
AUDIT COMMITTEE

Composition

The Audit Committee shall be comprised of at least three directors who are appointed by the Board, each of whom shall have no relationship to the Corporation that may interfere with the exercise of their independence from management and the Corporation. In addition, each member shall otherwise satisfy the applicable membership and experience requirements under the rules of the New York Stock Exchange, Inc., and the Federal Deposit Insurance Act, as such requirements are interpreted by the Board of Directors in its business judgment. In particular, each member of the Audit Committee shall be financially literate, and at least one member shall be deemed a “financial expert” as defined by the SEC. Should the Board elect not to designate a “financial expert”, appropriate disclosure shall be made concerning the reasons the Committee does not include a “financial expert”. The Board shall determine, at least annually, the eligibility of all Committee members.

Objective

The Committee shall assist the Board in monitoring (i) the effectiveness of the Corporation’s system of internal controls, (ii) the integrity of the consolidated financial statements of the Corporation, and (iii) the compliance by the Corporation with legal and regulatory requirements. The Committee shall also provide direct oversight of the corporate audit function and the Independent Registered Public Accounting Firm (including oversight of such accountant’s appointment, compensation, qualifications and independence.)

The Committee recognizes that the Corporation’s consolidated financial statements are the responsibility of management, not the Committee. The Independent Registered Public Accounting Firm is responsible for planning and conducting the audit to determine a) whether the Corporation’s annual consolidated financial statements present fairly in all material respects the financial position of the Corporation in accordance with accounting principles generally accepted in the United States of America; b) whether management’s assessment of the design and operating effectiveness of the internal controls over financial reporting is fairly stated in all material respects; and c) whether the Corporation maintained, in all material respects, effective internal control over financial reporting.

A separate Asset Quality Committee of the Board of Directors is charged with reviewing the Corporation’s asset quality trends with management prior to each regularly scheduled Board of Directors meeting. In fulfilling that responsibility, the Asset Quality Committee reviews: credit concentrations, certain high risk credits, credit risk inherent in selected products and businesses, and monitors management’s adherence to prudent and sound credit policies and practices. The Asset Quality Committee also receives periodic reports from Credit Review summarizing the results of credit review examinations.

Duties

The Audit Committee shall annually review the scope of the proposed internal audit, external audit, and credit review activities and review the actual coverage of those activities. The Committee shall discuss annually with management, the Independent Registered Public Accounting Firm, and the General Auditor the contents of the annual and quarterly consolidated financial statements of the Corporation.

More specifically, the Committee shall:

1. Annually, approve a qualified Independent Registered Public Accounting Firm. The Independent Registered Public Accounting Firm is to be ultimately accountable to the Committee, and the Committee shall have the authority to terminate the Independent Registered Public Accounting Firm at the Committee's discretion.
2. Review the scope and approve the fees to be paid to the Independent Registered Public Accounting Firm for the annual audit of the Corporation's consolidated financial statements, of management's assessment of the internal controls over financial reporting and of the effectiveness of the Corporation's internal control over financial reporting.
3. At least annually review the experience and qualifications of the senior members of the Independent Registered Public Accounting Firm's engagement team and receive a report from the Independent Registered Public Accounting Firm describing the Firm's internal quality control procedures, any material issues raised by the most recent internal quality and peer reviews of the Firm, or raised by any inquiry or investigation by governmental or professional authorities, including the Public Company Accounting Oversight Board, within the preceding five years, and any corrective actions taken.
4. Evaluate the performance of the Independent Registered Public Accounting Firm based on reports on the results of the independent accountant's internal quality control procedures, peer reviews, external inquiries or investigations and discussions with management and the General Auditor in connection with the annual nomination of the Corporation's Independent Registered Public Accounting Firm for the coming year.
5. Pre-approve the retention of the Independent Registered Public Accounting Firm for permitted non-audit services and the estimated fees for such services.
6. Recommend to the Board guidelines for the Corporation's hiring of employees and former employees of the Independent Registered Public Accounting Firm.
7. Receive and review periodic disclosures from the Independent Registered Public Accounting Firm concerning their independence to satisfy itself as to their independence and, if deemed advisable, recommend that the Board take appropriate action.

