5,339,715	0	0	0.00	0.00	29	5,339,715	0	0.00	0.00
58	57	San Diego Firefighters FCU	CU (comp.)	1	76,900	0	0	0.00	0.00	1	76,900	0	0.00	0.00
59	58	San Diego Metropolitan Credit Union	CU (comp.)	3	223,201	0	0	0.00	0.00	3	223,201	0	0.00	0.00
60	59	University & State Employees Credit Union	CU (comp.)	6	680,892	0	0	0.00	0.00	6	680,892	0	0.00	0.00
61	60	Cabrillo Credit Union	CU	5	185,417	0	0	0.00	0.00	5	185,417	0	0.00	0.00
62	61	Chula Vista City Employees FCU	CU	1	2,355	0	0	0.00	0.00	1	2,355	0	0.00	0.00
63	62	El Cajon Federal Credit Union	CU	1	11,573	0	0	0.00	0.00	1	11,573	0	0.00	0.00
64	63	Escondido Federal Credit Union	CU	1	33,290	0	0	0.00	0.00	1	33,290	0	0.00	0.00
65	64	Faith Based Federal Credit Union	CU	1	922	0	0	0.00	0.00	1	922	0	0.00	0.00
66	65	First Financial Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
67	66	GEICO Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
68	67	Grossmont Schools Federal Credit Union	CU	2	85,319	0	0	0.00	0.00	2	85,319	0	0.00	0.00
69	68	Inland Federal Credit Union	CU	1	10,090	0	0	0.00	0.00	1	10,090	0	0.00	0.00
70	69	Justice Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
71	70	LMCC Employees Federal Credit Union	CU	1	2,752	0	0	0.00	0.00	1	2,752	0	0.00	0.00
72	71	Miramar Federal Credit Union	CU	1	149,978	0	0	0.00	0.00	1	149,978	0	0.00	0.00
73	72	Mission Federal Credit Union	CU	25	2,095,147	0	0	0.00	0.00	25	2,095,147	0	0.00	0.00
74	73	Navy Federal Credit Union	CU	22	0	0	0	0.00	0.00	22	0	0	0.00	0.00
75	74	North County Credit Union	CU	1	55,269	0	0	0.00	0.00	1	55,269	0	0.00	0.00
76	75	Northrop Grumman FCU	CU	3	0	0	0	0.00	0.00	3	0	0	0.00	0.00
77	76	Pacific Marine Credit Union	CU	7	583,859	0	0	0.00	0.00	7	583,859	0	0.00	0.00
78	77	Point Loma Credit Union	CU	6	402,855	0	0	0.00	0.00	6	402,855	0	0.00	0.00
79	78	Scient Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
80	79	SD Medical Federal Credit Union	CU	3	59,069	0	0	0.00	0.00	3	59,069	0	0.00	0.00
81	80	Sony San Diego Employees FCU	CU	1	6,611	0	0	0.00	0.00	1	6,611	0	0.00	0.00
82	81	Vons Employees Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
83	82	Western Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
84	83	First ULB Corp.	Thrift (c.a.)	1	3,836	0	0	0.00	0.00	1	3,836	0	0.00	0.00
85	84	Omaha Financial Holdings Inc.	Thrift (c.a.)	1	17,990	0	0	0.00	0.00	1	17,990	0	0.00	0.00
86	85	Beal Financial Corp.	Thrift	1	43,928	0	0	0.00	0.00	1	43,928	0	0.00	0.00

010

Ownership info as of 8/20/2014

San Diego, CA-MEX. - RMA Banking Market
DEPOSIT BASED HHI
DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
87	86	BofI Holding Inc.	Thrift	1	2,110,340	0	0	0.00	0.00	1	2,110,340	0	0.00	0.00
88	87	E*TRADE Financial Corp.	Thrift	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
		TOTALS:		**777**	**76,426,738**		**61,598,992**	**100.00**	**1,416.19**	**777**	**76,426,738**	**61,598,992**	**100.00**	**1,416.19**

PRE-MERGER HHI: 1,416
POST-MERGER HHI: 1,416
HHI CHANGE: 0

Footnotes:

* **DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%**
** **Pro Forma Ownership assumes that announced transactions have been completed**

PUBLIC EXHIBIT 9

SECTION C: HHI Exhibit for the Allocated Palm Springs-Cathedral City-Palm Desert, CA FRB Market

005

Allocated Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI
FRB Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
20		CIT Group Inc.	Bank	0	8,271 (1)	100	8,271 (1)	0.12	0.01					
TARGET														
6		IMB HoldCo LLC	Bank	3	468,935	100	468,935	6.80	46.28					
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							3	477,206	477,206	6.92	47.92
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	20	1,498,326	100	1,498,326	21.74	472.44	20	1,498,326	1,498,326	21.74	472.44
2	2	Bank of America Corp.	Bank	14	1,070,503	100	1,070,503	15.53	241.16	14	1,070,503	1,070,503	15.53	241.16
3	3	JPMorgan Chase & Co.	Bank	14	760,913	100	760,913	11.04	121.84	14	760,913	760,913	11.04	121.84
4	4	U.S. Bancorp	Bank	15	597,671	100	597,671	8.67	75.17	15	597,671	597,671	8.67	75.17
5	5	PacWest Bancorp	Bank	4	484,114	100	484,114	7.02	49.32	4	484,114	484,114	7.02	49.32
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	6	415,399	100	415,399	6.03	36.31	6	415,399	415,399	6.03	36.31
8	8	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	6	330,059	100	330,059	4.79	22.93	6	330,059	330,059	4.79	22.93
9	9	FirstBank Holding Co.	Bank	5	273,730	100	273,730	3.97	15.77	5	273,730	273,730	3.97	15.77
10	10	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	3.95	15.58	4	272,054	272,054	3.95	15.58
11	11	Banco Bilbao Vizcaya Argentaria SA	Bank	4	166,785	100	166,785	2.42	5.85	4	166,785	166,785	2.42	5.85
12	12	Citigroup Inc.	Bank	2	158,674	100	158,674	2.30	5.30	2	158,674	158,674	2.30	5.30
13	13	Zions Bancorp.	Bank	2	83,680	100	83,680	1.21	1.47	2	83,680	83,680	1.21	1.47
14	14	First Republic Bank	Bank	1	74,330	100	74,330	1.08	1.16	1	74,330	74,330	1.08	1.16
15	15	First Foundation Inc.	Bank	1	66,377	100	66,377	0.96	0.93	1	66,377	66,377	0.96	0.93
16	16	Western Community Bancshares Inc.	Thrift	2	94,010	50	47,005	0.68	0.46	2	94,010	47,005	0.68	0.46
17	17	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.63	0.39	2	43,119	43,119	0.63	0.39
18	18	Provident Financial Holdings Inc.	Thrift	2	79,450	50	39,725	0.58	0.33	2	79,450	39,725	0.58	0.33
19	19	Opus Bank	Bank	2	30,077	100	30,077	0.44	0.19	2	30,077	30,077	0.44	0.19
21	20	JRMB II Inc.	Bank	1	2,236	100	2,236	0.03	0.00	1	2,236	2,236	0.03	0.00
22	21	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
23	22	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
24	23	Altura Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
25	24	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
26	25	Pacific Marine Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
27	26	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
		TOTALS:		**117**	**6,991,694**		**6,893,366**	**100.00**	**1,112.92**	**117**	**6,991,694**	**6,893,366**	**100.00**	**1,114.55**

PRE-MERGER HHI: **1,113**
POST-MERGER HHI: **1,115**
HHI CHANGE: **2**

005

Allocated Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

FRB Initial Screen *

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre-Merger Branch Count	Pre-Merger Total Deposits in Market ($000)	Pre-Merger Weight	Pre-Merger Weighted Deposits in Market ($000)	Pre-Merger Weighted Market Share (%)	Pre-Merger Deposit HHI	Post-Merger Branch Count	Post-Merger Total Deposits in Market ($000)	Post-Merger Weighted Deposits in Market ($000)	Post-Merger Weighted Market Share (%)	Post-Merger Deposit HHI

Footnotes:

* FRB Initial Screen: Banks at 100%, Thrifts at 50%, Credit Unions at 0%

** Pro Forma Ownership assumes that announced transactions have been completed

(1) Allocated based on FRB market share of total U.S. deposits

006

Allocated Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI
BUYER														
18		CIT Group Inc.	Bank	0	8,271 [1]	100	8,271 [1]	0.12	0.01					
TARGET														
6		IMB HoldCo LLC	Bank	3	468,935	100	468,935	6.89	47.46					
RESULTING INSTITUTION														
	6	CIT Group Inc.	Bank							3	477,206	477,206	7.01	49.15
OTHER INSTITUTIONS (Pro Forma **)														
1	1	Wells Fargo & Co.	Bank	20	1,498,326	100	1,498,326	22.01	484.56	20	1,498,326	1,498,326	22.01	484.56
2	2	Bank of America Corp.	Bank	14	1,070,503	100	1,070,503	15.73	247.35	14	1,070,503	1,070,503	15.73	247.35
3	3	JPMorgan Chase & Co.	Bank	14	760,913	100	760,913	11.18	124.97	14	760,913	760,913	11.18	124.97
4	4	U.S. Bancorp	Bank	15	597,671	100	597,671	8.78	77.10	15	597,671	597,671	8.78	77.10
5	5	PacWest Bancorp	Bank	4	484,114	100	484,114	7.11	50.59	4	484,114	484,114	7.11	50.59
7	7	Mitsubishi UFJ Financial Group Inc.	Bank	6	415,399	100	415,399	6.10	37.24	6	415,399	415,399	6.10	37.24
8	8	Coperatieve Centrale Raiffeisen-Boerenleenbank	Bank	6	330,059	100	330,059	4.85	23.51	6	330,059	330,059	4.85	23.51
9	9	FirstBank Holding Co.	Bank	5	273,730	100	273,730	4.02	16.17	5	273,730	273,730	4.02	16.17
10	10	Pacific Premier Bancorp Inc.	Bank	4	272,054	100	272,054	4.00	15.98	4	272,054	272,054	4.00	15.98
11	11	Banco Bilbao Vizcaya Argentaria SA	Bank	4	166,785	100	166,785	2.45	6.00	4	166,785	166,785	2.45	6.00
12	12	Citigroup Inc.	Bank	2	158,674	100	158,674	2.33	5.43	2	158,674	158,674	2.33	5.43
13	13	Zions Bancorp.	Bank	2	83,680	100	83,680	1.23	1.51	2	83,680	83,680	1.23	1.51
14	14	First Republic Bank	Bank	1	74,330	100	74,330	1.09	1.19	1	74,330	74,330	1.09	1.19
15	15	First Foundation Inc.	Bank	1	66,377	100	66,377	0.98	0.95	1	66,377	66,377	0.98	0.95
16	16	Bank of Southern California, NA	Bank	2	43,119	100	43,119	0.63	0.40	2	43,119	43,119	0.63	0.40
17	17	Opus Bank	Bank	2	30,077	100	30,077	0.44	0.20	2	30,077	30,077	0.44	0.20
19	18	JRMB II Inc.	Bank	1	2,236	100	2,236	0.03	0.00	1	2,236	2,236	0.03	0.00
20	19	Balboa Thrift and Loan Association	Bank	1	1,383	100	1,383	0.02	0.00	1	1,383	1,383	0.02	0.00
21	20	OneWest Bank NA	Bank	0	0	100	0	0.00	0.00	0	0	0	0.00	0.00
22	21	Altura Credit Union	CU (comp.)	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
23	22	Navy Federal Credit Union	CU	1	0	0	0	0.00	0.00	1	0	0	0.00	0.00
24	23	Pacific Marine Credit Union	CU	2	0	0	0	0.00	0.00	2	0	0	0.00	0.00
25	24	Palm Springs City Employees FCU	CU	1	11,598	0	0	0.00	0.00	1	11,598	0	0.00	0.00
26	25	Provident Financial Holdings Inc.	Thrift	2	79,450	0	0	0.00	0.00	2	79,450	0	0.00	0.00
27	26	Western Community Bancshares Inc.	Thrift	2	94,010	0	0	0.00	0.00	2	94,010	0	0.00	0.00
		TOTALS:		**117**	**6,991,694**		**6,806,636**	**100.00**	**1,140.64**	**117**	**6,991,694**	**6,806,636**	**100.00**	**1,142.32**

PRE-MERGER HHI: 1,141
POST-MERGER HHI: 1,142
HHI CHANGE: 2

006

Allocated Palm Springs-Cathedral City-Palm Desert, CA - FRB Banking Market

Ownership info as of 8/19/2014

DEPOSIT BASED HHI

DOJ Initial Screen *

				Pre-Merger						Post-Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Branch Count	Total Deposits in Market ($000)	Weight	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI	Branch Count	Total Deposits in Market ($000)	Weighted Deposits in Market ($000)	Weighted Market Share (%)	Deposit HHI

Footnotes:

* DOJ Initial Screen: Banks at 100%, Thrifts at 0%, Credit Unions at 0%
** Pro Forma Ownership assumes that announced transactions have been completed
(1) Allocated based on FRB market share of total U.S. deposits

PUBLIC EXHIBIT 9

SECTION D: CRA Lending Data for Relevant Counties

ACQUIROR : CIT Group Inc.
TARGET : IMB Management Holdings LP

Market / Scenario *	Institutions	CRA LOANS A	CRA LOANS T	HHI Pre	HHI Post	HHI Delta	MARKET SHARE A	MARKET SHARE T	MARKET SHARE C	RANK A	RANK T	RANK C	Gap	Divest to 1800 ($000)	Divest to 200 ($000)	Divest to 35% ($000)
LOS ANGELES (COUNTY), CA (COUNTY)	**209**	**Market Total: 224,975**														
001a # Loans Total		33	61	1,953	1,953	0	0.01%	0.03%	0.04%	91	70	53	-	-	-	-
001b $ Loans Total		214	28,559	837	837	0	0.00%	0.42%	0.42%	137	28	28	-	-	-	-
ORANGE (COUNTY), CA (COUNTY)	**154**	**Market Total: 87,939**														
002a # Loans Total		3	17	1,964	1,964	0	0.00%	0.02%	0.02%	104	73	70	-	-	-	-
002b $ Loans Total		19	6,220	1,128	1,128	0	0.00%	0.23%	0.23%	140	34	34	-	-	-	-
RIVERSIDE (COUNTY), CA (COUNTY)	**96**	**Market Total: 30,974**														
003a # Loans Total		9	4	1,597	1,597	0	0.03%	0.01%	0.04%	49	56	45	-	-	-	-
003b $ Loans Total		114	2,163	966	966	0	0.01%	0.28%	0.29%	75	35	35	-	-	-	-
SAN BERNARDINO (COUNTY), CA (COUNTY)	**84**	**Market Total: 25,350**														
004a # Loans Total		4	5	1,535	1,535	0	0.02%	0.02%	0.04%	56	54	48	-	-	-	-
004b $ Loans Total		26	2,226	797	797	0	0.00%	0.28%	0.28%	74	30	30	-	-	-	-
SAN DIEGO (COUNTY), CA (COUNTY)	**120**	**Market Total: 68,648**														
005a # Loans Total		7	4	1,685	1,685	0	0.01%	0.01%	0.02%	60	67	51	-	-	-	-
005b $ Loans Total		252	2,048	1,127	1,127	0	0.01%	0.10%	0.12%	79	31	30	-	-	-	-
SALT LAKE, UT (COUNTY)	**84**	**Market Total: 24,617**														
006a # Loans Total		1	0	1,497	1,497	0	0.00%	0.00%	0.00%	55	0	55	-	-	-	-
006b $ Loans Total		5	0	1,842	1,842	0	0.00%	0.00%	0.00%	73	0	73	-	-	-	-

Footnotes:

*** # Loans Total: Number of Loans, Total**
$ Loans Total: Aggregate Amount of Loans ($000), Total

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
91		CIT Group Inc.	33	0.01%	0.00
70		IMB Management Holdings LP	61	0.03%	0.00
Post-Merger Institution					
	53	**CIT Group Inc.**	**94**	**0.04%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	32,211	14.32%	204.99
3	3	JPMorgan Chase & Co.	25,920	11.52%	132.74
4	4	Citigroup Inc.	19,062	8.47%	71.79
5	5	Bank of America Corp.	17,566	7.81%	60.96
7	7	U.S. Bancorp	9,922	4.41%	19.45
9	9	Mitsubishi UFJ Financial Group Inc.	2,402	1.07%	1.14
10	10	City National Corp.	1,776	0.79%	0.62
11	11	BNP Paribas SA	1,625	0.72%	0.52
13	13	HSBC Holdings Plc	924	0.41%	0.17
14	14	Zions Bancorp.	899	0.40%	0.16
16	16	Community Bank	628	0.28%	0.08
17	17	Pacific City Financial Corp.	578	0.26%	0.07
18	18	BBCN Bancorp Inc.	547	0.24%	0.06
19	19	Wilshire Bancorp Inc.	476	0.21%	0.04
20	20	CVB Financial Corp.	455	0.20%	0.04
22	22	Hanmi Financial Corp.	368	0.16%	0.03
23	23	Mission Valley Bancorp	355	0.16%	0.02
24	24	CU Bancorp	350	0.16%	0.02
25	25	East West Bancorp Inc.	346	0.15%	0.02
26	26	PacWest Bancorp	331	0.15%	0.02
27	27	Comerica Inc.	330	0.15%	0.02
28	28	Commonwealth Business Bank	312	0.14%	0.02
29	29	Cathay General Bancorp	310	0.14%	0.02
30	30	American Business Bank	285	0.13%	0.02
31	31	Carpenter Bank Partners Inc.	240	0.11%	0.01
32	32	Open Bank	214	0.09%	0.01
33	33	NCAL Bancorp	199	0.09%	0.01
34	34	EH National Bank	194	0.09%	0.01
35	35	Grandpoint Capital Inc.	180	0.08%	0.01
36	36	Preferred Bank	171	0.08%	0.01
37	37	First General Bank	167	0.07%	0.01
38	38	Community Commerce Bank	147	0.07%	0.00
39	39	Farmers & Merchants Bank of Long Beach	147	0.07%	0.00
40	40	CapitalSource Inc.	145	0.06%	0.00
42	42	First Banks Inc.	138	0.06%	0.00
43	43	Sumitomo Mitsui Financial Group Inc.	128	0.06%	0.00
44	44	Shinhan Financial Group Co. Ltd.	125	0.06%	0.00
47	47	Bank of Santa Clarita	118	0.05%	0.00
50	50	First Republic Bank	101	0.04%	0.00
51	51	Broadway Financial Corp.	100	0.04%	0.00
52	52	RBB Bancorp	94	0.04%	0.00
53	54	GBC Holdings Inc.	92	0.04%	0.00
54	55	International City Bank NA	92	0.04%	0.00
55	56	1st Century Bancshares Inc.	88	0.04%	0.00
56	57	Opus Bank	86	0.04%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
57	58	TFC Holding Co.	82	0.04%	0.00
58	59	Maham Beteiligungsgesellschaft AG	81	0.04%	0.00
59	60	CKH Capital Inc.	76	0.03%	0.00
60	61	SKBHC Holdings LLC	74	0.03%	0.00
61	62	Malaga Financial Corp.	73	0.03%	0.00
62	63	Pacific Commerce Bank	73	0.03%	0.00
63	64	1st Enterprise Bank	73	0.03%	0.00
64	65	American Continental Bank	68	0.03%	0.00
65	66	First Choice Bank	66	0.03%	0.00
66	67	ProAmerica Bank	66	0.03%	0.00
67	68	First Citizens BancShares Inc.	65	0.03%	0.00
68	69	American Plus Bank N.A.	63	0.03%	0.00
69	70	Premier Business Bank	61	0.03%	0.00
71	71	MetroCorp Bancshares Inc.	60	0.03%	0.00
72	72	Friendly Hills Bank	53	0.02%	0.00
73	73	Merchants Bank of California NA	52	0.02%	0.00
74	74	Banco Bilbao Vizcaya Argentaria SA	52	0.02%	0.00
75	75	Boston Private Financial Holdings Inc.	50	0.02%	0.00
76	76	Luther Burbank Corp.	50	0.02%	0.00
77	77	Popular Inc.	45	0.02%	0.00
78	78	America Bancshares Inc.	44	0.02%	0.00
79	79	California Business Bank	44	0.02%	0.00
80	80	Pacific Alliance Bank	41	0.02%	0.00
81	81	United Pacific Bank	40	0.02%	0.00
82	82	Mega Bank	40	0.02%	0.00
83	83	Americas United Bank	39	0.02%	0.00
85	85	Mission Bancorp	38	0.02%	0.00
86	86	Asian Pacific National Bank	37	0.02%	0.00
87	87	Eastern International Bank	37	0.02%	0.00
88	88	State Bank of India	36	0.02%	0.00
89	89	Industrial & Commercial Bank of China Ltd.	36	0.02%	0.00
90	90	Uniti Financial Corp.	35	0.02%	0.00
92	91	Banc of California Inc.	33	0.01%	0.00
93	92	Greater Pacific Bancshares	33	0.01%	0.00
94	93	CTBC Financial Holding Co. Ltd.	31	0.01%	0.00
95	94	First Financial Holding Co. Ltd.	28	0.01%	0.00
96	95	CommerceWest Bank	28	0.01%	0.00
97	96	AltaPacific Bancorp	27	0.01%	0.00
98	97	Western Alliance Bancorp.	26	0.01%	0.00
100	99	Industrial Bank of Taiwan Co. Ltd.	23	0.01%	0.00
101	100	Bank Leumi le-Israel B.M.	22	0.01%	0.00
102	101	Simplicity Bancorp Inc.	21	0.01%	0.00
104	103	SinoPac Financial Holdings Co. Ltd.	18	0.01%	0.00
106	105	Santa Clara Valley Bank NA	17	0.01%	0.00
107	106	Wedbush Inc.	17	0.01%	0.00
110	109	California Republic Bancorp	15	0.01%	0.00
111	110	Pan American Bank	15	0.01%	0.00
113	112	OneUnited Bank	14	0.01%	0.00
114	113	First Foundation Inc.	14	0.01%	0.00
117	116	First ULB Corp.	10	0.00%	0.00
121	120	Universal Financial Inc.	8	0.00%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
122	121	First Credit Bank	8	0.00%	0.00
127	126	Woori Finance Holdings Co. Ltd.	7	0.00%	0.00
128	127	Silvergate Capital Corp.	6	0.00%	0.00
130	129	Beal Financial Corp.	6	0.00%	0.00
137	136	Northern Trust Corp.	4	0.00%	0.00
145	144	Balboa Thrift and Loan Association	3	0.00%	0.00
146	145	First Western Financial Inc.	2	0.00%	0.00
155	154	Israel Discount Bank Ltd.	2	0.00%	0.00
173	172	Central Bancorp Inc.	1	0.00%	0.00
207	206	Workers United	1	0.00%	0.00
208	207	Bank of New York Mellon Corp.	0	0.00%	0.00
209	208	Mizrahi Tefahot Bank Ltd.	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	85,259	37.90%	1,436.19
6	6	Capital One Financial Corp.	10,433	4.64%	21.51
8	8	General Electric Co.	2,591	1.15%	1.33
12	12	Texas Capital Bancshares Inc.	1,297	0.58%	0.33
15	15	Lauritzen Corp.	790	0.35%	0.12
21	21	Discover Financial Services	400	0.18%	0.03
41	41	First Community Bankshares Inc.	144	0.06%	0.00
45	45	BB&T Corp.	122	0.05%	0.00
46	46	SVB Financial Group	122	0.05%	0.00
48	48	Stearns Financial Services Inc.	118	0.05%	0.00
49	49	State Farm Mutual Automobile Insurance Co.	117	0.05%	0.00
84	84	1st Source Corp.	38	0.02%	0.00
99	98	MB Financial Inc.	24	0.01%	0.00
103	102	SunTrust Banks Inc.	21	0.01%	0.00
105	104	PNC Financial Services Group Inc.	17	0.01%	0.00
108	107	Deere & Co.	16	0.01%	0.00
109	108	KeyCorp	16	0.01%	0.00
112	111	Signature Bank	15	0.01%	0.00
115	114	Morgan Stanley	13	0.01%	0.00
116	115	Wintrust Financial Corp.	11	0.00%	0.00
118	117	EverBank Financial Corp	10	0.00%	0.00
119	118	Regions Financial Corp.	10	0.00%	0.00
120	119	UnitedHealth Group Inc.	8	0.00%	0.00
123	122	Ally Financial Inc.	7	0.00%	0.00
124	123	Commerce Bancshares Corp.	7	0.00%	0.00
125	124	Hilltop Holdings Inc.	7	0.00%	0.00
126	125	Rabobank Nederland	7	0.00%	0.00
129	128	Fifth Third Bancorp	6	0.00%	0.00
131	130	FirstBank Holding Co.	5	0.00%	0.00
132	131	Omaha Financial Holdings Inc.	5	0.00%	0.00
133	132	Sterling Financial Corp.	5	0.00%	0.00
134	133	Bancorp Inc.	4	0.00%	0.00
135	134	Central Banco. Inc.	4	0.00%	0.00
136	135	Heritage Commerce Corp	4	0.00%	0.00
138	137	PrivateBancorp Inc.	4	0.00%	0.00
139	138	Royal Bank of Scotland Group Plc	4	0.00%	0.00
140	139	Umpqua Holdings Corp.	4	0.00%	0.00
141	140	BancorpSouth Inc.	3	0.00%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
142	141	Community West Bancshares	3	0.00%	0.00
143	142	Hancock Holding Co.	3	0.00%	0.00
144	143	Mackinac Financial Corp.	3	0.00%	0.00
147	146	Arvest Bank Group Inc.	2	0.00%	0.00
148	147	BOK Financial Corp.	2	0.00%	0.00
149	148	Columbia Banking System Inc.	2	0.00%	0.00
150	149	Commerce Bancshares Inc.	2	0.00%	0.00
151	150	Cullen/Frost Bankers Inc.	2	0.00%	0.00
152	151	FirstMerit Corp.	2	0.00%	0.00
153	152	Interaudi Bank	2	0.00%	0.00
154	153	International Bancshares Corp.	2	0.00%	0.00
156	155	Mechanics Bank	2	0.00%	0.00
157	156	National Australia Bank Ltd.	2	0.00%	0.00
158	157	Old National Bancorp	2	0.00%	0.00
159	158	Prosperity Bancshares Inc.	2	0.00%	0.00
160	159	Republic Bancorp Co.	2	0.00%	0.00
161	160	Toronto-Dominion Bank	2	0.00%	0.00
162	161	Trustmark Corp.	2	0.00%	0.00
163	162	UMB Financial Corp.	2	0.00%	0.00
164	163	1st United Bancorp Inc.	1	0.00%	0.00
165	164	Alerus Financial Corp.	1	0.00%	0.00
166	165	Amarillo National Bancorp Inc.	1	0.00%	0.00
167	166	Associated Banc-Corp	1	0.00%	0.00
168	167	BancTenn Corp.	1	0.00%	0.00
169	168	Bank of Highland Park Financial Corp.	1	0.00%	0.00
170	169	Bank of Montreal	1	0.00%	0.00
171	170	Bridgeview Bancorp Inc.	1	0.00%	0.00
172	171	Bryn Mawr Bank Corp.	1	0.00%	0.00
174	173	Central Pacific Financial Corp.	1	0.00%	0.00
175	174	CoBiz Financial Inc.	1	0.00%	0.00
176	175	Community Trust Bancorp Inc.	1	0.00%	0.00
177	176	Community Trust Financial Corp.	1	0.00%	0.00
178	177	Dacotah Banks Inc.	1	0.00%	0.00
179	178	F & M Bancorp. Inc.	1	0.00%	0.00
180	179	F.N.B. Corp.	1	0.00%	0.00
181	180	First Defiance Financial Corp.	1	0.00%	0.00
182	181	First NBC Bank Holding Co.	1	0.00%	0.00
183	182	First Northern Community Bancorp	1	0.00%	0.00
184	183	Guaranty Bancorp	1	0.00%	0.00
185	184	Hometown Community Bancorp Inc.	1	0.00%	0.00
186	185	Huntington Bancshares Inc.	1	0.00%	0.00
187	186	Narragansett Financial Corp.	1	0.00%	0.00
188	187	National Bank Holdings Corp.	1	0.00%	0.00
189	188	Nationwide Financial Services Inc.	1	0.00%	0.00
190	189	Pinnacle Financial Partners Inc.	1	0.00%	0.00
191	190	Plains Bancorp Inc.	1	0.00%	0.00
192	191	S&T Bancorp Inc.	1	0.00%	0.00
193	192	Salem Five Bancorp	1	0.00%	0.00
194	193	Sandy Spring Bancorp Inc.	1	0.00%	0.00
195	194	Sierra Bancorp	1	0.00%	0.00
196	195	Southeastern Bank Financial Corp.	1	0.00%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
197	196	Stifel Financial Corp.	1	0.00%	0.00
198	197	Strategic Growth Bank Inc.	1	0.00%	0.00
199	198	Sunflower Financial Inc.	1	0.00%	0.00
200	199	Synovus Financial Corp.	1	0.00%	0.00
201	200	Tri City Bankshares Corp.	1	0.00%	0.00
202	201	Trinity Capital Corp.	1	0.00%	0.00
203	202	U.S. Century Bank	1	0.00%	0.00
204	203	Waupaca Bancorp. Inc.	1	0.00%	0.00
205	204	Westamerica Bancorp.	1	0.00%	0.00
206	205	Weststar Bank Holding Co. Inc.	1	0.00%	0.00
		Pre Merger Totals:	224,975	100.00%	1,953

Pre-Merger HHI	**1,952.68**
Post-Merger HHI	**1,952.68**
Delta	**0.00**

Notes:

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
137		CIT Group Inc.	214	0.00%	0.00
28		IMB Management Holdings LP	28,559	0.42%	0.17
Post-Merger Institution					
	28	**CIT Group Inc.**	**28,773**	**0.42%**	**0.18**
In Market Institutions					
1	1	Wells Fargo & Co.	1,477,085	21.58%	465.56
3	3	Bank of America Corp.	605,317	8.84%	78.19
4	4	JPMorgan Chase & Co.	517,421	7.56%	57.13
5	5	City National Corp.	424,327	6.20%	38.42
6	6	Mitsubishi UFJ Financial Group Inc.	285,597	4.17%	17.40
7	7	U.S. Bancorp	261,435	3.82%	14.58
8	8	BNP Paribas SA	200,947	2.94%	8.62
9	9	BBCN Bancorp Inc.	190,421	2.78%	7.74
10	10	Citigroup Inc.	180,441	2.64%	6.95
11	11	Community Bank	175,599	2.57%	6.58
12	12	Zions Bancorp.	170,356	2.49%	6.19
13	13	East West Bancorp Inc.	165,061	2.41%	5.81
14	14	Wilshire Bancorp Inc.	148,229	2.17%	4.69
15	15	CVB Financial Corp.	139,501	2.04%	4.15
16	16	Comerica Inc.	125,461	1.83%	3.36
17	17	Hanmi Financial Corp.	109,408	1.60%	2.55
18	18	Cathay General Bancorp	107,734	1.57%	2.48
19	19	PacWest Bancorp	105,930	1.55%	2.39
20	20	Preferred Bank	66,192	0.97%	0.93
21	21	American Business Bank	65,559	0.96%	0.92
22	22	Farmers & Merchants Bank of Long Beach	64,432	0.94%	0.89
23	23	Sumitomo Mitsui Financial Group Inc.	52,687	0.77%	0.59
25	25	First Republic Bank	43,448	0.63%	0.40
26	26	HSBC Holdings Plc	38,234	0.56%	0.31
31	31	First Citizens BancShares Inc.	20,358	0.30%	0.09
32	32	Boston Private Financial Holdings Inc.	19,002	0.28%	0.08
33	33	First Banks Inc.	18,789	0.27%	0.08
34	34	Carpenter Bank Partners Inc.	13,542	0.20%	0.04
35	35	CTBC Financial Holding Co. Ltd.	12,796	0.19%	0.03
36	36	SinoPac Financial Holdings Co. Ltd.	12,239	0.18%	0.03
37	37	Popular Inc.	12,114	0.18%	0.03
43	43	Western Alliance Bancorp.	5,494	0.08%	0.01
45	45	First Foundation Inc.	5,275	0.08%	0.01
49	49	Universal Financial Inc.	4,399	0.06%	0.00
51	51	Banco Bilbao Vizcaya Argentaria SA	4,120	0.06%	0.00
55	55	Woori Finance Holdings Co. Ltd.	2,785	0.04%	0.00
58	58	Northern Trust Corp.	2,475	0.04%	0.00
65	65	Israel Discount Bank Ltd.	1,500	0.02%	0.00
70	70	TFC Holding Co.	1,325	0.02%	0.00
74	74	Greater Pacific Bancshares	1,159	0.02%	0.00
80	80	Pan American Bank	972	0.01%	0.00
81	81	Americas United Bank	897	0.01%	0.00
83	83	Premier Business Bank	836	0.01%	0.00
93	93	United Pacific Bank	653	0.01%	0.00
94	94	EH National Bank	652	0.01%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
95	95	CKH Capital Inc.	601	0.01%	0.00
96	96	Pacific Alliance Bank	598	0.01%	0.00
97	97	Broadway Financial Corp.	581	0.01%	0.00
98	98	Friendly Hills Bank	581	0.01%	0.00
99	99	OneUnited Bank	551	0.01%	0.00
102	102	MetroCorp Bancshares Inc.	520	0.01%	0.00
103	103	Banc of California Inc.	519	0.01%	0.00
104	104	First Choice Bank	514	0.01%	0.00
105	105	Malaga Financial Corp.	505	0.01%	0.00
106	106	First Financial Holding Co. Ltd.	473	0.01%	0.00
108	108	Mega Bank	435	0.01%	0.00
109	109	RBB Bancorp	429	0.01%	0.00
110	110	Merchants Bank of California NA	423	0.01%	0.00
111	111	Asian Pacific National Bank	420	0.01%	0.00
112	112	Wedbush Inc.	406	0.01%	0.00
121	121	ProAmerica Bank	338	0.00%	0.00
124	124	NCAL Bancorp	309	0.00%	0.00
126	126	GBC Holdings Inc.	307	0.00%	0.00
127	127	Grandpoint Capital Inc.	303	0.00%	0.00
129	129	1st Enterprise Bank	289	0.00%	0.00
130	130	Industrial Bank of Taiwan Co. Ltd.	279	0.00%	0.00
132	132	California Business Bank	277	0.00%	0.00
133	133	1st Century Bancshares Inc.	248	0.00%	0.00
134	134	First General Bank	239	0.00%	0.00
135	135	Simplicity Bancorp Inc.	236	0.00%	0.00
136	136	Bank of Santa Clarita	230	0.00%	0.00
138	137	CU Bancorp	210	0.00%	0.00
141	140	CapitalSource Inc.	200	0.00%	0.00
144	143	American Plus Bank N.A.	187	0.00%	0.00
145	144	Pacific Commerce Bank	178	0.00%	0.00
146	145	Industrial & Commercial Bank of China Ltd.	167	0.00%	0.00
149	148	AltaPacific Bancorp	153	0.00%	0.00
152	151	Pacific City Financial Corp.	144	0.00%	0.00
156	155	First Credit Bank	112	0.00%	0.00
157	156	State Bank of India	111	0.00%	0.00
160	159	Mission Valley Bancorp	99	0.00%	0.00
164	163	Silvergate Capital Corp.	92	0.00%	0.00
165	164	Opus Bank	77	0.00%	0.00
166	165	American Continental Bank	76	0.00%	0.00
170	169	Central Bancorp Inc.	70	0.00%	0.00
171	170	America Bancshares Inc.	70	0.00%	0.00
174	173	Commonwealth Business Bank	60	0.00%	0.00
175	174	Open Bank	58	0.00%	0.00
177	176	Maham Beteiligungsgesellschaft AG	53	0.00%	0.00
180	179	Community Commerce Bank	47	0.00%	0.00
183	182	Luther Burbank Corp.	45	0.00%	0.00
187	186	Balboa Thrift and Loan Association	34	0.00%	0.00
188	187	Shinhan Financial Group Co. Ltd.	31	0.00%	0.00
189	188	Santa Clara Valley Bank NA	28	0.00%	0.00
193	192	International City Bank NA	20	0.00%	0.00
195	194	SKBHC Holdings LLC	18	0.00%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
197	196	Eastern International Bank	16	0.00%	0.00
199	198	Workers United	15	0.00%	0.00
200	199	First ULB Corp.	14	0.00%	0.00
201	200	First Western Financial Inc.	13	0.00%	0.00
202	201	CommerceWest Bank	12	0.00%	0.00
203	202	Bank Leumi le-Israel B.M.	8	0.00%	0.00
204	203	California Republic Bancorp	6	0.00%	0.00
205	204	Mission Bancorp	5	0.00%	0.00
206	205	Uniti Financial Corp.	5	0.00%	0.00
207	206	Beal Financial Corp.	0	0.00%	0.00
208	207	Bank of New York Mellon Corp.	0	0.00%	0.00
209	208	Mizrahi Tefahot Bank Ltd.	0	0.00%	0.00
Out of Market Institutions					
2	2	American Express Co.	680,097	9.93%	98.70
24	24	Capital One Financial Corp.	51,663	0.75%	0.57
27	27	First Community Bankshares Inc.	37,890	0.55%	0.31
29	29	General Electric Co.	26,404	0.39%	0.15
30	30	Texas Capital Bancshares Inc.	26,330	0.38%	0.15
38	38	SVB Financial Group	9,726	0.14%	0.02
39	39	Lauritzen Corp.	9,232	0.13%	0.02
40	40	Morgan Stanley	6,379	0.09%	0.01
41	41	Wintrust Financial Corp.	5,803	0.08%	0.01
42	42	Stearns Financial Services Inc.	5,553	0.08%	0.01
44	44	SunTrust Banks Inc.	5,457	0.08%	0.01
46	46	MB Financial Inc.	5,227	0.08%	0.01
47	47	Ally Financial Inc.	4,762	0.07%	0.00
48	48	Signature Bank	4,678	0.07%	0.00
50	50	Sterling Financial Corp.	4,265	0.06%	0.00
52	52	PNC Financial Services Group Inc.	3,446	0.05%	0.00
53	53	BB&T Corp.	3,311	0.05%	0.00
54	54	1st Source Corp.	3,249	0.05%	0.00
56	56	Umpqua Holdings Corp.	2,662	0.04%	0.00
57	57	State Farm Mutual Automobile Insurance Co.	2,576	0.04%	0.00
59	59	Fifth Third Bancorp	2,169	0.03%	0.00
60	60	Rabobank Nederland	2,026	0.03%	0.00
61	61	Royal Bank of Scotland Group Plc	1,740	0.03%	0.00
62	62	Omaha Financial Holdings Inc.	1,635	0.02%	0.00
63	63	UnitedHealth Group Inc.	1,599	0.02%	0.00
64	64	Mackinac Financial Corp.	1,597	0.02%	0.00
66	66	Discover Financial Services	1,483	0.02%	0.00
67	67	Commerce Bancshares Corp.	1,470	0.02%	0.00
68	68	Bancorp Inc.	1,446	0.02%	0.00
69	69	Regions Financial Corp.	1,437	0.02%	0.00
71	71	PrivateBancorp Inc.	1,323	0.02%	0.00
72	72	Heritage Commerce Corp	1,300	0.02%	0.00
73	73	Republic Bancorp Co.	1,300	0.02%	0.00
75	75	Cullen/Frost Bankers Inc.	1,150	0.02%	0.00
76	76	BOK Financial Corp.	1,136	0.02%	0.00
77	77	FirstMerit Corp.	1,132	0.02%	0.00
78	78	Hilltop Holdings Inc.	1,098	0.02%	0.00
79	79	BancTenn Corp.	1,000	0.01%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
82	82	Associated Banc-Corp	850	0.01%	0.00
84	84	Plains Bancorp Inc.	804	0.01%	0.00
85	85	Interaudi Bank	800	0.01%	0.00
86	86	Arvest Bank Group Inc.	776	0.01%	0.00
87	87	Columbia Banking System Inc.	764	0.01%	0.00
88	88	U.S. Century Bank	750	0.01%	0.00
89	89	Pinnacle Financial Partners Inc.	747	0.01%	0.00
90	90	Hancock Holding Co.	740	0.01%	0.00
91	91	S&T Bancorp Inc.	727	0.01%	0.00
92	92	Central Pacific Financial Corp.	700	0.01%	0.00
100	100	Mechanics Bank	533	0.01%	0.00
101	101	Toronto-Dominion Bank	525	0.01%	0.00
107	107	Salem Five Bancorp	442	0.01%	0.00
113	113	Old National Bancorp	406	0.01%	0.00
114	114	Prosperity Bancshares Inc.	404	0.01%	0.00
115	115	Community Trust Bancorp Inc.	400	0.01%	0.00
116	116	Stifel Financial Corp.	400	0.01%	0.00
117	117	Weststar Bank Holding Co. Inc.	400	0.01%	0.00
118	118	F & M Bancorp. Inc.	375	0.01%	0.00
119	119	Narragansett Financial Corp.	350	0.01%	0.00
120	120	Community West Bancshares	341	0.00%	0.00
122	122	UMB Financial Corp.	328	0.00%	0.00
123	123	National Australia Bank Ltd.	312	0.00%	0.00
125	125	F.N.B. Corp.	308	0.00%	0.00
128	128	Amarillo National Bancorp Inc.	300	0.00%	0.00
131	131	Waupaca Bancorp. Inc.	279	0.00%	0.00
139	138	FirstBank Holding Co.	206	0.00%	0.00
140	139	Sandy Spring Bancorp Inc.	200	0.00%	0.00
142	141	KeyCorp	198	0.00%	0.00
143	142	First Northern Community Bancorp	196	0.00%	0.00
147	146	Bank of Montreal	154	0.00%	0.00
148	147	First NBC Bank Holding Co.	153	0.00%	0.00
150	149	Strategic Growth Bank Inc.	150	0.00%	0.00
151	150	International Bancshares Corp.	147	0.00%	0.00
153	152	Trinity Capital Corp.	140	0.00%	0.00
154	153	National Bank Holdings Corp.	139	0.00%	0.00
155	154	Community Trust Financial Corp.	137	0.00%	0.00
158	157	Central Banco. Inc.	108	0.00%	0.00
159	158	Nationwide Financial Services Inc.	100	0.00%	0.00
161	160	BancorpSouth Inc.	96	0.00%	0.00
162	161	Westamerica Bancorp.	95	0.00%	0.00
163	162	Deere & Co.	94	0.00%	0.00
167	166	Bryn Mawr Bank Corp.	75	0.00%	0.00
168	167	First Defiance Financial Corp.	75	0.00%	0.00
169	168	Sierra Bancorp	75	0.00%	0.00
172	171	Hometown Community Bancorp Inc.	65	0.00%	0.00
173	172	Guaranty Bancorp	62	0.00%	0.00
176	175	Bank of Highland Park Financial Corp.	57	0.00%	0.00
178	177	CoBiz Financial Inc.	50	0.00%	0.00
179	178	Sunflower Financial Inc.	50	0.00%	0.00
181	180	Bridgeview Bancorp Inc.	47	0.00%	0.00

