





CapitalSource Inc.

CSE NYSE

Banks

Market Capitalization USD: **\$1,981.97 mm**

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: James J. Pieczynski

Age: 49 CEO Since: 2010

	2009	2010	2011
Base Salary	\$400,000	\$650,000	\$650,000
Discretionary Bonus	\$0	\$650,000	\$650,000
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$93,773	\$1,080	\$1,080
TOTAL ANNUAL COMPENSATION	\$493,773	\$1,301,080	\$1,301,080
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,806,320	\$0	\$0
Stock Awards	\$399,994	\$0	\$0
TOTAL COMPENSATION	\$2,700,087	\$1,301,080	\$1,301,080
Median of Other Named Executive Officers Total Compensation	\$4,139,361	\$1,925,293	\$1,888,238
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$399,994	\$1,370,434	\$1,083,708
TOTAL REALIZED EQUITY COMPENSATION	\$399,994	\$1,370,434	\$1,083,708

Proxy Date: 15 Mar 2012 **Annual Meeting Date:** 26 Apr 2012 **Equity Reserves:** 15.18% **Stock Option Run Rate:** 0.07%

CapitalSource Inc.

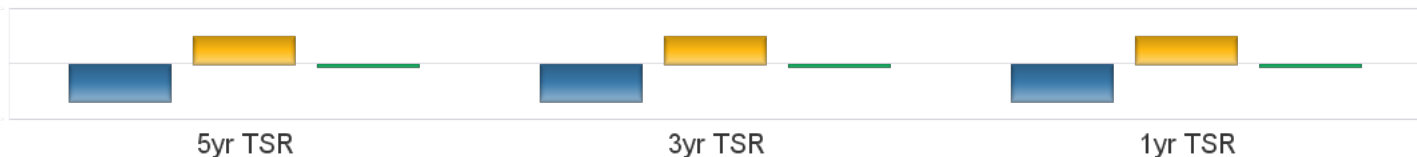
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ CSE



Peer Comparisons (TRBC) =Banks

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CSE	CapitalSource Inc.	\$2,700,087	\$1,301,080	\$1,301,080	\$1,981,966,703
KEY	KeyCorp	\$8,152,386	\$7,087,746		\$5,650,454,955
NYB	New York Community Bancorp, Inc.	\$4,941,133	\$5,600,683		\$5,205,377,313
PBCT	People's United Financial, Inc.	\$4,036,842	\$2,877,203	\$3,750,051	\$4,292,148,130
RF	Regions Financial Corporation	\$9,668,729	\$5,115,796		\$4,191,797,340
HBAN	Huntington Bancshares Incorporated	\$1,968,566	\$4,932,472	\$6,445,710	\$4,148,957,126
CMA	Comerica Incorporated	\$4,266,395	\$8,845,449	\$9,819,167	\$4,060,583,010

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Specific companies are not disclosed in the Proxy.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Timothy M. Hurd	Chairman	42	Male	12	Outside Related
C. William Hosler	Member	48	Male	5	Outside
Sara L. Grootwassink Lewis	Member	44	Female	8	Outside

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