

APPENDIX - Select Financial Terms

Average Earning Assets (AEA) is computed using daily balances for 2020 and 2019 periods, and month end balances for prior periods, and is the average of Loans (defined below), operating lease equipment, assets held for sale, interest bearing cash, investment securities, indemnification assets and securities purchased under agreements to resell, less the credit balances of factoring clients. We use this average for certain key profitability ratios, including Gross Yield, Net Yield, Net Finance Margin and return on AEA.

Average loans is computed using daily balances for 2020 and 2019 periods, and month end balances for prior periods, and is the average of Loans (defined below). It excludes loans held for sale and operating lease equipment. We use this average to measure the rate of net charge-offs for the period.

Book value per common share and tangible book value per common share are measurements of shareholder value.

Discontinued operations reflects (1) Aerospace and (2) Financial Freedom, a business acquired in the OneWest Bank acquisition in 2015 .

Net Efficiency Ratio is the percentage of operating expenses before intangible amortization and restructuring costs to Total Net Revenue (defined below). We use the efficiency ratio to measure the level of expenses in relation to revenue earned.

Loans include loans, capital lease receivables and factoring receivables.

Loans and Leases include Loans, operating lease equipment and assets held for sale.

Gross Yield includes interest income and rental income as a % of AEA.

Held for Sale describes assets that we intend to sell in the near-term. These are carried at the lower of cost or market.

Interest income includes interest and fees earned on finance receivables and interest and dividends on interest bearing deposits and investments.

Lease – operating is a lease in which we retain ownership of the asset, collect rental payments, recognize depreciation on the asset, and retain the risks of ownership, including obsolescence.

Net Finance Margin (NFM) reflects Net Finance Revenue divided by AEA.

Net Finance Margin (adjusted) (Adjusted NFM) is NFM adjusted for noteworthy items.

Net Finance Revenue reflects Net Interest Revenue (defined below) plus rental income on operating leases less depreciation on operating lease equipment and maintenance & operating lease expenses, which are direct costs of equipment ownership.

Net Interest Revenue reflects interest and fees on loans and interest/dividends on investments less interest expense on deposits and long term borrowings.

Net Yield includes rental income and interest income, reduced by depreciation and maintenance and other operating lease expenses as a % of AEA.

Non-accruing Assets include loans placed on non-accrual status, typically after becoming 90 days delinquent or prior to that time due to doubt of collectability of principal and interest.

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. Other income combined with rental income on operating leases is defined as Non-interest income.

Return on Common Equity (ROE) is net income available to common stockholders, expressed as a percentage of average common equity, and is a key measurement of profitability.

Risk Weighted Assets (RWA) is the denominator to which Total Capital and Tier 1 Capital is compared to derive the respective 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.

Common Tier 1 Capital ,Tier 1 Capital and Total Capital are regulatory capital as defined in the capital adequacy guidelines issued by the Federal Reserve.

Total Net Revenue is the combination of net finance revenue and non-interest income. This amount excludes provision for credit losses from total revenue and is a measurement of our revenue growth.