Los Angeles (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
182	181	Alerus Financial Corp.	45	0.00%	0.00
184	183	1st United Bancorp Inc.	40	0.00%	0.00
185	184	Commerce Bancshares Inc.	40	0.00%	0.00
186	185	EverBank Financial Corp	40	0.00%	0.00
190	189	Tri City Bankshares Corp.	25	0.00%	0.00
191	190	Trustmark Corp.	23	0.00%	0.00
192	191	Synovus Financial Corp.	21	0.00%	0.00
194	193	Huntington Bancshares Inc.	18	0.00%	0.00
196	195	Dacotah Banks Inc.	17	0.00%	0.00
198	197	Southeastern Bank Financial Corp.	15	0.00%	0.00
		Pre Merger Totals:	6,845,686	100.00%	837

Pre-Merger HHI	**837.40**
Post-Merger HHI	**837.40**
Delta	**0.00**

Notes:

Orange (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
104		CIT Group Inc.	3	0.00%	0.00
73		IMB Management Holdings LP	17	0.02%	0.00
Post-Merger Institution					
	70	**CIT Group Inc.**	**20**	**0.02%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	13,343	15.17%	230.22
3	3	JPMorgan Chase & Co.	8,782	9.99%	99.73
4	4	Citigroup Inc.	7,807	8.88%	78.81
5	5	Bank of America Corp.	6,515	7.41%	54.89
7	7	U.S. Bancorp	3,700	4.21%	17.70
8	8	Mitsubishi UFJ Financial Group Inc.	1,720	1.96%	3.83
10	10	Pacific Enterprise Bancorp	560	0.64%	0.41
13	13	Zions Bancorp.	470	0.53%	0.29
14	14	BNP Paribas SA	428	0.49%	0.24
15	15	Carpenter Bank Partners Inc.	286	0.33%	0.11
16	16	City National Corp.	226	0.26%	0.07
18	18	CU Bancorp	178	0.20%	0.04
19	19	CVB Financial Corp.	165	0.19%	0.04
20	20	PacWest Bancorp	158	0.18%	0.03
21	21	Community Bank	153	0.17%	0.03
22	22	Shinhan Financial Group Co. Ltd.	151	0.17%	0.03
23	23	Pacific Premier Bancorp Inc.	148	0.17%	0.03
25	25	Farmers & Merchants Bank of Long Beach	138	0.16%	0.02
26	26	Sunwest Bank	133	0.15%	0.02
27	27	CommerceWest Bank	115	0.13%	0.02
28	28	Western Alliance Bancorp.	114	0.13%	0.02
29	29	CalWest Bancorp	104	0.12%	0.01
30	30	Capital Bank	102	0.12%	0.01
31	31	CapitalSource Inc.	101	0.11%	0.01
32	32	Comerica Inc.	99	0.11%	0.01
33	33	Opus Bank	99	0.11%	0.01
34	34	Uniti Financial Corp.	93	0.11%	0.01
35	35	First Banks Inc.	93	0.11%	0.01
36	36	BBCN Bancorp Inc.	91	0.10%	0.01
37	37	America Bancshares Inc.	85	0.10%	0.01
39	39	Partners Bank of California	81	0.09%	0.01
40	40	Cathay General Bancorp	77	0.09%	0.01
41	41	Independence Bank	77	0.09%	0.01
42	42	First Citizens BancShares Inc.	75	0.09%	0.01
43	43	First American Financial Corp.	73	0.08%	0.01
44	44	Hanmi Financial Corp.	72	0.08%	0.01
45	45	East West Bancorp Inc.	70	0.08%	0.01
46	46	US Metro Bk	69	0.08%	0.01
47	47	Pacific City Financial Corp.	68	0.08%	0.01
49	49	Commonwealth Business Bank	62	0.07%	0.00
50	50	1st Enterprise Bank	61	0.07%	0.00
52	52	Commercial Bank of California	54	0.06%	0.00
53	53	HSBC Holdings Plc	52	0.06%	0.00
54	54	Wilshire Bancorp Inc.	52	0.06%	0.00
55	55	Grandpoint Capital Inc.	51	0.06%	0.00

Orange (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
57	57	Independent Bankers Financial Corp.	47	0.05%	0.00
59	59	California Republic Bancorp	44	0.05%	0.00
60	60	NCAL Bancorp	42	0.05%	0.00
61	61	Saddleback Bancorp	33	0.04%	0.00
62	62	First Foundation Inc.	32	0.04%	0.00
65	65	First General Bank	29	0.03%	0.00
66	66	Saigon National Bank	28	0.03%	0.00
67	67	Orange County Business Bank	22	0.03%	0.00
69	69	Banc of California Inc.	21	0.02%	0.00
70	71	GBC Holdings Inc.	20	0.02%	0.00
71	72	Security California Bancorp	19	0.02%	0.00
72	73	First Republic Bank	18	0.02%	0.00
75	75	CTBC Financial Holding Co. Ltd.	16	0.02%	0.00
76	76	Preferred Bank	16	0.02%	0.00
77	77	Sumitomo Mitsui Financial Group Inc.	15	0.02%	0.00
78	78	MetroCorp Bancshares Inc.	13	0.02%	0.00
81	81	Popular Inc.	12	0.01%	0.00
82	82	Golden State Bank	12	0.01%	0.00
83	83	Northern Trust Corp.	11	0.01%	0.00
88	88	First Choice Bank	8	0.01%	0.00
89	89	RBB Bancorp	8	0.01%	0.00
91	91	Mega Bank	7	0.01%	0.00
92	92	International City Bank NA	5	0.01%	0.00
97	97	San Diego Private Bank	4	0.00%	0.00
98	98	First Financial Holding Co. Ltd.	4	0.00%	0.00
101	101	State Bank of India	4	0.00%	0.00
102	102	Industrial Bank of Taiwan Co. Ltd.	4	0.00%	0.00
103	103	Beal Financial Corp.	3	0.00%	0.00
107	106	SinoPac Financial Holdings Co. Ltd.	3	0.00%	0.00
109	108	First Credit Bank	3	0.00%	0.00
127	126	Central Bancorp Inc.	1	0.00%	0.00
146	145	Sterling Financial Corp.	1	0.00%	0.00
152	151	Woori Finance Holdings Co. Ltd.	1	0.00%	0.00
153	152	California First National Bancorp	0	0.00%	0.00
154	153	Capital Bank and Trust Co. FSB	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	33,559	38.16%	1,456.31
6	6	Capital One Financial Corp.	3,783	4.30%	18.51
9	9	General Electric Co.	948	1.08%	1.16
11	11	Texas Capital Bancshares Inc.	541	0.62%	0.38
12	12	Lauritzen Corp.	522	0.59%	0.35
17	17	MB Financial Inc.	220	0.25%	0.06
24	24	Discover Financial Services	145	0.16%	0.03
38	38	SVB Financial Group	82	0.09%	0.01
48	48	Stearns Financial Services Inc.	62	0.07%	0.00
51	51	State Farm Mutual Automobile Insurance Co.	61	0.07%	0.00
56	56	American Business Bank	47	0.05%	0.00
58	58	BB&T Corp.	46	0.05%	0.00
63	63	Banco Bilbao Vizcaya Argentaria SA	31	0.04%	0.00
64	64	First Community Bankshares Inc.	31	0.04%	0.00
68	68	Bank of Highland Park Financial Corp.	21	0.02%	0.00

Orange (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
74	74	National Bank Holdings Corp.	17	0.02%	0.00
79	79	1st Source Corp.	12	0.01%	0.00
80	80	PNC Financial Services Group Inc.	12	0.01%	0.00
84	84	Deere & Co.	9	0.01%	0.00
85	85	KeyCorp	9	0.01%	0.00
86	86	SunTrust Banks Inc.	8	0.01%	0.00
87	87	UnitedHealth Group Inc.	8	0.01%	0.00
90	90	EverBank Financial Corp	7	0.01%	0.00
93	93	Boston Private Financial Holdings Inc.	5	0.01%	0.00
94	94	Morgan Stanley	5	0.01%	0.00
95	95	Regions Financial Corp.	5	0.01%	0.00
96	96	Wintrust Financial Corp.	5	0.01%	0.00
99	99	Commerce Bancshares Inc.	4	0.00%	0.00
100	100	Royal Bank of Scotland Group Plc	4	0.00%	0.00
105	104	Enterprise Financial Services Corp	3	0.00%	0.00
106	105	Pinnacle Financial Partners Inc.	3	0.00%	0.00
108	107	TriCo Bancshares	3	0.00%	0.00
110	109	Ally Financial Inc.	2	0.00%	0.00
111	110	Bancorp Inc.	2	0.00%	0.00
112	111	Bank of Montreal	2	0.00%	0.00
113	112	Central Banco. Inc.	2	0.00%	0.00
114	113	Prosperity Bancshares Inc.	2	0.00%	0.00
115	114	Rabobank Nederland	2	0.00%	0.00
116	115	Signature Bank	2	0.00%	0.00
117	116	Taylor Capital Group Inc.	2	0.00%	0.00
118	117	Toronto-Dominion Bank	2	0.00%	0.00
119	118	Alerus Financial Corp.	1	0.00%	0.00
120	119	American Chartered Bancorp Inc.	1	0.00%	0.00
121	120	Arvest Bank Group Inc.	1	0.00%	0.00
122	121	BOK Financial Corp.	1	0.00%	0.00
123	122	Bank of Marin Bancorp	1	0.00%	0.00
124	123	Brotherhood Bancshares Inc.	1	0.00%	0.00
125	124	Cadence Bancorp LLC	1	0.00%	0.00
126	125	CenterState Banks Inc.	1	0.00%	0.00
128	127	CoBiz Financial Inc.	1	0.00%	0.00
129	128	Farmers National Banc Corp.	1	0.00%	0.00
130	129	Fifth Third Bancorp	1	0.00%	0.00
131	130	First Commonwealth Financial Corp.	1	0.00%	0.00
132	131	HSB Bancorp Inc.	1	0.00%	0.00
133	132	Heritage Commerce Corp	1	0.00%	0.00
134	133	Hilltop Holdings Inc.	1	0.00%	0.00
135	134	Huntington Bancshares Inc.	1	0.00%	0.00
136	135	National Australia Bank Ltd.	1	0.00%	0.00
137	136	Northeast Bancorp	1	0.00%	0.00
138	137	Old National Bancorp	1	0.00%	0.00
139	138	Omaha Financial Holdings Inc.	1	0.00%	0.00
140	139	Plains Bancorp Inc.	1	0.00%	0.00
141	140	PrivateBancorp Inc.	1	0.00%	0.00
142	141	QNB Corp.	1	0.00%	0.00
143	142	Republic Bancorp Co.	1	0.00%	0.00
144	143	Salem Five Bancorp	1	0.00%	0.00

Orange (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
145	144	Southeastern Bank Financial Corp.	1	0.00%	0.00
147	146	Susquehanna Bancshares Inc.	1	0.00%	0.00
148	147	UMB Financial Corp.	1	0.00%	0.00
149	148	Umpqua Holdings Corp.	1	0.00%	0.00
150	149	Universal Financial Inc.	1	0.00%	0.00
151	150	W.T.B. Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	87,939	100.00%	1,964

Pre-Merger HHI	**1,963.59**
Post-Merger HHI	**1,963.59**
Delta	**0.00**

Notes:

Orange (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
140		CIT Group Inc.	19	0.00%	0.00
34		IMB Management Holdings LP	6,220	0.23%	0.05
Post-Merger Institution					
	34	**CIT Group Inc.**	**6,239**	**0.23%**	**0.05**
In Market Institutions					
1	1	Wells Fargo & Co.	770,665	27.98%	782.83
2	2	Bank of America Corp.	265,712	9.65%	93.06
4	4	Mitsubishi UFJ Financial Group Inc.	201,955	7.33%	53.76
5	5	JPMorgan Chase & Co.	166,220	6.03%	36.42
6	6	U.S. Bancorp	109,970	3.99%	15.94
7	7	BNP Paribas SA	88,777	3.22%	10.39
8	8	Zions Bancorp.	70,919	2.57%	6.63
9	9	Citigroup Inc.	70,192	2.55%	6.49
10	10	City National Corp.	69,751	2.53%	6.41
12	12	CVB Financial Corp.	51,960	1.89%	3.56
13	13	PacWest Bancorp	51,284	1.86%	3.47
14	14	Community Bank	41,539	1.51%	2.27
15	15	Farmers & Merchants Bank of Long Beach	39,501	1.43%	2.06
16	16	Comerica Inc.	34,869	1.27%	1.60
17	17	Carpenter Bank Partners Inc.	33,305	1.21%	1.46
18	18	BBCN Bancorp Inc.	29,626	1.08%	1.16
19	19	East West Bancorp Inc.	28,933	1.05%	1.10
20	20	Cathay General Bancorp	23,875	0.87%	0.75
21	21	Hanmi Financial Corp.	22,239	0.81%	0.65
24	24	First Citizens BancShares Inc.	17,782	0.65%	0.42
25	25	Wilshire Bancorp Inc.	16,778	0.61%	0.37
26	26	First Banks Inc.	16,359	0.59%	0.35
27	27	First Foundation Inc.	15,591	0.57%	0.32
30	30	First Republic Bank	9,568	0.35%	0.12
32	32	Preferred Bank	7,984	0.29%	0.08
33	33	CTBC Financial Holding Co. Ltd.	7,434	0.27%	0.07
36	36	Sumitomo Mitsui Financial Group Inc.	5,672	0.21%	0.04
38	38	Western Alliance Bancorp.	4,627	0.17%	0.03
40	40	Northern Trust Corp.	3,601	0.13%	0.02
43	43	HSBC Holdings Plc	2,830	0.10%	0.01
47	47	SinoPac Financial Holdings Co. Ltd.	2,561	0.09%	0.01
52	52	Popular Inc.	1,574	0.06%	0.00
57	57	Saddleback Bancorp	1,095	0.04%	0.00
58	58	Capital Bank	1,089	0.04%	0.00
64	64	Saigon National Bank	880	0.03%	0.00
66	66	US Metro Bk	853	0.03%	0.00
73	73	Orange County Business Bank	599	0.02%	0.00
74	74	Partners Bank of California	593	0.02%	0.00
75	75	Commercial Bank of California	590	0.02%	0.00
79	79	Central Bancorp Inc.	525	0.02%	0.00
84	84	Sterling Financial Corp.	470	0.02%	0.00
87	87	First American Financial Corp.	436	0.02%	0.00
93	93	Banc of California Inc.	329	0.01%	0.00
97	97	Golden State Bank	281	0.01%	0.00
98	98	Independence Bank	262	0.01%	0.00

Orange (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
101	101	1st Enterprise Bank	244	0.01%	0.00
104	104	Woori Finance Holdings Co. Ltd.	150	0.01%	0.00
107	107	CapitalSource Inc.	139	0.01%	0.00
109	109	America Bancshares Inc.	134	0.00%	0.00
112	112	CU Bancorp	106	0.00%	0.00
113	113	Sunwest Bank	95	0.00%	0.00
114	114	Opus Bank	88	0.00%	0.00
115	115	Grandpoint Capital Inc.	86	0.00%	0.00
116	116	CalWest Bancorp	85	0.00%	0.00
118	118	Independent Bankers Financial Corp.	77	0.00%	0.00
119	119	Mega Bank	72	0.00%	0.00
120	120	First Financial Holding Co. Ltd.	70	0.00%	0.00
121	121	Pacific Enterprise Bancorp	68	0.00%	0.00
123	123	NCAL Bancorp	66	0.00%	0.00
124	124	GBC Holdings Inc.	65	0.00%	0.00
125	125	First Choice Bank	60	0.00%	0.00
126	126	CommerceWest Bank	50	0.00%	0.00
128	128	Industrial Bank of Taiwan Co. Ltd.	44	0.00%	0.00
129	129	California First National Bancorp	43	0.00%	0.00
131	131	First General Bank	41	0.00%	0.00
132	132	Shinhan Financial Group Co. Ltd.	38	0.00%	0.00
133	133	First Credit Bank	37	0.00%	0.00
134	134	Pacific Premier Bancorp Inc.	36	0.00%	0.00
135	135	RBB Bancorp	35	0.00%	0.00
141	140	California Republic Bancorp	17	0.00%	0.00
142	141	San Diego Private Bank	17	0.00%	0.00
143	142	Pacific City Financial Corp.	17	0.00%	0.00
146	145	Uniti Financial Corp.	13	0.00%	0.00
147	146	Commonwealth Business Bank	12	0.00%	0.00
148	147	State Bank of India	11	0.00%	0.00
149	148	Security California Bancorp	6	0.00%	0.00
151	150	MetroCorp Bancshares Inc.	5	0.00%	0.00
152	151	International City Bank NA	1	0.00%	0.00
153	152	Beal Financial Corp.	0	0.00%	0.00
154	153	Capital Bank and Trust Co. FSB	0	0.00%	0.00
Out of Market Institutions					
3	3	American Express Co.	262,201	9.52%	90.62
11	11	MB Financial Inc.	53,647	1.95%	3.79
22	22	Capital One Financial Corp.	22,176	0.81%	0.65
23	23	American Business Bank	18,769	0.68%	0.46
28	28	General Electric Co.	15,565	0.57%	0.32
29	29	First Community Bankshares Inc.	10,358	0.38%	0.14
31	31	Texas Capital Bancshares Inc.	8,563	0.31%	0.10
35	35	SVB Financial Group	6,169	0.22%	0.05
37	37	Lauritzen Corp.	5,594	0.20%	0.04
39	39	Bank of Highland Park Financial Corp.	3,898	0.14%	0.02
41	41	Boston Private Financial Holdings Inc.	3,115	0.11%	0.01
42	42	Morgan Stanley	3,076	0.11%	0.01
44	44	National Bank Holdings Corp.	2,808	0.10%	0.01
45	45	Wintrust Financial Corp.	2,693	0.10%	0.01
46	46	Banco Bilbao Vizcaya Argentaria SA	2,567	0.09%	0.01

Orange (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
48	48	Stearns Financial Services Inc.	2,356	0.09%	0.01
49	49	PNC Financial Services Group Inc.	2,285	0.08%	0.01
50	50	SunTrust Banks Inc.	1,766	0.06%	0.00
51	51	State Farm Mutual Automobile Insurance Co.	1,593	0.06%	0.00
53	53	Taylor Capital Group Inc.	1,500	0.05%	0.00
54	54	Pinnacle Financial Partners Inc.	1,475	0.05%	0.00
55	55	Ally Financial Inc.	1,432	0.05%	0.00
56	56	TriCo Bancshares	1,275	0.05%	0.00
59	59	CoBiz Financial Inc.	1,000	0.04%	0.00
60	60	UMB Financial Corp.	1,000	0.04%	0.00
61	61	Brotherhood Bancshares Inc.	950	0.03%	0.00
62	62	Omaha Financial Holdings Inc.	937	0.03%	0.00
63	63	Republic Bancorp Co.	931	0.03%	0.00
65	65	Enterprise Financial Services Corp	867	0.03%	0.00
67	67	KeyCorp	805	0.03%	0.00
68	68	Signature Bank	803	0.03%	0.00
69	69	Northeast Bancorp	800	0.03%	0.00
70	70	BB&T Corp.	774	0.03%	0.00
71	71	Commerce Bancshares Inc.	692	0.03%	0.00
72	72	Bancorp Inc.	633	0.02%	0.00
76	76	1st Source Corp.	588	0.02%	0.00
77	77	Regions Financial Corp.	585	0.02%	0.00
78	78	Central Banco. Inc.	579	0.02%	0.00
80	80	American Chartered Bancorp Inc.	500	0.02%	0.00
81	81	QNB Corp.	500	0.02%	0.00
82	82	W.T.B. Financial Corp.	500	0.02%	0.00
83	83	Discover Financial Services	482	0.02%	0.00
85	85	Umpqua Holdings Corp.	466	0.02%	0.00
86	86	Universal Financial Inc.	440	0.02%	0.00
88	88	Royal Bank of Scotland Group Plc	405	0.01%	0.00
89	89	Rabobank Nederland	395	0.01%	0.00
90	90	UnitedHealth Group Inc.	395	0.01%	0.00
91	91	Prosperity Bancshares Inc.	391	0.01%	0.00
92	92	Heritage Commerce Corp	380	0.01%	0.00
94	94	Farmers National Banc Corp.	325	0.01%	0.00
95	95	Bank of Marin Bancorp	300	0.01%	0.00
96	96	Cadence Bancorp LLC	288	0.01%	0.00
99	99	Alerus Financial Corp.	250	0.01%	0.00
100	100	HSB Bancorp Inc.	250	0.01%	0.00
102	102	National Australia Bank Ltd.	200	0.01%	0.00
103	103	BOK Financial Corp.	196	0.01%	0.00
105	105	CenterState Banks Inc.	149	0.01%	0.00
106	106	PrivateBancorp Inc.	142	0.01%	0.00
108	108	Southeastern Bank Financial Corp.	135	0.00%	0.00
110	110	Bank of Montreal	114	0.00%	0.00
111	111	Salem Five Bancorp	110	0.00%	0.00
117	117	Old National Bancorp	78	0.00%	0.00
122	122	Deere & Co.	66	0.00%	0.00
127	127	Susquehanna Bancshares Inc.	50	0.00%	0.00
130	130	Plains Bancorp Inc.	42	0.00%	0.00
136	136	Hilltop Holdings Inc.	26	0.00%	0.00

Orange (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
137	137	First Commonwealth Financial Corp.	25	0.00%	0.00
138	138	Huntington Bancshares Inc.	22	0.00%	0.00
139	139	EverBank Financial Corp	20	0.00%	0.00
144	143	Fifth Third Bancorp	15	0.00%	0.00
145	144	Toronto-Dominion Bank	15	0.00%	0.00
150	149	Arvest Bank Group Inc.	5	0.00%	0.00
		Pre Merger Totals:	2,754,427	100.00%	1,128

Pre-Merger HHI	**1,128.22**
Post-Merger HHI	**1,128.22**
Delta	**0.00**

Notes:

Riverside (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
49		CIT Group Inc.	9	0.03%	0.00
56		IMB Management Holdings LP	4	0.01%	0.00
Post-Merger Institution					
	45	**CIT Group Inc.**	**13**	**0.04%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	4,057	13.10%	171.56
3	3	Citigroup Inc.	3,745	12.09%	146.19
4	4	JPMorgan Chase & Co.	2,694	8.70%	75.65
5	5	Bank of America Corp.	2,284	7.37%	54.38
7	7	U.S. Bancorp	1,621	5.23%	27.39
9	9	Banco Bilbao Vizcaya Argentaria SA	474	1.53%	2.34
10	10	Mitsubishi UFJ Financial Group Inc.	382	1.23%	1.52
12	12	Zions Bancorp.	197	0.64%	0.40
13	13	Security California Bancorp	161	0.52%	0.27
15	15	Hemet Bancorp	143	0.46%	0.21
16	16	PacWest Bancorp	123	0.40%	0.16
18	18	CVB Financial Corp.	109	0.35%	0.12
19	19	Pacific Premier Bancorp Inc.	100	0.32%	0.10
20	20	Premier Service Bank	94	0.30%	0.09
21	21	Community Bank	85	0.27%	0.08
22	22	Mission Oaks Bancorp	83	0.27%	0.07
23	23	FirstBank Holding Co.	82	0.26%	0.07
24	24	Rabobank Nederland	72	0.23%	0.05
25	25	SKBHC Holdings LLC	71	0.23%	0.05
26	26	Commerce Bank Temecula Valley	68	0.22%	0.05
28	28	Provident Financial Holdings Inc.	58	0.19%	0.03
30	30	City National Corp.	56	0.18%	0.03
31	31	First Citizens BancShares Inc.	49	0.16%	0.03
32	32	Western Community Bancshares Inc.	42	0.14%	0.02
33	33	Bank of Southern California, NA	30	0.10%	0.01
38	38	First Banks Inc.	22	0.07%	0.01
39	39	Duke Financial Group Inc.	19	0.06%	0.00
43	43	First Foundation Inc.	14	0.05%	0.00
48	49	America Bancshares Inc.	10	0.03%	0.00
64	63	Opus Bank	2	0.01%	0.00
83	82	First Republic Bank	1	0.00%	0.00
96	95	Balboa Thrift and Loan Association	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	10,093	32.59%	1,061.81
6	6	Capital One Financial Corp.	2,096	6.77%	45.79
8	8	General Electric Co.	793	2.56%	6.55
11	11	Texas Capital Bancshares Inc.	348	1.12%	1.26
14	14	Lauritzen Corp.	145	0.47%	0.22
17	17	BB&T Corp.	117	0.38%	0.14
27	27	Discover Financial Services	62	0.20%	0.04
29	29	BNP Paribas SA	56	0.18%	0.03
34	34	American Business Bank	30	0.10%	0.01
35	35	Stearns Financial Services Inc.	26	0.08%	0.01
36	36	First Community Bankshares Inc.	24	0.08%	0.01
37	37	Deere & Co.	22	0.07%	0.01

Riverside (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
40	40	Hanmi Financial Corp.	19	0.06%	0.00
41	41	BBCN Bancorp Inc.	17	0.05%	0.00
42	42	East West Bancorp Inc.	15	0.05%	0.00
44	44	State Farm Mutual Automobile Insurance Co.	14	0.05%	0.00
45	46	Comerica Inc.	12	0.04%	0.00
46	47	Wilshire Bancorp Inc.	11	0.04%	0.00
47	48	Wintrust Financial Corp.	10	0.03%	0.00
50	50	Carpenter Bank Partners Inc.	9	0.03%	0.00
51	51	HSBC Holdings Plc	8	0.03%	0.00
52	52	Preferred Bank	8	0.03%	0.00
53	53	Farmers & Merchants Bank of Long Beach	7	0.02%	0.00
54	54	Western Alliance Bancorp.	5	0.02%	0.00
55	55	Cathay General Bancorp	4	0.01%	0.00
57	56	1st Source Corp.	3	0.01%	0.00
58	57	CoBiz Financial Inc.	3	0.01%	0.00
59	58	Commerce Bancshares Corp.	3	0.01%	0.00
60	59	KeyCorp	3	0.01%	0.00
61	60	Southwest Bancorp Inc.	3	0.01%	0.00
62	61	Sumitomo Mitsui Financial Group Inc.	3	0.01%	0.00
63	62	Umpqua Holdings Corp.	3	0.01%	0.00
65	64	Ally Financial Inc.	2	0.01%	0.00
66	65	Heritage Commerce Corp	2	0.01%	0.00
67	66	Mechanics Bank	2	0.01%	0.00
68	67	Omaha Financial Holdings Inc.	2	0.01%	0.00
69	68	PNC Financial Services Group Inc.	2	0.01%	0.00
70	69	Salem Five Bancorp	2	0.01%	0.00
71	70	Signature Bank	2	0.01%	0.00
72	71	SunTrust Banks Inc.	2	0.01%	0.00
73	72	Westamerica Bancorp.	2	0.01%	0.00
74	73	Amarillo National Bancorp Inc.	1	0.00%	0.00
75	74	Bank of Marin Bancorp	1	0.00%	0.00
76	75	CTBC Financial Holding Co. Ltd.	1	0.00%	0.00
77	76	CommunityOne Bancorp	1	0.00%	0.00
78	77	Cullen/Frost Bankers Inc.	1	0.00%	0.00
79	78	EverBank Financial Corp	1	0.00%	0.00
80	79	F & M Bancorp. Inc.	1	0.00%	0.00
81	80	First Citizens Bancorp. Inc.	1	0.00%	0.00
82	81	First Interstate BancSystem Inc.	1	0.00%	0.00
84	83	First South Bancorp Inc.	1	0.00%	0.00
85	84	Liberty Bancshares	1	0.00%	0.00
86	85	Old National Bancorp	1	0.00%	0.00
87	86	Popular Inc.	1	0.00%	0.00
88	87	Regions Financial Corp.	1	0.00%	0.00
89	88	Republic Bancorp Co.	1	0.00%	0.00
90	89	River City Bank	1	0.00%	0.00
91	90	SVB Financial Group	1	0.00%	0.00
92	91	Seacoast Banking Corp. of Florida	1	0.00%	0.00
93	92	United Bankshares Inc.	1	0.00%	0.00
94	93	UnitedHealth Group Inc.	1	0.00%	0.00
95	94	West Bancorp. Inc.	1	0.00%	0.00
		Pre Merger Totals:	30,974	100.00%	1,597

Riverside (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
				Pre-Merger HHI	**1,596.80**
				Post-Merger HHI	**1,596.80**
				Delta	**0.00**

Notes:

Riverside (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
75		CIT Group Inc.	114	0.01%	0.00
35		IMB Management Holdings LP	2,163	0.28%	0.08
Post-Merger Institution					
	35	**CIT Group Inc.**	**2,277**	**0.29%**	**0.09**
In Market Institutions					
1	1	Wells Fargo & Co.	195,485	25.08%	629.25
2	2	Bank of America Corp.	75,429	9.68%	93.69
4	4	JPMorgan Chase & Co.	41,881	5.37%	28.88
5	5	U.S. Bancorp	39,562	5.08%	25.77
6	6	Mitsubishi UFJ Financial Group Inc.	38,428	4.93%	24.32
7	7	Zions Bancorp.	33,730	4.33%	18.73
8	8	CVB Financial Corp.	33,488	4.30%	18.47
9	9	PacWest Bancorp	33,128	4.25%	18.07
10	10	Citigroup Inc.	24,466	3.14%	9.86
11	11	Community Bank	21,761	2.79%	7.80
12	12	Banco Bilbao Vizcaya Argentaria SA	21,141	2.71%	7.36
13	13	City National Corp.	13,508	1.73%	3.00
14	14	Rabobank Nederland	11,621	1.49%	2.22
15	15	First Citizens BancShares Inc.	9,538	1.22%	1.50
17	17	FirstBank Holding Co.	8,238	1.06%	1.12
21	21	First Banks Inc.	6,032	0.77%	0.60
34	34	First Foundation Inc.	2,333	0.30%	0.09
44	44	Provident Financial Holdings Inc.	962	0.12%	0.02
52	52	Hemet Bancorp	586	0.08%	0.01
56	56	Mission Oaks Bancorp	499	0.06%	0.00
58	58	Western Community Bancshares Inc.	490	0.06%	0.00
63	63	First Republic Bank	350	0.04%	0.00
66	66	Commerce Bank Temecula Valley	292	0.04%	0.00
69	69	Premier Service Bank	214	0.03%	0.00
71	71	Duke Financial Group Inc.	177	0.02%	0.00
81	80	Security California Bancorp	52	0.01%	0.00
88	87	Pacific Premier Bancorp Inc.	24	0.00%	0.00
91	90	SKBHC Holdings LLC	17	0.00%	0.00
92	91	America Bancshares Inc.	16	0.00%	0.00
93	92	Bank of Southern California, NA	8	0.00%	0.00
94	93	Balboa Thrift and Loan Association	2	0.00%	0.00
95	94	Opus Bank	2	0.00%	0.00
Out of Market Institutions					
3	3	American Express Co.	64,383	8.26%	68.26
16	16	Capital One Financial Corp.	8,521	1.09%	1.20
18	18	East West Bancorp Inc.	7,167	0.92%	0.85
19	19	Hanmi Financial Corp.	7,046	0.90%	0.82
20	20	First Community Bankshares Inc.	6,980	0.90%	0.80
22	22	Preferred Bank	5,322	0.68%	0.47
23	23	BBCN Bancorp Inc.	5,203	0.67%	0.45
24	24	American Business Bank	4,805	0.62%	0.38
25	25	BNP Paribas SA	4,496	0.58%	0.33
26	26	Wintrust Financial Corp.	4,310	0.55%	0.31
27	27	Comerica Inc.	3,823	0.49%	0.24
28	28	General Electric Co.	3,653	0.47%	0.22

Riverside (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
29	29	Wilshire Bancorp Inc.	3,540	0.45%	0.21
30	30	Carpenter Bank Partners Inc.	3,409	0.44%	0.19
31	31	Western Alliance Bancorp.	3,109	0.40%	0.16
32	32	Texas Capital Bancshares Inc.	2,844	0.36%	0.13
33	33	Farmers & Merchants Bank of Long Beach	2,492	0.32%	0.10
36	36	Lauritzen Corp.	1,769	0.23%	0.05
37	37	Umpqua Holdings Corp.	1,599	0.21%	0.04
38	38	Sumitomo Mitsui Financial Group Inc.	1,550	0.20%	0.04
39	39	Stearns Financial Services Inc.	1,511	0.19%	0.04
40	40	Cathay General Bancorp	1,046	0.13%	0.02
41	41	River City Bank	1,000	0.13%	0.02
42	42	United Bankshares Inc.	1,000	0.13%	0.02
43	43	Seacoast Banking Corp. of Florida	971	0.12%	0.02
45	45	Heritage Commerce Corp	950	0.12%	0.01
46	46	Ally Financial Inc.	900	0.12%	0.01
47	47	Commerce Bancshares Corp.	840	0.11%	0.01
48	48	Republic Bancorp Co.	825	0.11%	0.01
49	49	BB&T Corp.	821	0.11%	0.01
50	50	CoBiz Financial Inc.	700	0.09%	0.01
51	51	Southwest Bancorp Inc.	590	0.08%	0.01
53	53	Mechanics Bank	542	0.07%	0.00
54	54	Salem Five Bancorp	529	0.07%	0.00
55	55	SVB Financial Group	500	0.06%	0.00
57	57	Signature Bank	491	0.06%	0.00
59	59	Old National Bancorp	460	0.06%	0.00
60	60	State Farm Mutual Automobile Insurance Co.	433	0.06%	0.00
61	61	West Bancorp. Inc.	409	0.05%	0.00
62	62	Bank of Marin Bancorp	400	0.05%	0.00
64	64	SunTrust Banks Inc.	350	0.04%	0.00
65	65	F & M Bancorp. Inc.	299	0.04%	0.00
67	67	Omaha Financial Holdings Inc.	263	0.03%	0.00
68	68	UnitedHealth Group Inc.	259	0.03%	0.00
70	70	Discover Financial Services	210	0.03%	0.00
72	72	1st Source Corp.	157	0.02%	0.00
73	73	Popular Inc.	150	0.02%	0.00
74	74	PNC Financial Services Group Inc.	135	0.02%	0.00
76	75	CommunityOne Bancorp	110	0.01%	0.00
77	76	Deere & Co.	106	0.01%	0.00
78	77	First Citizens Bancorp. Inc.	100	0.01%	0.00
79	78	Amarillo National Bancorp Inc.	91	0.01%	0.00
80	79	First South Bancorp Inc.	81	0.01%	0.00
82	81	Cullen/Frost Bankers Inc.	50	0.01%	0.00
83	82	Regions Financial Corp.	50	0.01%	0.00
84	83	Liberty Bancshares	48	0.01%	0.00
85	84	CTBC Financial Holding Co. Ltd.	45	0.01%	0.00
86	85	HSBC Holdings Plc	40	0.01%	0.00
87	86	First Interstate BancSystem Inc.	26	0.00%	0.00
89	88	Westamerica Bancorp.	22	0.00%	0.00
90	89	KeyCorp	21	0.00%	0.00
96	95	EverBank Financial Corp	2	0.00%	0.00
		Pre Merger Totals:	779,292	100.00%	966

