

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

CIT GROUP HOLDINGS INC /DE/

CIK: **20388** | IRS No.: **132994534** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-01861** | Film No.: **94522974**
SIC: **6153** Short-term business credit institutions

Mailing Address
1211 AVENUE OF THE
AMERICAS
NEW YORK NY 10036

Business Address
650 CIT DRIVE
LIVINGSTON NJ 07039
2122706000

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 12, 1994

The CIT Group Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-1861

13-2994534

(State or other
jurisdiction of
incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

1211 Avenue of the Americas
New York, New York 10036

Registrant's telephone number, including area code (212) 536-1950

(Former name or former address, if changed since last report)

Item 5. Other Events.

See attached press release.

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 hereunto duly authorized.

THE CIT GROUP HOLDINGS, INC.

(Registrant)

By /s/ JOSEPH J. CARROLL

Joseph J. Carroll
Executive Vice President and
Chief Financial Officer

Dated: April 12, 1994

(THE CIT GROUP, INC. LETTERHEAD)

NEWS

Joseph J. Carroll
Chief Financial Officer
(201) 740-5214

FROM: THE CIT GROUP HOLDINGS, INC.
1211 AVENUE OF THE AMERICAS
NEW YORK, NY 10036

FOR IMMEDIATE RELEASE

THE CIT GROUP REPORTS RECORD EARNINGS IN 1994 FIRST QUARTER

OF \$48.0 MILLION;

10.3 PERCENT INCREASE OVER 1993 FIRST QUARTER

NEW YORK, NEW YORK, APRIL 12, 1994 --- The CIT Group Holdings, Inc., one of the nation's leading asset-based finance companies, today reported record net income of \$48.0 million for the first quarter ended March 31, 1994, an increase of 10.3 percent from the \$43.5 million reported for the first quarter of 1993. The rise in earnings was principally due to improved net interest and other revenue, reflecting the excellent finance receivables growth over the past year.

"CIT's improved performance and growth is a reflection of the overall improvement in the U.S. economy," said Albert R. Gamper, Jr., CIT president and CEO. "This improvement looks very sustainable for 1994 unless the recent rise in interest rates discourages business and consumer spending," he added.

During the first quarter, CIT completed the acquisition of Barclays Commercial Corporation, a major provider of factoring, commercial finance and credit-related services, from the Barclays Group. The acquisition added over \$700.0 million in finance receivables and affirms CIT's leadership position in the factoring industry.

OTHER HIGHLIGHTS:

- - Financing and leasing assets totaled \$14.3 billion, up 7.1 percent from \$13.4 billion at December 31, 1993 and 13.5 percent from \$12.6 billion at March 31, 1993. The increase from year-end reflects continued growth from new business financings in most operating units, the acquisition of Barclays Commercial Corporation and a seasonal increase in factored receivables.

- - Net interest revenue rose to \$175.1 million in the first quarter of 1994, up 7.4 percent from \$163.0 million in the first quarter of 1993, reflecting earnings on the higher level of financing and leasing assets, offset in part by reduced interest rate margins as rates charged on earning assets increased more slowly than rates paid on the related liabilities.

- - Gains on asset sales were \$7.6 million, up sharply from \$1.3 million in the first quarter of 1993 and included a gain from

securitizing \$150 million of recreation vehicle receivables in January 1994.

- - Operating expenses before the provision for credit losses

totaled \$80.5 million, 2.47 percent of average financing and leasing assets, versus \$67.7 million, 2.29 percent of average financing and leasing assets in the first quarter of 1993. The increases are primarily attributable to several factors, including the recently completed Barclays acquisition, continued expansion of the Consumer Finance operation, and certain non-recurring charges associated with restructuring the Sales Financing sales office network.

- - Net charge-offs for the first quarter of 1994 were \$25.8 million, 0.80 percent of average finance receivables, compared to \$22.4 million, 0.75 percent of average finance receivables for the first quarter of 1993.

- - Finance receivables past due 60 days or more fell to \$198.2 million (1.46 percent of finance receivables) at March 31, 1994, down from \$216.1 million (1.71 percent of finance receivables) at December 31, 1993. Past due receivables on nonaccrual status declined to \$105.6 million (0.78 percent of finance receivables) at March 31, 1994 from \$139.9 million (1.11 percent of finance receivables) at year-end 1993.

