

**US Commercial  
Credit Risk  
Portfolio Management**

**Large Corporate (LC) vs.  
Middle Market (MM) + Business Banking (BB)  
Portfolio Overview - 1Q 2015  
Credit Quality Trend Analysis**

**May 2015**

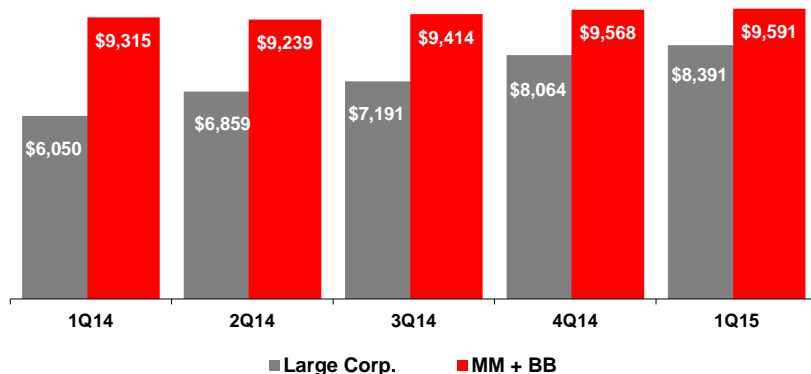
# LC - MM+BB Credit Exposure and Outstandings Overview

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- Large Corporate has become a good generator of growth for SBNA contributing to reducing the origination gap created by slow activity in Retail and in less proportion by Commercial Banking.

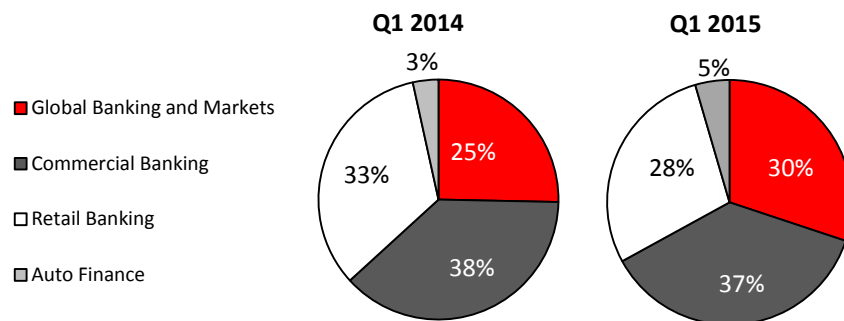
## LC - MM+BB Exposure

(\$ in Millions)



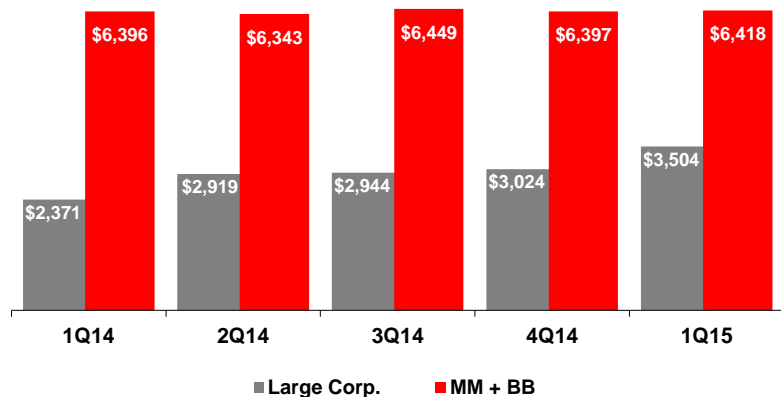
## Exposure by Business Line

(\$ in Millions)



## LC - MM+BB Outstandings

(\$ in Millions)



- The distribution of Exposure across Business Lines over the past year has shifted, with a 26.5% increase in GBM (MRG + LC) offsetting low origination activity in Commercial Banking and Retail.
- Exposure increased at a higher rate in LC (39% YOY) as a result of new hires in the Business Line while Middle Market and Business Banking had minimal growth (3% YOY).
- Outstandings in LC grew 48% in line with higher origination volumes whereas Middle Market and Business Banking did not show any increase in usage of existing lines.

Data Source: SBNA Solvency

MM + BB: Middle Market (70% of combined exposure) and Business Banking (30%)

Global Banking and Markets: Include Large Corporate (approx. 34% of combined MRG + LC exposure)

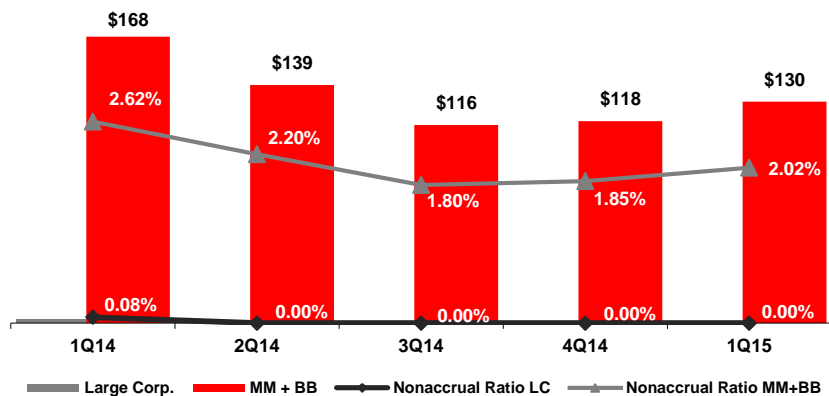
# Credit Quality Metrics - Comparative Trending Analysis (1 of 2)

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- Large Corporate continues to maintain adequate portfolio quality with non-existent delinquencies and Non-Accruals. On the contrary, Middle Market and Business Banking have started to show deterioration with various recent transfers to Workout including transactions originated during 2014.