Riverside (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
				Pre-Merger HHI	966.29
				Post-Merger HHI	966.30
				Delta	0.01

Notes:

San Bernardino (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
56		CIT Group Inc.	4	0.02%	0.00
54		IMB Management Holdings LP	5	0.02%	0.00
Post-Merger Institution					
	48	**CIT Group Inc.**	**9**	**0.04%**	**0.00**
In Market Institutions					
2	2	Citigroup Inc.	3,163	12.48%	155.69
3	3	Wells Fargo & Co.	2,994	11.81%	139.50
4	4	JPMorgan Chase & Co.	2,474	9.76%	95.25
5	5	Bank of America Corp.	2,039	8.04%	64.70
7	7	U.S. Bancorp	1,540	6.08%	36.91
10	10	CVB Financial Corp.	236	0.93%	0.87
11	11	Mitsubishi UFJ Financial Group Inc.	235	0.93%	0.86
12	12	First Mountain Bank	208	0.82%	0.67
13	13	Zions Bancorp.	203	0.80%	0.64
14	14	Community Bank	189	0.75%	0.56
15	15	BNP Paribas SA	173	0.68%	0.47
17	17	Security California Bancorp	95	0.37%	0.14
18	18	East West Bancorp Inc.	82	0.32%	0.10
19	19	Chino Commercial Bancorp	82	0.32%	0.10
21	21	PacWest Bancorp	73	0.29%	0.08
23	23	Pacific Premier Bancorp Inc.	48	0.19%	0.04
24	24	Cathay General Bancorp	43	0.17%	0.03
26	26	BBCN Bancorp Inc.	35	0.14%	0.02
28	28	City National Corp.	33	0.13%	0.02
30	30	SKBHC Holdings LLC	31	0.12%	0.01
31	31	America Bancshares Inc.	30	0.12%	0.01
32	32	Hanmi Financial Corp.	27	0.11%	0.01
33	33	Banco Bilbao Vizcaya Argentaria SA	25	0.10%	0.01
34	34	Golden State Bank	24	0.09%	0.01
36	36	CapitalSource Inc.	21	0.08%	0.01
37	37	Comerica Inc.	19	0.07%	0.01
38	38	AltaPacific Bancorp	17	0.07%	0.00
39	39	1st Enterprise Bank	17	0.07%	0.00
40	40	American Continental Bank	15	0.06%	0.00
41	41	Mission Bancorp	15	0.06%	0.00
42	42	Wilshire Bancorp Inc.	14	0.06%	0.00
44	44	Carpenter Bank Partners Inc.	12	0.05%	0.00
48	49	CalWest Bancorp	8	0.03%	0.00
49	50	Provident Financial Holdings Inc.	8	0.03%	0.00
51	52	Sumitomo Mitsui Financial Group Inc.	7	0.03%	0.00
52	53	Omaha Financial Holdings Inc.	7	0.03%	0.00
55	55	Simplicity Bancorp Inc.	4	0.02%	0.00
58	57	Opus Bank	4	0.01%	0.00
78	77	Rabobank Nederland	1	0.00%	0.00
83	82	Dickinson Financial Corp. II	0	0.00%	0.00
84	83	JRMB II Inc.	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	7,953	31.37%	984.28
6	6	Capital One Financial Corp.	1,672	6.60%	43.50
8	8	General Electric Co.	747	2.95%	8.68

San Bernardino (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
9	9	Texas Capital Bancshares Inc.	238	0.94%	0.88
16	16	Lauritzen Corp.	110	0.43%	0.19
20	20	Discover Financial Services	73	0.29%	0.08
22	22	BB&T Corp.	72	0.28%	0.08
25	25	Deere & Co.	38	0.15%	0.02
27	27	First Community Bankshares Inc.	35	0.14%	0.02
29	29	Stearns Financial Services Inc.	31	0.12%	0.01
35	35	HSBC Holdings Plc	23	0.09%	0.01
43	43	First Banks Inc.	13	0.05%	0.00
45	45	Signature Bank	11	0.04%	0.00
46	46	American Business Bank	10	0.04%	0.00
47	47	State Farm Mutual Automobile Insurance Co.	10	0.04%	0.00
50	51	Preferred Bank	8	0.03%	0.00
53	54	First Citizens BancShares Inc.	5	0.02%	0.00
57	56	Farmers & Merchants Bank of Long Beach	4	0.02%	0.00
59	58	CTBC Financial Holding Co. Ltd.	3	0.01%	0.00
60	59	First Foundation Inc.	3	0.01%	0.00
61	60	First Republic Bank	3	0.01%	0.00
62	61	KeyCorp	3	0.01%	0.00
63	62	Salem Five Bancorp	3	0.01%	0.00
64	63	Commerce Bancshares Corp.	2	0.01%	0.00
65	64	Morgan Stanley	2	0.01%	0.00
66	65	Popular Inc.	2	0.01%	0.00
67	66	Regions Financial Corp.	2	0.01%	0.00
68	67	Royal Bank of Scotland Group Plc	2	0.01%	0.00
69	68	CBFH Inc.	1	0.00%	0.00
70	69	Cadence Bancorp LLC	1	0.00%	0.00
71	70	Central Valley Community Bancorp	1	0.00%	0.00
72	71	Commerce Bancshares Inc.	1	0.00%	0.00
73	72	Cullen/Frost Bankers Inc.	1	0.00%	0.00
74	73	First Citizens Bancshares Inc.	1	0.00%	0.00
75	74	First Defiance Financial Corp.	1	0.00%	0.00
76	75	Olney Bancshares of Texas Inc.	1	0.00%	0.00
77	76	Pacific Continental Corp.	1	0.00%	0.00
79	78	SinoPac Financial Holdings Co. Ltd.	1	0.00%	0.00
80	79	SunTrust Banks Inc.	1	0.00%	0.00
81	80	Western Alliance Bancorp.	1	0.00%	0.00
82	81	Wintrust Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	25,350	100.00%	1,535

Pre-Merger HHI	**1,534.51**
Post-Merger HHI	**1,534.51**
Delta	**0.00**

Notes:

San Bernardino (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
74		CIT Group Inc.	26	0.00%	0.00
30		IMB Management Holdings LP	2,226	0.28%	0.08
Post-Merger Institution					
	30	**CIT Group Inc.**	**2,252**	**0.28%**	**0.08**
In Market Institutions					
1	1	Wells Fargo & Co.	163,479	20.51%	420.47
2	2	Bank of America Corp.	65,669	8.24%	67.85
3	3	CVB Financial Corp.	60,327	7.57%	57.26
5	5	JPMorgan Chase & Co.	53,668	6.73%	45.32
6	6	Community Bank	48,591	6.09%	37.15
7	7	U.S. Bancorp	41,682	5.23%	27.33
8	8	East West Bancorp Inc.	31,564	3.96%	15.67
9	9	Zions Bancorp.	31,105	3.90%	15.22
10	10	Mitsubishi UFJ Financial Group Inc.	27,767	3.48%	12.13
11	11	BNP Paribas SA	26,581	3.33%	11.12
12	12	PacWest Bancorp	23,031	2.89%	8.35
13	13	Citigroup Inc.	21,877	2.74%	7.53
14	14	Cathay General Bancorp	18,891	2.37%	5.61
15	15	BBCN Bancorp Inc.	12,267	1.54%	2.37
16	16	City National Corp.	11,262	1.41%	2.00
17	17	Hanmi Financial Corp.	10,661	1.34%	1.79
19	19	Comerica Inc.	7,494	0.94%	0.88
21	21	Wilshire Bancorp Inc.	6,231	0.78%	0.61
23	23	Sumitomo Mitsui Financial Group Inc.	4,650	0.58%	0.34
25	25	Carpenter Bank Partners Inc.	3,972	0.50%	0.25
33	33	Banco Bilbao Vizcaya Argentaria SA	1,820	0.23%	0.05
40	40	Chino Commercial Bancorp	1,062	0.13%	0.02
49	49	Rabobank Nederland	600	0.08%	0.01
51	51	Golden State Bank	562	0.07%	0.00
54	54	First Mountain Bank	470	0.06%	0.00
57	57	SKBHC Holdings LLC	407	0.05%	0.00
64	64	Provident Financial Holdings Inc.	135	0.02%	0.00
66	66	AltaPacific Bancorp	99	0.01%	0.00
68	68	1st Enterprise Bank	67	0.01%	0.00
69	69	America Bancshares Inc.	48	0.01%	0.00
70	70	Simplicity Bancorp Inc.	46	0.01%	0.00
72	72	Security California Bancorp	30	0.00%	0.00
73	73	CapitalSource Inc.	29	0.00%	0.00
75	74	American Continental Bank	17	0.00%	0.00
77	76	Pacific Premier Bancorp Inc.	12	0.00%	0.00
78	77	CalWest Bancorp	7	0.00%	0.00
80	79	Opus Bank	3	0.00%	0.00
81	80	Mission Bancorp	2	0.00%	0.00
82	81	Dickinson Financial Corp. II	1	0.00%	0.00
83	82	Omaha Financial Holdings Inc.	1	0.00%	0.00
84	83	JRMB II Inc.	0	0.00%	0.00
Out of Market Institutions					
4	4	American Express Co.	58,251	7.31%	53.38
18	18	Capital One Financial Corp.	9,766	1.22%	1.50
20	20	First Community Bankshares Inc.	6,452	0.81%	0.65

San Bernardino (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
22	22	General Electric Co.	5,528	0.69%	0.48
24	24	American Business Bank	4,025	0.50%	0.25
26	26	First Banks Inc.	3,439	0.43%	0.19
27	27	Preferred Bank	2,593	0.33%	0.11
28	28	Texas Capital Bancshares Inc.	2,446	0.31%	0.09
29	29	Signature Bank	2,382	0.30%	0.09
31	31	First Republic Bank	2,110	0.26%	0.07
32	32	Farmers & Merchants Bank of Long Beach	2,075	0.26%	0.07
34	34	Salem Five Bancorp	1,667	0.21%	0.04
35	35	Stearns Financial Services Inc.	1,630	0.20%	0.04
36	36	First Foundation Inc.	1,600	0.20%	0.04
37	37	CTBC Financial Holding Co. Ltd.	1,240	0.16%	0.02
38	38	HSBC Holdings Plc	1,156	0.14%	0.02
39	39	Lauritzen Corp.	1,080	0.14%	0.02
41	41	First Citizens BancShares Inc.	1,036	0.13%	0.02
42	42	Pacific Continental Corp.	1,000	0.13%	0.02
43	43	Western Alliance Bancorp.	1,000	0.13%	0.02
44	44	Morgan Stanley	950	0.12%	0.01
45	45	Royal Bank of Scotland Group Plc	800	0.10%	0.01
46	46	Wintrust Financial Corp.	785	0.10%	0.01
47	47	Popular Inc.	710	0.09%	0.01
48	48	State Farm Mutual Automobile Insurance Co.	622	0.08%	0.01
50	50	SinoPac Financial Holdings Co. Ltd.	600	0.08%	0.01
52	52	Olney Bancshares of Texas Inc.	525	0.07%	0.00
53	53	Cullen/Frost Bankers Inc.	500	0.06%	0.00
55	55	BB&T Corp.	454	0.06%	0.00
56	56	First Citizens Bancshares Inc.	428	0.05%	0.00
58	58	CBFH Inc.	350	0.04%	0.00
59	59	Commerce Bancshares Corp.	336	0.04%	0.00
60	60	Cadence Bancorp LLC	300	0.04%	0.00
61	61	Central Valley Community Bancorp	290	0.04%	0.00
62	62	Discover Financial Services	247	0.03%	0.00
63	63	Deere & Co.	193	0.02%	0.00
65	65	Regions Financial Corp.	110	0.01%	0.00
67	67	First Defiance Financial Corp.	75	0.01%	0.00
71	71	SunTrust Banks Inc.	40	0.01%	0.00
76	75	KeyCorp	13	0.00%	0.00
79	78	Commerce Bancshares Inc.	5	0.00%	0.00
		Pre Merger Totals:	797,249	100.00%	797

Pre-Merger HHI	**796.61**
Post-Merger HHI	**796.61**
Delta	**0.00**

Notes:

San Diego (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
60		CIT Group Inc.	7	0.01%	0.00
67		IMB Management Holdings LP	4	0.01%	0.00
Post-Merger Institution					
	51	**CIT Group Inc.**	**11**	**0.02%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	10,076	14.68%	215.44
3	3	JPMorgan Chase & Co.	7,614	11.09%	123.02
4	4	Citigroup Inc.	6,977	10.16%	103.29
5	5	Bank of America Corp.	4,167	6.07%	36.85
6	6	U.S. Bancorp	3,836	5.59%	31.22
8	8	Mitsubishi UFJ Financial Group Inc.	2,021	2.94%	8.67
9	9	Zions Bancorp.	1,326	1.93%	3.73
12	12	BofI Holding Inc.	530	0.77%	0.60
14	14	Western Alliance Bancorp.	392	0.57%	0.33
15	15	SKBHC Holdings LLC	319	0.47%	0.22
16	16	Seacoast Commerce Bank	264	0.38%	0.15
17	17	PacWest Bancorp	254	0.37%	0.14
18	18	Banco Bilbao Vizcaya Argentaria SA	249	0.36%	0.13
19	19	First Citizens BancShares Inc.	213	0.31%	0.10
20	20	City National Corp.	163	0.24%	0.06
21	21	BNP Paribas SA	147	0.21%	0.05
24	24	Bank of Southern California, NA	111	0.16%	0.03
26	26	Grandpoint Capital Inc.	100	0.15%	0.02
27	27	Neighborhood Bancorp	89	0.13%	0.02
28	28	San Diego Private Bank	84	0.12%	0.01
29	29	Vibra Bank	82	0.12%	0.01
30	30	Pacific Premier Bancorp Inc.	67	0.10%	0.01
31	31	Comerica Inc.	63	0.09%	0.01
32	32	La Jolla Pacific Bancorp	62	0.09%	0.01
33	33	Silvergate Capital Corp.	52	0.08%	0.01
34	34	MetroCorp Bancshares Inc.	47	0.07%	0.00
35	35	Duke Financial Group Inc.	40	0.06%	0.00
36	36	HSBC Holdings Plc	37	0.05%	0.00
37	37	First Banks Inc.	35	0.05%	0.00
39	39	CommerceWest Bank	27	0.04%	0.00
42	42	Balboa Thrift and Loan Association	20	0.03%	0.00
43	43	Community Commerce Bank	17	0.02%	0.00
44	44	Mission Oaks Bancorp	17	0.02%	0.00
45	45	Opus Bank	17	0.02%	0.00
46	46	Sterling Financial Corp.	16	0.02%	0.00
47	47	BBCN Bancorp Inc.	16	0.02%	0.00
49	49	Hanmi Financial Corp.	14	0.02%	0.00
50	50	First Republic Bank	12	0.02%	0.00
51	52	Carpenter Bank Partners Inc.	10	0.01%	0.00
55	56	Beal Financial Corp.	9	0.01%	0.00
56	57	Banc of California Inc.	8	0.01%	0.00
63	63	Cathay General Bancorp	6	0.01%	0.00
64	64	State Bank of India	6	0.01%	0.00
68	67	Omaha Financial Holdings Inc.	4	0.01%	0.00
73	72	Northern Trust Corp.	3	0.00%	0.00

San Diego (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
75	74	Popular Inc.	3	0.00%	0.00
77	76	Rabobank Nederland	3	0.00%	0.00
101	100	First Foundation Inc.	1	0.00%	0.00
118	117	First ULB Corp.	1	0.00%	0.00
119	118	Dickinson Financial Corp. II	0	0.00%	0.00
120	119	Rancho Santa Fe Thrift & Loan Association	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	23,112	33.67%	1,133.48
7	7	Capital One Financial Corp.	3,420	4.98%	24.82
10	10	General Electric Co.	767	1.12%	1.25
11	11	Lauritzen Corp.	710	1.03%	1.07
13	13	Texas Capital Bancshares Inc.	416	0.61%	0.37
22	22	SVB Financial Group	121	0.18%	0.03
23	23	BB&T Corp.	113	0.16%	0.03
25	25	Discover Financial Services	103	0.15%	0.02
38	38	Deere & Co.	31	0.05%	0.00
40	40	State Farm Mutual Automobile Insurance Co.	24	0.03%	0.00
41	41	Stearns Financial Services Inc.	24	0.03%	0.00
48	48	East West Bancorp Inc.	15	0.02%	0.00
52	53	Morgan Stanley	10	0.01%	0.00
53	54	1st Source Corp.	9	0.01%	0.00
54	55	KeyCorp	9	0.01%	0.00
57	58	First Community Bankshares Inc.	8	0.01%	0.00
58	59	PNC Financial Services Group Inc.	8	0.01%	0.00
59	60	SunTrust Banks Inc.	8	0.01%	0.00
61	61	Royal Bank of Scotland Group Plc	7	0.01%	0.00
62	62	Wilshire Bancorp Inc.	7	0.01%	0.00
65	65	Farmers & Merchants Bank of Long Beach	5	0.01%	0.00
66	66	Fifth Third Bancorp	5	0.01%	0.00
69	68	UnitedHealth Group Inc.	4	0.01%	0.00
70	69	American Business Bank	3	0.00%	0.00
71	70	Community Bank	3	0.00%	0.00
72	71	National Bank Holdings Corp.	3	0.00%	0.00
74	73	Plains Bancorp Inc.	3	0.00%	0.00
76	75	Prosperity Bancshares Inc.	3	0.00%	0.00
78	77	Regions Financial Corp.	3	0.00%	0.00
79	78	Toronto-Dominion Bank	3	0.00%	0.00
80	79	UMB Financial Corp.	3	0.00%	0.00
81	80	Ally Financial Inc.	2	0.00%	0.00
82	81	American Chartered Bancorp Inc.	2	0.00%	0.00
83	82	Bank of Montreal	2	0.00%	0.00
84	83	Bank of New York Mellon Corp.	2	0.00%	0.00
85	84	Bridgeview Bancorp Inc.	2	0.00%	0.00
86	85	CVB Financial Corp.	2	0.00%	0.00
87	86	Columbia Banking System Inc.	2	0.00%	0.00
88	87	EverBank Financial Corp	2	0.00%	0.00
89	88	Fremont Bancorp	2	0.00%	0.00
90	89	Huntington Bancshares Inc.	2	0.00%	0.00
91	90	Midland Financial Co.	2	0.00%	0.00
92	91	Pinnacle Financial Partners Inc.	2	0.00%	0.00
93	92	State Bankshares Inc.	2	0.00%	0.00

San Diego (County), CA (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
94	93	Sumitomo Mitsui Financial Group Inc.	2	0.00%	0.00
95	94	Central Banco. Inc.	1	0.00%	0.00
96	95	Commerce Bancshares Corp.	1	0.00%	0.00
97	96	Cullen/Frost Bankers Inc.	1	0.00%	0.00
98	97	F & M Bancorp. Inc.	1	0.00%	0.00
99	98	F.N.B. Corp.	1	0.00%	0.00
100	99	First Citizens Bancorp. Inc.	1	0.00%	0.00
102	101	First Interstate BancSystem Inc.	1	0.00%	0.00
103	102	Fulton Financial Corp.	1	0.00%	0.00
104	103	Guaranty Bancorp	1	0.00%	0.00
105	104	Heritage Commerce Corp	1	0.00%	0.00
106	105	Hilltop Holdings Inc.	1	0.00%	0.00
107	106	IBERIABANK Corp.	1	0.00%	0.00
108	107	INTRUST Financial Corp.	1	0.00%	0.00
109	108	National Australia Bank Ltd.	1	0.00%	0.00
110	109	Preferred Bank	1	0.00%	0.00
111	110	River City Bank	1	0.00%	0.00
112	111	SWS Group Inc.	1	0.00%	0.00
113	112	Taylor Capital Group Inc.	1	0.00%	0.00
114	113	TriCo Bancshares	1	0.00%	0.00
115	114	Waupaca Bancorp. Inc.	1	0.00%	0.00
116	115	Weststar Bank Holding Co. Inc.	1	0.00%	0.00
117	116	Wintrust Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	68,648	100.00%	1,685

Pre-Merger HHI	**1,685.19**
Post-Merger HHI	**1,685.19**
Delta	**0.00**

Notes:

San Diego (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
79		CIT Group Inc.	252	0.01%	0.00
31		IMB Management Holdings LP	2,048	0.10%	0.01
Post-Merger Institution					
	30	**CIT Group Inc.**	**2,300**	**0.12%**	**0.01**
In Market Institutions					
1	1	Wells Fargo & Co.	518,324	26.06%	679.35
2	2	Mitsubishi UFJ Financial Group Inc.	192,223	9.67%	93.43
3	3	Zions Bancorp.	172,779	8.69%	75.49
5	5	JPMorgan Chase & Co.	147,785	7.43%	55.23
6	6	U.S. Bancorp	135,120	6.79%	46.17
7	7	Bank of America Corp.	130,344	6.55%	42.96
8	8	Western Alliance Bancorp.	102,027	5.13%	26.32
9	9	PacWest Bancorp	73,457	3.69%	13.64
10	10	First Citizens BancShares Inc.	49,846	2.51%	6.28
11	11	Citigroup Inc.	49,319	2.48%	6.15
12	12	City National Corp.	40,759	2.05%	4.20
13	13	BNP Paribas SA	28,090	1.41%	2.00
14	14	Comerica Inc.	27,600	1.39%	1.93
16	16	Banco Bilbao Vizcaya Argentaria SA	15,483	0.78%	0.61
19	19	BBCN Bancorp Inc.	7,786	0.39%	0.15
21	21	First Republic Bank	5,915	0.30%	0.09
23	23	Carpenter Bank Partners Inc.	5,220	0.26%	0.07
25	25	Hanmi Financial Corp.	4,071	0.20%	0.04
26	26	First Banks Inc.	3,987	0.20%	0.04
28	28	Cathay General Bancorp	2,699	0.14%	0.02
42	42	HSBC Holdings Plc	1,375	0.07%	0.00
43	43	Northern Trust Corp.	1,316	0.07%	0.00
49	49	Omaha Financial Holdings Inc.	900	0.05%	0.00
51	51	Popular Inc.	798	0.04%	0.00
53	53	Silvergate Capital Corp.	760	0.04%	0.00
56	56	Vibra Bank	718	0.04%	0.00
58	58	Seacoast Commerce Bank	685	0.03%	0.00
59	59	Neighborhood Bancorp	668	0.03%	0.00
61	61	BofI Holding Inc.	617	0.03%	0.00
70	70	Duke Financial Group Inc.	367	0.02%	0.00
73	73	San Diego Private Bank	338	0.02%	0.00
76	76	First Foundation Inc.	300	0.02%	0.00
78	78	Balboa Thrift and Loan Association	257	0.01%	0.00
81	80	La Jolla Pacific Bancorp	234	0.01%	0.00
84	83	Rabobank Nederland	210	0.01%	0.00
87	86	Grandpoint Capital Inc.	169	0.01%	0.00
91	90	Banc of California Inc.	128	0.01%	0.00
93	92	Mission Oaks Bancorp	102	0.01%	0.00
97	96	SKBHC Holdings LLC	77	0.00%	0.00
102	101	Bank of Southern California, NA	31	0.00%	0.00
105	104	State Bank of India	18	0.00%	0.00
106	105	MetroCorp Bancshares Inc.	17	0.00%	0.00
107	106	Pacific Premier Bancorp Inc.	16	0.00%	0.00
108	107	Opus Bank	15	0.00%	0.00
110	109	CommerceWest Bank	12	0.00%	0.00

San Diego (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
112	111	Sterling Financial Corp.	8	0.00%	0.00
115	114	Community Commerce Bank	5	0.00%	0.00
116	115	First ULB Corp.	1	0.00%	0.00
118	117	Dickinson Financial Corp. II	1	0.00%	0.00
119	118	Beal Financial Corp.	0	0.00%	0.00
120	119	Rancho Santa Fe Thrift & Loan Association	0	0.00%	0.00
Out of Market Institutions					
4	4	American Express Co.	167,577	8.43%	71.01
15	15	Capital One Financial Corp.	15,549	0.78%	0.61
17	17	SVB Financial Group	12,947	0.65%	0.42
18	18	General Electric Co.	7,901	0.40%	0.16
20	20	Lauritzen Corp.	6,808	0.34%	0.12
22	22	Morgan Stanley	5,728	0.29%	0.08
24	24	East West Bancorp Inc.	4,399	0.22%	0.05
27	27	Texas Capital Bancshares Inc.	3,792	0.19%	0.04
29	29	Wilshire Bancorp Inc.	2,430	0.12%	0.01
30	31	American Business Bank	2,170	0.11%	0.01
32	32	SunTrust Banks Inc.	2,005	0.10%	0.01
33	33	National Bank Holdings Corp.	1,790	0.09%	0.01
34	34	UnitedHealth Group Inc.	1,778	0.09%	0.01
35	35	PNC Financial Services Group Inc.	1,773	0.09%	0.01
36	36	Community Bank	1,719	0.09%	0.01
37	37	Royal Bank of Scotland Group Plc	1,530	0.08%	0.01
38	38	Ally Financial Inc.	1,500	0.08%	0.01
39	39	Pinnacle Financial Partners Inc.	1,500	0.08%	0.01
40	40	Fifth Third Bancorp	1,485	0.07%	0.01
41	41	First Community Bankshares Inc.	1,441	0.07%	0.01
44	44	Stearns Financial Services Inc.	1,178	0.06%	0.00
45	45	Columbia Banking System Inc.	1,135	0.06%	0.00
46	46	KeyCorp	1,123	0.06%	0.00
47	47	Guaranty Bancorp	1,000	0.05%	0.00
48	48	BB&T Corp.	972	0.05%	0.00
50	50	UMB Financial Corp.	888	0.04%	0.00
52	52	Farmers & Merchants Bank of Long Beach	772	0.04%	0.00
54	54	1st Source Corp.	753	0.04%	0.00
55	55	Midland Financial Co.	750	0.04%	0.00
57	57	SWS Group Inc.	698	0.04%	0.00
60	60	National Australia Bank Ltd.	655	0.03%	0.00
62	62	Wintrust Financial Corp.	575	0.03%	0.00
63	63	Prosperity Bancshares Inc.	547	0.03%	0.00
64	64	Bank of Montreal	499	0.03%	0.00
65	65	Hilltop Holdings Inc.	490	0.02%	0.00
66	66	Regions Financial Corp.	446	0.02%	0.00
67	67	State Farm Mutual Automobile Insurance Co.	446	0.02%	0.00
68	68	Fremont Bancorp	423	0.02%	0.00
69	69	Bank of New York Mellon Corp.	370	0.02%	0.00
71	71	Discover Financial Services	365	0.02%	0.00
72	72	Fulton Financial Corp.	350	0.02%	0.00
74	74	Sumitomo Mitsui Financial Group Inc.	325	0.02%	0.00
75	75	CVB Financial Corp.	314	0.02%	0.00
77	77	Commerce Bancshares Corp.	272	0.01%	0.00

San Diego (County), CA (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
80	79	F & M Bancorp. Inc.	240	0.01%	0.00
82	81	State Bankshares Inc.	218	0.01%	0.00
83	82	Deere & Co.	213	0.01%	0.00
85	84	TriCo Bancshares	180	0.01%	0.00
86	85	American Chartered Bancorp Inc.	170	0.01%	0.00
88	87	Bridgeview Bancorp Inc.	151	0.01%	0.00
89	88	Waupaca Bancorp. Inc.	148	0.01%	0.00
90	89	First Citizens Bancorp. Inc.	134	0.01%	0.00
92	91	Huntington Bancshares Inc.	125	0.01%	0.00
94	93	Heritage Commerce Corp	100	0.01%	0.00
95	94	Taylor Capital Group Inc.	100	0.01%	0.00
96	95	River City Bank	79	0.00%	0.00
98	97	Preferred Bank	75	0.00%	0.00
99	98	Weststar Bank Holding Co. Inc.	75	0.00%	0.00
100	99	First Interstate BancSystem Inc.	50	0.00%	0.00
101	100	IBERIABANK Corp.	36	0.00%	0.00
103	102	Plains Bancorp Inc.	31	0.00%	0.00
104	103	Toronto-Dominion Bank	27	0.00%	0.00
109	108	Cullen/Frost Bankers Inc.	15	0.00%	0.00
111	110	INTRUST Financial Corp.	10	0.00%	0.00
113	112	F.N.B. Corp.	8	0.00%	0.00
114	113	EverBank Financial Corp	7	0.00%	0.00
117	116	Central Banco. Inc.	1	0.00%	0.00
		Pre Merger Totals:	1,988,640	100.00%	1,127

Pre-Merger HHI	**1,126.80**
Post-Merger HHI	**1,126.81**
Delta	**0.00**

Notes:

Salt Lake, UT (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
55		CIT Group Inc.	1	0.00%	0.00
		IMB Management Holdings LP	0	0.00%	0.00
Post-Merger Institution					
	55	**CIT Group Inc.**	**1**	**0.00%**	**0.00**
In Market Institutions					
1	1	American Express Co.	7,823	31.78%	1,009.94
2	2	Zions Bancorp.	3,310	13.45%	180.79
3	3	Wells Fargo & Co.	2,773	11.26%	126.89
4	4	JPMorgan Chase & Co.	2,070	8.41%	70.71
5	5	U.S. Bancorp	1,648	6.69%	44.82
8	8	WEX Bank	674	2.74%	7.51
9	9	General Electric Co.	517	2.10%	4.41
10	10	UBS AG	515	2.09%	4.38
11	11	Ally Financial Inc.	451	1.83%	3.36
12	12	Celtic Bank	405	1.65%	2.71
13	13	Medallion Bank	349	1.42%	2.01
14	14	Continental BanCorp.	338	1.37%	1.88
15	15	KeyCorp	300	1.22%	1.49
17	17	First Utah Bancorp.	178	0.72%	0.52
18	18	Brighton Bancorp	98	0.40%	0.16
21	21	BOU Bancorp Inc.	91	0.37%	0.14
22	22	People"s Utah Bancorp	70	0.28%	0.08
23	23	BNP Paribas SA	56	0.23%	0.05
24	24	Pitney Bowes Bank Inc.	53	0.21%	0.05
25	25	Home Credit Corp.	36	0.15%	0.02
26	26	All West Bancorp	35	0.14%	0.02
28	28	Holladay Bank & Trust	34	0.14%	0.02
29	29	Washington Federal Inc.	30	0.12%	0.01
31	31	WebBank	22	0.09%	0.01
33	33	NHB Holdings Inc.	20	0.08%	0.01
36	36	SKBHC Holdings LLC	17	0.07%	0.00
37	37	FNB Bancorp	16	0.07%	0.00
41	41	Goldman Sachs Group Inc.	11	0.04%	0.00
42	42	Liberty Bank	8	0.03%	0.00
43	43	Morgan Stanley	5	0.02%	0.00
50	50	Franklin Resources Inc.	1	0.00%	0.00
73	73	UnitedHealth Group Inc.	1	0.00%	0.00
75	75	BMW of North America LLC	0	0.00%	0.00
76	76	Capmark Financial Group Inc.	0	0.00%	0.00
77	77	CardWorks Inc.	0	0.00%	0.00
78	78	Comenity Capital Bank	0	0.00%	0.00
79	79	EnerBank USA	0	0.00%	0.00
80	80	First American Financial Corp.	0	0.00%	0.00
81	81	First Electronic Bank	0	0.00%	0.00
82	82	Marlin Business Services Corp.	0	0.00%	0.00
83	83	Sallie Mae Bank	0	0.00%	0.00
84	84	Target Bank	0	0.00%	0.00
Out of Market Institutions					
6	6	Citigroup Inc.	1,038	4.22%	17.78
7	7	Capital One Financial Corp.	957	3.89%	15.11

Salt Lake, UT (County)
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
16	16	Bank of America Corp.	285	1.16%	1.34
19	19	Discover Financial Services	93	0.38%	0.14
20	20	BB&T Corp.	92	0.37%	0.14
27	27	Texas Capital Bancshares Inc.	35	0.14%	0.02
30	30	HSBC Holdings Plc	25	0.10%	0.01
32	32	Lauritzen Corp.	21	0.09%	0.01
34	34	SVB Financial Group	20	0.08%	0.01
35	35	Stearns Financial Services Inc.	18	0.07%	0.01
38	38	State Farm Mutual Automobile Insurance Co.	14	0.06%	0.00
39	39	Royal Bank of Scotland Group Plc	13	0.05%	0.00
40	40	Deere & Co.	11	0.04%	0.00
44	44	Signature Bank	5	0.02%	0.00
45	45	INTRUST Financial Corp.	3	0.01%	0.00
46	46	1st Source Corp.	2	0.01%	0.00
47	47	Bank of Highland Park Financial Corp.	2	0.01%	0.00
48	48	Sterling Financial Corp.	2	0.01%	0.00
49	49	TriState Capital Holdings Inc.	2	0.01%	0.00
51	51	Associated Banc-Corp	1	0.00%	0.00
52	52	BBCN Bancorp Inc.	1	0.00%	0.00
53	53	BancPlus Corp.	1	0.00%	0.00
54	54	Bank of Montreal	1	0.00%	0.00
56	56	Carpenter Bank Partners Inc.	1	0.00%	0.00
57	57	CoBiz Financial Inc.	1	0.00%	0.00
58	58	Comerica Inc.	1	0.00%	0.00
59	59	East West Bancorp Inc.	1	0.00%	0.00
60	60	First Financial Bancorp.	1	0.00%	0.00
61	61	First Horizon National Corp.	1	0.00%	0.00
62	62	First Interstate BancSystem Inc.	1	0.00%	0.00
63	63	First Northern Community Bancorp	1	0.00%	0.00
64	64	Firstrust Savings Bank	1	0.00%	0.00
65	65	Guaranty Bancorp	1	0.00%	0.00
66	66	Johnson Financial Group Inc.	1	0.00%	0.00
67	67	MB Financial Inc.	1	0.00%	0.00
68	68	Regions Financial Corp.	1	0.00%	0.00
69	69	Republic Bancorp Co.	1	0.00%	0.00
70	70	SunTrust Banks Inc.	1	0.00%	0.00
71	71	Sunflower Financial Inc.	1	0.00%	0.00
72	72	Susquehanna Bancshares Inc.	1	0.00%	0.00
74	74	Wintrust Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	24,617	100.00%	1,497

Pre-Merger HHI	**1,496.56**
Post-Merger HHI	**1,496.56**
Delta	**0.00**

Notes:

Salt Lake, UT (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
73		CIT Group Inc.	5	0.00%	0.00
		IMB Management Holdings LP	0	0.00%	0.00
Post-Merger Institution					
	73	**CIT Group Inc.**	**5**	**0.00%**	**0.00**
In Market Institutions					
1	1	Zions Bancorp.	253,321	32.92%	1,084.05
2	2	Wells Fargo & Co.	157,225	20.44%	417.59
3	3	JPMorgan Chase & Co.	88,027	11.44%	130.90
4	4	American Express Co.	71,853	9.34%	87.22
5	5	U.S. Bancorp	67,939	8.83%	77.97
6	6	KeyCorp	40,581	5.27%	27.82
8	8	BNP Paribas SA	12,468	1.62%	2.63
13	13	Morgan Stanley	1,972	0.26%	0.07
15	15	General Electric Co.	1,543	0.20%	0.04
16	16	Holladay Bank & Trust	1,453	0.19%	0.04
22	22	All West Bancorp	895	0.12%	0.01
29	29	UBS AG	674	0.09%	0.01
31	31	WEX Bank	634	0.08%	0.01
33	33	Ally Financial Inc.	580	0.08%	0.01
38	38	WebBank	425	0.06%	0.00
39	39	Liberty Bank	408	0.05%	0.00
41	41	Franklin Resources Inc.	359	0.05%	0.00
44	44	Home Credit Corp.	335	0.04%	0.00
45	45	Continental BanCorp.	324	0.04%	0.00
46	46	Medallion Bank	314	0.04%	0.00
47	47	NHB Holdings Inc.	314	0.04%	0.00
48	48	Brighton Bancorp	277	0.04%	0.00
50	50	Celtic Bank	245	0.03%	0.00
52	52	First Utah Bancorp.	210	0.03%	0.00
53	53	Pitney Bowes Bank Inc.	204	0.03%	0.00
67	67	FNB Bancorp	22	0.00%	0.00
68	68	BOU Bancorp Inc.	18	0.00%	0.00
69	69	UnitedHealth Group Inc.	13	0.00%	0.00
70	70	People"s Utah Bancorp	13	0.00%	0.00
71	71	Goldman Sachs Group Inc.	6	0.00%	0.00
72	72	Washington Federal Inc.	5	0.00%	0.00
74	74	SKBHC Holdings LLC	4	0.00%	0.00
75	75	BMW of North America LLC	0	0.00%	0.00
76	76	Capmark Financial Group Inc.	0	0.00%	0.00
77	77	CardWorks Inc.	0	0.00%	0.00
78	78	Comenity Capital Bank	0	0.00%	0.00
79	79	EnerBank USA	0	0.00%	0.00
80	80	First American Financial Corp.	0	0.00%	0.00
81	81	First Electronic Bank	0	0.00%	0.00
82	82	Marlin Business Services Corp.	0	0.00%	0.00
83	83	Sallie Mae Bank	0	0.00%	0.00
84	84	Target Bank	0	0.00%	0.00
Out of Market Institutions					
7	7	Bank of America Corp.	25,270	3.28%	10.79
9	9	Royal Bank of Scotland Group Plc	8,252	1.07%	1.15