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8. Discuss with management and the Independent Registered Public Accounting Firm, the audited consolidated financial statements and the results of the Independent Registered Public Accounting Firm's annual examination, with particular emphasis on:
 - a. Significant accounting policies and audit conclusions regarding accounting estimates, including the nature of any significant changes, adjustments, reclassifications, or disclosures proposed by the external auditor;
 - b. The impact of any new or proposed changes in accounting principles or practices;
 - c. The Independent Registered Public Accounting Firm's judgments concerning the quality of the Corporation's accounting principles and underlying estimates in its consolidated financial statements; and,
 - d. Ensure the resolution of any significant disagreements between the Independent Registered Public Accounting Firm and management, including any restrictions placed on the scope of the auditor's examination and the nature of any significant unresolved accounting or auditing problems encountered during the examination.
 9. Review with management, the Independent Registered Public Accounting Firm and the General Auditor the effect of significant accounting initiatives, including off-balance sheet structures on the Corporation's financial statements.
 10. Review with management, the Independent Registered Public Accounting Firm and the General Auditor any correspondence with regulators or governmental agencies and any employee ("Whistleblower") complaints or published reports, which raise significant issues regarding the Corporation's financial statements or accounting policies, procedures or controls in accordance with the Committee's established procedures.
 11. Based upon review and discussion with management and the Independent Registered Public Accounting Firm, recommend to the Board of Directors that the audited consolidated financial statements be included in the Corporation's annual Form 10-K.
 12. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual Proxy Statement.
 13. Review with management, the Independent Registered Public Accounting Firm and the General Auditor the basis for the annual report filed under Section 36 of the Federal Deposit Insurance Act (including the reports under Section 404 of Sarbanes-Oxley) which includes (i) audited financial statements; (ii) reports by management stating management's responsibility for preparing financial statements, maintaining adequate internal controls and procedures, and complying with laws and regulations regarding safety and soundness; (iii) management's assessment of the effectiveness of the company's internal control over financial reporting and (iv) the Independent Registered Public Accounting Firm's audit report on the Corporation's

consolidated financial statements, management's assessment of the internal controls over financial reporting and the effectiveness of the Corporation's internal control over financial reporting.

14. Determine that certifications by the Chief Executive Officer and Chief Financial Officer required under Sections 302 and 906 of the Sarbanes-Oxley Act are filed with the SEC. Additionally, determine that the CEO certification covering NYSE Listing Standards is filed with the NYSE.
 - a. Quarterly review the Due Diligence Process for issuing the certifications under Sections 302 and 906.
 - b. Quarterly receive a report on any significant deficiency or material weakness in the Corporation's internal controls or any fraud involving an employee associated with internal controls.
 - c. Annually review the Corporation's disclosure controls and procedures, including the Corporation's internal controls.
15. Review and discuss with management and the Independent Registered Public Accounting Firm quarterly consolidated financial results and the primary components of the press release prior to the public announcement of such results. In addition, the Committee shall discuss with management, the Corporation's quarterly disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and be informed, on a periodic basis, of significant financial information and earnings guidance provided to analysts and rating agencies.
16. Discuss with management the results of examination activities of Corporate Audit and Credit Review staffs, and performance thereof, including policies with respect to risk assessment and risk management and determine that significant matters disclosed during such activities, as well as material weaknesses reported by the Independent Registered Public Accounting Firm, are satisfactorily addressed by management.
17. Review the scope and content of examinations of the Corporation performed by the examination forces of the Federal Reserve Board, Comptroller of the Currency and other regulatory agencies and report their conclusions to the Board of Directors, including comments as to the suitability of necessary corrective action taken, and to the response made to the regulators.
18. Periodically review with management and the Corporation's General Counsel the nature and status of significant legal matters.
19. Review waivers to the Corporation's Code Of Ethics and Insider Trading Policy with management, and ensure that any waivers for directors, executive officers or senior financial officers are presented to the Board for approval.
20. Annually obtain a report from the General Auditor concerning the Corporation's implementation of the Code Of Ethics and Insider Trading Policy.

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21. Annually review and approve the Bank Protection Act Program, Bank Secrecy Act Program, Contingency Planning Program, Consumer Compliance Program, Information Security Program and Retail Sales of Nondeposit Investment Products Policy.
 22. Ensure that suitable audits are made of the trust activities in compliance with and for the purposes expressed in Regulation 9 of the Comptroller of the Currency, and determine that fiduciary activities are administered in substantial accordance with applicable laws, Regulation 12 CFR 9, and sound fiduciary principles.
 23. Annually review the budgeting and expense allocation process with respect to Equity Research to ensure that Equity Research's budget and expense allocations have been determined without input from Investment Banking.
 24. Approve the appointment of the Corporation's General Auditor.
 - a. Annually review the performance and compensation of the Corporation's General Auditor.
 25. As determined by the Committee, periodically meet with the Chief Financial Officer, the General Auditor and the Independent Registered Public Accounting Firm in separate executive sessions.
 26. Annually evaluate the Committee's performance.
 27. Annually review and reassess the adequacy of the Audit Committee Charter, and recommend any proposed changes to the Board for approval.

The Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Committee shall determine, in its business judgment, that any such consultants have no relationship to the Corporation that would interfere with the exercise of their independent judgment.

Meetings

The Committee shall meet with representatives of the Independent Registered Public Accounting Firm, the General Auditor, the Chief Financial Officer, the Principal Financial Executive, and with other members of management at the request of the Audit Committee, and with any regulatory examiners as deemed appropriate. The Committee shall be free to talk directly and independently with any members of management appropriate to carrying out its responsibilities.