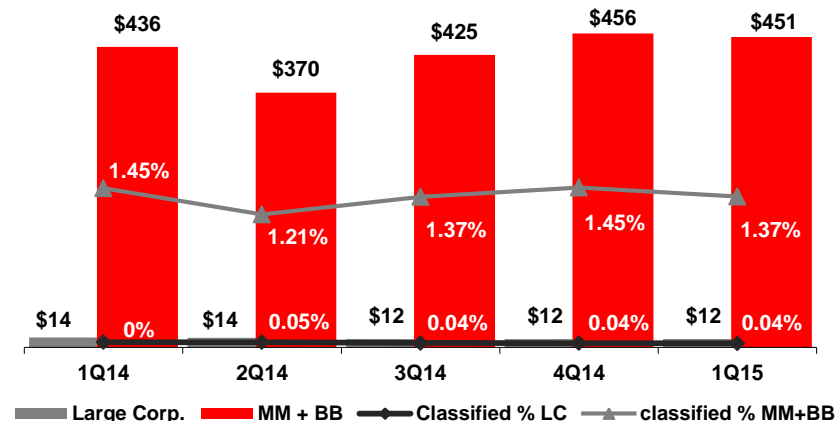
**LC - MM+BB Non-Accrual**

(\$ in Millions)



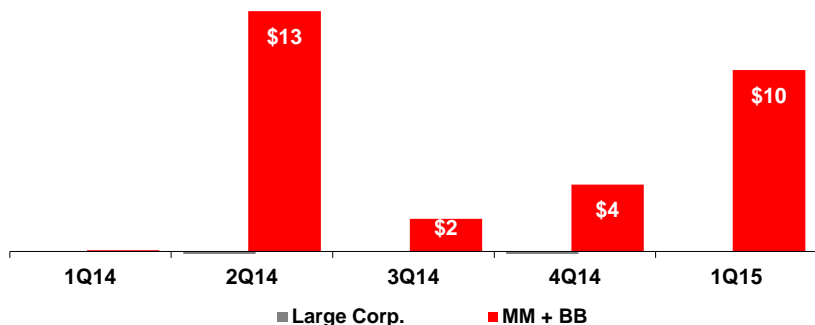
**LC - MM+BB Classified**

(\$ in Millions)



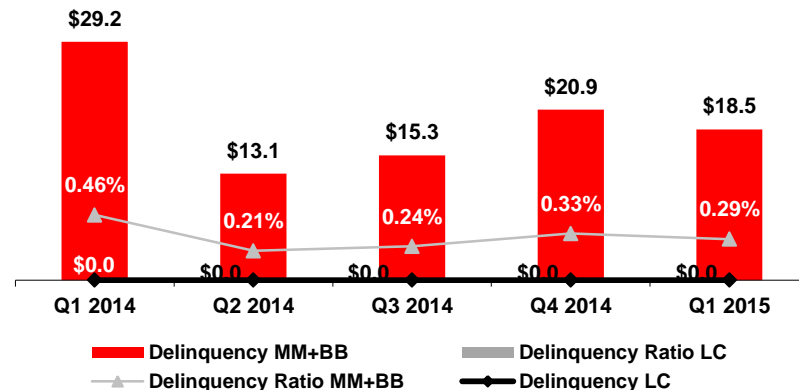
**LC - MM+BB Net Charge-Offs**

(\$ in Millions)



**LC - MM+BB Delinquency**

(\$ in Millions)



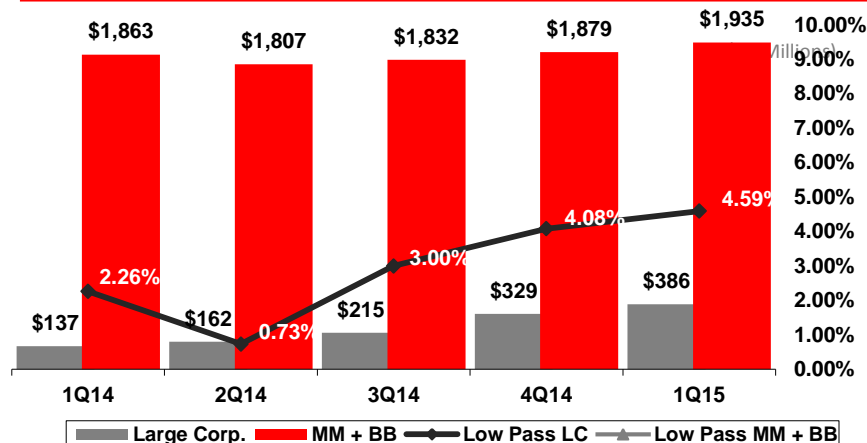
Classified: % against total GBM/LC + Corporate Banking total exposure