Salt Lake, UT (County)
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
10	10	Citigroup Inc.	6,232	0.81%	0.66
11	11	Capital One Financial Corp.	4,413	0.57%	0.33
12	12	SVB Financial Group	4,118	0.54%	0.29
14	14	Signature Bank	1,877	0.24%	0.06
17	17	TriState Capital Holdings Inc.	1,250	0.16%	0.03
18	18	HSBC Holdings Plc	1,147	0.15%	0.02
19	19	INTRUST Financial Corp.	1,100	0.14%	0.02
20	20	Johnson Financial Group Inc.	1,000	0.13%	0.02
21	21	Wintrust Financial Corp.	995	0.13%	0.02
23	23	Stearns Financial Services Inc.	872	0.11%	0.01
24	24	Comerica Inc.	856	0.11%	0.01
25	25	Bank of Montreal	855	0.11%	0.01
26	26	CoBiz Financial Inc.	800	0.10%	0.01
27	27	BB&T Corp.	706	0.09%	0.01
28	28	Firstrust Savings Bank	700	0.09%	0.01
30	30	MB Financial Inc.	662	0.09%	0.01
32	32	Texas Capital Bancshares Inc.	596	0.08%	0.01
34	34	Bank of Highland Park Financial Corp.	558	0.07%	0.01
35	35	Carpenter Bank Partners Inc.	500	0.06%	0.00
36	36	Associated Banc-Corp	477	0.06%	0.00
37	37	1st Source Corp.	433	0.06%	0.00
40	40	East West Bancorp Inc.	390	0.05%	0.00
42	42	Discover Financial Services	357	0.05%	0.00
43	43	First Horizon National Corp.	356	0.05%	0.00
49	49	State Farm Mutual Automobile Insurance Co.	262	0.03%	0.00
51	51	Republic Bancorp Co.	220	0.03%	0.00
54	54	Lauritzen Corp.	201	0.03%	0.00
55	55	Guaranty Bancorp	200	0.03%	0.00
56	56	SunTrust Banks Inc.	200	0.03%	0.00
57	57	Susquehanna Bancshares Inc.	200	0.03%	0.00
58	58	Sterling Financial Corp.	152	0.02%	0.00
59	59	Deere & Co.	101	0.01%	0.00
60	60	BBCN Bancorp Inc.	100	0.01%	0.00
61	61	Sunflower Financial Inc.	80	0.01%	0.00
62	62	First Financial Bancorp.	62	0.01%	0.00
63	63	First Interstate BancSystem Inc.	60	0.01%	0.00
64	64	First Northern Community Bancorp	50	0.01%	0.00
65	65	Regions Financial Corp.	34	0.00%	0.00
66	66	BancPlus Corp.	30	0.00%	0.00
		Pre Merger Totals:	769,390	100.00%	1,842

Pre-Merger HHI	**1,841.85**
Post-Merger HHI	**1,841.85**
Delta	**0.00**

Notes:

PUBLIC EXHIBIT 9

SECTION E: CRA Lending Data for Relevant MSAs

SUMMARY SHEET

ACQUIROR : CIT Group Inc.
TARGET : IMB Management Holdings LP

Market	Scenario *	Insti tutions	CRA LOANS A (Market Total)	CRA LOANS T	HHI Pre	HHI Post	HHI Delta	MARKET SHARE A	MARKET SHARE T	MARKET SHARE C	RANK A	RANK T	RANK C	Gap	Divest to 1800 ($000)	Divest to 200 ($000)	Divest to 35% ($000)
LOS ANGELES-LONG BEACH-SANTA ANA CA (MSA)		**243**	**312,813**														
	001a # Loans Total		36	78	1,956	1,956	0	0.01%	0.02%	0.04%	108	72	61	-	-	-	-
	001b $ Loans Total		233	34,779	904	904	0	0.00%	0.36%	0.36%	169	34	33	-	-	-	-
RIVERSIDE-SAN BERNARDINO-ONTARIO CA (MSA)		**119**	**56,317**														
	002a # Loans Total		13	9	1,567	1,567	0	0.02%	0.02%	0.04%	60	65	51	-	-	-	-
	002b $ Loans Total		140	4,389	859	859	0	0.01%	0.28%	0.29%	92	35	35	-	-	-	-
SAN DIEGO-CARLSBAD-SAN MARCOS CA (MSA)		**120**	**68,648**														
	003a # Loans Total		7	4	1,685	1,685	0	0.01%	0.01%	0.02%	60	67	51	-	-	-	-
	003b $ Loans Total		252	2,048	1,127	1,127	0	0.01%	0.10%	0.12%	79	31	30	-	-	-	-
SALT LAKE CITY, UT (MSA)		**94**	**26,938**														
	004a # Loans Total		1	0	1,527	1,527	0	0.00%	0.00%	0.00%	62	0	62	-	-	-	-
	004b $ Loans Total		5	0	1,833	1,833	0	0.00%	0.00%	0.00%	81	0	81	-	-	-	-

Footnotes:

*** # Loans Total: Number of Loans, Total**
$ Loans Total: Aggregate Amount of Loans ($000), Total

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
108		CIT Group Inc.	36	0.01%	0.00
72		IMB Management Holdings LP	78	0.02%	0.00
Post-Merger Institution					
	61	**CIT Group Inc.**	**114**	**0.04%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	45,554	14.56%	212.07
3	3	JPMorgan Chase & Co.	34,702	11.09%	123.07
4	4	Citigroup Inc.	26,869	8.59%	73.78
5	5	Bank of America Corp.	24,081	7.70%	59.26
7	7	U.S. Bancorp	13,622	4.35%	18.96
8	8	Mitsubishi UFJ Financial Group Inc.	4,122	1.32%	1.74
10	10	BNP Paribas SA	2,053	0.66%	0.43
11	11	City National Corp.	2,002	0.64%	0.41
13	13	Zions Bancorp.	1,369	0.44%	0.19
15	15	HSBC Holdings Plc	976	0.31%	0.10
16	16	Community Bank	781	0.25%	0.06
17	17	Pacific City Financial Corp.	646	0.21%	0.04
18	18	BBCN Bancorp Inc.	638	0.20%	0.04
19	19	CVB Financial Corp.	620	0.20%	0.04
20	20	Pacific Enterprise Bancorp	560	0.18%	0.03
22	22	Wilshire Bancorp Inc.	528	0.17%	0.03
23	23	CU Bancorp	528	0.17%	0.03
24	24	Carpenter Bank Partners Inc.	526	0.17%	0.03
25	25	PacWest Bancorp	489	0.16%	0.02
26	26	Hanmi Financial Corp.	440	0.14%	0.02
27	27	Comerica Inc.	429	0.14%	0.02
28	28	East West Bancorp Inc.	416	0.13%	0.02
29	29	Cathay General Bancorp	387	0.12%	0.02
30	30	Commonwealth Business Bank	374	0.12%	0.01
31	31	Mission Valley Bancorp	355	0.11%	0.01
32	32	American Business Bank	332	0.11%	0.01
33	33	Farmers & Merchants Bank of Long Beach	285	0.09%	0.01
34	34	Shinhan Financial Group Co. Ltd.	276	0.09%	0.01
35	35	CapitalSource Inc.	246	0.08%	0.01
37	37	NCAL Bancorp	241	0.08%	0.01
38	38	First Banks Inc.	231	0.07%	0.01
39	39	Grandpoint Capital Inc.	231	0.07%	0.01
40	40	Open Bank	214	0.07%	0.00
42	42	First General Bank	196	0.06%	0.00
43	43	EH National Bank	194	0.06%	0.00
44	44	Preferred Bank	187	0.06%	0.00
45	45	Opus Bank	184	0.06%	0.00
50	50	Pacific Premier Bancorp Inc.	148	0.05%	0.00
51	51	Community Commerce Bank	147	0.05%	0.00
52	52	Sumitomo Mitsui Financial Group Inc.	143	0.05%	0.00
53	53	CommerceWest Bank	143	0.05%	0.00
54	54	First Citizens BancShares Inc.	140	0.04%	0.00
55	55	1st Enterprise Bank	134	0.04%	0.00
56	56	Sunwest Bank	133	0.04%	0.00
57	57	America Bancshares Inc.	129	0.04%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
58	58	Uniti Financial Corp.	128	0.04%	0.00
59	59	First Republic Bank	119	0.04%	0.00
60	60	Bank of Santa Clarita	118	0.04%	0.00
61	62	GBC Holdings Inc.	112	0.04%	0.00
62	63	CalWest Bancorp	104	0.03%	0.00
63	64	Capital Bank	102	0.03%	0.00
64	65	RBB Bancorp	102	0.03%	0.00
65	66	Broadway Financial Corp.	100	0.03%	0.00
66	67	International City Bank NA	97	0.03%	0.00
67	68	1st Century Bancshares Inc.	88	0.03%	0.00
68	69	Banco Bilbao Vizcaya Argentaria SA	83	0.03%	0.00
69	70	TFC Holding Co.	82	0.03%	0.00
70	71	Partners Bank of California	81	0.03%	0.00
71	72	Maham Beteiligungsgesellschaft AG	81	0.03%	0.00
73	73	Independence Bank	77	0.02%	0.00
74	74	CKH Capital Inc.	76	0.02%	0.00
75	75	SKBHC Holdings LLC	74	0.02%	0.00
76	76	First Choice Bank	74	0.02%	0.00
77	77	Malaga Financial Corp.	73	0.02%	0.00
78	78	Pacific Commerce Bank	73	0.02%	0.00
79	79	MetroCorp Bancshares Inc.	73	0.02%	0.00
80	80	First American Financial Corp.	73	0.02%	0.00
81	81	US Metro Bk	69	0.02%	0.00
82	82	American Continental Bank	68	0.02%	0.00
83	83	ProAmerica Bank	66	0.02%	0.00
84	84	American Plus Bank N.A.	63	0.02%	0.00
85	85	Premier Business Bank	61	0.02%	0.00
86	86	California Republic Bancorp	59	0.02%	0.00
87	87	Popular Inc.	57	0.02%	0.00
88	88	Boston Private Financial Holdings Inc.	55	0.02%	0.00
89	89	Commercial Bank of California	54	0.02%	0.00
90	90	Banc of California Inc.	54	0.02%	0.00
91	91	Friendly Hills Bank	53	0.02%	0.00
92	92	Merchants Bank of California NA	52	0.02%	0.00
94	94	Luther Burbank Corp.	50	0.02%	0.00
95	95	CTBC Financial Holding Co. Ltd.	47	0.02%	0.00
96	96	Mega Bank	47	0.01%	0.00
97	97	Independent Bankers Financial Corp.	47	0.01%	0.00
98	98	First Foundation Inc.	46	0.01%	0.00
99	99	California Business Bank	44	0.01%	0.00
100	100	Pacific Alliance Bank	41	0.01%	0.00
101	101	United Pacific Bank	40	0.01%	0.00
102	102	State Bank of India	39	0.01%	0.00
103	103	Americas United Bank	39	0.01%	0.00
104	104	Western Alliance Bancorp.	39	0.01%	0.00
105	105	Mission Bancorp	38	0.01%	0.00
106	106	Asian Pacific National Bank	37	0.01%	0.00
107	107	Eastern International Bank	37	0.01%	0.00
109	108	Industrial & Commercial Bank of China Ltd.	36	0.01%	0.00
110	109	Saddleback Bancorp	33	0.01%	0.00
111	110	Greater Pacific Bancshares	33	0.01%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
112	111	First Financial Holding Co. Ltd.	33	0.01%	0.00
115	114	Saigon National Bank	28	0.01%	0.00
116	115	AltaPacific Bancorp	27	0.01%	0.00
117	116	Industrial Bank of Taiwan Co. Ltd.	26	0.01%	0.00
120	119	Orange County Business Bank	22	0.01%	0.00
121	120	Bank Leumi le-Israel B.M.	22	0.01%	0.00
123	122	Simplicity Bancorp Inc.	21	0.01%	0.00
124	123	SinoPac Financial Holdings Co. Ltd.	21	0.01%	0.00
125	124	Security California Bancorp	19	0.01%	0.00
130	129	Santa Clara Valley Bank NA	17	0.01%	0.00
131	130	Wedbush Inc.	17	0.01%	0.00
134	133	Northern Trust Corp.	15	0.00%	0.00
135	134	Pan American Bank	15	0.00%	0.00
137	136	OneUnited Bank	14	0.00%	0.00
138	137	Golden State Bank	12	0.00%	0.00
139	138	First ULB Corp.	10	0.00%	0.00
140	139	First Credit Bank	10	0.00%	0.00
141	140	Beal Financial Corp.	9	0.00%	0.00
144	143	Universal Financial Inc.	9	0.00%	0.00
147	146	Woori Finance Holdings Co. Ltd.	8	0.00%	0.00
150	149	Silvergate Capital Corp.	6	0.00%	0.00
155	154	Sterling Financial Corp.	6	0.00%	0.00
160	159	San Diego Private Bank	4	0.00%	0.00
177	176	Balboa Thrift and Loan Association	3	0.00%	0.00
178	177	First Western Financial Inc.	2	0.00%	0.00
180	179	Central Bancorp Inc.	2	0.00%	0.00
188	187	Israel Discount Bank Ltd.	2	0.00%	0.00
239	238	Workers United	1	0.00%	0.00
240	239	Bank of New York Mellon Corp.	0	0.00%	0.00
241	240	California First National Bancorp	0	0.00%	0.00
242	241	Capital Bank and Trust Co. FSB	0	0.00%	0.00
243	242	Mizrahi Tefahot Bank Ltd.	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	118,818	37.98%	1,442.76
6	6	Capital One Financial Corp.	14,216	4.54%	20.65
9	9	General Electric Co.	3,539	1.13%	1.28
12	12	Texas Capital Bancshares Inc.	1,838	0.59%	0.35
14	14	Lauritzen Corp.	1,312	0.42%	0.18
21	21	Discover Financial Services	545	0.17%	0.03
36	36	MB Financial Inc.	244	0.08%	0.01
41	41	SVB Financial Group	204	0.07%	0.00
46	46	Stearns Financial Services Inc.	180	0.06%	0.00
47	47	State Farm Mutual Automobile Insurance Co.	178	0.06%	0.00
48	48	First Community Bankshares Inc.	175	0.06%	0.00
49	49	BB&T Corp.	168	0.05%	0.00
93	93	1st Source Corp.	50	0.02%	0.00
113	112	PNC Financial Services Group Inc.	29	0.01%	0.00
114	113	SunTrust Banks Inc.	29	0.01%	0.00
118	117	Deere & Co.	25	0.01%	0.00
119	118	KeyCorp	25	0.01%	0.00
122	121	Bank of Highland Park Financial Corp.	22	0.01%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
126	125	Morgan Stanley	18	0.01%	0.00
127	126	National Bank Holdings Corp.	18	0.01%	0.00
128	127	EverBank Financial Corp	17	0.01%	0.00
129	128	Signature Bank	17	0.01%	0.00
132	131	UnitedHealth Group Inc.	16	0.01%	0.00
133	132	Wintrust Financial Corp.	16	0.01%	0.00
136	135	Regions Financial Corp.	15	0.00%	0.00
142	141	Ally Financial Inc.	9	0.00%	0.00
143	142	Rabobank Nederland	9	0.00%	0.00
145	144	Hilltop Holdings Inc.	8	0.00%	0.00
146	145	Royal Bank of Scotland Group Plc	8	0.00%	0.00
148	147	Commerce Bancshares Corp.	7	0.00%	0.00
149	148	Fifth Third Bancorp	7	0.00%	0.00
151	150	Bancorp Inc.	6	0.00%	0.00
152	151	Central Banco. Inc.	6	0.00%	0.00
153	152	Commerce Bancshares Inc.	6	0.00%	0.00
154	153	Omaha Financial Holdings Inc.	6	0.00%	0.00
156	155	FirstBank Holding Co.	5	0.00%	0.00
157	156	Heritage Commerce Corp	5	0.00%	0.00
158	157	PrivateBancorp Inc.	5	0.00%	0.00
159	158	Umpqua Holdings Corp.	5	0.00%	0.00
161	160	Pinnacle Financial Partners Inc.	4	0.00%	0.00
162	161	Prosperity Bancshares Inc.	4	0.00%	0.00
163	162	Toronto-Dominion Bank	4	0.00%	0.00
164	163	Arvest Bank Group Inc.	3	0.00%	0.00
165	164	BOK Financial Corp.	3	0.00%	0.00
166	165	BancorpSouth Inc.	3	0.00%	0.00
167	166	Bank of Montreal	3	0.00%	0.00
168	167	Community West Bancshares	3	0.00%	0.00
169	168	Enterprise Financial Services Corp	3	0.00%	0.00
170	169	Hancock Holding Co.	3	0.00%	0.00
171	170	Mackinac Financial Corp.	3	0.00%	0.00
172	171	National Australia Bank Ltd.	3	0.00%	0.00
173	172	Old National Bancorp	3	0.00%	0.00
174	173	Republic Bancorp Co.	3	0.00%	0.00
175	174	TriCo Bancshares	3	0.00%	0.00
176	175	UMB Financial Corp.	3	0.00%	0.00
179	178	Alerus Financial Corp.	2	0.00%	0.00
181	180	CoBiz Financial Inc.	2	0.00%	0.00
182	181	Columbia Banking System Inc.	2	0.00%	0.00
183	182	Cullen/Frost Bankers Inc.	2	0.00%	0.00
184	183	FirstMerit Corp.	2	0.00%	0.00
185	184	Huntington Bancshares Inc.	2	0.00%	0.00
186	185	Interaudi Bank	2	0.00%	0.00
187	186	International Bancshares Corp.	2	0.00%	0.00
189	188	Mechanics Bank	2	0.00%	0.00
190	189	Plains Bancorp Inc.	2	0.00%	0.00
191	190	Salem Five Bancorp	2	0.00%	0.00
192	191	Southeastern Bank Financial Corp.	2	0.00%	0.00
193	192	Taylor Capital Group Inc.	2	0.00%	0.00
194	193	Trustmark Corp.	2	0.00%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
195	194	1st United Bancorp Inc.	1	0.00%	0.00
196	195	Amarillo National Bancorp Inc.	1	0.00%	0.00
197	196	American Chartered Bancorp Inc.	1	0.00%	0.00
198	197	Associated Banc-Corp	1	0.00%	0.00
199	198	BancTenn Corp.	1	0.00%	0.00
200	199	Bank of Marin Bancorp	1	0.00%	0.00
201	200	Bridgeview Bancorp Inc.	1	0.00%	0.00
202	201	Brotherhood Bancshares Inc.	1	0.00%	0.00
203	202	Bryn Mawr Bank Corp.	1	0.00%	0.00
204	203	Cadence Bancorp LLC	1	0.00%	0.00
205	204	CenterState Banks Inc.	1	0.00%	0.00
206	205	Central Pacific Financial Corp.	1	0.00%	0.00
207	206	Community Trust Bancorp Inc.	1	0.00%	0.00
208	207	Community Trust Financial Corp.	1	0.00%	0.00
209	208	Dacotah Banks Inc.	1	0.00%	0.00
210	209	F & M Bancorp. Inc.	1	0.00%	0.00
211	210	F.N.B. Corp.	1	0.00%	0.00
212	211	Farmers National Banc Corp.	1	0.00%	0.00
213	212	First Commonwealth Financial Corp.	1	0.00%	0.00
214	213	First Defiance Financial Corp.	1	0.00%	0.00
215	214	First NBC Bank Holding Co.	1	0.00%	0.00
216	215	First Northern Community Bancorp	1	0.00%	0.00
217	216	Guaranty Bancorp	1	0.00%	0.00
218	217	HSB Bancorp Inc.	1	0.00%	0.00
219	218	Hometown Community Bancorp Inc.	1	0.00%	0.00
220	219	Narragansett Financial Corp.	1	0.00%	0.00
221	220	Nationwide Financial Services Inc.	1	0.00%	0.00
222	221	Northeast Bancorp	1	0.00%	0.00
223	222	QNB Corp.	1	0.00%	0.00
224	223	S&T Bancorp Inc.	1	0.00%	0.00
225	224	Sandy Spring Bancorp Inc.	1	0.00%	0.00
226	225	Sierra Bancorp	1	0.00%	0.00
227	226	Stifel Financial Corp.	1	0.00%	0.00
228	227	Strategic Growth Bank Inc.	1	0.00%	0.00
229	228	Sunflower Financial Inc.	1	0.00%	0.00
230	229	Susquehanna Bancshares Inc.	1	0.00%	0.00
231	230	Synovus Financial Corp.	1	0.00%	0.00
232	231	Tri City Bankshares Corp.	1	0.00%	0.00
233	232	Trinity Capital Corp.	1	0.00%	0.00
234	233	U.S. Century Bank	1	0.00%	0.00
235	234	W.T.B. Financial Corp.	1	0.00%	0.00
236	235	Waupaca Bancorp. Inc.	1	0.00%	0.00
237	236	Westamerica Bancorp.	1	0.00%	0.00
238	237	Weststar Bank Holding Co. Inc.	1	0.00%	0.00
		Pre Merger Totals:	312,813	100.00%	1,956

Pre-Merger HHI	**1,955.82**
Post-Merger HHI	**1,955.82**
Delta	**0.00**

Notes:

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
169		CIT Group Inc.	233	0.00%	0.00
34		IMB Management Holdings LP	34,779	0.36%	0.13
Post-Merger Institution					
	33	**CIT Group Inc.**	**35,012**	**0.36%**	**0.13**
In Market Institutions					
1	1	Wells Fargo & Co.	2,247,750	23.41%	548.21
3	3	Bank of America Corp.	871,029	9.07%	82.32
4	4	JPMorgan Chase & Co.	683,641	7.12%	50.71
5	5	City National Corp.	494,078	5.15%	26.49
6	6	Mitsubishi UFJ Financial Group Inc.	487,552	5.08%	25.79
7	7	U.S. Bancorp	371,405	3.87%	14.97
8	8	BNP Paribas SA	289,724	3.02%	9.11
9	9	Citigroup Inc.	250,633	2.61%	6.82
10	10	Zions Bancorp.	241,275	2.51%	6.32
11	11	BBCN Bancorp Inc.	220,047	2.29%	5.25
12	12	Community Bank	217,138	2.26%	5.12
13	13	East West Bancorp Inc.	193,994	2.02%	4.08
14	14	CVB Financial Corp.	191,461	1.99%	3.98
15	15	Wilshire Bancorp Inc.	165,007	1.72%	2.95
16	16	Comerica Inc.	160,330	1.67%	2.79
17	17	PacWest Bancorp	157,214	1.64%	2.68
18	18	Hanmi Financial Corp.	131,647	1.37%	1.88
19	19	Cathay General Bancorp	131,609	1.37%	1.88
20	20	Farmers & Merchants Bank of Long Beach	103,933	1.08%	1.17
21	21	American Business Bank	84,328	0.88%	0.77
22	22	Preferred Bank	74,176	0.77%	0.60
25	25	Sumitomo Mitsui Financial Group Inc.	58,359	0.61%	0.37
26	26	First Republic Bank	53,016	0.55%	0.30
28	28	Carpenter Bank Partners Inc.	46,848	0.49%	0.24
30	30	HSBC Holdings Plc	41,064	0.43%	0.18
31	31	First Citizens BancShares Inc.	38,140	0.40%	0.16
32	32	First Banks Inc.	35,148	0.37%	0.13
35	35	Boston Private Financial Holdings Inc.	22,117	0.23%	0.05
36	36	First Foundation Inc.	20,866	0.22%	0.05
37	37	CTBC Financial Holding Co. Ltd.	20,230	0.21%	0.04
40	40	SinoPac Financial Holdings Co. Ltd.	14,800	0.15%	0.02
41	41	Popular Inc.	13,688	0.14%	0.02
42	42	Western Alliance Bancorp.	10,099	0.11%	0.01
47	47	Banco Bilbao Vizcaya Argentaria SA	6,687	0.07%	0.00
49	49	Northern Trust Corp.	6,076	0.06%	0.00
52	52	Universal Financial Inc.	4,839	0.05%	0.00
53	53	Sterling Financial Corp.	4,735	0.05%	0.00
60	60	Woori Finance Holdings Co. Ltd.	2,935	0.03%	0.00
73	73	Israel Discount Bank Ltd.	1,500	0.02%	0.00
79	79	TFC Holding Co.	1,325	0.01%	0.00
81	81	Greater Pacific Bancshares	1,159	0.01%	0.00
85	85	Saddleback Bancorp	1,095	0.01%	0.00
86	86	Capital Bank	1,089	0.01%	0.00
90	90	Pan American Bank	972	0.01%	0.00
92	92	Americas United Bank	897	0.01%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
93	93	Saigon National Bank	880	0.01%	0.00
95	95	US Metro Bk	853	0.01%	0.00
97	97	Banc of California Inc.	848	0.01%	0.00
99	99	Premier Business Bank	836	0.01%	0.00
111	111	United Pacific Bank	653	0.01%	0.00
112	112	EH National Bank	652	0.01%	0.00
113	113	CKH Capital Inc.	601	0.01%	0.00
114	114	Orange County Business Bank	599	0.01%	0.00
115	115	Pacific Alliance Bank	598	0.01%	0.00
116	116	Central Bancorp Inc.	595	0.01%	0.00
117	117	Partners Bank of California	593	0.01%	0.00
118	118	Commercial Bank of California	590	0.01%	0.00
119	119	Broadway Financial Corp.	581	0.01%	0.00
120	120	Friendly Hills Bank	581	0.01%	0.00
121	121	First Choice Bank	574	0.01%	0.00
123	123	OneUnited Bank	551	0.01%	0.00
124	124	First Financial Holding Co. Ltd.	542	0.01%	0.00
127	127	1st Enterprise Bank	533	0.01%	0.00
128	128	MetroCorp Bancshares Inc.	525	0.01%	0.00
130	130	Mega Bank	507	0.01%	0.00
131	131	Malaga Financial Corp.	505	0.01%	0.00
136	136	RBB Bancorp	463	0.00%	0.00
137	137	First American Financial Corp.	436	0.00%	0.00
138	138	Merchants Bank of California NA	423	0.00%	0.00
139	139	Asian Pacific National Bank	420	0.00%	0.00
140	140	Wedbush Inc.	406	0.00%	0.00
144	144	Grandpoint Capital Inc.	389	0.00%	0.00
146	146	NCAL Bancorp	374	0.00%	0.00
147	147	GBC Holdings Inc.	372	0.00%	0.00
150	150	CapitalSource Inc.	339	0.00%	0.00
151	151	ProAmerica Bank	338	0.00%	0.00
153	153	Industrial Bank of Taiwan Co. Ltd.	324	0.00%	0.00
154	154	CU Bancorp	316	0.00%	0.00
160	160	Golden State Bank	281	0.00%	0.00
161	161	First General Bank	281	0.00%	0.00
163	163	California Business Bank	277	0.00%	0.00
165	165	Independence Bank	262	0.00%	0.00
167	167	1st Century Bancshares Inc.	248	0.00%	0.00
168	168	Simplicity Bancorp Inc.	236	0.00%	0.00
170	169	Bank of Santa Clarita	230	0.00%	0.00
172	171	America Bancshares Inc.	204	0.00%	0.00
175	174	American Plus Bank N.A.	187	0.00%	0.00
176	175	Pacific Commerce Bank	178	0.00%	0.00
177	176	Industrial & Commercial Bank of China Ltd.	167	0.00%	0.00
178	177	Opus Bank	165	0.00%	0.00
179	178	Pacific City Financial Corp.	161	0.00%	0.00
182	181	AltaPacific Bancorp	153	0.00%	0.00
186	185	First Credit Bank	149	0.00%	0.00
190	189	State Bank of India	122	0.00%	0.00
192	191	Mission Valley Bancorp	99	0.00%	0.00
194	193	Sunwest Bank	95	0.00%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
196	195	Silvergate Capital Corp.	92	0.00%	0.00
197	196	CalWest Bancorp	85	0.00%	0.00
198	197	Independent Bankers Financial Corp.	77	0.00%	0.00
199	198	American Continental Bank	76	0.00%	0.00
203	202	Commonwealth Business Bank	72	0.00%	0.00
204	203	Shinhan Financial Group Co. Ltd.	69	0.00%	0.00
205	204	Pacific Enterprise Bancorp	68	0.00%	0.00
207	206	CommerceWest Bank	62	0.00%	0.00
210	209	Open Bank	58	0.00%	0.00
211	210	Maham Beteiligungsgesellschaft AG	53	0.00%	0.00
214	213	Community Commerce Bank	47	0.00%	0.00
216	215	Luther Burbank Corp.	45	0.00%	0.00
217	216	California First National Bancorp	43	0.00%	0.00
220	219	Pacific Premier Bancorp Inc.	36	0.00%	0.00
221	220	Balboa Thrift and Loan Association	34	0.00%	0.00
222	221	Santa Clara Valley Bank NA	28	0.00%	0.00
225	224	California Republic Bancorp	23	0.00%	0.00
227	226	International City Bank NA	22	0.00%	0.00
229	228	Uniti Financial Corp.	18	0.00%	0.00
230	229	SKBHC Holdings LLC	18	0.00%	0.00
231	230	San Diego Private Bank	17	0.00%	0.00
233	232	Eastern International Bank	16	0.00%	0.00
234	233	Workers United	15	0.00%	0.00
235	234	First ULB Corp.	14	0.00%	0.00
236	235	First Western Financial Inc.	13	0.00%	0.00
237	236	Bank Leumi le-Israel B.M.	8	0.00%	0.00
238	237	Security California Bancorp	6	0.00%	0.00
239	238	Mission Bancorp	5	0.00%	0.00
240	239	Beal Financial Corp.	0	0.00%	0.00
241	240	Bank of New York Mellon Corp.	0	0.00%	0.00
242	241	Capital Bank and Trust Co. FSB	0	0.00%	0.00
243	242	Mizrahi Tefahot Bank Ltd.	0	0.00%	0.00
Out of Market Institutions					
2	2	American Express Co.	942,298	9.82%	96.34
23	23	Capital One Financial Corp.	73,839	0.77%	0.59
24	24	MB Financial Inc.	58,874	0.61%	0.38
27	27	First Community Bankshares Inc.	48,248	0.50%	0.25
29	29	General Electric Co.	41,969	0.44%	0.19
33	34	Texas Capital Bancshares Inc.	34,893	0.36%	0.13
38	38	SVB Financial Group	15,895	0.17%	0.03
39	39	Lauritzen Corp.	14,826	0.15%	0.02
43	43	Morgan Stanley	9,455	0.10%	0.01
44	44	Wintrust Financial Corp.	8,496	0.09%	0.01
45	45	Stearns Financial Services Inc.	7,909	0.08%	0.01
46	46	SunTrust Banks Inc.	7,223	0.08%	0.01
48	48	Ally Financial Inc.	6,194	0.06%	0.00
50	50	PNC Financial Services Group Inc.	5,731	0.06%	0.00
51	51	Signature Bank	5,481	0.06%	0.00
54	54	State Farm Mutual Automobile Insurance Co.	4,169	0.04%	0.00
55	55	BB&T Corp.	4,085	0.04%	0.00
56	56	Bank of Highland Park Financial Corp.	3,955	0.04%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
57	57	1st Source Corp.	3,837	0.04%	0.00
58	58	Umpqua Holdings Corp.	3,128	0.03%	0.00
59	59	National Bank Holdings Corp.	2,947	0.03%	0.00
61	61	Omaha Financial Holdings Inc.	2,572	0.03%	0.00
62	62	Rabobank Nederland	2,421	0.03%	0.00
63	63	Republic Bancorp Co.	2,231	0.02%	0.00
64	64	Pinnacle Financial Partners Inc.	2,222	0.02%	0.00
65	65	Fifth Third Bancorp	2,184	0.02%	0.00
66	66	Royal Bank of Scotland Group Plc	2,145	0.02%	0.00
67	67	Bancorp Inc.	2,079	0.02%	0.00
68	68	Regions Financial Corp.	2,022	0.02%	0.00
69	69	UnitedHealth Group Inc.	1,994	0.02%	0.00
70	70	Discover Financial Services	1,965	0.02%	0.00
71	71	Heritage Commerce Corp	1,680	0.02%	0.00
72	72	Mackinac Financial Corp.	1,597	0.02%	0.00
74	74	Taylor Capital Group Inc.	1,500	0.02%	0.00
75	75	Commerce Bancshares Corp.	1,470	0.02%	0.00
76	76	PrivateBancorp Inc.	1,465	0.02%	0.00
77	77	BOK Financial Corp.	1,332	0.01%	0.00
78	78	UMB Financial Corp.	1,328	0.01%	0.00
80	80	TriCo Bancshares	1,275	0.01%	0.00
82	82	Cullen/Frost Bankers Inc.	1,150	0.01%	0.00
83	83	FirstMerit Corp.	1,132	0.01%	0.00
84	84	Hilltop Holdings Inc.	1,124	0.01%	0.00
87	87	CoBiz Financial Inc.	1,050	0.01%	0.00
88	88	KeyCorp	1,003	0.01%	0.00
89	89	BancTenn Corp.	1,000	0.01%	0.00
91	91	Brotherhood Bancshares Inc.	950	0.01%	0.00
94	94	Enterprise Financial Services Corp	867	0.01%	0.00
96	96	Associated Banc-Corp	850	0.01%	0.00
98	98	Plains Bancorp Inc.	846	0.01%	0.00
100	100	Interaudi Bank	800	0.01%	0.00
101	101	Northeast Bancorp	800	0.01%	0.00
102	102	Prosperity Bancshares Inc.	795	0.01%	0.00
103	103	Arvest Bank Group Inc.	781	0.01%	0.00
104	104	Columbia Banking System Inc.	764	0.01%	0.00
105	105	U.S. Century Bank	750	0.01%	0.00
106	106	Hancock Holding Co.	740	0.01%	0.00
107	107	Commerce Bancshares Inc.	732	0.01%	0.00
108	108	S&T Bancorp Inc.	727	0.01%	0.00
109	109	Central Pacific Financial Corp.	700	0.01%	0.00
110	110	Central Banco. Inc.	687	0.01%	0.00
122	122	Salem Five Bancorp	552	0.01%	0.00
125	125	Toronto-Dominion Bank	540	0.01%	0.00
126	126	Mechanics Bank	533	0.01%	0.00
129	129	National Australia Bank Ltd.	512	0.01%	0.00
132	132	American Chartered Bancorp Inc.	500	0.01%	0.00
133	133	QNB Corp.	500	0.01%	0.00
134	134	W.T.B. Financial Corp.	500	0.01%	0.00
135	135	Old National Bancorp	484	0.01%	0.00
141	141	Community Trust Bancorp Inc.	400	0.00%	0.00

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
142	142	Stifel Financial Corp.	400	0.00%	0.00
143	143	Weststar Bank Holding Co. Inc.	400	0.00%	0.00
145	145	F & M Bancorp. Inc.	375	0.00%	0.00
148	148	Narragansett Financial Corp.	350	0.00%	0.00
149	149	Community West Bancshares	341	0.00%	0.00
152	152	Farmers National Banc Corp.	325	0.00%	0.00
155	155	F.N.B. Corp.	308	0.00%	0.00
156	156	Amarillo National Bancorp Inc.	300	0.00%	0.00
157	157	Bank of Marin Bancorp	300	0.00%	0.00
158	158	Alerus Financial Corp.	295	0.00%	0.00
159	159	Cadence Bancorp LLC	288	0.00%	0.00
162	162	Waupaca Bancorp. Inc.	279	0.00%	0.00
164	164	Bank of Montreal	268	0.00%	0.00
166	166	HSB Bancorp Inc.	250	0.00%	0.00
171	170	FirstBank Holding Co.	206	0.00%	0.00
173	172	Sandy Spring Bancorp Inc.	200	0.00%	0.00
174	173	First Northern Community Bancorp	196	0.00%	0.00
180	179	Deere & Co.	160	0.00%	0.00
181	180	First NBC Bank Holding Co.	153	0.00%	0.00
183	182	Southeastern Bank Financial Corp.	150	0.00%	0.00
184	183	Strategic Growth Bank Inc.	150	0.00%	0.00
185	184	CenterState Banks Inc.	149	0.00%	0.00
187	186	International Bancshares Corp.	147	0.00%	0.00
188	187	Trinity Capital Corp.	140	0.00%	0.00
189	188	Community Trust Financial Corp.	137	0.00%	0.00
191	190	Nationwide Financial Services Inc.	100	0.00%	0.00
193	192	BancorpSouth Inc.	96	0.00%	0.00
195	194	Westamerica Bancorp.	95	0.00%	0.00
200	199	Bryn Mawr Bank Corp.	75	0.00%	0.00
201	200	First Defiance Financial Corp.	75	0.00%	0.00
202	201	Sierra Bancorp	75	0.00%	0.00
206	205	Hometown Community Bancorp Inc.	65	0.00%	0.00
208	207	Guaranty Bancorp	62	0.00%	0.00
209	208	EverBank Financial Corp	60	0.00%	0.00
212	211	Sunflower Financial Inc.	50	0.00%	0.00
213	212	Susquehanna Bancshares Inc.	50	0.00%	0.00
215	214	Bridgeview Bancorp Inc.	47	0.00%	0.00
218	217	1st United Bancorp Inc.	40	0.00%	0.00
219	218	Huntington Bancshares Inc.	40	0.00%	0.00
223	222	First Commonwealth Financial Corp.	25	0.00%	0.00
224	223	Tri City Bankshares Corp.	25	0.00%	0.00
226	225	Trustmark Corp.	23	0.00%	0.00
228	227	Synovus Financial Corp.	21	0.00%	0.00
232	231	Dacotah Banks Inc.	17	0.00%	0.00
		Pre Merger Totals:	9,600,091	100.00%	904