- - Assets received in the settlement of loans were \$79.5 million at March 31, 1994, compared to \$87.0 million at December 31, 1993.

The CIT Group Holdings, Inc., one of the nation's largest asset-based lenders, is owned 60 percent by The Dai-Ichi Kangyo Bank Limited, the largest bank in the world, and 40 percent by Chemical Banking Corporation, one of the largest bank holding companies in the United States.

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(SEE ATTACHED TABLES FOR ADDITIONAL FINANCIAL DATA)

THE CIT GROUP HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

(Dollar Amounts in Thousands)

Three Months Ended

March 31

	1994	% to AEA	1993	% to AEA
Interest and fees earned	\$ 303,910	9.23%*	\$ 287,681	9.55%*
Interest expense	128,840	3.86 *	124,686	4.04 *
Net interest revenue	175,070	5.37	162,995	5.51
Gains on asset sales	7,625	.24	1,272	.04
Salaries and employee benefits	43,250	1.33	37,774	1.28
Other operating expenses	37,299	1.14	29,896	1.01
Operating expenses before provision for credit losses	80,549	2.47	67,670	2.29
Provision for credit losses on net charge-offs	25,805	.80 **	22,387	.75 **
Provision for credit losses for reserve change	(924)	(.03)	1,914	.06
Provision for credit losses	24,881	.77	24,301	.82
Total operating expenses	105,430	3.24	91,971	3.11
Income before provision for income taxes	77,265	2.37	72,296	2.44
Provision for income taxes	29,230	.89	28,764	.97
Net income	\$ 48,035	1.48%	\$ 43,532	1.47%
Average financing and leasing assets (AEA)	\$13,024,231		\$11,837,338	
Average finance receivables	\$12,850,556		\$11,891,369	

* Excludes interest income and interest expense relating to interest-bearing deposits

** Percent to average finance receivables

THE CIT GROUP HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollar Amounts in Thousands)

	March 31, 1994	December 31, 1993
	-----	-----
ASSETS		
- - - - -		
FINANCING AND LEASING ASSETS		
Finance receivables (net of unearned finance income of \$1,438,677 and \$1,482,069)		
CORPORATE FINANCE		
Capital Equipment Financing	\$ 4,270,205	\$ 4,394,528
Business Credit	1,228,345	1,282,133
Credit Finance	690,761	645,642
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	6,189,311	6,322,303
DEALER AND MANUFACTURER FINANCING		
Industrial Financing	3,900,134	3,880,991
Sales Financing and Consumer Finance	1,536,750	1,438,865
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	5,436,884	5,319,856
FACTORING		
Commercial Services	1,963,950	981,935
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Finance receivables	13,590,145	12,624,094
Reserve for credit losses	(180,046)	(169,378)
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Net finance receivables	13,410,099	12,454,716
Equipment under operating lease, net	738,733	751,901
	-----	-----
Net financing and leasing assets	14,148,832	13,206,617
CASH AND CASH EQUIVALENTS		
Cash	49,153	101,554
Interest-bearing deposits	17,000	-
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Cash and cash equivalents	66,153	101,554
OTHER ASSETS	391,261	420,310
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TOTAL ASSETS	\$14,606,246	\$13,728,481

LIABILITIES AND STOCKHOLDERS' EQUITY

DEBT		
Commercial paper	\$ 6,202,936	\$ 6,516,139
Variable rate notes	2,187,500	1,686,500
Fixed rate notes	2,385,000	2,392,500
Subordinated fixed rate notes	300,000	200,000
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Total debt	11,075,436	10,795,139
Credit balances of factoring clients	1,009,940	521,728
Accrued liabilities and payables	410,370	324,520
Deferred Federal income taxes and investment tax credits	394,826	394,859
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Total liabilities	12,890,572	12,036,246
STOCKHOLDERS' EQUITY		
Common stock - authorized, issued and outstanding - 1,000 shares	250,000	250,000
Paid-in capital	408,320	408,320
Retained earnings	1,057,354	1,033,915
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Total stockholders' equity	1,715,674	1,692,235
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$14,606,246	\$13,728,481
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