# Credit Quality Metrics - Comparative Trending Analysis (2 of 2)

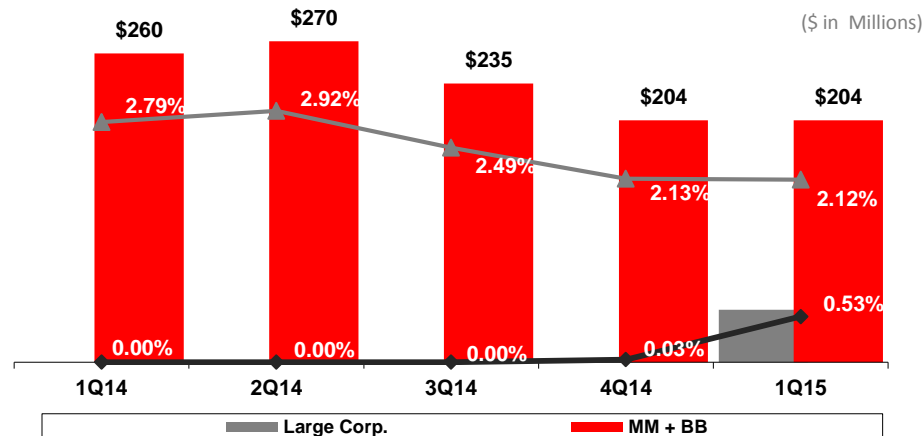
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- Large Corporate continues to perform well when compared to Middle Market and Business Banking, based on \$ amount and % of Low Pass Outstandings (SAN 5.0-4.1) and OAEM Outstandings (SAN 4.0-2.0).

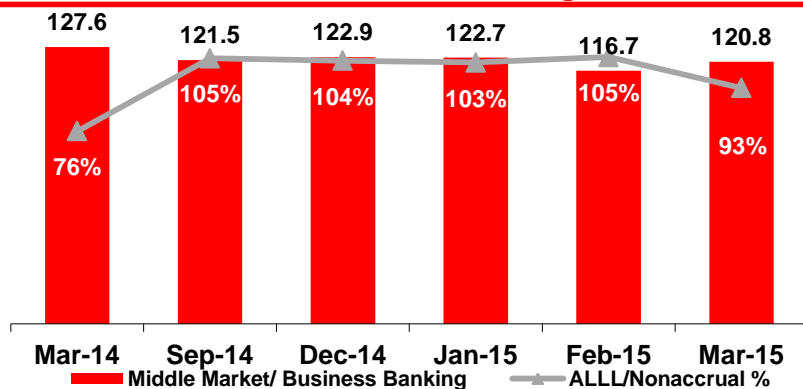
## LC - MM+BB Low Pass Outstandings (SAN 5.0-4.1)



## LC - MM+BB OAEM Outstandings



## Allowance & Coverage



- A recent risk trend to watch in LC is the increase in the % of Low Pass Outstandings, to 4.59% of the Segment Exposure in the 1Q15 from 2.26% in the 1Q14. OAEM balances increased to a less extent, to 0.53% in the 1Q15 from 0.03% in the 4Q14 and 0.00% in the prior three quarters.
- Regarding Allowance & Coverage, Non-Accruals in LC remain non-existent since 2Q14. On the other hand, ALLL/Non-Accrual % for MMBB deteriorated in March 2015, to 93% from 103-105% in the prior three months, driven by a material increase in Non-Accruals. Still, the MMBB Coverage ratio of 93% at 1QE15 remains stronger than 76% a year earlier.

## Exposure Evolution

- Of the **\$7.8Bn** in **Total Exposure** at **1QE 2015**, \$7.3Bn refers to Credit (Lines/Loans), \$490MM to Guarantees, and \$19MM to Derivatives. The **Weighted Average Maturity** is **3.33 years**.
- **March exposure rose by 1.28% only, lagging the 2014 average growth rate of 2.4% for the second consecutive month.**<sup>(1)</sup>
- **Increases** from a **\$125MM** commitment to Air Lease (5.8/Transportation), **\$100MM** uncommitted bilateral to Cooper Companies (5.7/Pharma) and **\$75MM** commitment to Simon Property (7.6/Construction) were largely offset by the **termination** of a **\$244MM** bridge loan to Actavis (5.5/Pharma).

## Portfolio Concentration

- The Large Corporate Portfolio is **well diversified** with a total of **148 borrowers** (121 US, 14 Inbound, 13 Overseas) at 1QE 2015.
- **Transportation** is the largest sector, representing **18%** of the Large Corporate exposure, followed by **Retail** (14%) which replaced **Pharmaceuticals** at 1QE<sup>(2)</sup>.
- **Top 20 One Obligators** represent **55.5%** of the total Large Corporate Outstanding.
- The **Weighted Average Risk Rating (WARR)** in Large Corporate was **6.06** at 1QE, reflecting the overall good credit risk profile of the portfolio.

## FEVE

- As of 1QE 2015, Large Corporate had **six clients in FEVE** for a total of **\$127MM** or **1.6%** of the total portfolio exposure.<sup>(3)</sup>
- **FEVE Monthly Trends deteriorated slightly in March**, due mainly to an increase of \$9MM in Best Buy uncommitted exposure (ORR 5.0 Monitor).<sup>(3)</sup>
- **Two** of the six FEVE names are managed by the **Work-Out Group** (Orthofix - \$5MM and Munising Memorial Hospital - \$12MM, both in Extinguish mode).<sup>(3)</sup>

SOURCE: GBM Executive Report. FOOTNOTES below based on Subsequent Update (APRIL 2015 GBM Report):

(1) Large Corporate Exposure at the end of April'15 was \$7.94Bn, resulting in a **+1.3% MoM change**. Large Corporate Credit Outstanding was \$3.34Bn, -0.5% MoM.

(2) In April'15, the Large Corporate exposure to Pharmaceuticals and Consumer Products increased to 12% of Total (each) from 10% at 1QE, as a result of: a new \$120MM term/RCF to Boston Scientific (5.8), an increase of \$90MM term/RCF to Charles River Laboratories (5.2), and an additional \$65MM RCF to Steris Corp. (5.7), partially offset by \$153MM repayment from CHS Inc. (6.4/Food). Compared to Mar'15, WARR and Top 20 Obligor Concentration remained fairly stable at 6.02 and 55.6%, respectively.