Pre-Merger HHI	**903.62**
Post-Merger HHI	**903.62**
Delta	**0.00**

Notes:

Los Angeles-Long Beach-Santa Ana CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
60		CIT Group Inc.	13	0.02%	0.00
65		IMB Management Holdings LP	9	0.02%	0.00
Post-Merger Institution					
	51	**CIT Group Inc.**	**22**	**0.04%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	7,051	12.52%	156.76
3	3	Citigroup Inc.	6,908	12.27%	150.46
4	4	JPMorgan Chase & Co.	5,168	9.18%	84.21
5	5	Bank of America Corp.	4,323	7.68%	58.92
7	7	U.S. Bancorp	3,161	5.61%	31.50
9	9	Mitsubishi UFJ Financial Group Inc.	617	1.10%	1.20
11	11	Banco Bilbao Vizcaya Argentaria SA	499	0.89%	0.79
12	12	Zions Bancorp.	400	0.71%	0.50
13	13	CVB Financial Corp.	345	0.61%	0.38
14	14	Community Bank	274	0.49%	0.24
15	15	Security California Bancorp	256	0.45%	0.21
17	17	BNP Paribas SA	229	0.41%	0.17
18	18	First Mountain Bank	208	0.37%	0.14
19	19	PacWest Bancorp	196	0.35%	0.12
21	21	Pacific Premier Bancorp Inc.	148	0.26%	0.07
22	22	Hemet Bancorp	143	0.25%	0.06
24	24	SKBHC Holdings LLC	102	0.18%	0.03
25	25	East West Bancorp Inc.	97	0.17%	0.03
26	26	Premier Service Bank	94	0.17%	0.03
27	27	City National Corp.	89	0.16%	0.02
28	28	Mission Oaks Bancorp	83	0.15%	0.02
29	29	FirstBank Holding Co.	82	0.15%	0.02
30	30	Chino Commercial Bancorp	82	0.14%	0.02
31	31	Rabobank Nederland	73	0.13%	0.02
32	32	Commerce Bank Temecula Valley	68	0.12%	0.01
33	33	Provident Financial Holdings Inc.	66	0.12%	0.01
37	37	First Citizens BancShares Inc.	54	0.10%	0.01
38	38	BBCN Bancorp Inc.	52	0.09%	0.01
39	39	Cathay General Bancorp	47	0.08%	0.01
40	40	Hanmi Financial Corp.	46	0.08%	0.01
41	41	Western Community Bancshares Inc.	42	0.07%	0.01
43	43	America Bancshares Inc.	40	0.07%	0.01
44	44	First Banks Inc.	35	0.06%	0.00
45	45	Comerica Inc.	31	0.06%	0.00
47	47	Bank of Southern California, NA	30	0.05%	0.00
48	48	Wilshire Bancorp Inc.	25	0.04%	0.00
50	50	Golden State Bank	24	0.04%	0.00
51	52	Carpenter Bank Partners Inc.	21	0.04%	0.00
52	53	CapitalSource Inc.	21	0.04%	0.00
53	54	Duke Financial Group Inc.	19	0.03%	0.00
54	55	AltaPacific Bancorp	17	0.03%	0.00
55	56	First Foundation Inc.	17	0.03%	0.00
56	57	1st Enterprise Bank	17	0.03%	0.00
58	59	American Continental Bank	15	0.03%	0.00
59	60	Mission Bancorp	15	0.03%	0.00

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
64	64	Sumitomo Mitsui Financial Group Inc.	10	0.02%	0.00
66	65	CalWest Bancorp	8	0.01%	0.00
67	66	Opus Bank	6	0.01%	0.00
72	71	Simplicity Bancorp Inc.	4	0.01%	0.00
74	73	First Republic Bank	4	0.01%	0.00
87	86	Omaha Financial Holdings Inc.	2	0.00%	0.00
117	116	Balboa Thrift and Loan Association	0	0.00%	0.00
118	117	Dickinson Financial Corp. II	0	0.00%	0.00
119	118	JRMB II Inc.	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	18,046	32.04%	1,026.79
6	6	Capital One Financial Corp.	3,768	6.69%	44.77
8	8	General Electric Co.	1,540	2.73%	7.48
10	10	Texas Capital Bancshares Inc.	586	1.04%	1.08
16	16	Lauritzen Corp.	255	0.45%	0.21
20	20	BB&T Corp.	189	0.34%	0.11
23	23	Discover Financial Services	135	0.24%	0.06
34	34	Deere & Co.	60	0.11%	0.01
35	35	First Community Bankshares Inc.	59	0.10%	0.01
36	36	Stearns Financial Services Inc.	57	0.10%	0.01
42	42	American Business Bank	40	0.07%	0.01
46	46	HSBC Holdings Plc	31	0.06%	0.00
49	49	State Farm Mutual Automobile Insurance Co.	24	0.04%	0.00
57	58	Preferred Bank	16	0.03%	0.00
61	61	Signature Bank	13	0.02%	0.00
62	62	Farmers & Merchants Bank of Long Beach	11	0.02%	0.00
63	63	Wintrust Financial Corp.	11	0.02%	0.00
68	67	KeyCorp	6	0.01%	0.00
69	68	Western Alliance Bancorp.	6	0.01%	0.00
70	69	Commerce Bancshares Corp.	5	0.01%	0.00
71	70	Salem Five Bancorp	5	0.01%	0.00
73	72	CTBC Financial Holding Co. Ltd.	4	0.01%	0.00
75	74	1st Source Corp.	3	0.01%	0.00
76	75	CoBiz Financial Inc.	3	0.01%	0.00
77	76	Popular Inc.	3	0.01%	0.00
78	77	Regions Financial Corp.	3	0.01%	0.00
79	78	Southwest Bancorp Inc.	3	0.01%	0.00
80	79	SunTrust Banks Inc.	3	0.01%	0.00
81	80	Umpqua Holdings Corp.	3	0.01%	0.00
82	81	Ally Financial Inc.	2	0.00%	0.00
83	82	Cullen/Frost Bankers Inc.	2	0.00%	0.00
84	83	Heritage Commerce Corp	2	0.00%	0.00
85	84	Mechanics Bank	2	0.00%	0.00
86	85	Morgan Stanley	2	0.00%	0.00
88	87	PNC Financial Services Group Inc.	2	0.00%	0.00
89	88	Royal Bank of Scotland Group Plc	2	0.00%	0.00
90	89	Westamerica Bancorp.	2	0.00%	0.00
91	90	Amarillo National Bancorp Inc.	1	0.00%	0.00
92	91	Bank of Marin Bancorp	1	0.00%	0.00
93	92	CBFH Inc.	1	0.00%	0.00
94	93	Cadence Bancorp LLC	1	0.00%	0.00

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
95	94	Central Valley Community Bancorp	1	0.00%	0.00
96	95	Commerce Bancshares Inc.	1	0.00%	0.00
97	96	CommunityOne Bancorp	1	0.00%	0.00
98	97	EverBank Financial Corp	1	0.00%	0.00
99	98	F & M Bancorp. Inc.	1	0.00%	0.00
100	99	First Citizens Bancorp. Inc.	1	0.00%	0.00
101	100	First Citizens Bancshares Inc.	1	0.00%	0.00
102	101	First Defiance Financial Corp.	1	0.00%	0.00
103	102	First Interstate BancSystem Inc.	1	0.00%	0.00
104	103	First South Bancorp Inc.	1	0.00%	0.00
105	104	Liberty Bancshares	1	0.00%	0.00
106	105	Old National Bancorp	1	0.00%	0.00
107	106	Olney Bancshares of Texas Inc.	1	0.00%	0.00
108	107	Pacific Continental Corp.	1	0.00%	0.00
109	108	Republic Bancorp Co.	1	0.00%	0.00
110	109	River City Bank	1	0.00%	0.00
111	110	SVB Financial Group	1	0.00%	0.00
112	111	Seacoast Banking Corp. of Florida	1	0.00%	0.00
113	112	SinoPac Financial Holdings Co. Ltd.	1	0.00%	0.00
114	113	United Bankshares Inc.	1	0.00%	0.00
115	114	UnitedHealth Group Inc.	1	0.00%	0.00
116	115	West Bancorp. Inc.	1	0.00%	0.00
		Pre Merger Totals:	56,317	100.00%	1,567

Pre-Merger HHI	**1,566.55**
Post-Merger HHI	**1,566.55**
Delta	**0.00**

Notes:

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
92		CIT Group Inc.	140	0.01%	0.00
35		IMB Management Holdings LP	4,389	0.28%	0.08
Post-Merger Institution					
	35	**CIT Group Inc.**	**4,529**	**0.29%**	**0.08**
In Market Institutions					
1	1	Wells Fargo & Co.	358,964	22.77%	518.43
2	2	Bank of America Corp.	141,098	8.95%	80.10
4	4	JPMorgan Chase & Co.	95,549	6.06%	36.73
5	5	CVB Financial Corp.	93,815	5.95%	35.41
6	6	U.S. Bancorp	81,244	5.15%	26.56
7	7	Community Bank	70,352	4.46%	19.91
8	8	Mitsubishi UFJ Financial Group Inc.	66,195	4.20%	17.63
9	9	Zions Bancorp.	64,835	4.11%	16.91
10	10	PacWest Bancorp	56,159	3.56%	12.69
11	11	Citigroup Inc.	46,343	2.94%	8.64
12	12	East West Bancorp Inc.	38,731	2.46%	6.04
13	13	BNP Paribas SA	31,077	1.97%	3.89
14	14	City National Corp.	24,770	1.57%	2.47
15	15	Banco Bilbao Vizcaya Argentaria SA	22,961	1.46%	2.12
16	16	Cathay General Bancorp	19,937	1.26%	1.60
18	18	Hanmi Financial Corp.	17,707	1.12%	1.26
19	19	BBCN Bancorp Inc.	17,470	1.11%	1.23
21	21	Rabobank Nederland	12,221	0.78%	0.60
22	22	Comerica Inc.	11,317	0.72%	0.52
23	23	First Citizens BancShares Inc.	10,574	0.67%	0.45
24	24	Wilshire Bancorp Inc.	9,771	0.62%	0.38
25	25	First Banks Inc.	9,471	0.60%	0.36
28	28	FirstBank Holding Co.	8,238	0.52%	0.27
30	30	Carpenter Bank Partners Inc.	7,381	0.47%	0.22
31	31	Sumitomo Mitsui Financial Group Inc.	6,200	0.39%	0.15
37	37	First Foundation Inc.	3,933	0.25%	0.06
41	41	First Republic Bank	2,460	0.16%	0.02
48	48	Provident Financial Holdings Inc.	1,097	0.07%	0.00
49	49	Chino Commercial Bancorp	1,062	0.07%	0.00
64	64	Hemet Bancorp	586	0.04%	0.00
65	65	Golden State Bank	562	0.04%	0.00
70	70	Mission Oaks Bancorp	499	0.03%	0.00
71	71	Western Community Bancshares Inc.	490	0.03%	0.00
72	72	First Mountain Bank	470	0.03%	0.00
76	76	SKBHC Holdings LLC	424	0.03%	0.00
84	84	Commerce Bank Temecula Valley	292	0.02%	0.00
86	86	Omaha Financial Holdings Inc.	263	0.02%	0.00
88	88	Premier Service Bank	214	0.01%	0.00
89	89	Duke Financial Group Inc.	177	0.01%	0.00
96	95	AltaPacific Bancorp	99	0.01%	0.00
98	97	Security California Bancorp	82	0.01%	0.00
101	100	1st Enterprise Bank	67	0.00%	0.00
102	101	America Bancshares Inc.	63	0.00%	0.00
104	103	Simplicity Bancorp Inc.	46	0.00%	0.00
105	104	Pacific Premier Bancorp Inc.	36	0.00%	0.00

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
107	106	CapitalSource Inc.	29	0.00%	0.00
110	109	American Continental Bank	17	0.00%	0.00
111	110	Bank of Southern California, NA	8	0.00%	0.00
112	111	CalWest Bancorp	7	0.00%	0.00
113	112	Opus Bank	6	0.00%	0.00
115	114	Balboa Thrift and Loan Association	2	0.00%	0.00
117	116	Mission Bancorp	2	0.00%	0.00
118	117	Dickinson Financial Corp. II	1	0.00%	0.00
119	118	JRMB II Inc.	0	0.00%	0.00
Out of Market Institutions					
3	3	American Express Co.	122,634	7.78%	60.51
17	17	Capital One Financial Corp.	18,287	1.16%	1.35
20	20	First Community Bankshares Inc.	13,432	0.85%	0.73
26	26	General Electric Co.	9,181	0.58%	0.34
27	27	American Business Bank	8,830	0.56%	0.31
29	29	Preferred Bank	7,915	0.50%	0.25
32	32	Texas Capital Bancshares Inc.	5,290	0.34%	0.11
33	33	Wintrust Financial Corp.	5,095	0.32%	0.10
34	34	Farmers & Merchants Bank of Long Beach	4,567	0.29%	0.08
36	36	Western Alliance Bancorp.	4,109	0.26%	0.07
38	38	Stearns Financial Services Inc.	3,141	0.20%	0.04
39	39	Signature Bank	2,873	0.18%	0.03
40	40	Lauritzen Corp.	2,849	0.18%	0.03
42	42	Salem Five Bancorp	2,196	0.14%	0.02
43	43	Umpqua Holdings Corp.	1,599	0.10%	0.01
44	44	CTBC Financial Holding Co. Ltd.	1,285	0.08%	0.01
45	45	BB&T Corp.	1,275	0.08%	0.01
46	46	HSBC Holdings Plc	1,196	0.08%	0.01
47	47	Commerce Bancshares Corp.	1,176	0.07%	0.01
50	50	State Farm Mutual Automobile Insurance Co.	1,055	0.07%	0.00
51	51	Pacific Continental Corp.	1,000	0.06%	0.00
52	52	River City Bank	1,000	0.06%	0.00
53	53	United Bankshares Inc.	1,000	0.06%	0.00
54	54	Seacoast Banking Corp. of Florida	971	0.06%	0.00
55	55	Heritage Commerce Corp	950	0.06%	0.00
56	56	Morgan Stanley	950	0.06%	0.00
57	57	Ally Financial Inc.	900	0.06%	0.00
58	58	Popular Inc.	860	0.05%	0.00
59	59	Republic Bancorp Co.	825	0.05%	0.00
60	60	Royal Bank of Scotland Group Plc	800	0.05%	0.00
61	61	CoBiz Financial Inc.	700	0.04%	0.00
62	62	SinoPac Financial Holdings Co. Ltd.	600	0.04%	0.00
63	63	Southwest Bancorp Inc.	590	0.04%	0.00
66	66	Cullen/Frost Bankers Inc.	550	0.03%	0.00
67	67	Mechanics Bank	542	0.03%	0.00
68	68	Olney Bancshares of Texas Inc.	525	0.03%	0.00
69	69	SVB Financial Group	500	0.03%	0.00
73	73	Old National Bancorp	460	0.03%	0.00
74	74	Discover Financial Services	457	0.03%	0.00
75	75	First Citizens Bancshares Inc.	428	0.03%	0.00
77	77	West Bancorp. Inc.	409	0.03%	0.00

Riverside-San Bernardino-Ontario CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
78	78	Bank of Marin Bancorp	400	0.03%	0.00
79	79	SunTrust Banks Inc.	390	0.02%	0.00
80	80	CBFH Inc.	350	0.02%	0.00
81	81	Cadence Bancorp LLC	300	0.02%	0.00
82	82	Deere & Co.	299	0.02%	0.00
83	83	F & M Bancorp. Inc.	299	0.02%	0.00
85	85	Central Valley Community Bancorp	290	0.02%	0.00
87	87	UnitedHealth Group Inc.	259	0.02%	0.00
90	90	Regions Financial Corp.	160	0.01%	0.00
91	91	1st Source Corp.	157	0.01%	0.00
93	92	PNC Financial Services Group Inc.	135	0.01%	0.00
94	93	CommunityOne Bancorp	110	0.01%	0.00
95	94	First Citizens Bancorp. Inc.	100	0.01%	0.00
97	96	Amarillo National Bancorp Inc.	91	0.01%	0.00
99	98	First South Bancorp Inc.	81	0.01%	0.00
100	99	First Defiance Financial Corp.	75	0.00%	0.00
103	102	Liberty Bancshares	48	0.00%	0.00
106	105	KeyCorp	34	0.00%	0.00
108	107	First Interstate BancSystem Inc.	26	0.00%	0.00
109	108	Westamerica Bancorp.	22	0.00%	0.00
114	113	Commerce Bancshares Inc.	5	0.00%	0.00
116	115	EverBank Financial Corp	2	0.00%	0.00
		Pre Merger Totals:	1,576,540	100.00%	859

Pre-Merger HHI	**858.82**
Post-Merger HHI	**858.83**
Delta	**0.00**

Notes:

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
60		CIT Group Inc.	7	0.01%	0.00
67		IMB Management Holdings LP	4	0.01%	0.00
Post-Merger Institution					
	51	**CIT Group Inc.**	**11**	**0.02%**	**0.00**
In Market Institutions					
2	2	Wells Fargo & Co.	10,076	14.68%	215.44
3	3	JPMorgan Chase & Co.	7,614	11.09%	123.02
4	4	Citigroup Inc.	6,977	10.16%	103.29
5	5	Bank of America Corp.	4,167	6.07%	36.85
6	6	U.S. Bancorp	3,836	5.59%	31.22
8	8	Mitsubishi UFJ Financial Group Inc.	2,021	2.94%	8.67
9	9	Zions Bancorp.	1,326	1.93%	3.73
12	12	BofI Holding Inc.	530	0.77%	0.60
14	14	Western Alliance Bancorp.	392	0.57%	0.33
15	15	SKBHC Holdings LLC	319	0.47%	0.22
16	16	Seacoast Commerce Bank	264	0.38%	0.15
17	17	PacWest Bancorp	254	0.37%	0.14
18	18	Banco Bilbao Vizcaya Argentaria SA	249	0.36%	0.13
19	19	First Citizens BancShares Inc.	213	0.31%	0.10
20	20	City National Corp.	163	0.24%	0.06
21	21	BNP Paribas SA	147	0.21%	0.05
24	24	Bank of Southern California, NA	111	0.16%	0.03
26	26	Grandpoint Capital Inc.	100	0.15%	0.02
27	27	Neighborhood Bancorp	89	0.13%	0.02
28	28	San Diego Private Bank	84	0.12%	0.01
29	29	Vibra Bank	82	0.12%	0.01
30	30	Pacific Premier Bancorp Inc.	67	0.10%	0.01
31	31	Comerica Inc.	63	0.09%	0.01
32	32	La Jolla Pacific Bancorp	62	0.09%	0.01
33	33	Silvergate Capital Corp.	52	0.08%	0.01
34	34	MetroCorp Bancshares Inc.	47	0.07%	0.00
35	35	Duke Financial Group Inc.	40	0.06%	0.00
36	36	HSBC Holdings Plc	37	0.05%	0.00
37	37	First Banks Inc.	35	0.05%	0.00
39	39	CommerceWest Bank	27	0.04%	0.00
42	42	Balboa Thrift and Loan Association	20	0.03%	0.00
43	43	Community Commerce Bank	17	0.02%	0.00
44	44	Mission Oaks Bancorp	17	0.02%	0.00
45	45	Opus Bank	17	0.02%	0.00
46	46	Sterling Financial Corp.	16	0.02%	0.00
47	47	BBCN Bancorp Inc.	16	0.02%	0.00
49	49	Hanmi Financial Corp.	14	0.02%	0.00
50	50	First Republic Bank	12	0.02%	0.00
51	52	Carpenter Bank Partners Inc.	10	0.01%	0.00
55	56	Beal Financial Corp.	9	0.01%	0.00
56	57	Banc of California Inc.	8	0.01%	0.00
63	63	Cathay General Bancorp	6	0.01%	0.00
64	64	State Bank of India	6	0.01%	0.00
68	67	Omaha Financial Holdings Inc.	4	0.01%	0.00
73	72	Northern Trust Corp.	3	0.00%	0.00

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
75	74	Popular Inc.	3	0.00%	0.00
77	76	Rabobank Nederland	3	0.00%	0.00
101	100	First Foundation Inc.	1	0.00%	0.00
118	117	First ULB Corp.	1	0.00%	0.00
119	118	Dickinson Financial Corp. II	0	0.00%	0.00
120	119	Rancho Santa Fe Thrift & Loan Association	0	0.00%	0.00
Out of Market Institutions					
1	1	American Express Co.	23,112	33.67%	1,133.48
7	7	Capital One Financial Corp.	3,420	4.98%	24.82
10	10	General Electric Co.	767	1.12%	1.25
11	11	Lauritzen Corp.	710	1.03%	1.07
13	13	Texas Capital Bancshares Inc.	416	0.61%	0.37
22	22	SVB Financial Group	121	0.18%	0.03
23	23	BB&T Corp.	113	0.16%	0.03
25	25	Discover Financial Services	103	0.15%	0.02
38	38	Deere & Co.	31	0.05%	0.00
40	40	State Farm Mutual Automobile Insurance Co.	24	0.03%	0.00
41	41	Stearns Financial Services Inc.	24	0.03%	0.00
48	48	East West Bancorp Inc.	15	0.02%	0.00
52	53	Morgan Stanley	10	0.01%	0.00
53	54	1st Source Corp.	9	0.01%	0.00
54	55	KeyCorp	9	0.01%	0.00
57	58	First Community Bankshares Inc.	8	0.01%	0.00
58	59	PNC Financial Services Group Inc.	8	0.01%	0.00
59	60	SunTrust Banks Inc.	8	0.01%	0.00
61	61	Royal Bank of Scotland Group Plc	7	0.01%	0.00
62	62	Wilshire Bancorp Inc.	7	0.01%	0.00
65	65	Farmers & Merchants Bank of Long Beach	5	0.01%	0.00
66	66	Fifth Third Bancorp	5	0.01%	0.00
69	68	UnitedHealth Group Inc.	4	0.01%	0.00
70	69	American Business Bank	3	0.00%	0.00
71	70	Community Bank	3	0.00%	0.00
72	71	National Bank Holdings Corp.	3	0.00%	0.00
74	73	Plains Bancorp Inc.	3	0.00%	0.00
76	75	Prosperity Bancshares Inc.	3	0.00%	0.00
78	77	Regions Financial Corp.	3	0.00%	0.00
79	78	Toronto-Dominion Bank	3	0.00%	0.00
80	79	UMB Financial Corp.	3	0.00%	0.00
81	80	Ally Financial Inc.	2	0.00%	0.00
82	81	American Chartered Bancorp Inc.	2	0.00%	0.00
83	82	Bank of Montreal	2	0.00%	0.00
84	83	Bank of New York Mellon Corp.	2	0.00%	0.00
85	84	Bridgeview Bancorp Inc.	2	0.00%	0.00
86	85	CVB Financial Corp.	2	0.00%	0.00
87	86	Columbia Banking System Inc.	2	0.00%	0.00
88	87	EverBank Financial Corp	2	0.00%	0.00
89	88	Fremont Bancorp	2	0.00%	0.00
90	89	Huntington Bancshares Inc.	2	0.00%	0.00
91	90	Midland Financial Co.	2	0.00%	0.00
92	91	Pinnacle Financial Partners Inc.	2	0.00%	0.00
93	92	State Bankshares Inc.	2	0.00%	0.00

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
94	93	Sumitomo Mitsui Financial Group Inc.	2	0.00%	0.00
95	94	Central Banco. Inc.	1	0.00%	0.00
96	95	Commerce Bancshares Corp.	1	0.00%	0.00
97	96	Cullen/Frost Bankers Inc.	1	0.00%	0.00
98	97	F & M Bancorp. Inc.	1	0.00%	0.00
99	98	F.N.B. Corp.	1	0.00%	0.00
100	99	First Citizens Bancorp. Inc.	1	0.00%	0.00
102	101	First Interstate BancSystem Inc.	1	0.00%	0.00
103	102	Fulton Financial Corp.	1	0.00%	0.00
104	103	Guaranty Bancorp	1	0.00%	0.00
105	104	Heritage Commerce Corp	1	0.00%	0.00
106	105	Hilltop Holdings Inc.	1	0.00%	0.00
107	106	IBERIABANK Corp.	1	0.00%	0.00
108	107	INTRUST Financial Corp.	1	0.00%	0.00
109	108	National Australia Bank Ltd.	1	0.00%	0.00
110	109	Preferred Bank	1	0.00%	0.00
111	110	River City Bank	1	0.00%	0.00
112	111	SWS Group Inc.	1	0.00%	0.00
113	112	Taylor Capital Group Inc.	1	0.00%	0.00
114	113	TriCo Bancshares	1	0.00%	0.00
115	114	Waupaca Bancorp. Inc.	1	0.00%	0.00
116	115	Weststar Bank Holding Co. Inc.	1	0.00%	0.00
117	116	Wintrust Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	68,648	100.00%	1,685

Pre-Merger HHI	**1,685.19**
Post-Merger HHI	**1,685.19**
Delta	**0.00**

Notes:

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
79		CIT Group Inc.	252	0.01%	0.00
31		IMB Management Holdings LP	2,048	0.10%	0.01
Post-Merger Institution					
	30	**CIT Group Inc.**	**2,300**	**0.12%**	**0.01**
In Market Institutions					
1	1	Wells Fargo & Co.	518,324	26.06%	679.35
2	2	Mitsubishi UFJ Financial Group Inc.	192,223	9.67%	93.43
3	3	Zions Bancorp.	172,779	8.69%	75.49
5	5	JPMorgan Chase & Co.	147,785	7.43%	55.23
6	6	U.S. Bancorp	135,120	6.79%	46.17
7	7	Bank of America Corp.	130,344	6.55%	42.96
8	8	Western Alliance Bancorp.	102,027	5.13%	26.32
9	9	PacWest Bancorp	73,457	3.69%	13.64
10	10	First Citizens BancShares Inc.	49,846	2.51%	6.28
11	11	Citigroup Inc.	49,319	2.48%	6.15
12	12	City National Corp.	40,759	2.05%	4.20
13	13	BNP Paribas SA	28,090	1.41%	2.00
14	14	Comerica Inc.	27,600	1.39%	1.93
16	16	Banco Bilbao Vizcaya Argentaria SA	15,483	0.78%	0.61
19	19	BBCN Bancorp Inc.	7,786	0.39%	0.15
21	21	First Republic Bank	5,915	0.30%	0.09
23	23	Carpenter Bank Partners Inc.	5,220	0.26%	0.07
25	25	Hanmi Financial Corp.	4,071	0.20%	0.04
26	26	First Banks Inc.	3,987	0.20%	0.04
28	28	Cathay General Bancorp	2,699	0.14%	0.02
42	42	HSBC Holdings Plc	1,375	0.07%	0.00
43	43	Northern Trust Corp.	1,316	0.07%	0.00
49	49	Omaha Financial Holdings Inc.	900	0.05%	0.00
51	51	Popular Inc.	798	0.04%	0.00
53	53	Silvergate Capital Corp.	760	0.04%	0.00
56	56	Vibra Bank	718	0.04%	0.00
58	58	Seacoast Commerce Bank	685	0.03%	0.00
59	59	Neighborhood Bancorp	668	0.03%	0.00
61	61	BofI Holding Inc.	617	0.03%	0.00
70	70	Duke Financial Group Inc.	367	0.02%	0.00
73	73	San Diego Private Bank	338	0.02%	0.00
76	76	First Foundation Inc.	300	0.02%	0.00
78	78	Balboa Thrift and Loan Association	257	0.01%	0.00
81	80	La Jolla Pacific Bancorp	234	0.01%	0.00
84	83	Rabobank Nederland	210	0.01%	0.00
87	86	Grandpoint Capital Inc.	169	0.01%	0.00
91	90	Banc of California Inc.	128	0.01%	0.00
93	92	Mission Oaks Bancorp	102	0.01%	0.00
97	96	SKBHC Holdings LLC	77	0.00%	0.00
102	101	Bank of Southern California, NA	31	0.00%	0.00
105	104	State Bank of India	18	0.00%	0.00
106	105	MetroCorp Bancshares Inc.	17	0.00%	0.00
107	106	Pacific Premier Bancorp Inc.	16	0.00%	0.00
108	107	Opus Bank	15	0.00%	0.00
110	109	CommerceWest Bank	12	0.00%	0.00

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
112	111	Sterling Financial Corp.	8	0.00%	0.00
115	114	Community Commerce Bank	5	0.00%	0.00
116	115	First ULB Corp.	1	0.00%	0.00
118	117	Dickinson Financial Corp. II	1	0.00%	0.00
119	118	Beal Financial Corp.	0	0.00%	0.00
120	119	Rancho Santa Fe Thrift & Loan Association	0	0.00%	0.00
Out of Market Institutions					
4	4	American Express Co.	167,577	8.43%	71.01
15	15	Capital One Financial Corp.	15,549	0.78%	0.61
17	17	SVB Financial Group	12,947	0.65%	0.42
18	18	General Electric Co.	7,901	0.40%	0.16
20	20	Lauritzen Corp.	6,808	0.34%	0.12
22	22	Morgan Stanley	5,728	0.29%	0.08
24	24	East West Bancorp Inc.	4,399	0.22%	0.05
27	27	Texas Capital Bancshares Inc.	3,792	0.19%	0.04
29	29	Wilshire Bancorp Inc.	2,430	0.12%	0.01
30	31	American Business Bank	2,170	0.11%	0.01
32	32	SunTrust Banks Inc.	2,005	0.10%	0.01
33	33	National Bank Holdings Corp.	1,790	0.09%	0.01
34	34	UnitedHealth Group Inc.	1,778	0.09%	0.01
35	35	PNC Financial Services Group Inc.	1,773	0.09%	0.01
36	36	Community Bank	1,719	0.09%	0.01
37	37	Royal Bank of Scotland Group Plc	1,530	0.08%	0.01
38	38	Ally Financial Inc.	1,500	0.08%	0.01
39	39	Pinnacle Financial Partners Inc.	1,500	0.08%	0.01
40	40	Fifth Third Bancorp	1,485	0.07%	0.01
41	41	First Community Bankshares Inc.	1,441	0.07%	0.01
44	44	Stearns Financial Services Inc.	1,178	0.06%	0.00
45	45	Columbia Banking System Inc.	1,135	0.06%	0.00
46	46	KeyCorp	1,123	0.06%	0.00
47	47	Guaranty Bancorp	1,000	0.05%	0.00
48	48	BB&T Corp.	972	0.05%	0.00
50	50	UMB Financial Corp.	888	0.04%	0.00
52	52	Farmers & Merchants Bank of Long Beach	772	0.04%	0.00
54	54	1st Source Corp.	753	0.04%	0.00
55	55	Midland Financial Co.	750	0.04%	0.00
57	57	SWS Group Inc.	698	0.04%	0.00
60	60	National Australia Bank Ltd.	655	0.03%	0.00
62	62	Wintrust Financial Corp.	575	0.03%	0.00
63	63	Prosperity Bancshares Inc.	547	0.03%	0.00
64	64	Bank of Montreal	499	0.03%	0.00
65	65	Hilltop Holdings Inc.	490	0.02%	0.00
66	66	Regions Financial Corp.	446	0.02%	0.00
67	67	State Farm Mutual Automobile Insurance Co.	446	0.02%	0.00
68	68	Fremont Bancorp	423	0.02%	0.00
69	69	Bank of New York Mellon Corp.	370	0.02%	0.00
71	71	Discover Financial Services	365	0.02%	0.00
72	72	Fulton Financial Corp.	350	0.02%	0.00
74	74	Sumitomo Mitsui Financial Group Inc.	325	0.02%	0.00
75	75	CVB Financial Corp.	314	0.02%	0.00
77	77	Commerce Bancshares Corp.	272	0.01%	0.00

San Diego-Carlsbad-San Marcos CA - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
80	79	F & M Bancorp. Inc.	240	0.01%	0.00
82	81	State Bankshares Inc.	218	0.01%	0.00
83	82	Deere & Co.	213	0.01%	0.00
85	84	TriCo Bancshares	180	0.01%	0.00
86	85	American Chartered Bancorp Inc.	170	0.01%	0.00
88	87	Bridgeview Bancorp Inc.	151	0.01%	0.00
89	88	Waupaca Bancorp. Inc.	148	0.01%	0.00
90	89	First Citizens Bancorp. Inc.	134	0.01%	0.00
92	91	Huntington Bancshares Inc.	125	0.01%	0.00
94	93	Heritage Commerce Corp	100	0.01%	0.00
95	94	Taylor Capital Group Inc.	100	0.01%	0.00
96	95	River City Bank	79	0.00%	0.00
98	97	Preferred Bank	75	0.00%	0.00
99	98	Weststar Bank Holding Co. Inc.	75	0.00%	0.00
100	99	First Interstate BancSystem Inc.	50	0.00%	0.00
101	100	IBERIABANK Corp.	36	0.00%	0.00
103	102	Plains Bancorp Inc.	31	0.00%	0.00
104	103	Toronto-Dominion Bank	27	0.00%	0.00
109	108	Cullen/Frost Bankers Inc.	15	0.00%	0.00
111	110	INTRUST Financial Corp.	10	0.00%	0.00
113	112	F.N.B. Corp.	8	0.00%	0.00
114	113	EverBank Financial Corp	7	0.00%	0.00
117	116	Central Banco. Inc.	1	0.00%	0.00
		Pre Merger Totals:	1,988,640	100.00%	1,127

Pre-Merger HHI	**1,126.80**
Post-Merger HHI	**1,126.81**
Delta	**0.00**

Notes:

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Pre-Merger Institutions					
62		CIT Group Inc.	1	0.00%	0.00
		IMB Management Holdings LP	0	0.00%	0.00
Post-Merger Institution					
	62	**CIT Group Inc.**	**1**	**0.00%**	**0.00**
In Market Institutions					
1	1	American Express Co.	8,662	32.16%	1,034.01
2	2	Zions Bancorp.	3,575	13.27%	176.12
3	3	Wells Fargo & Co.	3,171	11.77%	138.57
4	4	JPMorgan Chase & Co.	2,320	8.61%	74.17
5	5	U.S. Bancorp	1,773	6.58%	43.32
8	8	WEX Bank	674	2.50%	6.27
9	9	General Electric Co.	542	2.01%	4.05
10	10	UBS AG	515	1.91%	3.66
11	11	Ally Financial Inc.	451	1.67%	2.81
12	12	Celtic Bank	405	1.50%	2.26
13	13	Medallion Bank	349	1.29%	1.67
14	14	Continental BanCorp.	338	1.25%	1.57
15	15	KeyCorp	331	1.23%	1.51
17	17	First Utah Bancorp.	178	0.66%	0.44
19	19	Brighton Bancorp	98	0.37%	0.13
21	21	BOU Bancorp Inc.	91	0.34%	0.11
22	22	People"s Utah Bancorp	70	0.26%	0.07
23	23	BNP Paribas SA	56	0.21%	0.04
24	24	Pitney Bowes Bank Inc.	53	0.20%	0.04
25	25	Home Credit Corp.	42	0.16%	0.02
27	27	All West Bancorp	35	0.13%	0.02
28	28	Holladay Bank & Trust	34	0.12%	0.02
29	29	Washington Federal Inc.	30	0.11%	0.01
32	32	WebBank	22	0.08%	0.01
34	34	Sagebrush Partners LLLP	21	0.08%	0.01
35	35	NHB Holdings Inc.	20	0.08%	0.01
37	37	LCA Bank Corp.	19	0.07%	0.01
39	39	SKBHC Holdings LLC	17	0.06%	0.00
40	40	FNB Bancorp	16	0.06%	0.00
44	44	Goldman Sachs Group Inc.	11	0.04%	0.00
45	45	Glacier Bancorp Inc.	10	0.04%	0.00
46	46	Liberty Bank	8	0.03%	0.00
47	47	Morgan Stanley	5	0.02%	0.00
57	57	Franklin Resources Inc.	1	0.00%	0.00
83	83	UnitedHealth Group Inc.	1	0.00%	0.00
85	85	BMW of North America LLC	0	0.00%	0.00
86	86	Capmark Financial Group Inc.	0	0.00%	0.00
87	87	CardWorks Inc.	0	0.00%	0.00
88	88	Comenity Capital Bank	0	0.00%	0.00
89	89	EnerBank USA	0	0.00%	0.00
90	90	First American Financial Corp.	0	0.00%	0.00
91	91	First Electronic Bank	0	0.00%	0.00
92	92	Marlin Business Services Corp.	0	0.00%	0.00
93	93	Sallie Mae Bank	0	0.00%	0.00
94	94	Target Bank	0	0.00%	0.00

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
Out of Market Institutions					
6	6	Citigroup Inc.	1,175	4.36%	19.03
7	7	Capital One Financial Corp.	1,062	3.94%	15.54
16	16	Bank of America Corp.	315	1.17%	1.37
18	18	BB&T Corp.	107	0.40%	0.16
20	20	Discover Financial Services	98	0.36%	0.13
26	26	Texas Capital Bancshares Inc.	38	0.14%	0.02
30	30	Lauritzen Corp.	27	0.10%	0.01
31	31	HSBC Holdings Plc	26	0.10%	0.01
33	33	Stearns Financial Services Inc.	21	0.08%	0.01
36	36	SVB Financial Group	20	0.07%	0.01
38	38	State Farm Mutual Automobile Insurance Co.	18	0.07%	0.00
41	41	Royal Bank of Scotland Group Plc	13	0.05%	0.00
42	42	Deere & Co.	11	0.04%	0.00
43	43	First Interstate BancSystem Inc.	11	0.04%	0.00
48	48	Signature Bank	5	0.02%	0.00
49	49	Commerce Bancshares Inc.	4	0.01%	0.00
50	50	Bank of Highland Park Financial Corp.	3	0.01%	0.00
51	51	INTRUST Financial Corp.	3	0.01%	0.00
52	52	1st Source Corp.	2	0.01%	0.00
53	53	Banco Bilbao Vizcaya Argentaria SA	2	0.01%	0.00
54	54	Salem Five Bancorp	2	0.01%	0.00
55	55	Sterling Financial Corp.	2	0.01%	0.00
56	56	TriState Capital Holdings Inc.	2	0.01%	0.00
58	58	Associated Banc-Corp	1	0.00%	0.00
59	59	BBCN Bancorp Inc.	1	0.00%	0.00
60	60	BancPlus Corp.	1	0.00%	0.00
61	61	Bank of Montreal	1	0.00%	0.00
63	63	Carpenter Bank Partners Inc.	1	0.00%	0.00
64	64	Citizens Bancshares Co.	1	0.00%	0.00
65	65	City National Corp.	1	0.00%	0.00
66	66	CoBiz Financial Inc.	1	0.00%	0.00
67	67	Comerica Inc.	1	0.00%	0.00
68	68	East West Bancorp Inc.	1	0.00%	0.00
69	69	First Financial Bancorp.	1	0.00%	0.00
70	70	First Horizon National Corp.	1	0.00%	0.00
71	71	First Midwest Bancorp Inc.	1	0.00%	0.00
72	72	First Northern Community Bancorp	1	0.00%	0.00
73	73	Firstrust Savings Bank	1	0.00%	0.00
74	74	Guaranty Bancorp	1	0.00%	0.00
75	75	Johnson Financial Group Inc.	1	0.00%	0.00
76	76	MB Financial Inc.	1	0.00%	0.00
77	77	Regions Financial Corp.	1	0.00%	0.00
78	78	Renasant Corp.	1	0.00%	0.00
79	79	Republic Bancorp Co.	1	0.00%	0.00
80	80	SunTrust Banks Inc.	1	0.00%	0.00
81	81	Sunflower Financial Inc.	1	0.00%	0.00
82	82	Susquehanna Bancshares Inc.	1	0.00%	0.00
84	84	Wintrust Financial Corp.	1	0.00%	0.00
		Pre Merger Totals:	26,938	100.00%	1,527