(3) There are now only 4 Large Corporate clients in FEVE for a total of \$96MM, 1.2% of the Large Corporate total exposure. This is a decrease of \$31MM from March, due to a \$14MM decrease in \$28MM supply chain exposure to Best Buy and the removal of Munising and Orthofix from the GBM portfolio.

# Large Corporate - Issues Tracking

- Large Corporate has addressed the **MRA regarding Leveraged Lending Policy** from a **2013 OCC Examination**. **Ongoing discussions continue in order to fully meet the regulatory guidance expectations.**
- Large Corporate has recently closed two Internal Audit RAP's:
  - IACR had noted **MIS exceptions** for 54.3% (38) of 70 obligors reviewed. Several credits had multiple exceptions. The majority of exceptions were centered in inaccurate ORRs and FRRs on CCLM and AFS. Going forward, ensure that a process is in place to ensure that all reviews and related changes conducted / approved in **GBM's quarterly FEVE / HLT meetings** are recorded on the MMT in an accurate and timely manner.
  - Create and approve a new NILO and related **Compliance Checklist** to accurately reflect / approve trackable exceptions identified.
- The Unit is **on track** to close two open RAP's:
  - Review and, as deemed necessary, revise the **Decision Tree** and/or the General and/or Specific Rules in Chapter 2, Section D of the Credit Policy Manual as they pertain to the **One-Obligor Concept** for GBM borrowers.

*(50% Complete as of 4/30/15)*

- Enhance the existing **credit risk control and portfolio monitoring procedures**
  - **Responsibilities of the CPM team** need to be formalized and clearly defined with respect to their role in the credit risk reconciliation process, including the set up of appropriate thresholds for monitoring purposes and the presentation of correspondent procedures to CRMC.
  - **Derivative collateral monitoring and aging of limit excesses** should be captured in the regular Credit Risk Reporting. Excesses and exposures with no limits should be reported on a periodic basis to CRMC.

*(Target Date: 6/30/15)*

# Large Corporate - P&L Summary

Large Corporates						
	03/15 Act YTD	03/14 Act YTD	YoY	03/15 Bdgt YTD	vs Budget	vs Budget
	\$ MM	\$ MM	%	\$ MM	\$ MM	%
Interest Income	18.5	15.0	23%	20.0	(1.5)	92%
Interest Expense	(5.6)	(4.8)	16%	(7.8)	2.2	140%
Net Interest Income	12.8	10.1	27%	12.1	0.7	106%
Fees	5.3	2.6	102%	4.5	0.8	118%
Other Income	0.0	-	n.a.	-	0.0	n.a.
Gains on Sale	-	-	n.a.	-	-	n.a.
<b>Net Revenue</b>	<b>18.1</b>	<b>12.8</b>	<b>42%</b>	<b>16.6</b>	<b>1.5</b>	<b>109%</b>
Direct Expenses	(1.7)	(1.4)	22%	(1.6)	(0.1)	93%
Allocated Expenses	(12.3)	(9.8)	25%	(13.5)	1.2	110%
Total Expenses	(14.0)	(11.3)	24%	(15.1)	1.1	108%
<b>PPNR</b>	<b>4.1</b>	<b>1.5</b>	<b>172%</b>	<b>1.5</b>	<b>2.6</b>	<b>n.a.</b>
Provision	(3.0)	(0.1)	n.a.	(2.4)	(0.6)	81%
<b>PBT</b>	<b>1.1</b>	<b>1.4</b>	<b>-21%</b>	<b>(0.9)</b>	<b>2.0</b>	<b>-127%</b>
Taxes	(0.4)	(0.5)	-21%	0.3	(0.7)	-79%
<b>PAT</b>	<b>0.7</b>	<b>0.9</b>	<b>-21%</b>	<b>(0.6)</b>	<b>1.3</b>	<b>-127%</b>
<b>Pre-tax ROA</b>	<b>0.13%</b>	<b>0.24%</b>		<b>-0.12%</b>		<b>0.24%</b>



## Exposure Evolution

- The size of the Middle Market portfolio at 1QE 2015 was **\$6.75B**, **8.1%** of the total SBNA Binding Exposure, **up** from \$6.5B a year ago and \$6.7B at YE 2014.
- **Classified Exposure** of \$372MM represented 5.5% of the MM Segment's Binding Exposure at 1QE'15, a **slight improvement** from 5.8% in the prior quarter. As a % of SBNA's Total Classified Exposure of \$1.45Bn at 1QE'15, MM accounted for 25.6% (25.1% in 4Q14).
- The **direction of risk based on Nonaccruals** is somewhat **deteriorating** on a sequential **QoQ** basis. Non-Accrual Loans totaled 1.70% of the MM portfolio in 1Q15 compared to 1.53% in the 4Q14. Still, trends remain positive YoY, as Non-Accruals declined to \$73MM from \$105MM in the 1Q14.

## Portfolio Concentration

- The Middle Market portfolio had a total number of **1,271 Obligors** at 1QE 2015.
- According to Middle Market's 2015 Strategic Commercial Plan (SCP), **services, manufacturing, wholesale trade and retail** make up **66% of all facilities** within the MM portfolio and **76% of all prospects** representing an opportunity for future growth.
- The **Top 20 Obligors** accounted for approx. **15.6% of the MM binding exposure** and **1.3% of the Total SBNA exposure**.
- The **Weighted Average Risk Rating (WARR)** in Middle Market was **5.28 at 1QE**, reflecting a generally satisfactory credit risk profile. However, more recent rating changes and NPL forecasts (Mar-April) suggest some deterioration this quarter.