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Number of Loans, Total

Pre Merger Rank	Post Merger Rank		No. of Loans	Market Share	HHI
				Pre-Merger HHI	1,527.22
				Post-Merger HHI	1,527.22
				Delta	0.00

Notes:

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Pre-Merger Institutions					
81		CIT Group Inc.	5	0.00%	0.00
		IMB Management Holdings LP	0	0.00%	0.00
Post-Merger Institution					
	81	**CIT Group Inc.**	**5**	**0.00%**	**0.00**
In Market Institutions					
1	1	Zions Bancorp.	271,644	32.68%	1,067.97
2	2	Wells Fargo & Co.	173,574	20.88%	436.04
3	3	JPMorgan Chase & Co.	92,474	11.12%	123.76
4	4	American Express Co.	78,058	9.39%	88.18
5	5	U.S. Bancorp	72,888	8.77%	76.89
6	6	KeyCorp	41,856	5.04%	25.36
8	8	BNP Paribas SA	12,468	1.50%	2.25
14	14	Morgan Stanley	1,972	0.24%	0.06
17	17	General Electric Co.	1,720	0.21%	0.04
19	19	Holladay Bank & Trust	1,453	0.17%	0.03
26	26	All West Bancorp	895	0.11%	0.01
32	32	UBS AG	674	0.08%	0.01
34	34	WEX Bank	634	0.08%	0.01
36	36	Ally Financial Inc.	580	0.07%	0.00
43	43	WebBank	425	0.05%	0.00
44	44	Liberty Bank	408	0.05%	0.00
46	46	Home Credit Corp.	388	0.05%	0.00
49	49	Franklin Resources Inc.	359	0.04%	0.00
51	51	Continental BanCorp.	324	0.04%	0.00
52	52	Medallion Bank	314	0.04%	0.00
53	53	NHB Holdings Inc.	314	0.04%	0.00
54	54	LCA Bank Corp.	303	0.04%	0.00
55	55	Brighton Bancorp	277	0.03%	0.00
58	58	Celtic Bank	245	0.03%	0.00
60	60	First Utah Bancorp.	210	0.03%	0.00
61	61	Pitney Bowes Bank Inc.	204	0.02%	0.00
75	75	FNB Bancorp	22	0.00%	0.00
76	76	BOU Bancorp Inc.	18	0.00%	0.00
77	77	UnitedHealth Group Inc.	13	0.00%	0.00
78	78	People"s Utah Bancorp	13	0.00%	0.00
79	79	Goldman Sachs Group Inc.	6	0.00%	0.00
80	80	Washington Federal Inc.	5	0.00%	0.00
82	82	SKBHC Holdings LLC	4	0.00%	0.00
83	83	Glacier Bancorp Inc.	3	0.00%	0.00
84	84	Sagebrush Partners LLLP	2	0.00%	0.00
85	85	BMW of North America LLC	0	0.00%	0.00
86	86	Capmark Financial Group Inc.	0	0.00%	0.00
87	87	CardWorks Inc.	0	0.00%	0.00
88	88	Comenity Capital Bank	0	0.00%	0.00
89	89	EnerBank USA	0	0.00%	0.00
90	90	First American Financial Corp.	0	0.00%	0.00
91	91	First Electronic Bank	0	0.00%	0.00
92	92	Marlin Business Services Corp.	0	0.00%	0.00
93	93	Sallie Mae Bank	0	0.00%	0.00
94	94	Target Bank	0	0.00%	0.00

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
Out of Market Institutions					
7	7	Bank of America Corp.	26,374	3.17%	10.07
9	9	Royal Bank of Scotland Group Plc	8,252	0.99%	0.99
10	10	Citigroup Inc.	6,919	0.83%	0.69
11	11	Capital One Financial Corp.	4,903	0.59%	0.35
12	12	SVB Financial Group	4,118	0.50%	0.25
13	13	Commerce Bancshares Inc.	2,002	0.24%	0.06
15	15	HSBC Holdings Plc	1,947	0.23%	0.05
16	16	Signature Bank	1,877	0.23%	0.05
18	18	Bank of Highland Park Financial Corp.	1,558	0.19%	0.04
20	20	TriState Capital Holdings Inc.	1,250	0.15%	0.02
21	21	First Interstate BancSystem Inc.	1,162	0.14%	0.02
22	22	INTRUST Financial Corp.	1,100	0.13%	0.02
23	23	Stearns Financial Services Inc.	1,036	0.12%	0.02
24	24	Johnson Financial Group Inc.	1,000	0.12%	0.01
25	25	Wintrust Financial Corp.	995	0.12%	0.01
27	27	BB&T Corp.	864	0.10%	0.01
28	28	Comerica Inc.	856	0.10%	0.01
29	29	Bank of Montreal	855	0.10%	0.01
30	30	CoBiz Financial Inc.	800	0.10%	0.01
31	31	Firstrust Savings Bank	700	0.08%	0.01
33	33	MB Financial Inc.	662	0.08%	0.01
35	35	Texas Capital Bancshares Inc.	611	0.07%	0.01
37	37	Salem Five Bancorp	566	0.07%	0.00
38	38	Carpenter Bank Partners Inc.	500	0.06%	0.00
39	39	Citizens Bancshares Co.	500	0.06%	0.00
40	40	Associated Banc-Corp	477	0.06%	0.00
41	41	State Farm Mutual Automobile Insurance Co.	453	0.05%	0.00
42	42	1st Source Corp.	433	0.05%	0.00
45	45	East West Bancorp Inc.	390	0.05%	0.00
47	47	Banco Bilbao Vizcaya Argentaria SA	383	0.05%	0.00
48	48	Discover Financial Services	376	0.05%	0.00
50	50	First Horizon National Corp.	356	0.04%	0.00
56	56	Lauritzen Corp.	247	0.03%	0.00
57	57	Renasant Corp.	246	0.03%	0.00
59	59	Republic Bancorp Co.	220	0.03%	0.00
62	62	Guaranty Bancorp	200	0.02%	0.00
63	63	SunTrust Banks Inc.	200	0.02%	0.00
64	64	Susquehanna Bancshares Inc.	200	0.02%	0.00
65	65	First Midwest Bancorp Inc.	180	0.02%	0.00
66	66	Sterling Financial Corp.	152	0.02%	0.00
67	67	Deere & Co.	101	0.01%	0.00
68	68	BBCN Bancorp Inc.	100	0.01%	0.00
69	69	City National Corp.	100	0.01%	0.00
70	70	Sunflower Financial Inc.	80	0.01%	0.00
71	71	First Financial Bancorp.	62	0.01%	0.00
72	72	First Northern Community Bancorp	50	0.01%	0.00
73	73	Regions Financial Corp.	34	0.00%	0.00
74	74	BancPlus Corp.	30	0.00%	0.00
		Pre Merger Totals:	831,230	100.00%	1,833

Salt Lake City, UT - MSA Banking Market
CRA Loan HHI
Based on Aggregate Amount of Loans ($000), Total

Pre Merger Rank	Post Merger Rank		Loans ($000)	Market Share	HHI
				Pre-Merger HHI	1,833.36
				Post-Merger HHI	1,833.36
				Delta	0.00

Notes:

PUBLIC EXHIBIT 10

CIT Group Inc. Biographical Information for Anticipated Directors and Senior Executive Officers

List and Biographical Information of Anticipated Directors and Senior Executive Officers of CIT Group

CIT Group Inc.
Directors

- John A. Thain (Chairman)
- Ellen R. Alemany
- Michael J. Embler
- Alan Frank
- William M. Freeman
- Marianne Miller Parrs
- Steven T. Mnuchin
- David M. Moffett
- R. Brad Oates
- Gerald Rosenfeld
- Vice Admiral John R. Ryan, USN (Ret.)
- Sheila A. Stamps
- Seymour Sternberg
- Peter J. Tobin
- Laura S. Unger

Senior Executive Officers (with anticipated positions)

- John A. Thain – Chairman of the Board and Chief Executive Officer
- Andrew T. Brandman – Executive Vice President and Chief Administrative Officer
- Nelson J. Chai – Co-President
- Robert Hart – Executive Vice President and Chief Auditor
- Carol Hayles – Executive Vice President and Controller
- Robert J. Ingato – Executive Vice President, General Counsel and Secretary
- C. Jeffrey Knittel – President, Transportation and International Finance
- Steven T. Mnuchin – Vice Chairman
- Joseph Otting – Co-President
- Scott T. Parker – Executive Vice President and Chief Financial Officer
- Lisa K. Polsky – Executive Vice President and Chief Risk Officer
- Robert C. Rowe – Executive Vice President and Chief Credit Officer
- Margaret D. Tutwiler – Executive Vice President, Communications and Government Relations

Biographical Information

John A. Thain. Mr. Thain has served as Chairman and Chief Executive Officer of CIT Group since February 2010. In January 2009, prior to joining CIT Group, Mr. Thain was President of Global Banking, Securities and Wealth Management for Bank of America. From December 2007 to January 1, 2009, prior to its merger with Bank of America, Mr. Thain was Chairman and Chief Executive Officer of Merrill Lynch & Co., Inc. From June 2006 to December 2007, Mr. Thain served as Chief Executive Officer and a director of NYSE Euronext, Inc. following the NYSE Group and Euronext N.V. merger. Mr. Thain joined the New York Stock Exchange in January 2004, serving as Chief Executive Officer and a director. From June 2003 through December 2003, Mr. Thain was the President and Chief Operating Officer of The Goldman Sachs Group Inc., and from May 1999 through June 2003 he was President and Co-Chief Operating Officer of The Goldman Sachs Group, L.P. From 1994 to 1999, Mr. Thain served as Chief Financial Officer and Head of Operations, Technology and Finance, and from 1995 to 1997 he was also Co-Chief Executive Officer for European operations for The Goldman Sachs Group, L.P. Mr. Thain currently serves as a member of the MIT Corporation Board, the Dean's Advisory Council of MIT/Sloan School of Management, the U.S. National Advisory Board of INSEAD, the Board of Managers of the New York Botanical Garden and the Board of Directors of the French-American Foundation. Mr. Thain is a trustee of New York-Presbyterian Hospital, a General Trustee of Howard University, and a Trustee and Corporate Officer of The Antz Foundation, a private foundation.

Ellen R. Alemany. Ms. Alemany has served as a director of CIT Group since January 2014 and is the retired Head of RBS Americas, the management structure that oversees The Royal Bank of Scotland's businesses in the Americas, and Chief Executive Officer of RBS Citizens Financial Group, Inc., an RBS subsidiary. Ms. Alemany retired from RBS in September 2013. She joined RBS as the Head of RBS Americas in June 2007, and was named to the additional role of Chief Executive Officer of RBS Citizens Financial Group, Inc., a bank holding company, in March 2008. She was also appointed the Chairman of RBS Citizens Financial Group, Inc. in March 2009. Ms. Alemany joined RBS from Citigroup, where she served as the Chief Executive Officer for Global Transaction Services from February 2006 until April 2007. Ms. Alemany joined Citigroup in 1987, and held a number of senior positions during her tenure, including Executive Vice President for the Commercial Business Group from March 2003 until January 2006, and also CitiCapital, where she served as President and Chief Executive Officer from September 2001 until January 2006. Prior to being appointed Executive Vice President for the Commercial Business Group in 2003, Ms. Alemany also held a number of executive positions in Citigroup's Global Corporate Bank. Ms. Alemany has also served on the Board of Directors of Automatic Data Processing, Inc. since 2011 and also currently serves as a director of The Center for Discovery. Ms. Alemany brings a wealth of managerial and operational expertise to CIT Group's board with over 30 years of management experience in banking and financial services, including chief executive experience with a large, multi-national commercial bank, as well as global financial management and regulatory experience and a proven track record of achievement and leadership.

Andrew T. Brandman. Mr. Brandman has served as Executive Vice President and Chief Administrative Officer since April 2012. Previously, Mr. Brandman served as Chief

Administrative Officer and Executive Vice President at NYSE Euronext. Before this, he held a number of positions of increasing responsibility at NYSE Euronext since 2004, including Chief of Staff to the Chief Executive Officer, Head of Financial Planning & Administration and Head of Business Controlling. Prior to NYSE Euronext, he was a Director at Credit Suisse First Boston's Infrastructure Group. Before this, Mr. Brandman was Chief of Staff for the Global Fixed Income and Treasury Division at Banco Santander Central Hispano. From 1991 to 1997, he held various positions at Union Bank of Switzerland.

Nelson J. Chai. Mr. Chai has served as President of CIT Group since August 2011 and as both President of North American Commercial Finance and Chairman and Chief Executive Officer of CIT Bank since January 2014. Previously, Mr. Chai served as Executive Vice President, Chief Administrative Officer and Head of Strategy of CIT Group from June 2010 to August 2011. Prior to joining CIT Group, Mr. Chai served as President Asia-Pacific for Bank of America Inc. from December 2008 to February 2009, as a result of the merger between Bank of America Inc. and Merrill Lynch & Co., Inc. From December 2007 to December 2008, Mr. Chai was Executive Vice President and Chief Financial Officer of Merrill Lynch & Co., Inc. From January 2006 to December 2007, Mr. Chai was Executive Vice President and Chief Financial Officer of NYSE Euronext and its predecessor company NYSE Group, Inc. and, from 2005, he was Chief Financial Officer of Archipelago Holdings, a predecessor to NYSE Group, Inc., where he was responsible for Finance, Strategy, Human Resources, and Marketing functions since first joining Archipelago in June 2000. Mr. Chai has been a director of Thermo Fisher Scientific since December 2010, serving on its audit and nominating & governance committees, and a director for the US Fund for UNICEF since 2005, serving as chair of its finance committee and a member of its executive committee. Mr. Chai is also a member of the Board of Overseers for the School of Arts and Sciences of the University of Pennsylvania.

Michael J. Embler. Mr. Embler has served as a director of CIT Group since December 2009. He formerly served as the Chief Investment Officer of Franklin Mutual Advisers LLC, an asset management subsidiary of Franklin Resources, Inc. Mr. Embler joined Franklin Mutual Advisers in 2001 and, prior to becoming Chief Investment Officer in 2005, served as head of its Distressed Investment Group. From 1992 until 2001, he worked at Nomura Holdings America, where he served as Managing Director managing a team investing in a proprietary fund focused on distressed and other event-driven corporate investments. Mr. Embler currently serves on the Board of Directors of American Airlines Group, Inc., NMI Holdings, Inc., a mortgage insurance company, and Corlears School, and has previously served on the Board of Directors of each of Abovenet Inc., Kindred Healthcare Inc. and Dynegy Inc. and Dynegy Holdings Inc./Dynegy Holdings, LLC. Mr. Embler provides the board with experience in finance, asset management and restructurings, expertise in capital markets and capital management, and experience in the healthcare and energy industries, key markets for certain of CIT's businesses. His experience as Chief Investment Officer of a major asset management firm provides the Board with an analytical view from the perspective of an investor.

Alan Frank. Mr. Frank spent 40 years with Deloitte & Touche LLP and retired in December 2012. With Deloitte & Touche, he focused on consumer business clients, leading the consumer business and middle market practices from 1990 through 2010. Mr. Frank has significant experience with mergers and acquisitions and initial public offerings. Mr. Frank graduated from University of Southern California with a Bachelor of Science Degree in June 1973.

William M. Freeman. Mr. Freeman has served as a director of CIT Group since July 2003. Mr. Freeman retired in February 2010 as Chairman of the Board of Arbinet-thexchange, Inc., in which capacity he had served since November 2007. Previously, Mr. Freeman served as President and Chief Executive Officer and Director of Arbinet-thexchange, Inc. from November 2007 until September 2008. Prior to joining Arbinet-thexchange, Mr. Freeman was elected to the Board of Motient Corp., now TerreStar Corporation, in February 2007, and Chairman of Motient/TerreStar in March 2007. Mr. Freeman also served as Chief Executive Officer and Director of Leap Wireless International, Inc. from May 2004 to February 2005 and as President of the Public Communications Group of Verizon Communications Inc. from 2000 to February 2004. Mr. Freeman served as President and Chief Executive Officer of Bell Atlantic-New Jersey from 1998 to 2000, President and Chief Executive Officer of Bell Atlantic-Washington, D.C. from 1994 to 1998, and in a number of other executive and management positions at Verizon since 1974. Mr. Freeman was a founder and co-owner of Synthesis Security LLC, a closely held telecommunications company. Mr. Freeman currently serves, or during the preceding five years served, on the board of directors of Terrestar Corporation, the Board of Trustees of Drew University, and as a director of Value Added Holdings, Inc., a privately held communications company, as the Executive Chairman and shareholder of General Waters Inc. (formerly Oh Daddy LLC), a privately held beverage marketing and distribution company, and Chairman of Celadon Global Inc., a privately held mergers and acquisitions research firm. Mr. Freeman provides the board with extensive experience in managing organizations of various sizes and extensive experience in the telecommunications industry, a key market for CIT Group's lending products.

Robert Hart. Mr. Hart is Executive Vice President and Chief Auditor of CIT Group. Mr. Hart is responsible for conducting a continuous risk assessment of CIT as he executes an audit plan approved by the Audit Committee. In addition, he oversees the Company's efforts to improve the efficiency and effectiveness of audit activities throughout the organization and ensures the Company's compliance with Sarbanes Oxley and anti-fraud related issues. Previously, Mr. Hart was Audit Director – Americas Region at Barclays Capital in New York. Prior to Barclays, he was Managing Director and Regional Auditor at Deutsche Bank, where he led the Internal Audit department during a period of rapid business growth with increasing product complexities. Mr. Hart also served as Vice President and Deputy Auditor at J.P. Morgan & Company, where he supervised regional audit groups in Asia-Pacific, Europe, Latin America and Delaware. Mr. Hart received his bachelor's degree in accounting from Seton Hall University and is a certified public accountant.

Carol Hayles. Ms. Hayles has served as Executive Vice President and Controller since July 2010, prior to which she spent 24 years at Citigroup Inc., including serving as Deputy Controller of Citigroup, Inc. since January 2008, leading the SEC and regulatory reporting functions. Before this, she held various leadership positions at Citigroup, including Chief Financial Officer of Citigroup Commercial Business, Senior Analyst in Investor Relations, Chief Financial Officer of Citibank's e-Business, CFO of Citigroup's Global Relationship Bank and CFO of Citibank Canada. Ms. Hayles began her career at PricewaterhouseCoopers LLP in Toronto, Canada.

Robert J. Ingato. Mr. Ingato has served as Executive Vice President and General Counsel since June 2001, and as Secretary since August 14, 2002. Previously, Mr. Ingato served as Executive Vice President and Deputy General Counsel since November 1999. Mr. Ingato also served as Executive Vice President of Newcourt Credit Group Inc., which was acquired by CIT, since January 1998, as Executive Vice President, General Counsel and Secretary of AT&T Capital Corporation, which was acquired by Newcourt, since 1996, and in a number of other legal positions with AT&T Capital since 1988.

C. Jeffrey Knittel. Mr. Knittel has served as President of Transportation and International Finance since January 2014. Previously, Mr. Knittel served as President of Transportation Finance since 2007 and CIT Aerospace since 1997 and Executive Vice President of CIT Group/Capital Finance since 1992, and in several other senior management positions within CIT Group/Capital Finance since 1986. Mr. Knittel also served in various senior management positions with Manufacturers Hanover Leasing Corporation since 1982 and Cessna Finance since 1980.

Marianne Miller Parrs. Ms. Parrs has served as a director of CIT Group since January 2003. Ms. Parrs retired at the end of 2007 from International Paper Company where she had served as Executive Vice President and Chief Financial Officer since November 2005 and as interim Chief Financial Officer from May 2005 to November 2005. Ms. Parrs also has served as Executive Vice President with responsibility for Information Technology, Global Sourcing, Global Supply Chain — Delivery, a major supply chain project, and Investor Relations since 1999. From 1995 to 1999, Ms. Parrs served as Senior Vice President and Chief Financial Officer of International Paper Company. Previously, she served in a number of other executive and management positions at International Paper Company since 1974, and was a security analyst at a number of firms prior to joining International Paper Company. Ms. Parrs currently serves, or during the preceding five years served, on the board of United Way of the Mid-South, the board of Rise Foundation in Memphis, Tennessee, the board of the New Memphis Institute, Memphis, the board of Stanley Black & Decker, Inc., the board of Signet Jewelers Limited, and is on the board and is Chair of the Finance Committee of Josephines Circle, Memphis. Ms. Parrs provides the board with financial and operational expertise as a result of her significant experience in those roles in industry, particularly in her roles as Chief Financial Officer and as the senior executive in charge of information technology and global supply chain management at a major industrial company, which provide a valuable perspective on financial and accounting issues and on processes and technology. She also has extensive audit committee experience and is an “Audit Committee Financial Expert,” as defined by the SEC.

Steven T. Mnuchin. Mr. Mnuchin has served as CEO of IMB and Chairman of OWB since the company’s formation. He is also Chairman and Chief Executive Officer of Dune Capital Management LP, a private investment management firm. Prior to this, Mr. Mnuchin spent 17 years at Goldman Sachs where he was a Partner in the firm and had broad-based management and investment responsibilities. Mr. Mnuchin served as an Executive Vice President, the firm’s Chief Information Officer, and a member of the firm’s Management Committee. Mr. Mnuchin is a member of the board of the Museum of Contemporary Art Los Angeles, the Los Angeles Police Foundation and New York Presbyterian Hospital. He is a former board member of the

Hirshhorn Museum, Whitney Museum, Junior Achievement, City Harvest, and Riverdale Country School. He is also a member of the board of Sears Holding Corporation and Chairman of its Corporate Governance Committee.

David M. Moffett. Mr. Moffett has served as a director of CIT Group since July 2010. Mr. Moffett is the former Chief Executive Officer of FHLMC, in which capacity he had served from September 2008 to March 2009. Prior to this position, Mr. Moffett served as a Senior Advisor with the Carlyle Group LLC. Mr. Moffett also served as Vice Chairman and Chief Financial Officer of U.S. Bancorp from 2001 to 2007, and has held senior positions with a number of other banking institutions, including Star Banc Corporation, Firstar Corporation, Bank of America, Security Pacific, Sooner Federal Bank & Trust Co., and First National Bank & Trust Co. of Tulsa. Mr. Moffett has served on the board of directors of eBay Inc. since May 2007 and Genworth Financial, Inc. since 2012, and previously served on the board of directors of each of MBIA Inc., E.W. Scripps Company and Building Materials Holding Corp. Mr. Moffett is currently employed as a consultant to Bridgewater Associates, LP, a private hedge fund. Mr. Moffett provides the board with more than 30 years of strategic finance, risk management and operational experience in commercial banking, and experience in retail banking and management in a regulated environment. His experience as Chief Financial Officer of a major bank holding company provides the board with insight into the financial, accounting and risk management issues of, and communicating with investors in, a bank holding company.

R. Brad Oates. Mr. Oates has served as a director of CIT Group since December 2009. He currently serves as Chairman and Managing Partner of Stone Advisors, LP, a strategic advisory firm specializing in distressed asset situations, which is currently engaged as a contractor by the FDIC to assist in resolving bank receiverships. Prior to joining Stone Advisors, Mr. Oates served from 1988 until 2003 as President and Chief Operating Officer of Bluebonnet Savings Bank FSB, responsible for bank operations and strategic planning in a bank turnaround situation, and as Executive Vice President of Stone Holdings, Inc., the holding company for Bluebonnet Savings Bank and a private investment company specializing in banking, information services, risk management and emerging technologies. Mr. Oates currently serves, or during the preceding five years served, as Chairman of the Board of Directors of NFC Global, LLC, a privately owned provider of due diligence, risk consulting and compliance services, and as a director of each of GearingStone, LLC, a special servicing company for distressed bank assets, and Neways Inc., a privately owned dietary supplement and personal care products company. Mr. Oates provides the board with in-depth experience in successfully managing the turnaround of troubled financial institutions and a strong background in operating regulated commercial banks and strategic planning. His extensive experience in interacting with the FDIC and other bank regulators during his career provides the board with insight into bank regulatory matters and supervisory expectations and communications. He also has experience in information technology and risk management.

Joseph Otting. Mr. Otting joined IMB and OWB in 2010. Prior to joining IMB and OWB, Mr. Otting served as Vice Chairman of US Bancorp, where he managed the Commercial Banking Group and was a member of the Managing Committee. He also served as a member of U.S. Bank's main subsidiary bank's board of directors. From 1994 to 2001, Mr. Otting was with Union Bank, where he was Executive Vice President and Group Head of Commercial Banking.

Before joining Union Bank, he was with Bank of America, where he held positions in Branch Management, Private Banking and Commercial Lending. Mr. Otting holds a BA degree from the University of Northern Iowa and is a graduate of the School of Credit and Financial Management at Dartmouth College. He serves on the board of the California Chamber of Commerce, the Chamber's Executive Committee and the Chamber's Audit Committee, which he chairs. He is also Chairman of The Killebrew Thompson Memorial Foundation and a member of The 100 Club.

Scott T. Parker. Mr. Parker has served as Executive Vice President and Chief Financial Officer since July 2010. Prior to joining CIT, Mr. Parker served as Chief Operating Officer and Chief Financial Officer of Cerberus Operations and Advisory Company LLC, an affiliate of Cerberus Capital Management, L.P., from 2006 to 2010. Before joining Cerberus, he served as Chief Financial Officer of GE Capital Solutions from 2005 to 2006, as Chief Financial Officer of GE Corporate Financial Services from 2003 to 2005, and in various other financial roles within General Electric Company since 1989.

Lisa K. Polsky. Ms. Polsky has served as Executive Vice President and Chief Risk Officer since May 2010. Prior to joining CIT, from 2009 to May 2010, Ms. Polsky was at Jane Street Capital, a quantitative proprietary trading firm. She joined Jane Street from Duff Capital Advisors, where she was a Partner and Head of Risk & Investment Solutions from 2008 to 2009. Prior to joining Duff, from 2002 to 2008, Ms. Polsky managed her own consulting firm, specializing in portfolio solutions, risk management and valuation policy. Before founding her consulting firm, Ms. Polsky served as Managing Director and Head of Client Financing Services with Merrill Lynch & Co., Inc. from 2000 to 2002, and as Managing Director and Chief Risk Officer at Morgan Stanley from 1995 to 2000. Ms. Polsky also served as Head of the Hedge Fund Business and Head of Derivatives in the US and Europe at Bankers Trust Company from 1990 to 1995. She began her career at Citibank NA in 1980, where she started the FX Options business and later Co-Headed Citibank's Derivative Business in North America. Since 2007, Ms. Polsky has served on the board of directors of Piper Jaffray Companies.

Gerald Rosenfeld. Mr. Rosenfeld has served as a director of CIT Group since January 2010. Mr. Rosenfeld re-joined Lazard Ltd. as Vice Chairman of United States investment banking effective March 1, 2011. He was Deputy Chairman of Rothschild North America from 2007 to 2011 and served as its Chief Executive Officer from 1999 to 2007. Prior to joining Rothschild, Mr. Rosenfeld was President of G Rosenfeld & Co LLC, an investment banking firm. Prior to founding G Rosenfeld & Co LLC in 1998, he was Head of Investment Banking and a member of the Management Committee of Lazard Freres & Co. LLC. Mr. Rosenfeld joined Lazard in 1992 after holding significant management positions at Bankers Trust Company, Salomon Inc. and its Salomon Brothers subsidiary and McKinsey & Company. Prior to joining McKinsey, Mr. Rosenfeld was a member of the faculty of the City College of New York, New York University and the University of Maryland. Mr. Rosenfeld currently serves, or during the preceding five years served, as a member of the board of directors of Continental Grain Company, on the Board of Overseers of New York University's Stern School of Business, where he also serves as an Adjunct Professor of Finance, on the Board of Trustees of City College of New York Foundation and on the boards of the American Academy of Arts and Sciences and Catalist LLC. Mr. Rosenfeld provides the board with extensive experience and expertise in risk management and sophisticated financial matters gained by both practical experience in a regulated environment and through research and teaching finance-related courses at several prominent universities. He also has management experience as a senior executive in commercial banking, investment banking and capital markets.

Robert C. Rowe. Mr. Rowe is Executive Vice President and Chief Credit Officer of CIT Group. He is responsible for overseeing the transaction approval process across four operating segments at CIT Group, setting credit policy and overseeing the company's workout/special assets function. He is also responsible for ensuring the regular review, adherence to, and effective communication of credit policy and procedures across all levels of the company. Mr. Rowe also served as Chief Credit Officer of National City Bank after spending 20 years in various roles of increasing responsibility in its Corporate Banking and Credit departments. While at National City, he also served as Division Head of the Equity Sponsor Group and had transaction approval responsibility for various segments that included Leveraged Finance and Asset Based Lending. Mr. Rowe received a BA degree in Economics from Boston College and an MBA in Finance from Indiana University.

Vice Admiral John R. Ryan, USN (Ret.). Vice Admiral Ryan has served as a director of CIT Group since July 2003 and was appointed lead director of the board in May 2008. Mr. Ryan has been President and Chief Executive Officer of the Center for Creative Leadership in Greensboro, North Carolina since May 2007. Previously, Mr. Ryan served as Chancellor of the State University of New York from June 2005 to June 2007. Mr. Ryan also served as President of the State University of New York Maritime College from June 2002 until June 2005 while also serving as the Interim President of the State University of New York at Albany from February 2004 until February 2005. From 1998 to 2002, Mr. Ryan was Superintendent of the U.S. Naval Academy, Annapolis, Maryland. Mr. Ryan served in the U.S. Navy from 1967 to July 2002, including as Commander of the Fleet Air Mediterranean in Naples, Italy from 1995 to 1998, Commander of the Patrol Wings for the U.S. Pacific Fleet in Pearl Harbor from 1993 to 1995, and Director of Logistics for the U.S. Pacific Command in Aiea, Hawaii from 1991 to 1993. Mr. Ryan currently serves as a director of Cablevision Systems Corporation, President and Chief Executive Officer of the Center for Creative Leadership, and as Chairman of the Board of the U.S. Naval Academy Foundation. Vice Admiral Ryan provides the board with experienced leadership and an expertise in managing large complex organizations, primarily in academia and the military. In addition, Mr. Ryan provides the board with extensive experience in logistics, strategic planning, talent development and succession planning. His tenure as a director, and more recently as lead director, of CIT Group enables him to provide the board with valuable experience in overseeing CIT Group's business and providing leadership to the board.

Sheila A. Stamps. Ms. Stamps has served as a director of CIT Group since February 2014. Ms. Stamps served as Executive Vice President of Corporate Strategy and Investor Relations at Dreambuilder Investments, LLC, a private mortgage investment company, from 2011 to 2012. She served from 2008 to 2011 as Director of Pension Investments and Cash Management at the New York State Common Retirement Fund, and from 2004 to 2005 as a Fellow at the Weatherhead Center for International Affairs at Harvard University. Prior to this, Ms. Stamps served as Managing Director and Head of Relationship Management, Financial Institutions at FleetBoston Financial (now part of Bank of America). From 1982 to 2003, she held a number of executive positions with Bank One Corporation (now part of J.P. Morgan Chase) and First Chicago Corporation including Managing Director and Head of European Asset-Backed Securitization and Managing Director and Senior Originator of Asset-Backed Securitization. She holds an M.B.A. from the University of Chicago. Ms. Stamps is an experienced banker to the financial services industry and provides the board with in-depth knowledge of middle market commercial banking and capital markets in both the U.S. and European markets. She is a senior financial executive with strategy, risk and business development expertise. Her experience as a director at the NYSCR Fund also enables her to provide the board with an investor relations perspective and experience serving as a fiduciary in a complex financial environment.

Seymour Sternberg. Mr. Sternberg has served as a director of CIT Group since December 2005. Mr. Sternberg served as Chairman of the Board of Directors and CEO of New York Life Insurance Company from April 1997 until June 2009. Mr. Sternberg joined New York Life as a Senior Vice President in 1989, and held positions of increasing responsibility, including Executive Vice President, Vice Chairman, President, Chief Operating Officer and Chief Executive Officer. Mr. Sternberg serves on the Board of Directors of Express Scripts, Inc., a pharmacy benefits manager. He is a member of the Council on Foreign Relations. Mr. Sternberg currently serves, or during the preceding five years served, on the boards of the U.S. Chamber of Commerce, New York-Presbyterian Hospital/Columbia University Medical Center, Northeastern University, the Hackley School, Big Brothers/Big Sisters, New York City Partnership, the New York City Leadership Academy and the Kennedy Center Corporate Fund. Mr. Sternberg provides the board with extensive experience in managing a large regulated institution from his experience in the insurance industry. Based on his experience in multiple areas during his career, Mr. Sternberg provides the board with insight into funding, financial management, risk management and operations issues.

Peter J. Tobin. Mr. Tobin has served as a director of CIT Group since July 1, 2002, and previously from May 1984 to June 1, 2001. Mr. Tobin served as CIT's Interim Chief Executive Officer from January 19, 2010 through February 7, 2010. He retired from St. John's University in May 2005, after serving as Special Assistant in Corporate Relations and Development to the President of St. John's University since September 2003, and previously as Dean of the Peter J. Tobin College of Business at St. John's University since August 1998. From March 1996 to December 1997, Mr. Tobin was Chief Financial Officer of The Chase Manhattan Corporation. From January 1992 to March 1996, Mr. Tobin served as Chief Financial Officer of Chemical Banking Corporation, a predecessor of The Chase Manhattan Corporation, and prior to that he served in a number of executive positions at Manufacturers Hanover Corporation, a predecessor of Chemical Banking Corporation. Mr. Tobin currently serves, or during the preceding five years served, as a director of AXA Financial, AllianceBernstein Corporation, a subsidiary of AXA Financial that manages mutual funds, and H.W. Wilson, a publishing company, and as an officer and director of Rock Valley Tool. Mr. Tobin provides the board with expertise and experience on various financial and accounting issues as a former Chief Financial Officer with several large and diverse commercial banking institutions. He is also a certified public accountant. In addition, Mr. Tobin provides the board with insight from a customer's perspective as an officer and/or director of two privately held companies.

Margaret D. Tutwiler. Ms. Tutwiler has served as Executive Vice President and Head of Communications and Government Relations since August 2010. Prior to joining CIT, Ms. Tutwiler served as Senior Vice President and Head of Global Communications and Public Affairs of Merrill Lynch and Bank of America Corporation from December 2007 to February 2009. Before that she was Head of Global Communications and Government Relations of NYSE Euronext (NYSE: NYX) and its predecessor company NYSE Group, Inc. from 2004 to December 2007. Ms. Tutwiler has also spent 16 years in government service, including various senior level positions in the Reagan and both Bush Administrations.

Laura S. Unger. Ms. Unger has served as a director of CIT Group since January 2010. She served as Commissioner of the SEC from November 1997 to February 2002, including Acting Chairperson of the SEC from February to August 2001. Subsequently, Ms. Unger served as a Regulatory Expert for CNBC. Before being appointed to the SEC, Ms. Unger served as Counsel to the U.S. Senate Committee on Banking, Housing and Urban Affairs. Prior to working on Capitol Hill, she was an attorney with the Enforcement Division of the SEC. Ms. Unger currently serves, or during the preceding five years served, as a director of CA, Inc., Ambac Financial Group, Inc., the IQ Funds Complex, MBNA Corp. and Children's National Medical Center Foundation. She also has acted as Special Adviser to Promontory Financial Group and as an Independent Consultant to JP Morgan Chase for the Global Analyst Conflict Settlement. Ms. Unger provides the board with insight about regulatory policy as well as operating in a regulatory environment, based on her experience as both a former Commissioner and a former enforcement attorney with the SEC. In addition, Ms. Unger provides the board with insight into the political and legislative process, based on her experience as a staff counsel in the U.S. Senate. She also has significant corporate governance expertise.

PUBLIC EXHIBIT 11

CIT Bank Community Reinvestment Act Performance Evaluation, dated March 18, 2013

PUBLIC DISCLOSURE

March 18, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CIT Bank
Certificate Number: 35575

2180 South 1300 East, Suite 250
Salt Lake City, Utah 84106

Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **CIT Bank** prepared by **Federal Deposit Insurance Corporation (FDIC)**, the institution's supervisory agency, as **March 18, 2013**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

CIT Bank was evaluated as a limited purpose institution (LPI) with respect to its qualified community development (CD) activities. Overall, CIT Bank's performance reflects a satisfactory record of helping to meet the credit needs of its assessment area (AA) based on the following findings:

Community Development Test

The institution has an adequate level of community development loans, community development services, and qualified investments. Some of the investments are not routinely provided by private investors.

The institution occasionally uses innovative or complex qualified investments, community development loans, or community development services.

The institution exhibits adequate responsiveness to the credit and community economic development needs in its AA.