## FEVE

- As of 1QE 2015, Middle Market had **217 Customers in FEVE**, which represented 17.1% of the total Customer Count of 1,271.
- There were 123 "Monitor", 60 "Extinguish", **29 "NPL"**, 4 "Reduce" and 1 "Secure", for a total FEVE Binding Exposure of **\$1.11Bn (16.5%)**.
- One of the 1Q15 "Reduce" names, NorthStar Group Services (\$32.6MM), was transferred to Workout on 4/2/15 due to a downgrade from 4.0 to 1.5 and change to "Extinguish".
- There were **three entries to NPL in Feb/Mar'15**: Pancon (Electronic Connectors) with Net Book Exposure (NBE) of \$9.1MM (Reserve \$1.95MM), Schramm (Mobile Land Drilling Rigs) with NBE of \$5.6MM (Reserve \$5.3MM), and Everite Machine (Electrochemical Grinding Technology) with NBE of \$5.25MM.

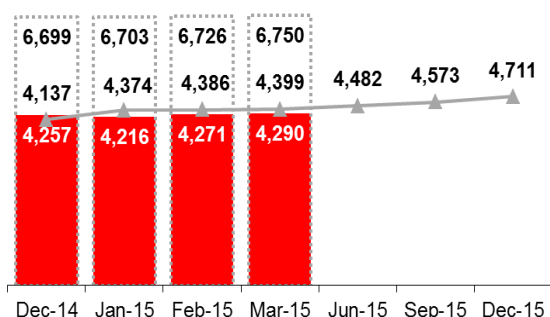


# Middle Market - Performance Analysis

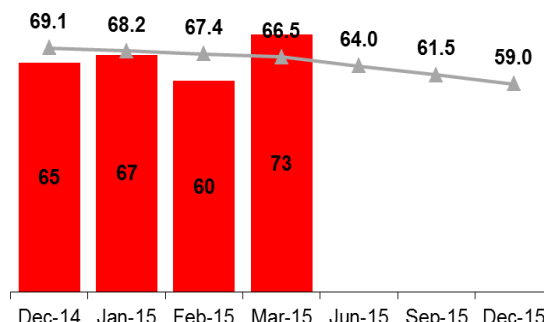
(\$ in Millions)

- MM was **slightly behind its Budget (-2.5%) for funded Outstandings** in the 1Q15, due to a slower than expected origination volume early in the year. The gap has narrowed, however, from -4.0% in January.
- Actual vs. Budget performance was unfavorable** across key Credit Quality metrics. YTD Mar-15, **VMG increased significantly** reflecting adverse trends in Non-Accruals during the month of March as well as **greater than expected Net Charge-Offs** during the 1Q. ALLL was \$78.8MM, \$4.4MM higher than Budgeted due to **larger reserves** caused by discretionary NPLs.

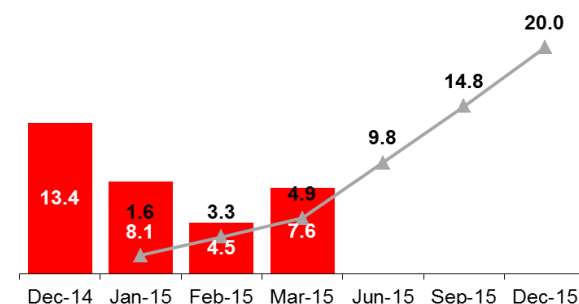
## Outstandings



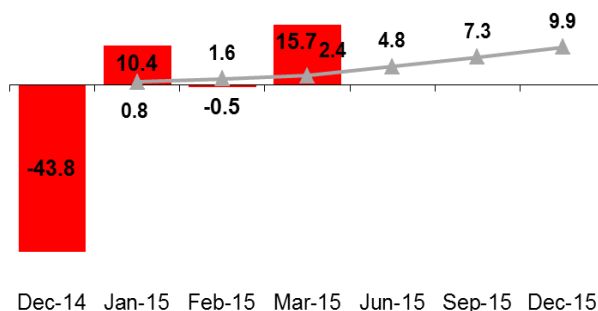
## Nonaccrual Loans



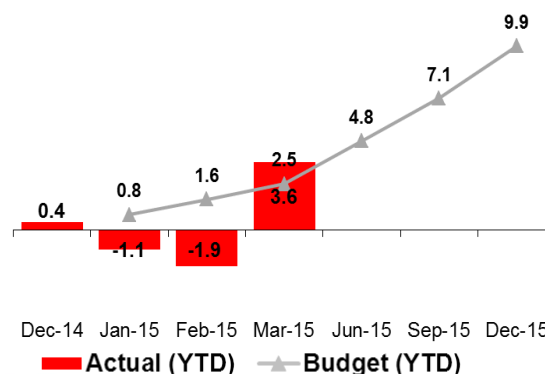
## Net Charge-Offs YTD



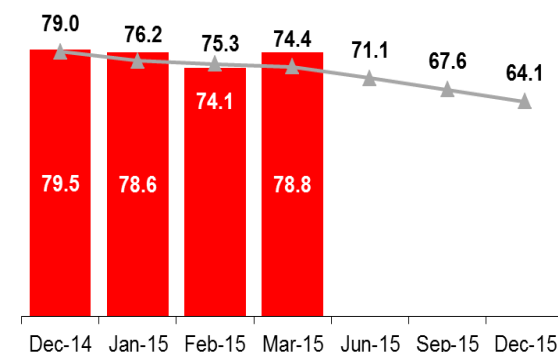
## VMG (Spanish) YTD



## Provision for Credit Losses YTD



## ALLL



— Actual (YTD) — Budget (YTD)

- **Portfolio quality** in MM/BB warrants **additional Monitoring**.
- While Middle Market and Business Banking account for a combined **16% of Total Binding Exposure** within SBNA\*, **MMBB** concentrate **47% of SBNA's Low Pass Exposure** and **36% of Special Mention Exposure**.
- As a result of a **2014 OCC exam**, an **MRA** was put in place due to concerns about **Risk Rating accuracy** of credit relationships in the **Low Pass** and **Special Mention** categories.
- To address the MRA, a **Quarterly Watchlist Review (QWR)** process was implemented in **March 2015** with direct **impact in Reserves**.