Fair Lending or Other Illegal Credit Practices

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

SCOPE OF EVALUATION

CIT Bank was approved as a designated LPI in accordance with the definition in Section 345.12(n) of FDIC Rules and Regulations Part 345 effective July 30, 2001. The FDIC determined on August 6, 2012, that CIT Bank no longer met the definition of a LPI due to a change in business strategy and loan portfolio composition. However, CIT Bank continued to be eligible for evaluation as a LPI for one year from the date of notice. As such, the bank's CRA performance was evaluated under the Community Development Test for a LPI for purposes of this current Performance Evaluation (PE).

This evaluation reflects CIT Bank's performance since the previous CRA PE dated November 15, 2010. The evaluation was performed at the bank's sole office in Salt Lake City, Utah. Examiners relied upon the records and reports provided by the bank and publically available information. Economic and demographic data, and information gathered from community contacts, were used as part of the evaluation process. Examiners evaluated the level of CIT Bank's qualified CD loans, investments, grants, and services in the bank's designated AA of Salt Lake County, Utah. The evaluation period was from November 15, 2010, through December 31, 2012. This evaluation did not include activity during the first quarter of 2013, since this data will be evaluated as part of the bank's Strategic Plan, which will include the entire calendar year of 2013, and which will be evaluated at the next PE. Examiners also evaluated the qualified CD activities of its parent, CIT Group, over the same evaluation period. For this evaluation, the bank's qualified CD investments carry more weight than loans in the assignment of the overall rating. This is primarily due to the number and dollar volume of CD investments in the AA.

Examiners evaluated the bank's CRA performance based upon the following performance criteria:

- The current economic environment,
- The demographic characteristics of the bank's AA,
- CD opportunities within the AA,
- CIT Bank's financial resources and constraints,
- CIT Bank's product offerings and business strategy, and
- Information derived from community contacts.

DESCRIPTION OF INSTITUTION

CIT Bank was chartered as a State of Utah industrial bank in October of 2000. With the approval of the FDIC, CIT Bank modified its charter in December of 2008 and is now a state-chartered, non-member commercial bank. CIT Bank maintains a single, main office location at 2180 South 1300 East, Suite 250, Salt Lake City, Utah 84106. Currently, the bank employs approximately 640 people nationwide, including 33 employees in the Salt Lake City main office. CIT Bank is a wholly-owned, first-tier subsidiary of CIT Group. Founded in 1908, CIT Group is a bank holding company with more than $33 billion in financing and leasing assets. CIT Group also provides advisory services to its clients and their customers across more than 30 industries nationwide and in several foreign countries. CIT Group maintains a leadership position in small business and middle- and large-market lending, factoring, retail finance, aerospace, equipment and rail leasing, and global vendor finance.

CIT Bank is a non-traditional bank specializing exclusively in commercial credit products (loan and lease) across the United States (U.S.) and several foreign countries. CIT Bank's primary funding source has historically been wholesale brokered deposits. However, beginning in August of 2011, CIT Bank expanded its funding base to include direct-to-customer savings and certificate of deposit (COD) accounts using the internet as the sole delivery channel for account opening. CIT Bank also provides money market deposit accounts (MMDAs) for its commercial customers. CIT Bank does not operate a traditional walk-in bank lobby or branches with in-person contact via tellers or drive-up windows. Through its online bank (BankOnCIT.com), CIT Bank offers a suite of savings and COD accounts designed to help customers achieve a range of financial goals. The bank is a nationwide lender of commercial loan and lease products to small-, middle-, and large-market commercial enterprises. CIT Bank is a preferred Small Business Administration (SBA) lender offering SBA 7a and 504 loans. Additionally, through various bank subsidiaries, CIT Bank targets middle-to-large commercial markets via commercial real estate loans; air, maritime, and railroad credits and leases; vendor and manufacturer product leases; and commercial/industrial loans to finance commercial entities in industries including communications, media, and entertainment; energy, healthcare, industrials, information services and technology, restaurants, retail, sports and gaming. A large number of these commercial loans are syndicated deals or participations with other financial institutions or sponsoring equity firms. CIT Bank does not offer any consumer loans, farm loans, credit card loans, overdraft protection programs, or 1 to 4 family residential mortgage loans.

As of December 31, 2012, CIT Bank reported total assets of $12.2 billion, total loans of $8.1 billion, and total deposits of $9.6 billion. The composition of the bank's loan portfolio is depicted in Table 1. As noted above, commercial real estate, commercial and industrial loans (commercial loans) comprise 78.8 percent of total loans and leases. Commercial leases (capital and operating) comprise 18.6 percent of total loans and leases. Multi-family residential loans comprise 1.5 percent, and construction and land development loans comprise 1.1 percent, of total loans and leases. Commercial lending and leasing represents 97.4 percent of the bank's total loan and lease portfolio. Deposits are comprised of wholesale CODs which represent 44 percent of total deposits, and retail CODs, savings accounts, and MMDAs which represent 56 percent of total deposits.

Table 1 – Loan Portfolio Distribution as of December 31, 2012		
Loan Type	**Dollar Volume (000)**	**Percentage of Total Loans**
Construction and Land Development	89,653	1.1
Secured by Farmland	-	-
Revolving Open-end 1 to 4 Family Residential	-	-
Closed-end 1 to 4 Family Residential First Lien	-	-
Closed-end 1 to 4 Family Residential Junior Lien	-	-
Multi-family Residential	122,152	1.5
Commercial Real Estate	575,145	7.1
Total Real Estate Secured	**786,950**	**9.7**
Loans to Finance Agricultural Production	-	-
Commercial and Industrial Loans	5,784,749	71.7
Consumer Credit Cards	-	-
Other Consumer Revolving Loans	-	-
Closed-end Consumer Loans	-	-
Obligations of States and Political Subdivisions	-	-
Other Loans	-	-
Lease financing receivables	1,498,105	18.6
Less: Any Unearned Income on Loans	-	-
Total Loans	**8,069,804**	**100.0**
Source: December 31, 2012, Call Report		

There are no legal or financial impediments that prevent the bank from helping to meet the credit and CD needs of its AA. CIT Bank received a "Satisfactory" rating in its previous CRA PE dated November 15, 2010.

From September 30, 2010, through December 31, 2012, CIT Bank's total assets increased from $7.4 billion to $12.2 billion, respectively; which represents a rate of growth of 64.6 percent. During this same period, CIT Bank's total loans grew from $5.3 billion to $8.1 billion, respectively; which represents a rate of growth of 52.3 percent.

DESCRIPTION OF ASSESSMENT AREA

CIT Bank has designated all of Salt Lake County, Utah, as its CRA AA. The bank's main office is located in Salt Lake City, Utah. CIT Bank has no branches, and lending and support operations are primarily located in Florida, New York, and New Jersey. The Salt Lake County AA does not arbitrarily exclude any LMI geographies and conforms to the requirements of CRA.

The evaluation of all CD loans, investments, grants, and services was conducted within the context and geographic delineation of Salt Lake County, the State of Utah, and/or the larger regional area containing the AA. Beginning January 1, 2012, institutions must collect 2012 CRA loan data using updated 2010 U.S. Census Bureau census tract (CT) data. CRA PEs will rely on the 2000 U.S. Census data to assess CRA performance in 2010 and 2011, and the 2010 Census data to assess CRA performance in 2012 and subsequent years. Since both the 2000 and 2010 census data apply to the current CRA PE, demographic data is presented in Tables 2 and 3 for each census period, respectively.

Table 2 reflects 2000 U.S. Census data, which shows that the AA contains 193 CTs (5 low-, 43 moderate-, 90 middle-, and 55 upper-income). Low-income CTs account for 2.6 percent of the total number of CTs in the AA, while moderate-income CTs account for 22.3 percent of the AA total. The total population of the AA is 898,387 persons. Table 2 shows demographic data about the bank's AA based on 2000 U.S. Census data, 2011 Dun & Bradstreet (D&B) data, and 2011 Adjusted Median Family Income (AMFI) data provided by the U.S. Department of Housing and Urban Development (HUD).

Table 2 – 2000 U.S. Census Demographic Information for the AA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA % of #**
Census Tracts*	193	2.59	22.28	46.63	28.50	0.00
Population by Census Tract Income Level*	898,387	0.85	23.55	48.82	26.78	0.00
Owner-Occupied Housing Units by Census Tract Income Level*	203,690	0.21	17.40	51.86	30.53	0.00
Businesses by Census Tract Income Level**	125,990	5.88	18.90	42.35	32.87	0.00
Families by Income Level*	215,864	16.99	19.92	24.85	38.24	0.00
Distribution of LMI Families throughout the AA Geographies	79,691	1.56	35.80	49.27	13.37	0.00
Median Family Income* HUD Adjusted Median Family Income for 2011 Households Below Poverty Level*		$54,586 $70,400 8%	Median Housing Value*		$165,698	
*Source: *2000 U.S. Census Data, **2011 D&B Data*						

Table 3 reflects 2010 U.S.Census data, which shows that the AA contains 212 CTs (12 low-, 41 moderate-, 97 middle-, 60 upper-, and 2 CTs with no income reported). Low-income CTs account for 5.7 percent of the total number of AA CTs, while moderate-income CTs represent 19.3 percent of the total number of AA CTs. The total population of the AA is 1,029,655 persons. Table 3 shows selected demographic data about the bank's AA based on 2010 U.S Census data, 2011 D&B Data, and 2012 HUD AMFI.

Table 3 – 2010 U.S. Census Demographic Information for the AA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA % of #**
Census Tracts*	212	5.66	19.34	45.76	28.30	0.94
Population by Census Tract Income Level*	1,029,655	4.68	18.50	49.36	27.09	0.37
Owner-Occupied Housing Units by Census Tract Income Level*	229,637	2.52	14.05	51.79	31.64	0.00
Businesses by Census Tract Income Level**	115,592	4.62	18.66	43.31	32.95	0.46
Families by Income Level*	236,504	18.75	18.98	22.88	39.39	0.00
Distribution of LMI Families throughout the AA Geographies*	236,504	4.19	17.27	49.72	28.82	0.00
Median Family Income* HUD Adjusted Median Family Income for 2011 Households Below Poverty Level*		$71,242 $71,300 10%	Median Housing Value*		$252,807	
*Source:*2010 U.S. Census Data; **2012 D&B*						

Based on 2000 and 2010 U.S. Census data, Salt Lake County's 2010 total population represents an increase of 14.6 percent over the 2000 total population. The AA's 2010 population total represents 37.3 percent of the state's 2010 population total of 2,763,885 persons.

Salt Lake County does not host any distressed or underserved middle-income geographies. There was only one Federal Emergency Management Agency declared disaster in Salt Lake County during the evaluation period. This was the Utah Rose Crest Fire disaster, with an incident period of June 29, 2012, to June 30, 2012. This disaster had no material effect on the CD profile of the AA.

Economic Information

According to Moody's Economy.com, as of December 2012, Salt Lake County is booming due to a positive county-wide hiring trend for the professional services, leisure and hospitality sectors. Total employment has surpassed the pre-recession peak in November of 2012. The 4th quarter of 2012 unemployment rate dropped 0.8 percent since the 2nd quarter of 2012, despite upward pressure from the rapidly expanding labor force. As of the 4th quarter of 2012, the unemployment rate for Salt Lake County was 4.8 percent, the first time the unemployment rate was below 5 percent since 2008. The county's 4.8 percent unemployment rate is below the state rate of 5.1 and the national rate of 7.5 percent. Technology growth and expansion will be a key source of payroll and income growth as Salt Lake County transitions into one of the nation's top technology locations. According to the Utah Department of Workforce Services, the AA's largest non-government employers are Intermountain Health Care, the University of Utah, Wal-Mart, Zions BanCorp, and Delta Airlines.

The strength of the labor market, a rapidly growing population, and a shortage of housing supply will drive housing prices and housing construction upward in the near term. The current real estate market is underpriced and severely undersupplied. As house prices increase, the lack of supply will drive developers to begin building. According to the Utah Association of Realtors, the Salt Lake County homeownership rate is 6 percent below its peak in 2011, and inventories are at their lowest level since 2007. The rate of foreclosures is at its lowest level since 2008, and recently dipped below the nationwide level. Short sales and other real estate owned sales rose in 2011. These distressed and discounted properties represented 30 percent of the total home sales in Salt Lake County during 2011.

Community Contacts

Two recent community contacts were reviewed for this evaluation. These contacts were an affordable housing and an economic development organization. The director of a local housing authority involved in affordable housing development indicated that there is a critical need for housing for the homeless, services for senior citizens, and transitional housing for people impacted by recent mortgage troubles. The director stated that he has been pleased with local community and financial institution involvement. One example of financial institution involvement that he pointed to was the assistance provided through the Utah Community Reinvestment Corporation (UCRC), which has provided much needed financial assistance for the development of affordable housing. The involvement by retail and industrial banks in the UCRC illustrates a strong commitment to affordable housing needs within the AA. However, there continues to be a need for housing assistance, school programs, services for seniors, and other related community services.

The other contact was a Community Development Corporation (CDC) organized to revitalize blighted neighborhoods in Salt Lake County and statewide. This organization provides homebuyer education and one-on-one counseling to many communities throughout the State of Utah. The CDC receives the majority of its funding from HUD and various municipalities. It also receives some grant money from financial institutions and foundations. The CDC director stated that Utah is a favorable environment for CD investment opportunities. He indicated that local financial institutions have been especially helpful and responsive in providing funding for affordable housing projects.

Assessment Area Credit and Community Development Needs

CIT Bank contacted a number of CD organizations, government agencies, and community advocates in assessing the needs of its AA and the CD lending, investments, and service opportunities within the AA. CIT Bank identified the following opportunities and critical needs:

CD Opportunities:

- Grants
- Capacity building
- Loans

Critical Needs:

- Affordable housing
- Poverty alleviation
- Services for the homeless
- Employment opportunities and counseling

- Economic development
- Foreclosure counseling

The CD activities and resources comprising the bank's CRA program have been structured to respond to these areas of need inside its AA or broader statewide and/or regional area.

Competition in the Assessment Area

Within the bank's AA there is strong competition among several large financial institutions. Although select opportunities exist within the AA for CD loans, investments, and services, the ability of CIT Bank to participate is limited due to the number of large financial institutions within Salt Lake County. According to the FDIC Summary of Deposits database, as of June 2012, there were 247 FDIC-insured offices of competitor institutions, holding $310 billion in deposits representing a 91 percent AA market share. Additionally, the number of non-profit organizations in the AA has shrunk during the current review period. CIT Bank partners with these non-profit organizations in providing CD loans, investments, grants, and services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE

CIT Bank is being evaluated as a LPI for this CRA PE, based on its qualified CD activities. In order to qualify for CD, a loan, investment, grant, or service must have as its primary purpose: (1) affordable housing; (2) services targeting LMI individuals or families; (3) activities that promote economic development by financing small farms and/or small businesses; or (4) activities that revitalize or stabilize LMI areas, distressed or underserved middle-income geographies, and designated disaster areas.

Community Development Lending

CIT Bank originated an adequate level of CD loans within the AA or statewide/regional area benefiting the AA. During the evaluation period, the bank originated, committed, and or/funded 38 qualified CD loans totaling $18.5 million within its AA and broader statewide/regional area. This lending activity supported affordable housing, revitalization and stabilization of LMI geographies, economic development, and small business lending. Qualified CD loans are 0.21 percent of the average of total assets of $9.0 billion over the evaluation period (nine calendar quarters from quarter-end December 31, 2010, through quarter-end December 31, 2012), and 0.29 percent of the average of total loans of $6.4 billion over the same period. Table 4 details CD loans by year and purpose.

Table 4 – CD Lending in the AA								
Community Development	**2010***		**2011**		**2012**		**Total**	
	#	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**
Affordable Housing	2	80	2	5,023	2	7,608	6	12,711
Revitalization and Stabilization	-	-	-	-	1	808	1	808
Micro Small Business Lending	-	-	12	0.6	8	0.4	20	1
Economic Development	-	-	-	-	1	1,000	1	1,000
Small Business Lending	-	-	4	1,603	4	2,435	8	4,038
Totals	**2**	**80**	**18**	**6,627**	**16**	**11,851**	**36**	**18,558**

*Source: Bank records. *2010 only includes activity from November 15, 2010, through December 31, 2010.*

As shown in Table 4, a majority of CD loans (63.9 percent of total dollar volume) were originated in 2012, the latter half of the evaluation period.

CIT Bank is a member of the UCRC, a statewide consortium that funds affordable multi-family housing loans. This consortium is a non-profit Community Reinvestment Corporation whose membership is comprised of local financial institutions. The consortium uses a pool of funds provided by its members to provide funding and technical assistance to project sponsors in developing affordable housing for LMI individuals and families. Funds are available for new construction and the acquisition and/or rehabilitation of existing housing.

Since the previous CRA PE, CIT Bank has allocated funds through this consortium to finance 3 new projects totaling $103,000 and in 2011, renewed its total commitment of $5 million with the UCRC. This $5 million commitment remained in place throughout the entire evaluation period. CIT Bank expanded investment in the consortium by acquiring a $2.6 million funded commitment from a financial institution exiting the program. Additionally, CIT Bank acquired this institution's future commitment to invest in 19 new projects totaling $3.5 million. This transaction is included within the 2012 totals. The bank participated in 16 loans through the UCRC loan pool during the evaluation period.

The following are notable examples of CIT Bank's CD lending activity, including the affordable housing projects through the UCRC:

- **Economic Development Revolving Loan Fund** – The Salt Lake County Economic Development Revolving Loan Fund is a consortium of six banks and Salt Lake County to provide financing for small businesses to create permanent full-time jobs targeted to LMI individuals. CIT Bank has a 14.3 percent interest in this consortium representing a $1 million commitment.

- **Affordable Housing Mission Investment Fund (AHMI) II –** The AHMI is a 50/50 participation loan between CIT Bank and one other lender. AHMI was developed by a local Community Development Financial Institution (CDFI) to attract other financial institutions that could provide a source of low-cost capital. AHMI is a loan pool that assists NeighborWorks Organizations nationwide to achieve their mission of providing medium-term loans to non-profit organizations. These non-profit organizations develop affordable and sustainable housing as well as economic development and neighborhood revitalization projects. CIT Bank provided a commitment of $5 million in 2012 towards a total loan pool of $10 million. This is an innovative and complex loan, which demonstrates CIT Bank's responsiveness in assisting a local CDFI to provide capital to non-profit organizations serving local communities nationwide.

- **New Markets Tax Credit Loan** – The Tribune Building in Salt Lake City was renovated to provide housing and classroom space for Neumont University. Developers used an innovative and complex form of financing due to the number of parties involved and multiple transactions needed to channel tax credits, equity, and leveraged debt capital to the project. As part of an urban revitalization initiative, this renovated project will provide 42 residential units and 44,070 square feet of commercial space in downtown Salt Lake City. The entire building will be leased by Neumont University. This project created 17 part-time jobs with 5 from LMI households and 33 full-time construction jobs during the rehabilitation phase. Upon completion, it is expected that the project will create 20 ongoing jobs with five of them employing LMI individuals.

- **Low-Income Multi-family Housing Complex –** This is a project in Salt Lake County that will provide 112 units of affordable housing, including 68 studio, 31 one-bedroom, and 12 two-bedroom units. All of the rents are restricted to families earning less than 60 percent of the AMFI with 20 units restricted to 35 percent of the AMFI. These 20 units are often subsidized by Housing Assistance Payment Vouchers provided by a local housing authority.

- **Low-Income Housing Tax Credit** – This project provided term financing for a multi-family, affordable housing project in Brigham City, Utah, within the broader statewide area that includes the bank's AA. This project provides 56 units of duplex houses in a planned unit development. All rental units are restricted to families earning 25-50 percent of the AMFI, with the average rent equaling 43 percent of the AMFI.

Community Development Investments and Grants

CIT Bank transacted an adequate level of qualified CD investments and grants that are responsive to the CD needs of the AA and the broader statewide area that includes the AA. Examiners identified approximately $123 million in qualified investments, including debt or equity investments and qualified donations and grants. Total current-period and prior-period qualified investments and grants of $123 million represent 1.4 percent of the average of total assets during the evaluation period. CIT Bank made 103 new qualified CD investments and grants totaling $87.6 million during the evaluation period. These new qualified investments represent 1 percent of the average of total assets of $9 billion over the evaluation period (nine calendar quarters from quarter-end December 31, 2010, through quarter-end December 31, 2012). However, the bank made limited use of innovative or complex qualified investments. Table 5 summarizes the number and dollar volume of the bank's qualified investments made during the evaluation period, including carryover balances from qualified investments made during the previous CRA Evaluation period.

Table 5 – CD Investments in the AA

Year	Total		Affordable Housing		Community Development Services		Economic Development		Revitalization or Stabilization	
	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)
Prior Period	36	35,407	36	35,407	-	-	-	-	-	-
Total Prior Period	**36**	**35,407**	**36**	**35,407**	**-**	**-**	**-**	**-**	**-**	**-**
***2010**										
Salt Lake County	1	66	1	66	-	-	-	-	-	-
Statewide Area	-	-	-	-	-	-	-	-	-	-
Total 2010	**1**	**66**	**1**	**66**	**-**	**-**	**-**	**-**	**-**	**-**
2011										
Salt Lake County	-	-	-	-	-	-	-	-	-	-
Statewide Area	3	1,491	3	1,491	-	-	-	-	-	-
Total 2011	**3**	**1,491**	**3**	**1,491**	-	-	-	-	-	-
2012										
Salt Lake County	21	72,971	21	72,971			-	-	-	-
Statewide Area	10	12,707	10	12,707	-	-	-	-	-	-
Total 2012	**31**	**85,678**	**31**	**85,678**			**-**	**-**	**-**	**-**
Total Current Period	**35**	**87,235**	**35**	**87,235**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**71**	**122,642**	**71**	**122,642**	**-**	**-**	**-**	**-**	**-**	**-**

*Source: Bank records. *2010 only includes activity from November 15, 2010, through December 31, 2010.*

As reflected in Table 5, a significant majority of new qualified investments (98.1 percent of total dollar volume) were acquired in 2012, the latter half of the evaluation period. Of the 2012 investments, the largest portion consists of mortgage-backed securities totaling $60.1 million that are secured with mortgages from LMI borrowers residing in the AA or the broader statewide area that includes the AA. A majority of these collateralized mortgages are in the bank's designated AA.

CIT Bank reinvested all of the dividends earned (totaling $939,000) in the CRA Qualified Investment Fund during the evaluation period. Additionally, in 2012 this pooled investment funded $12.3 million for 9 affordable housing projects in the bank's AA. This fund's cumulative impact provided 851 affordable housing units within the AA and broader statewide area, as well as 162 affordable housing units outside the AA, during the evaluation period. Since its inception, the CRA Qualified Investment Fund has invested over $4 billion in CD initiatives on behalf of its shareholders.

CIT Bank maintained 36 qualified CD investments totaling $35.4 million that were made prior to the current evaluation period. These investments represent outstanding balances of affordable housing mortgage-backed securities and Utah Housing Bonds.

CIT Bank provided 68 grants totaling $352,000 to local non-profit CD organizations. These organizations provided affordable housing, economic development, and community services to the homeless and at-risk youth. Table 6 details CIT Bank's qualified grants in the AA by purpose, year, and number.

Table 6 – CD Donations in the AA								
Community Development Purpose	***2010**		**2011**		**2012**		**Total**	
	#	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**
Affordable Housing	0	0	7	16	7	78	14	94
Community Services	0	0	18	61	24	144	42	205
Economic Development	0	0	5	10	6	36	11	46
Revitalize or Stabilize Community	0	0	0	0	1	7	1	7
Totals	**0**	**0**	**30**	**87**	**38**	**265**	**68**	**352**

*Source: Bank records. *2010 only includes activity from November 15, 2010, through December 31, 2010.*

As shown in Table 6, a significant majority of CD grants (75.3 percent of total dollar volume) were provided in 2012, the latter half of the evaluation period. The majority of CIT Bank's qualified grants were directed to CD organizations providing essential services to LMI individuals and families within the AA. The following are notable highlights of the services provided by these organizations:

- **Affordable Housing –** CD organizations providing technical assistance or development resources for single- and multi-family affordable housing.

- **Poverty Assistance –** CD organizations serving LMI individuals and families by providing education, legal services, health care, financial services, and basic necessities such as food and shelter.

- **Homelessness –** CD organizations serving homeless individuals. Services offered include basic needs such as temporary housing, medical services, food, and offering long-term solutions such as permanent housing, mental and social counseling, drug rehabilitation, and employment services.

- **Unemployment –** CD services to assist unemployed individuals (including disabled individuals), counseling for start-up small businesses, mentoring, and identifying job leads for homeless individuals.

- **Foreclosure Counseling –** Grants were provided to organizations that were HUD-approved counseling agencies to assist in foreclosure counseling.

- **Community Development –** CD organizations providing essential services to LMI individuals. These services include after-school programs for children in low-income families, educational services for low-income children, and the revitalization and stabilization of distressed or LMI neighborhoods.

Community Development Services

CIT Bank provided an adequate level of CD services focusing on the CD needs and opportunities within the AA. During the evaluation period, CIT Bank management and staff personnel provided 327 hours of CD service.

CIT Bank representatives served on, and volunteered their skills and expertise to, the credit committees and boards of 15 local non-profit organizations that primarily serve LMI families and individuals throughout the AA. Table 7 summarizes these CD service activities.

Table 7 – CD Services in the AA

Qualifying Services	Activities	2010*	2011	2012	Totals
		Hours	Hours	Hours	Hours
Affordable Housing	Board and committee service to entities engaged in affordable housing development	0	69	78	147
Financial Literacy	Provision of financial literacy training targeted to LMI individuals and students.	0	41	82	123
Economic & Development	Promote economic and development opportunities.	0	30	27	57
	Totals	**0**	**140**	**187**	**327**

Source: Bank records. **2010 only includes activity from November 15, 2010, through December 31, 2010*.

As shown in Table 7, a majority of CD service hours (57.2 percent) were performed over the latter half of the evaluation period. Throughout the evaluation period, CIT Bank employed an average of 36 employees in its Salt Lake City location. This equates to approximately 4.5 hours of CD service per employee per year.

Examples of CD service include the following:

- Members of bank management provided their financial expertise while serving on the boards of various organizations that provide affordable housing for LMI individuals and families within the bank's AA.

- A senior bank officer provided financial expertise for a local non-profit organization that provides financing and management support to entrepreneurs in start-up and existing firms that do not have access to traditional sources of capital. This target audience also includes those who are socially and economically disadvantaged.

- A member of bank management served on a steering committee of an economic development organization that brought a nationally recognized CDFI with expertise in small business lending to Salt Lake City to address gaps in the Salt Lake County small businessmarket. This bank officer, along with the CDFI representative, assisted this organization in building a presence in Salt Lake County and assisted in the development of a revolving loan pool to assist small business owners.

SUMMARY OF INSTITUTION'S OTHER COMMUNITY DEVELOPMENT ACTIVITIES

CIT Bank adequately addressed the CD needs of its AA. Therefore, consideration was given to qualified CD loans, investments, and services that have benefitted areas within the broader statewide or regional areas that include the bank's AA. These additional CRA qualified activities were provided by the bank's parent, CIT Group.

CIT Group is the largest originator of SBA 7a loans in the nation. CIT Group also originates SBA 504 certified development company program loans. During the evaluation period, CIT Group originated four qualified SBA loans totaling $2 million outside the bank's AA. These loans promoted economic development by creating 49 new jobs and retaining 38 existing jobs.

CIT Group provided $14,000 in CRA qualified grants to 6 non-profit organizations serving LMI individuals and families. Some of these organizations were involved in providing relief to victims of Hurricane Sandy, which affected the northeastern U.S. in October and November of 2012.

CIT Group employees provided 333 qualified CRA service hours. Employees working in New York and North Carolina partnered with Junior Achievement to provide financial education to children in these areas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with meeting the community credit needs of the AA was identified.

APPENDIX A – SCOPE OF EXAMINATION

TIME PERIOD REVIEWED	November 15, 2010 to March 18, 2013	
FINANCIAL INSTITUTION CIT Bank		**PRODUCTS REVIEWED** Community Development Loans Community Development Investments Community Development Services
AFFILIATE	**AFFILIATE RELATIONSHIP**	**PRODUCTS REVIEWED**
CIT Group, Inc.	Bank holding company	Community Development Small Business Loans Community Development Grants Community Development Services

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Salt Lake County, UT	Limited-Purpose	None	None

APPENDIX B – GLOSSARY

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

(i) Low-or moderate-income geographies;
(ii) Designated disaster areas; or
(iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
    a. Rates of poverty, unemployment, and population loss; or
    b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of geography.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of geography.

PUBLIC EXHIBIT 12

OneWest Bank, FSB Community Reinvestment Act Performance Evaluation, dated February 6, 2012

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

February 06, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

OneWest Bank, FSB
Charter Number 718129

888 East Walnut Street
Pasadena, CA 91101-7211

Office of the Comptroller of the Currency

Midsize Banks Supervision
1 South Wacker Drive, Suite 2000
Chicago, IL 60606

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The following table indicates the performance level of OneWest Bank, FSB (OneWest or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	OneWest Bank, FSB Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Community development (CD) lending performance is good. The bank's CD lending addressed several identified CD needs and had a positive impact on OneWest's CRA performance.
- The bank's geographic distribution of loans is Excellent.
- The bank's significant use of flexible and innovative loan products with the United States Treasury's Home Affordable Mortgage Program (HAMP) and several other loan modification programs had a positive impact on OneWest's lending performance.
- The bank has an adequate level of qualified investments that benefit the full-scope AA.
- OneWest provided a relatively high level of CD services that incorporate fundraising and financial education for CD organizations.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

(i) Low-or moderate-income geographies;
(ii) Designated disaster areas; or
(iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
   a. Rates of poverty, unemployment, and population loss; or
   b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

OneWest is a federally chartered stock institution located in Pasadena, California. As of September 30, 2011, the bank had total assets of $27.4 billion. The bank is a direct subsidiary of OneWest Bank Group LLC and an indirect subsidiary of IMB HoldCo LLC (IMB HoldCo). IMB HoldCo is a unitary thrift holding company whose primary purpose is the ownership of a savings and loan institution.

OneWest requested consideration for the activities of Financial Freedom Acquisition LLC (Financial Freedom), a wholly-owned subsidiary, in the evaluation of its performance. Financial Freedom was involved in the origination of reverse mortgages until March 2011, when OneWest exited the reverse mortgage business. As of September 30, 2011, the portfolio totaled $32.5 million, and individual loans continue to be serviced by the bank's mortgage servicing division.

OneWest commenced operations on March 19, 2009, with the acquisition of the receivership assets and certain liabilities of a former national mortgage lender headquartered in Pasadena, California. The bank continued to grow through acquisitions from the FDIC of certain assets, loans, and deposits of two other failed California-based financial institutions in the fourth quarter of 2009 and first quarter of 2010.

OneWest is an intrastate bank, with 78 full service branches throughout five AAs located in Southern California. The five AAs include: (1) Los Angeles-Long Beach-Glendale, CA MD; (2) Oxnard-Thousand Oaks-Ventura, CA MSA; (3) Riverside-San Bernardino-Ontario, CA MSA; (4) San Diego-Carlsbad-San Marcos, CA MSA; and (5) Santa Ana-Anaheim-Irvine, CA MD.

Customers have nationwide access to ATMs through the bank's Star/Plus and NYCE ATM networks. Seventy-five of the 78 branches have their own ATM that provide 24/7 access. Delivery systems, such as ATMs, telephone banking, and online banking, effectively provide customers access to banking services after normal business hours.

OneWest primarily invests in one-to-four family mortgage loans (36.9 percent of total assets). The bank also originates multi-family mortgage loans (9.9 percent), nonresidential and land loans (5.6 percent), commercial loans (1.2 percent), and residential construction loans (0.2 percent), but these loans represent a small percentage of the total portfolio. OneWest funds loans with deposit accounts and, to a lesser extent, FHLB advances.

As of September 30, 2011, loans totaled $14.7 billion, representing 53.8 percent of total assets. OneWest reported Tier 1 Capital (Core Capital) of $3.8 billion, (13.8 percent) for the same time period. The bank's sound Capital position provides sufficient capacity to meet the credit needs of the community.

During the evaluation period, management's primary focus was on integrating the failed bank acquisitions and rebuilding operational infrastructures. Going forward, management will emphasize commercial loans to position the balance sheet more like a commercial bank. This would include an increased emphasis in originating small business loans that were not a factor in this evaluation.

OneWest offers fixed- and variable-rate mortgage products for the purchase, improvement, and refinance of home loans. All conforming loans are originated for sale in the secondary market. The bank offers various commercial and consumer loans and has a full complement of banking products including: checking, savings, individual retirement accounts, certificates of deposit, and money market accounts.

OneWest operates in a competitive financial services market; however, there are no legal, financial, or other factors to impede its ability to help meet the credit needs of its AA.

This is the first CRA examination of OneWest since its inception in 2009.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for this review is March 19, 2009 through September 30, 2011. The evaluation period captures the inception of OneWest Bank and the first three years of activity as a de novo institution. For the Lending Test, we evaluated home mortgage refinance loans, home purchase loans, multifamily loans, and CD loans. We did not perform a detailed analysis of home improvement loans, as these loans represent an insignificant portion (less than 1 percent) of total reported loans. The bank originated or purchased no small loans to businesses or farms, given its primary focus on residential mortgage lending during the evaluation period.

The evaluation period also included a review of the bank's CD loans, investments, and services. We based our conclusions related to CD loans and qualified investments on the number and dollar amounts made during the evaluation period. We also considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by others.

Data Integrity

We performed a data integrity review of the loan information indicated above. We chose a random sample of 180 HMDA loans, or 60 loans for each year in the review period. We compared the information contained on the publicly filed loan register to the information contained in the bank's loan files and evaluated the processes the bank employees use to ensure data accuracy. We found the bank's HMDA loan data to be of good quality.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's Los Angeles-Long Beach-Glendale MD AA. We conducted limited scope reviews of the bank's Santa Ana-Anaheim-Irvine MD, Oxnard-Thousand Oaks-Ventura MSA, Riverside-San Bernardino-Ontario MSA, and San Diego-Carlsbad-San Marcos MSA AAs. We chose the Los Angeles-Long Beach-Glendale AA for a full-scope review because it represents the majority of the institution's deposits, loan originations, and branches. This AA holds more than 69 percent of the bank's branch deposits and nearly 67 percent of its branches. Please refer to Appendix A later in the report for more information.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. Additionally, ratings under each test are the consolidation of conclusions reached for each full-scope AA, along with consideration of any impact on performance by the limited-scope AAs.

Other

A community contact from the Los Angeles AA was made in conjunction with this review. The contact was a representative involved with economic development in the local community. Our contact believes the primary credit needs are financial contributions and grants from financial institutions. The need for increased financial contributions and responsiveness from financial institutions was considered in our evaluation of OneWest's performance under the Lending, Investment, and Service Tests.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

Further, section 1025 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) assigns to the CFPB exclusive examination authority, and primary enforcement authority, to ensure compliance by banks and FSAs with Federal consumer financial laws, if the bank or FSA has more than $10 billion in assets. The CFPB has not provided the OCC with any information about, or other evidence of, discriminatory or other illegal credit practices relative to this institution with respect to the Federal consumer financial laws.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the lending test is rated "High Satisfactory."

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Los Angeles-Long Beach-Glendale MD is good. Community development lending in the Los Angeles AA was good and had a positive impact on the bank's performance. Performance in the limited scope AAs was generally consistent with the performance in the full scope AA and did not have an impact on the overall lending test rating.

Lending Activity

Refer to Table 1 "Lending Volume" in appendix C for the facts and data used to evaluate the bank's lending activity.

OneWest's overall lending levels reflect an adequate responsiveness to AA credit needs given the bank's business strategy, volume of lending, and competition. Residential mortgage lending has been the primary loan product for the bank.

There is strong competition for residential mortgage loans in the bank's markets. In OneWest's full-scope AA, Bank of America, Wells Fargo, JPMorgan Chase, and Citigroup are dominant home mortgage lenders. There is also strong competition in each of OneWest's limited-scope AAs where nationally recognized mortgage lenders, such as Bank of America, Wells Fargo, and JPMorgan Chase, claim the majority of the market share.

As of June 30, 2011, OneWest held a 4.72 percent market share of the dollar amount of deposits; ranking 7th among 126 FDIC insured financial institutions in the full-scope AA. During the same period, the bank achieved a 0.23 percent market share by number of HMDA loans, ranking 54th among 740 reporting lenders. The bank is ranked 37th with a 0.31 percent market share in home refinance loans. OneWest's primary focus during the de novo period was improving the performance of existing loans within the portfolio, including through such programs as HAMP. Combined with the aforementioned competition from the nation's largest banks, the loss mitigation and servicing focus reasonably explains the differences between deposit and loan market share.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is excellent. Since its inception on March 19, 2009, OneWest's mortgage lending was generated primarily through its mortgage servicing portfolio, and thus, refinance transactions make up a significant portion of the bank's residential mortgage loan originations. In addition, OneWest acquired the assets of two failed financial institutions, both of which included multifamily lending.

Home Refinance Lending

The bank's distribution of home refinance lending by income level of geography in the Los Angeles-Long Beach-Glendale MD is excellent. The distribution of loans within low- and moderate-income (LMI) census tracts (3.6 and 18.8 percent, respectively) exceeds the percentage of owner occupied units (1.9 and 15.5 percent, respectively) in those tracts. The distribution of the 2010 HMDA aggregate's home refinance lending within LMI census tracts was 0.8 and 8.5 percent, respectively. OneWest's 2010 market share for home refinance loans (0.3 percent) exceeds its overall HMDA market share in this MD and the bank ranked 29 out of 388 lenders.

Home Purchase Lending

OneWest's distribution of home purchase lending by income level of geography in the Los Angeles-Long Beach-Glendale MD is excellent. The distribution of loans within LMI census tracts (3.9 and 20.4 percent, respectively) exceeds the percentage of owner-occupied units in those tracts. The distribution of the 2010 HMDA aggregate's home purchase lending within LMI census tracts was 3.6 and 18.9 percent, respectively. The bank's 2010 market share for home purchase loans in this MD is insignificant.