In \$ MM

BU	LP	%	SM	%
MM/BB	686	47%	271	36%
GBM	97	7%	95	12%
Total	1,446	100%	766	100%

% of SBNA's Total Binding Exposure.  
LP = Low Pass. SM = Special Mention

ISSUE	DESCRIPTION / CONCLUSION	STATUS	TARGET DATE
<b>MRA: Middle Market C&amp;I</b>	<b>Portfolio Review of Low Pass and Special Mention Obligors:</b> Review a statistically significant sample of low pass and Special Mention credits from the Middle Market portfolio to confirm the accuracy of risk ratings.	<b>Draft response letters</b> have been reviewed. <b>Comments</b> have been submitted.	<b>4/30/15 - Need to confirm Completion with SBNA Risk</b>

- During the 1Q15 QWR, a total of **96 Obligor Groups** were **reviewed** within MM and BB, representing **\$865MM** or **9% of the combined Total Binding Exposure**. Approximately **\$147MM**, or **17%**, was affected by a rating change. The **rating actions increased MMBB reserves by 51%**, to **\$3.4MM**. **Additional reserves are pending** because not all rating changes were made effective in the rating system as of 3/31/15.

# Middle Market - P&L Summary

	Middle Market					
	03/15 Act	03/14 Act	YoY	03/15 Bdgt	vs Budget	vs Budget
	YTD	YTD		YTD		
	\$ MM	\$ MM	%	\$ MM	\$ MM	%
Interest Income	37.8	40.4	-6%	43.9	(6.2)	86%
Interest Expense	(12.0)	(12.8)	-6%	(16.9)	4.9	141%
Net Interest Income	25.8	27.6	-6%	27.1	(1.3)	95%
Fees	5.8	6.0	-3%	6.3	(0.5)	92%
Other Income	0.0	0.0	n.a.	-	0.0	n.a.
Gains on Sale	-	-	n.a.	-	-	n.a.
<b>Net Revenue</b>	<b>31.6</b>	<b>33.5</b>	<b>-6%</b>	<b>33.4</b>	<b>(1.8)</b>	<b>95%</b>
Direct Expenses	(4.4)	(4.5)	-2%	(4.6)	0.2	105%
Allocated Expenses	(13.4)	(11.3)	18%	(12.8)	(0.5)	96%
Total Expenses	(17.8)	(15.8)	13%	(17.5)	(0.3)	98%
<b>PPNR</b>	<b>13.9</b>	<b>17.8</b>	<b>-22%</b>	<b>15.9</b>	<b>(2.1)</b>	<b>87%</b>
Provision	10.2	(8.1)	-226%	(1.9)	12.1	n.a.
<b>PBT</b>	<b>24.0</b>	<b>9.7</b>	<b>147%</b>	<b>14.1</b>	<b>10.0</b>	<b>171%</b>
Taxes	(8.4)	(3.1)	172%	(4.9)	(3.5)	58%
<b>PAT</b>	<b>15.6</b>	<b>6.6</b>	<b>135%</b>	<b>9.1</b>	<b>6.5</b>	<b>171%</b>
<b>Pre-tax ROA</b>	<b>2.27%</b>	<b>0.92%</b>		<b>1.28%</b>		<b>0.98%</b>

# Appendix

- **Comparative Budget Analysis**
- **Large Corporate Snapshot**
- **Middle Market Top 20**

# P&L Summary FY 2015 vs 2014

Large Corporates			
	12/15 Bdgt	12/14 Act	vs 2014A
	YTD	YTD	
	\$ MM	\$ MM	\$ MM
Net Interest Income	52.1	49.1	3.0
Fees	22.2	12.9	9.4
Other Income	-	(0.7)	0.7
Gains on Sale	-	-	-
<b>Net Revenue</b>	<b>74.3</b>	<b>61.3</b>	<b>13.0</b>
Direct Expenses	(6.7)	(6.1)	(0.6)
Allocated Expenses	(57.7)	(49.5)	(8.3)
Total Expenses	(64.4)	(55.5)	(8.9)
<b>PPNR</b>	<b>9.9</b>	<b>5.8</b>	<b>4.1</b>
Provision	(10.6)	(0.8)	(9.8)
<b>PBT</b>	<b>(0.8)</b>	<b>4.9</b>	<b>(5.7)</b>
Taxes	0.3	(2.1)	2.4
<b>PAT</b>	<b>(0.5)</b>	<b>2.8</b>	<b>(3.3)</b>
Pre-tax ROA	-0.03%	0.18%	-0.21%