Multifamily Lending

OneWest's distribution of multifamily lending by income level of geography in the Los Angeles-Long Beach-Glendale MD is good. The distribution in loans within low-income census tracts (8.6 percent) is lower than the percentage of multifamily units (12.9 percent) in those tracts. The distribution of loans within moderate-income census tracts (33.3 percent) is higher than the percentage of multifamily units (31.7 percent) in those tracts. The distribution of the 2010 HMDA aggregate's multifamily lending with LMI census tracts was 12.4 and 35.9 percent, respectively. The bank's 2010 market share in LMI census tracts (1.2 percent) is slightly lower than its overall market share of multifamily lending (1.5 percent).

Lending Gap Analysis

Maps and reports were reviewed to identify any gaps in the geographic distribution of home mortgage. No unexplained or conspicuous gaps were identified.

Inside/Outside Ratio

The inside/outside ratio was calculated using information that included OneWest's originations and purchases only and not extensions of credit by affiliates that are being considered under the other performance criteria. The analysis was conducted at the bank level and included lending throughout all of the bank's AAs.

The inside/outside ratio is considered reasonable given the bank's business strategy. During the review period, OneWest originated or purchased 32.7 percent of the number of loans within the combined AAs. The majority of loan applications came from the loan servicing portfolio of an acquired failed institution, a former nationwide lender. The bank's initial CRA Plan, which was approved by the Office of Thrift Supervision, indicated an anticipated inside/outside ratio of 15.0 percent. OneWest's current ratio is stronger than projected and is expected to rise steadily as branch-based loan originations increase through the bank's Mortgage Lending Unit, which was launched in the fourth quarter of 2009. Moving forward, the bank will focus on establishing itself as a regional commercial bank, as it has developed products and service channels to better serve both consumers and businesses in the Southern California area.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data regarding the borrower distribution of the bank's home mortgage loan originations and purchases.

Our evaluation of the bank's CRA performance does not include an analysis of borrower distribution. Because of limited borrower income information available, a detailed analysis would not be meaningful. Since its inception on March 19, 2009, OneWest's mortgage lending was primarily generated through its mortgage servicing portfolio, and thus, refinance transactions makeup a significant portion of the bank's residential mortgage loan originations. In addition, OneWest acquired the assets of two failed financial institutions, both of which provided multifamily lending. Loans purchased from the other financial institutions did not retain borrower income information and multifamily loans do not obtain borrower income information. Out of 9,101 loans originated or purchased by the bank in the Los Angeles-Long Beach-Glendale MD, no information was available for 98 percent of home purchases loans and 81 percent of home mortgage refinance loans.

Community Development Lending

Refer to Table 1 "Lending Volume" in appendix C for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank's CD lending performance is good. The bank originated a large volume of CD loans in the Los Angeles AA. CD loans that benefited the Los Angeles AA totaled more than $18.5 million. OneWest originated an additional $5.4 million in CD loans within the bank's Riverside AA. These loans promoted economic development by creating or retaining jobs in low- or moderate-income areas or for low- or moderate-income individuals by financing numerous small businesses. Funds also provided a number of affordable housing units and promoted community services targeted to low- or moderate-income individuals. Details regarding OneWest's CD loans are listed below:

- The bank originated a $1.85 million loan for the purchase of a retail strip center located in a moderate-income area in the city of Huntington Park, located in Los Angeles County. The center houses offices on the upper level and retail businesses on the lower level. The center contributes to the local tax base and provides jobs and services for the local community.

- The bank originated a $1.7 million loan for the refinance of a multi-tenant retail project located in a HUD Empowerment Zone in Los Angeles County. The project is located in a low-income census tract within the Fashion District and houses 11 different retailers, which provide tax revenue, jobs, and merchandise for the surrounding community as well as revitalizing and stabilizing the area.

- The bank originated a $3.23 million loan for the refinance of a 36-unit mixed-use multifamily apartment complex over six ground floor retail spaces located in a low-income census tract in Los Angeles County. The units provide affordable housing and the retail spaces provide tax revenue, jobs, and services for the community which includes LMI individuals.

- The bank originated a similar loan totaling $1.25 million for the refinance of a 21-unit mixed-use multifamily apartment complex over six ground floor retail spaces and provides affordable housing and jobs and services to the local community. The complex is located in a low-income census tract and a HUD-designated Renewal Community. This incentive encourages businesses to open, and expand, and to hire local residents and is designed to stimulate job creation and retention.

- The bank originated a loan in the amount of $1.44 million for the refinance of a retail building located in a moderate-income census tract within Los Angeles County. The building houses a retail shoe sales business which provides revenue, jobs, and services and serves to revitalize and stabilize the local community.

- The bank originated a $1.54 million loan for the refinance of a retail/warehouse project located in a low-income census tract and HUD-designated Renewal Community. The building has six retail tenants and one warehouse tenant, each supporting and stabilizing the community with much needed goods, services, and jobs.

- The bank originated a $1.06 million loan for the refinance of a multi-family apartment building. The building will provide 16 units of affordable housing to low- or moderate-income individuals.

- The bank originated a $6.47 million loan for the refinance of a 105-unit apartment building. More than 95.0 percent of the units will provide affordable housing to low- or moderate-income individuals.

The bank also received consideration for loans benefiting a broader statewide area including the bank's other AAs. The bank extended a $1.78 million loan to refinance a multi-tenant auto service center located in a moderate-income census tract within Riverside County. One of the subject property's buildings contains a drive through lube and oil change facility, while the other three buildings house three to six tenants with a total of 46 service bays. The bank provided another loan for $1.55 million providing funding for the refinance of an 11-unit retail building located in a low-income census tract in Riverside County and within the City of Moreno Valley's Redevelopment Area. The redevelopment program seeks to eliminate and prevent the spread of blight and deterioration of the plan area and retain or expand as many existing businesses as possible. Finally, the bank originated a loan totaling $2.1 million to refinance a single tenant office building located in a moderate-income census tract within San Bernardino County. These funds benefit the bank's AAs by providing economic stabilization and revitalization to the local communities.

The bank's CD lending addressed identified community needs and had a positive impact on the bank's CRA performance.

Product Innovation and Flexibility

OneWest makes extensive use of flexible and innovative lending products. The bank offers five modification programs as well as three delegated programs from Fannie Mae and Freddie Mac. Bank-offered programs include HAMP, CAP, Custom, and OneWest 24, 35, and 38. Delegated programs include Fannie Mae and Freddie Mac Delegation, FNMA 24, and FNMA and Freddie ALT Mod II.

OneWest developed and adopted innovative and flexible residential loan modification programs responsive to the needs of the bank's distressed LMI borrowers who wish to remain in their homes. The loss mitigation programs have been designed to make loan restructuring modification options affordable, long term, and sustainable. The programs employ flexible underwriting standards, including extended amortization periods, relaxed loan-to-value collateral standards, reduced interest rates, and others and are available throughout all of the bank's AAs.

From inception through September 30, 2011, the bank completed 15,812 loan modifications in the Southern California MSA and $114.5 million in principal reductions. Nearly 50 percent of those loans considered for modification were given temporary approvals. Additionally, 81 percent of those given temporary approvals were given permanent approvals.

Of the 15,812 loan modifications noted above, 7,321 were done in the full scope assessment area of Los Angeles-Long Beach-Glendale CA. And within this group, 10.1 percent benefitted low-income borrowers and another 30.2 percent benefitted moderate-income borrowers.

Principal reductions are one segment of OneWest's loan modification program. Of the $114.5 million achieved through the principal reduction program, $39.5 million (from 305 loans) occurred in the Southern California market. The most significant amounts were realized in the Los Angeles-Long Beach-Glendale MD segment (123 loans modified at an aggregate principal reduction of $17.4 million) and Riverside-San Bernardino MSA (84 loans at an aggregate principal reduction of $11.6 million).

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Santa Ana-Anaheim-Irvine MD, Riverside-San Bernardino-Ontario MSA, Oxnard-Thousand Oaks-Ventura MSA, and San Diego-Carlsbad-San Marcos MSA is not inconsistent with the bank's overall High Satisfactory rating.

Refer to Tables 1 through 10 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the investment test is rated "Low Satisfactory."

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Los Angeles-Long Beach-Glendale MD AA is adequate.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank has an adequate dollar volume of qualifying investments, grants, and donations that exhibit a good responsiveness to the credit and CD needs of the Los Angeles AA. Qualified investments, grants, and donations totaled more than $69 million. This conclusion considers the numerous investment opportunities within the AA and a statewide or broader area and the bank's capacity to address these needs.

During the evaluation period, OneWest made investments in the Los Angeles AA totaling more than $69 million. The bank invested $64.5 million in affordable housing mortgage securities backed by loans to LMI borrowers. These mortgage-backed securities represent an integral part of OneWest's investment program in the Los Angeles AA. The bank also invested $1.4 million in Low Income Housing Tax Credits (LIHTCs) that helped fund a 101-unit affordable housing project in the Los Angeles AA. In addition, OneWest placed time deposits totaling $2.7 million in nine different minority-owned financial institutions within its Los Angeles AA. These deposits qualify as CD investments.

OneWest's dollar volume of qualified contributions reflects the bank's commitment to help meet identified CD needs. During the review period, OneWest committed $1.4 million to various organizations within the Los Angeles AA that provide affordable housing, youth services, and healthcare. During the same review period, the bank funded $558 thousand to those organizations. Through the "OneWest Bank Foundation," bank management has taken a leadership role by spearheading the "Steps to Success" program. This innovative program is the only one of its kind and promotes financial literacy for LMI "at risk" youth in the Los Angeles AA, an ongoing CD need. Investments are responsive and reflect a moderate level of complexity.

The bank adequately addressed the CD needs in its AA; therefore, we gave positive consideration for qualified investments that benefit the statewide or broader area. During the evaluation period, the bank provided an additional $47.6 million in Low-Income Housing Tax Credit Investments. These investments helped fund more than 271 affordable housing units throughout the State of California and another 189 units in the federal disaster area affected by Hurricane Katrina in Louisiana. The bank also has a total of $27.5 million in binding, unfunded commitments for investments benefiting affordable housing and numerous organizations that include medical institutions and youth programs. These commitments demonstrate the bank's continuing commitment to help meet CD needs and their continued capacity for investments.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Santa Ana-Anaheim-Irvine MD, Riverside-San Bernardino-Ontario MSA, and San Diego-Carlsbad-San Marcos MSA is stronger than, and in the Oxnard-Thousand Oaks-Ventura MSA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test. The stronger performance in the Santa Ana-Anaheim-Irvine MD, Riverside-San Bernardino-Ontario MSA, and San Diego-Carlsbad-San Marcos MSA is due to relatively higher volume of investments. The bank's performance in these AAs was taken into consideration, but did not impact, negatively or positively, the overall investment test conclusions.

Refer to Table 14 in appendix C for the facts and data that support these conclusions.

SERVICE TEST

The bank's performance under the service test is rated "High Satisfactory."

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

OneWest currently operates 78 retail branches, 10 of which are located in LMI census tracts. Of the 78 retail branches, 75 have ATMs on site, with 10 located in LMI tracts. The branches without ATMs are located in upper-income census tracts. All branches offer a full range of products and services and are open for business Monday through Friday. Sixty-eight branches are open for business on Saturday. The remaining 10 branches, with the exception of one located in an upper-income geography, have an ATM on site for customer accessibility. The operating hours of the branches were generally similar among all locations, regardless of the income level of the geography.

The analysis of OneWest's branch distribution is primarily based on the geographic distribution of branches among LMI geographies in relation to the proportion of the population residing in those geographies. We also considered any branches in middle- and upper-income geographies where the population of LMI families is 33 percent or higher.

The bank's branch distribution in the AA is good with 13 percent of all branches located in LMI census tracts. In the Los Angeles-Long Beach-Glendale MD, 11 percent of the bank's branches are located in LMI census tracts. Additionally, 18 middle- and upper-income branches in the AAs have at least 33 percent or more LMI family population. We considered that overall, 28 branches representing 36 percent of the branch network serves the LMI family population. According to the bank's original CRA Plan, the percentage of branches located in LMI census tracts falls short of the 15 percent projection; however, it is important to note that OneWest is serving a larger portion of the LMI population due to the large percentage of LMI families residing in the various census tracts.

Specific to Los Angeles-Long Beach-Glendale MD, OneWest has one branch in a low-income census tract and five branches in a moderate-income census tract. In percentages, 2 percent of Los Angeles branches are located in a low-income census tract and 9 percent of Los Angeles branches are located in a moderate-income census tract.

Additionally, 10 middle- and upper-income branches in the Los Angeles-Long Beach-Glendale MD have at least 33 percent or more LMI family population. Overall, of the 53 OneWest branches located in the Los Angeles-Long Beach-Glendale MD, 16 branches representing 30 percent of the branch network in the Los Angeles-Long Beach-Glendale MD network serve the LMI family population.

OneWest inherited the branch footprint of the three failed banks. Due to the subsequent decision to close several branches in middle- or upper-income census tracts, the percentage of branches in LMI census tracts actually increased for OneWest.

ATMs, telephone banking, and online banking supplement the bank's branch network and serve alternative delivery systems to increase accessibility of banking services, including to LMI persons and geographies. From March 2009 through September 2011, the bank had 48,069 online banking subscribers.

The bank's closing and opening of branches in the AA did not adversely affect the accessibility of branches, particularly in the LMI geographies. During the evaluation period, OneWest consolidated three branches and relocated one branch, all within the upper-income census tracks. Branch consolidations and relocations are not considered closures.

Community Development Services

OneWest provided a relatively high level of CD services that are responsive to a variety of CD needs in the full-scope AA during the evaluation period. The board and management have developed relationships to ensure continued innovative and sustainable CD services. The bank provided CD services totaling 1,231hours to five organizations including: Junior Achievement (JA), Venice Family Clinic (VFC), Museum of Contemporary Arts (MOCA), Los Angeles County Economic Development Corporation (LAEDC), and Boys and Girls Club of Pasadena (Club). Technical and financial assistance provided included fundraising, financial education, and service on various boards of directors with organizations whose primary focus is providing assistance to LMI individuals.

Junior Achievement (JA)

Starting in 2010, JA of Southern California partnered with OneWest to develop the "Steps to Success Initiative." The "Steps to Success Initiative" is an outreach program for kindergarten through senior high school students located in East Los Angeles. The program focuses on LMI and at-risk students and is dedicated to educating young people about business, economics, and free enterprise through age appropriate curricula. Through tracking of the program, JA discovered that after the inaugural year, student responses reflect greater aptitude and skill in dealing with financial concepts, higher confidence in dealing with financial instruments, and increased desire to stay in school and obtain a higher education.

The UCLA Health System/Venice Family Clinic partnership (VFC)

One member of senior management serves on the board of the VFC, the principal provider of free primary health care services to underserved individuals in Los Angeles County. The VFC serves more than 24,400 individuals annually, of which 97 percent are low-income and nearly three-quarters are uninsured. OneWest investments are used to support LMI patients, who are not covered by private health insurance or qualify for Medi-Cal or Medicare coverage.

The Museum of Contemporary Art (MOCA)

A member of OneWest executive management serves on the MOCA board of directors. They provide financial expertise and assist the organization with fundraising, budgeting, and governance. MOCA's art education outreach program is called the Contemporary Art Start (CAS). CAS strives to fill the gap created by continued cuts in the public school education curriculum for art education. The program comprises a comprehensive curriculum of art education, interactive classroom learning experiences, professional development for teachers, and multiple museum visits for students and their families throughout the year of enrollment. In 2010-2011, CAS served nearly 6,000 elementary, middle, and high school students and their families from underserved areas of Los Angeles. Approximately 75.0 percent of participating CAS students are from low-income families who qualify for Title I public free meal programs due to financial need.

Los Angeles Economic Development Corporation (LAEDC)

One member of senior management serves on the board of directors of the LAEDC. The LAEDC's Business Assistance and Development program (BAP) uses Layoff Aversion grants from various Workforce Investment Boards (WIBs) across Los Angeles County. The BAP partners with the WIBs to reach out to small-and medium-sized "at risk" businesses to assess their needs and identify resources to help sustain businesses and avert layoffs during this harsh economic time. This innovative new program is putting thousands of workers back into productive positions in L.A. County companies with the help of $150 million in Federal Stimulus funds. BAP's layoff aversion efforts include the Transitional Subsidized Employment (TSP) Program which is funded through the American Recovery and Reinvestment Act. TSP is a county-wide opportunity through which any business, nonprofit, or public agency based in L.A. County can benefit from the federal stimulus package by taking on entry-level labor with no out-of-pocket cost.

Boys and Girls Club of Pasadena (Club)

One member of senior management services on the board of directors of the Club. The Club promotes the health, education, social, vocational, and character development of boys and girls, ages 6 through 18. The Club's goal is to improve the lives of children by helping them build self-assurance and develop leadership skills while reinforcing positive values. Eighty percent of the participating students come from LMI households. The median income for a Club family of four is $25,000. The 2009 median income for Pasadena is $61,298 and LMI totals $30,500. The programs offered include swimming, athletics, homework assistance, reading clubs, technology centers, field trips, arts and crafts, teen centers, and private music lessons.

HAMP

The bank also provides education to customers who are seeking homeowner preservation solutions and alternatives to foreclosure through government advocated loan modification programs like HAMP. The requirements of HAMP and similar loan modification programs are targeted toward assisting borrowers who have insufficient income to maintain payments on their mortgages. The loan principal balances must be less than $729,750 with payments greater than 31 percent of the borrower's gross income, and thus, the majority of modified loans involve borrowers below the median income group. Customers needing mortgage payment assistance may access OneWest's website to view educational videos about current HAMP activities, alternate programs, and how to apply for payment help. As noted above, through flexible and innovative modification programs, OneWest modified over 15, 000 loans to assist borrowers with insufficient income to support their mortgage obligations.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Santa Ana-Anaheim-Irvine MD, Riverside-San Bernardino-Ontario MSA, Oxnard-Thousand Oaks-Ventura MSA, and San Diego-Carlsbad-San Marcos MSA represent adequate responsiveness to CD needs and are weaker than the bank's overall performance but did not have a negative impact on the overall rating given the bank's overall business strategy and status as a de novo. Management has concentrated on building an infrastructure for CRA during this review period and will expand CD services within these specific geographies with additional time.

Refer to Table 15 in appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<table>
<tr><td>Time Period Reviewed</td><td colspan="2">Lending Test (excludes CD Loans): 3/19/09 to 9/30/11
Investment and Service Tests and CD Loans: 3/19/09 to 9/30/11</td></tr>
<tr><td colspan="2">Financial Institution</td><td>Products Reviewed</td></tr>
<tr><td colspan="2">OneWest Bank, FSB (OneWest or bank)
Pasadena, California</td><td>Home Mortgage Disclosure Act Loans</td></tr>
<tr><td>Affiliate(s)</td><td>Affiliate Relationship</td><td>Products Reviewed</td></tr>
<tr><td>Financial Freedom Acquisition LLC (Financial Freedom)</td><td>Wholly Owned Subsidiary</td><td>Home Mortgage Disclosure Act Loans</td></tr>
<tr><td colspan="3">List of Assessment Areas and Type of Examination</td></tr>
<tr><td>Assessment Area</td><td>Type of Exam</td><td>Other Information</td></tr>
<tr><td>Los Angeles-Long Beach-Glendale MD
Oxnard-Thousand Oaks-Ventura MSA
Riverside-San Bernardino-Ontario MSA
San Diego-Carlsbad-San Marcos MSA
Santa Ana-Anaheim-Irvine MD</td><td>Full-Scope
Limited-Scope
Limited-Scope
Limited-Scope</td><td></td></tr>
</table>

Appendix B: Market Profiles for Full-Scope Areas

State of California

Los Angeles-Long Beach-Glendale MSA (Los Angeles)

Demographic Information for Full-Scope Area: (Name of MA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,054	8.71	28.29	27.99	34.23	0.78
Population by Geography	9,519,338	8.00	29.44	30.88	31.58	0.10
Owner-Occupied Housing by Geography	1,499,694	1.91	15.46	31.30	51.33	0.00
Businesses by Geography	869,503	7.94	21.05	26.58	43.63	0.80
Farms by Geography	6,632	3.97	15.59	31.60	48.40	0.44
Family Distribution by Income Level	2,154,311	23.87	16.49	17.40	42.24	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	869,463	13.65	41.46	28.95	15.94	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below the Poverty Level	= \$53,036 = \$63,000 = 15.0%		Median Housing Value Unemployment Rate	= \$240,248 = 11.9%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

The Los Angeles-Long Beach-Glendale MSA is the bank's largest AA and is comprised of Los Angeles County. The AA has 2,054 census tracts which includes 179 (8.71 percent) low-income tracts and 581 (28.29 percent) moderate-income tracts. The updated median family income for 2011 is \$63,000. However, 311,000 families (15 percent) living in the County have an income below the poverty level. Though the housing market is beginning to show modest signs of improvement; many people in Los Angeles County continue to have problems with maintaining property ownership. The Los Angeles County Assessor's Office reported a total of 31,700 foreclosures for 2010, a 13 percent decline from the previous year.

Los Angeles County is located in southern California and borders 70 miles of coast on the Pacific Ocean. The county contains most of the major cities encompassing the Greater Los Angeles Area, and is the most prominent of the five counties that make up that area. There are 88 incorporated cities in Los Angeles County and many unincorporated areas. The northern half of the county is lesser populated desert inland; while the southern half is heavily urbanized. The most populous cities are Los Angeles (3,792,621), Long Beach (462,257), and Glendale (191,719), according to the US Census Bureau 2010 Population Estimate.

Los Angeles County is the most populous county in the United States. The US Census Bureau lists a population of 9,818,605 persons for 2010 living in the County, which also houses over a quarter of the population of California.

The County's transportation infrastructure is impressive and boasts an extensive freeway network. Los Angeles International Airport (LAX) is the primary commercial airport for the county; however, there are also several other commercial airports which include: Long Beach Municipal Airport, Bob Hope Airport, and the LA/Palmdale Regional Airport. Los Angeles is also a major freight railroad transportation center, largely due to the large volumes of freight moving in and out of the county's port facilities. The ports are connected to the downtown rail yards and to the main lines of Union Pacific and Burlington Northern Santa Fe headed east via a freight rail corridor known as the Alameda Corridor. Amtrak, Los Angeles Metro Rail, and Metrolink provide passenger rail service. In addition, the county has two main sea ports, the Port of Los Angeles and the Port of Long Beach. Together, they handle over a quarter of all container traffic entering the United States, making the complex the largest and most important port in the country, and the third-largest port in the world by shipping volume.

Los Angeles County is commonly associated with the entertainment industry; all six major film studios, which include: Paramount Pictures, 20th Century Fox, Sony, Warner Bros., Universal Pictures, and Walt Disney Studios, are located within the county. Beyond motion picture and television program production, other major industries of Los Angeles County are international trade supported by the Port of Los Angeles and the Port of Long Beach, music recording and production, aerospace, and professional services such as law and medicine.

Major employers in Los Angeles County include Kroger Co., the County of Los Angeles, the Los Angeles County Unified School District, and the City of Los Angeles. According to the Los Angeles Area Chamber of Commerce, the aftermath of the Great Recession still has a significant impact on the Los Angeles AA. While indicators of economic activity did improve in 2010, there is still a long way to go to return to pre-recession levels. The construction sector did see a small improvement in 2010. The value of both residential and non-residential construction rose from their 2009 lows. But of course there remains a significant difference between current and pre-recession building activity, particularly on the residential side. On the employment side, job growth moved into positive territory for the first time since 2007. However, the employment deficit created during the recession remains substantial. The Bureau of Labor Statistics shows the 2010 unemployment rate in the County was 11.9 percent, an increase of 1.0 percent over the 2009 rate of 10.9 percent.

At June 30, 2011, OneWest held a 4.72 percent market share of the dollar amount of deposits; ranking 7th among 126 FDIC insured financial institutions in the full scope AA. During the same period, the bank achieved a 0.23 percent market share by number of HMDA loans, ranking 54th among 740 reporting lenders. The bank is ranked 37th with a 0.31 percent market share in home refinance loans. There is strong competition for residential mortgage loans in the bank's markets. In OneWest's Los Angeles AA, Bank of America, Wells Fargo, JPMorgan Chase, and Citigroup are dominant home mortgage lenders.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. The following is a listing and brief description of the tables:

Table 1. **Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As 12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 1. **Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. **Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. **Geographic Distribution of Home Improvement Loans** - See Table 2.

Table 4. **Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

Table 5. **Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. **Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to $1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area. This table contained no data and thus was not included.

Table 7. **Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to $500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area. This table contained no data and thus was not included.

Table 8. **Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. **Borrower Distribution of Home Improvement Loans** - See Table 8.

Table 10. **Borrower Distribution of Refinance Loans** - See Table 8.

Table 11. **Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to $1 million) originated and purchased by the bank to businesses with revenues of $1 million or less to the percentage distribution of businesses with revenues of $1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available. This table contained no data and thus was not included.

Table 12. **Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to $500,000) originated and purchased by the bank to farms with revenues of $1 million or less to the percentage distribution of farms with revenues of $1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available. This table contained no data and thus was not included.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area. This table contained no data and thus was not included.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA						Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011				
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$(000's)	
Full Review:												
Los Angeles-Long Beach-Glendale MD	51.49	9,093	4,520,090	0	0	0	0	8	18,544	9,101	4,538,634	76.33
Limited Review:												
Oxnard-Thousand Oaks-Ventura MSA	3.69	652	316,730	0	0	0	0	0	0	652	316,730	3.08
Riverside-San Bernardino-Ontario MSA	17.08	3,016	1,048,682	0	0	0	0	3	5,435	3,019	1,054,117	4.22
San Diego-Carlsbad-San Marcos MSA	13.82	2,441	1,488,850	0	0	0	0	0	0	2,441	1,488,850	6.22
Santa Ana-Anaheim-Irvine MD	13.92	2,458	1,340,065	0	0	0	0	0	0	2,458	1,340,065	10.14

* Loan Data as of September 30, 2011. Rated area refers to either state or multi-state MA rating area.
** The evaluation period for Community Development Loans is from March 19, 2009 to September 30, 2011.
*** Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CALIFORNIA				Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	2,080	46.82	1.91	3.89	15.46	20.43	31.30	30.34	51.33	45.34	3.57	18.93	33.86	43.65
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	150	3.38	1.20	0.67	15.46	21.33	46.06	37.33	37.29	40.67	1.24	21.19	46.48	31.09
Riverside-San Bernardino-Ontario MSA	987	22.21	1.49	1.42	21.74	20.47	43.33	47.21	33.44	30.90	0.99	19.14	47.83	32.03
San Diego-Carlsbad-San Marcos MSA	624	14.04	2.30	4.97	14.03	14.42	41.01	34.62	42.66	45.99	3.89	13.67	40.19	42.24
Santa Ana-Anaheim-Irvine MD	602	13.55	1.25	2.99	19.56	23.09	33.56	28.90	45.63	45.02	1.24	22.13	32.65	43.98

* Based on 2010 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT Geography: CALIFORNIA **Evaluation Period**: MARCH 19, 2009 TO SEPTEMBER 30, 2011

Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	73	67.59	1.91	1.37	15.46	6.85	31.30	26.03	51.33	65.75	1.54	11.54	27.18	59.74
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	7	6.48	1.20	0.00	15.46	0.00	46.06	42.86	37.29	57.14	0.15	10.23	39.70	49.92
Riverside-San Bernardino-Ontario MSA	7	6.48	1.49	0.00	21.74	28.57	43.33	42.86	33.44	28.57	0.79	14.05	38.00	47.16
San Diego-Carlsbad-San Marcos MSA	2	1.85	2.30	0.00	14.03	50.00	41.01	0.00	42.66	50.00	2.10	10.38	34.48	53.04
Santa Ana-Anaheim-Irvine MD	19	17.59	1.25	0.00	19.56	10.53	33.56	31.58	45.63	57.89	0.49	13.05	30.77	55.70

* Based on 2010 Peer Mortgage Data (USPR)
** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.
*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.
**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA				**Evaluation Period**: MARCH 19, 2009 TO SEPTEMBER 30, 2011							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	5,123	47.53	1.91	3.59	15.46	18.76	31.30	29.32	51.33	48.33	0.80	8.45	24.28	66.47
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	463	4.30	1.20	1.73	15.46	16.63	46.06	43.20	37.29	38.44	0.50	7.65	41.23	50.62
Riverside-San Bernardino-Ontario MSA	1,967	18.25	1.49	1.32	21.74	16.57	43.33	42.45	33.44	39.65	0.27	9.61	36.56	53.56
San Diego-Carlsbad-San Marcos MSA	1,539	14.28	2.30	4.03	14.03	14.42	41.01	38.73	42.66	42.82	1.19	7.24	31.83	59.74
Santa Ana-Anaheim-Irvine MD	1,687	15.65	1.25	2.07	19.56	20.69	33.56	31.12	45.63	46.12	0.42	12.23	29.61	57.75

* Based on 2010 Peer Mortgage Data (USPR)
** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.
*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.
**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: CALIFORNIA				Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	1,805	77.94	12.96	8.59	31.74	33.30	28.34	28.03	26.96	30.08	12.39	35.88	29.37	22.36
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	32	1.38	3.57	3.13	34.60	50.00	47.43	37.50	14.41	9.38	5.56	63.89	27.78	2.78
Riverside-San Bernardino-Ontario MSA	54	2.33	7.73	18.52	38.68	44.44	37.84	29.63	15.76	7.41	8.77	43.86	38.60	8.77
San Diego-Carlsbad-San Marcos MSA	276	11.92	11.77	23.19	32.61	28.99	37.33	33.33	18.29	14.49	18.61	39.91	33.86	7.62
Santa Ana-Anaheim-Irvine MD	149	6.43	6.27	12.75	41.07	62.42	33.61	16.11	19.05	8.72	9.88	57.56	24.42	8.14

* Based on 2010 Peer Mortgage Data (USPR)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: CALIFORNIA				**Evaluation Period**: MARCH 19, 2009 TO SEPTEMBER 30, 2011						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*		
	#	% of Total**	% Families***	% BANK Loans****	% Families[1]	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	2,084	46.85	23.87	0.00	16.49	6.52	17.40	13.04	42.24	80.43	3.12	14.38	27.06	55.44
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	150	3.37	19.55	0.00	18.43	28.57	22.09	28.57	39.92	42.86	5.27	22.69	29.68	42.37
Riverside-San Bernardino-Ontario MSA	987	22.19	21.73	0.00	17.48	0.00	20.23	0.00	40.56	100.00	10.24	24.83	28.58	36.36
San Diego-Carlsbad-San Marcos MSA	624	14.03	21.02	0.00	17.91	0.00	20.09	0.00	40.98	100.00	3.61	17.87	27.66	50.86
Santa Ana-Anaheim-Irvine MD	603	13.56	20.69	0.00	17.97	0.00	20.68	50.00	40.65	50.00	4.47	19.13	28.24	48.15

* Based on 2010 Peer Mortgage Data (USPR)
** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
*** Percentage of Families is based on the 2000 Census information.
**** As a percentage of loans with borrower income information available. No information was available for 98.4% of loans originated and purchased by BANK.
[1] Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT Geography: CALIFORNIA **Evaluation Period**: MARCH 19, 2009 TO SEPTEMBER 30, 2011

Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families[2]	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	73	67.59	23.87	2.90	16.49	13.04	17.40	18.84	42.24	65.22	3.26	10.95	19.47	66.32
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	7	6.48	19.55	0.00	18.43	33.33	22.09	16.67	39.92	50.00	6.58	18.81	27.90	46.71
Riverside-San Bernardino-Ontario MSA	7	6.48	21.73	0.00	17.48	0.00	20.23	40.00	40.56	60.00	7.27	17.18	25.63	49.92
San Diego-Carlsbad-San Marcos MSA	2	1.85	21.02	0.00	17.91	0.00	20.09	100.00	40.98	0.00	5.72	13.68	23.31	57.29
Santa Ana-Anaheim-Irvine MD	19	17.59	20.69	6.25	17.97	12.50	20.68	31.25	40.65	50.00	5.58	15.59	28.07	50.77

* Based on 2010 Peer Mortgage Data (USPR)
** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.
*** Percentage of Families is based on the 2000 Census information.
**** As a percentage of loans with borrower income information available. No information was available for 10.2% of loans originated and purchased by BANK.
[2] Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA				Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families3	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Los Angeles-Long Beach-Glendale MD	5,128	47.55	23.87	2.15	16.49	6.82	17.40	15.53	42.24	75.49	2.66	7.65	16.64	73.05
Limited Review:														
Oxnard-Thousand Oaks-Ventura MSA	463	4.29	19.55	5.22	18.43	20.00	22.09	26.09	39.92	48.70	5.06	13.96	25.98	55.00
Riverside-San Bernardino-Ontario MSA	1,968	18.25	21.73	2.08	17.48	9.38	20.23	17.71	40.56	70.83	4.88	12.16	22.24	60.72
San Diego-Carlsbad-San Marcos MSA	1,539	14.27	21.02	2.24	17.91	12.11	20.09	20.63	40.98	65.02	3.50	10.20	20.25	66.05
Santa Ana-Anaheim-Irvine MD	1,687	15.64	20.69	3.30	17.97	9.34	20.68	25.82	40.65	61.54	4.50	12.89	24.83	57.78

* Based on 2010 Peer Mortgage Data (USPR)
** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.
*** Percentage of Families is based on the 2000 Census information.
**** As a percentage of loans with borrower income information available. No information was available for 81.4% of loans originated and purchased by BANK.
3 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA			Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011				
Assessment Area:	Prior Period Investments[*]		Current Period Investments		Total Investments			Unfunded Commitments[**]	
	#	$(000's)	#	$(000's)	#	$(000's)	% of Total	#	$(000's)
Full Review:									
Los Angeles-Long Beach-Glendale MD	0	0	14	69,200	14	69,200	100.00	4	1,800
Limited Review:									
Oxnard-Thousand Oaks-Ventura MSA	0	0	1	4,300	1	4,300	100.00	0	0
Riverside-San Bernardino-Ontario MSA	0	0	1	7,300	1	7,300	100.00	0	0
San Diego-Carlsbad-San Marcos MSA	0	0	1	9,700	1	9,700	100.00	0	0
Santa Ana-Anaheim-Irvine MD	0	0	1	14,900	1	14,900	100.00	1	50
Broader Statewide Area									
With no potential to benefit AA	0	0	3	47,600	3	47,600	100.0	2	27,500

[*] 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.
[**] 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: CALIFORNIA Evaluation Period: MARCH 19, 2009 TO SEPTEMBER 30, 2011

Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Los Angeles-Long Beach-Glendale MD	76.33	53	67.95	1.89	9.43	20.75	67.92	0	0	0	0	0	0	8.00	29.44	30.88	31.58
Limited Review:																	
Oxnard-Thousand Oaks-Ventura MSA	3.08	5	6.41	0.00	0.00	60.00	40.00	0	0	0	0	0	0	3.86	23.98	44.41	27.75
Riverside-San Bernardino-Ontario MSA	4.22	4	5.13	0.00	0.00	50.00	50.00	0	0	0	0	0	0	3.53	28.54	41.16	26.73
San Diego-Carlsbad-San Marcos MSA	6.22	3	3.85	33.33	0.00	0.00	66.67	0	0	0	0	0	0	7.78	24.46	37.46	30.01
Santa Ana-Anaheim-Irvine MD	10.14	13	16.67	0.00	23.08	46.15	30.77	0	0	0	0	0	0	4.95	30.96	31.84	32.26

PUBLIC EXHIBIT 13

Form of Newspaper Notice

Notice of Application for Formation of a Bank Holding Company and Acquisition of a Bank Holding Company

CIT Group Inc., having its head office in Livingston, NJ, and Carbon Merger Sub LLC, having its head office in Livingston, NJ, have applied to the Federal Reserve Board for permission to acquire another bank holding company, IMB Holdco LLC, having its head office in Pasadena, CA. As a result of the merger transaction, Carbon Merger Sub LLC will become a bank holding company. The Federal Reserve considers a number of factors in deciding whether to approve the application including the record of performance of banks we own in helping to meet local credit needs.

You are invited to submit comments in writing on this application to the Federal Reserve Bank of New York, Attention: Bank Applications Officer, 33 Liberty Street, New York, NY 10045, or via email: comments.applications@ny.frb.org. The comment period will not end before [●], 2014 and may be somewhat longer. The Board's procedures for processing applications may be found at 12 C.F.R. Part 262. Procedures for processing protested applications/notices may be found at 12 C.F.R. 262.25. If you need more information about how to submit your comments on community affairs aspects of the application or to obtain copies of relevant procedures contact Ms. Kausar Hamdani, Community Affairs, (212) 720-8258; other questions, including those relating to general procedures, should be directed to Mr. Ivan J. Hurwitz, Vice President, Bank Applications Function, (212) 720-5885. The Federal Reserve will consider your comments and any request for a public meeting or formal hearing on the application if they are received in writing by the Reserve Bank on or before the last day of the comment period.

PUBLIC EXHIBIT 14

Principals of Carbon Merger Sub LLC

CIT GROUP INC.
PUBLIC EXHIBIT 14

Information regarding Principals of Merger Sub

Information in response to items 7(a)-(d) of Form FR Y-3 is provided below.* Items 7(e) and 7(f) of Form FR Y-3 are not applicable.

Applicant: Merger Sub

The principals of Merger Sub are listed below.

Name	Citizenship	Address	Titles or positions with Merger Sub	Shares of Merger Sub owned, controlled, or held with power to vote.	Principal occupation if other than with Merger Sub or CITBNA
John A. Thain	United States	11 West 42nd Street; New York, NY 10036	Chief Executive Officer	N/A	Chairman of the Board and Chief Executive Officer of CIT Group Inc.
Nelson Chai	United States	11 West 42nd Street; New York, NY 10036	President	N/A	President of CIT Group Inc. and President of CIT North American Commercial Finance.
Scott Parker	United States	11 West 42nd Street; New York, NY 10036	Chief Financial Officer, Treasurer	N/A	Executive Vice President and Chief Financial Officer of CIT Group Inc.
Robert Ingato	United States	11 West 42nd Street; New York, NY 10036	Secretary	N/A	Executive Vice President and General Counsel of CIT Group Inc.
Christopher Paul	United States	11 West 42nd Street; New York, NY 10036	Assistant Secretary	N/A	Senior Vice President and Chief Corporate Counsel of CIT Group Inc.
CIT Group Inc.	Delaware	11 West 42nd Street; New York, NY 10036	N/A	100% of outstanding LLC interests	N/A

*The composition of the board of directors and senior management of CITBNA is currently being considered. The Applicants will provide such information in a supplemental submission once it has been finalized.