Middle Market			
	12/15 Bdgt	12/14 Act	vs 2014A
	YTD	YTD	
	\$ MM	\$ MM	\$ MM
Net Interest Income	120.4	110.2	10.2
Fees	25.6	24.2	1.5
Other Income	-	0.0	(0.0)
Gains on Sale	-	-	-
<b>Net Revenue</b>	<b>146.1</b>	<b>134.4</b>	<b>11.7</b>
Direct Expenses	(19.2)	(16.3)	(2.9)
Allocated Expenses	(54.9)	(49.9)	(5.0)
Total Expenses	(74.1)	(66.2)	(7.9)
<b>PPNR</b>	<b>72.0</b>	<b>68.1</b>	<b>3.8</b>
Provision	(9.2)	(17.9)	8.7
<b>PBT</b>	<b>62.8</b>	<b>50.3</b>	<b>12.5</b>
Taxes	(22.0)	(17.6)	(4.4)
<b>PAT</b>	<b>40.8</b>	<b>32.7</b>	<b>8.2</b>
Pre-tax ROA	1.39%	1.19%	0.20%

Business Banking			
	12/15 Bdgt	12/14 Act	vs 2014A
	YTD	YTD	
	\$ MM	\$ MM	\$ MM
Net Interest Income	83.4	72.6	10.8
Fees	13.5	12.9	0.6
Other Income	-	0.0	(0.0)
Gains on Sale	-	-	-
<b>Net Revenue</b>	<b>96.9</b>	<b>85.5</b>	<b>11.4</b>
Direct Expenses	(19.8)	(20.3)	0.6
Allocated Expenses	(46.1)	(42.0)	(4.0)
Total Expenses	(65.8)	(62.3)	(3.5)
<b>PPNR</b>	<b>31.1</b>	<b>23.1</b>	<b>7.9</b>
Provision	(9.6)	1.2	(10.8)
<b>PBT</b>	<b>21.4</b>	<b>24.3</b>	<b>(2.9)</b>
Taxes	(7.5)	(9.5)	2.0
<b>PAT</b>	<b>13.9</b>	<b>14.8</b>	<b>(0.9)</b>
Pre-tax ROA	0.93%	1.11%	-0.18%

# Comparative Budget Analysis - MM/BB vs. GBM/LC

YE 2015 Budget vs. 2014 Actual

Bank Outstandings

\$52.75Bn vs. \$50.57Bn (+ 4.3%)

MM and BB combined account for 13.5% of the Bank Outstandings reforecast\* for 2015 compared to GBM (MRG + LC)'s 17.9%

MM-only Outstandings as a % of SBNA's Total Outstandings is 8.9%, slightly higher than LC's 6.4%



Overall, Asset Quality metrics for LC are expected to remain stronger than for MM and BB.

The NPL forecast for MM this year is \$69.3MM or 12.35% of the Total Bank's, compared to \$9.75MM or 1.74% for LC.

Together with BB, MM accounts for approx. 60% of the Total Commercial Banking's NPL forecast of \$201.6MM for 2015.

That said, compared to 2014, the AQ metrics for MM are projected to remain generally stable (slightly better for BB) based on NPL's and Mora.

In LC, \$9.75MM of NPL has been included in this year's forecast vs. none recorded in 2014.



Reserves in MM were budgeted to decline this year, to \$103.3MM from \$112.7MM in 2014, whereas Large Corporate has forecasted an increase in Reserves to \$41.1MM from \$33MM.

Combined with BB, MM accounts for 19.5% of the SBNA's Total Reserves budget for 2015 (vs. LC's 5.4%).



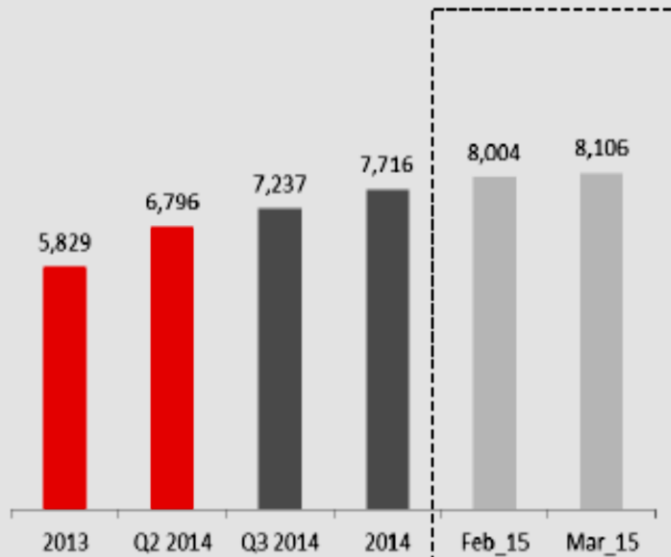
Net Charge-Offs in MM are now budgeted at approx. \$23.5MM or 15.9% of the Total Bank's budget of \$147.8MM, compared to BB's 7.1% and LC's minimal C/O forecast of 1.0%.

We note that Recoveries for MM are projected to be material at \$2.95MM or 11.2% of the Segment Gross C/O's.

Compared to 2014 Actuals, Net C/O's in MM were projected to increase to \$8.37MM in 1Q15 from \$2.46MM in 4Q14, moving down to more normalized levels of \$4.9MM-5.1MM in the next three Q's.

# Large Corporate Snapshot - 1Q'15

## Total Corporate Exposure



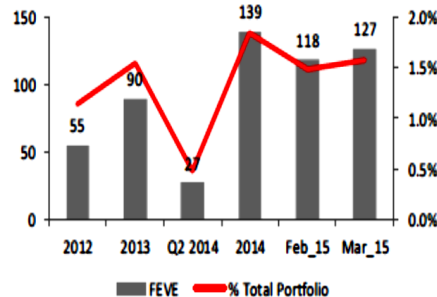
## TOP 20 One Obligor Outstanding

MM USD One Obligor	Sector	Country	Rating	Exposure Total		
				Mar_15	Feb_15	Dif
<b>Total Large Corporate</b>				<b>3,405</b>	<b>3,121</b>	<b>285</b>
<b>TOP 20</b>				<b>1,889</b>	<b>1,615</b>	<b>274</b>
1 ACTAVIS PLC	Pharmaceutical	IE	5.5	244	146	99
2 CHS INC GR	Food	US	6.4	153	188	-35
3 ADVANCE AUTO PARTS INC	Retail	US	6.0	144	126	18
4 AUTOZONE INC	Retail	US	6.3	121	66	55
5 CAI INTERNATIONAL	Transportation	US	5.2	115	114	1
6 GENUINE PARTS COMPANY GR	Retail	US	6.8	111	108	2
7 GENESEE & WYOMING INC	Transportation	US	5.4	106	88	19
8 THE COOPER COMPANIES GROUP	Pharmaceutical	US	5.7	100	0	100
9 PACIFIC DRILLING	Transportation	US	4.1	95	96	-1
10 TEXTAINER GROUP HOLDINGS LIMITED, GR	Transportation	BM	5.9	87	89	-2
11 FIRST OMEGA SHIPPING INC.	Transportation	US	5.4	81	81	-1
12 HYATT HOTELS CORPORATION GR	Hotels	US	6.0	74	74	0
13 ROYAL CARIBBEAN CRUISES LTD	Transportation	US	5.2	65	63	1
14 CHICAGO BRIDGE & IRON COMPANY	Engineering	US	5.5	63	59	4
15 PVH CORP. GR	Consumer Products	US	5.6	61	62	-1
16 CABELA'S INCORPORATED GR	Retail	US	5.9	57	50	8
17 PENSKE CORPORATION	Transportation	US	5.2	54	48	6
18 FIRST QUALITY PRODUCTS, INC	Consumer Products	US	5.5	54	51	2
19 TEEKAY OFFSHORE PARTNERS	Transportation	CA	5.3	53	54	-1
20 ACI WORLDWIDE INC GR	Information Technologies	US	4.8	51	52	-1

Top 20 Obligators represent 55.5% of the total Large Corporate Outstanding

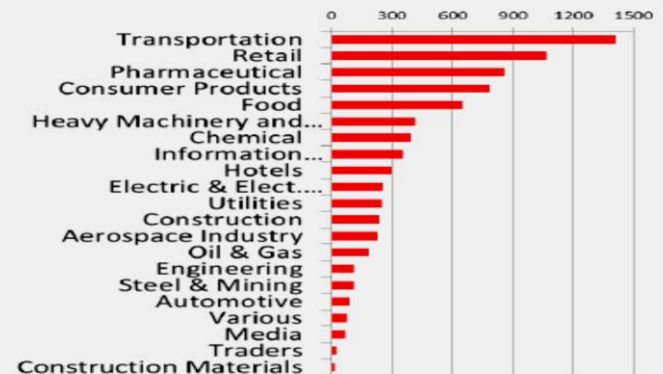
## FEVE

### Large Corporate



Group	Mn USD	Mar_15	Feb_15
<b>TOTAL</b>		<b>127</b>	<b>118</b>
PARAGON OFFSHORE PLC	Feve Monitor	35	35
BEST BUY COMPANY INC.	Feve Monitor	28	19
GRAFTECH INTERNATIONAL LTD GR	Feve Extinguish	27	27
QUAD GRAPHICS INC	Feve Monitor	20	20
MUNISING MEMORIAL HOSPITAL ASSC	Feve Extinguish	12	12
ORTHOFIX INTERNATIONAL, NV <sup>1</sup>	Feve Extinguish	5	5

## Exposure by Sector





# Middle Market Top 20 - 1Q'15

(\$ in Millions)

	Sector	Rating	(Binding Exposure)	Outstanding
<b>TOTAL</b>			<b>1,046.5</b>	<b>578.5</b>
1 AMERICAN RAILCARLEASING LLC	Middle Market	6.0	94.8	24.8
2 JAY CASHMAN INC	Middle Market	5.9	69.7	46.4
3 WERNER CO	Middle Market	5.7	64.6	34.8
4 SOUTH SHORE HOSPITAL INC	Middle Market	7.0	63.9	53.9
5 CARPENTER TECHNOLOGY	Middle Market	6.0	51.3	3.1
6 CHILDRENS HOSPITAL CORPORATION	Middle Market	7.6	50.3	50.3
7 ANALOGIC CORPORATION	Middle Market	6.3	50.0	-
8 PETROLEUM PRODUCTS CORP	Middle Market	7.1	50.0	-
9 STANDEX INTERNATIONAL	Middle Market	6.2	50.0	12.7
10 H.O. PENN MACHINERY COMPANY	Middle Market	5.9	50.0	34.9
11 DSI VIDEO SYSTEMS LLC	Middle Market	6.1	50.0	0.3
12 EJT MANAGEMENT INC ET AL	Middle Market	1.5	49.7	47.3
13 TUTOR PERINI CORPORATION	Middle Market	5.1	49.3	36.1
14 READING HOSPITAL AND	Middle Market	6.6	46.1	46.1
15 ROSENTHAL & ROSENTHAL INC	Middle Market	6.2	45.0	30.0
16 DEMOULAS SUPER MARKETS INC	Middle Market	5.2	45.0	39.6
17 BROTECH CORP	Middle Market	6.4	42.5	41.4
18 MORAN TOWING CORPORATION	Middle Market	5.6	41.8	27.3
19 ATHENAHEALTH INC	Middle Market	5.6	41.4	28.9
20 ENERSYS	Middle Market	6.7	41.3	20.9

\*Weighted Average Risk Rating based on Book Balance