CIT Group Inc. 2016 Resolution Plan - Public Section

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I Public Section

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the related rule (the "Title I Rule") require each bank holding company with consolidated assets in excess of $50 billion to periodically submit to the Board of Governors of the Federal Reserve System (the "FRB") and the Federal Deposit Insurance Corporation (the "FDIC" and together with the FRB, the "Agencies") a plan for the company's rapid and orderly resolution in the event of material financial distress or failure.[1] CIT Group Inc. ("CIT") is subject to section 165(d) of the Dodd-Frank Act and the Title I Rule and thus is required to submit a Resolution Plan to the Agencies.[2]

The Resolution Plan provides for the resolution of CIT and its Material Entities (defined below), in the unlikely event of material financial distress or failure, in a rapid and orderly way, without posing systemic risk to the larger financial system and without the need for any government or taxpayer support. The Resolution Plan is a roadmap to facilitate the orderly resolution of CIT upon the failure of its Material Entities under applicable insolvency regimes. These insolvency regimes include reorganization or liquidation under the US Bankruptcy Code and receivership under the Federal Deposit Insurance Act (the "FDIA").

In accordance with the Title I Rule and direction provided by the Agencies, the Resolution Plan assumes the occurrence of an idiosyncratic event that results in material financial distress to CIT, and evaluates the Resolution Strategies under economic conditions consistent with the severely adverse scenario published by the FRB on January 28, 2016. The Resolution Plan further assumes that the capital markets and other market participants are functioning in accordance with the conditions described in each applicable scenario. Unless otherwise noted in this document, the underlying information provided herein is as of December 31, 2015.

A The Company

CIT, together with its subsidiaries (collectively the "Company"), has provided financial solutions to its clients since its formation in 1908. CIT provides financing and leasing services principally to small and middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. CIT became a bank holding company in December 2008 and a financial holding company in July 2013. CIT provides a full range of banking and related services to commercial and individual customers through its bank subsidiary, CIT Bank, National Association ("CITBNA"), which includes 70 branches located in southern California and its online bank platform, bankoncit.com, and through other offices in the United States and internationally. As of December 31, 2015, CIT had nearly $60bn of earning assets and employed approximately 4,900 people.

Effective as of August 3, 2015, CIT acquired IMB HoldCo LLC, the parent company of OneWest Bank, National Association, a national bank ("OneWest Bank"). At the time of acquisition, CIT Bank, then a Utah-state chartered bank and a wholly owned subsidiary of CIT, merged with and into OneWest Bank, with OneWest Bank surviving and changing its name to CITBNA.

[1] Under the Title I Rule, each "covered company," including non-bank financial companies supervised by the FRB, US bank holding companies and certain foreign banks and bank holding companies, with assets exceeding the $50 billion threshold is required to submit a Resolution Plan.
[2] The FDIC has adopted a separate rule (the "IDI Rule") requiring each insured depository institution ("IDI") with $50 billion or more in total consolidated assets to periodically submit a Resolution Plan to the FDIC. CIT Bank, National Association, an IDI with less than $50 billion in total assets, is not required to submit a Resolution Plan under the IDI Rule.

CIT is comprised of five Core Business Lines made of up the SEC reporting segments Transportation and Consumer and Community Banking and divisions within the Commercial Banking segment. Each Core Business Line has a focus on specific sectors, products and markets. CIT's Core Business Lines are Business Capital, Commercial Finance, Consumer and Community Banking, Real Estate Finance and Transportation Finance.

Forward-Looking Statements

This document contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, about CIT's future plans, objectives and resolution strategies, including CIT's expectations, assumptions and projections regarding the implementation of those strategies and the effectiveness of CIT's Resolution Planning efforts. Because forward-looking statements are based on CIT's current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties. In addition, CIT's expectations and projections regarding the implementation and effectiveness of CIT's Resolution Strategies are based on scenarios and assumptions that are hypothetical and may not reflect events to which CIT is or may become subject. Accordingly, you should not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and CIT does not undertake to update them to reflect changes or events that occur after that date. For information about factors that could cause actual results to differ materially from CIT's expectations, refer to CIT's reports filed with the US Securities and Exchange Commission (the "SEC") including the discussion under "Risk Factors" in CIT's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC and available on its website at www.sec.gov.

Where You Can Find More Information

CIT files annual, quarterly and current reports, proxy statements and other information with the SEC. These reports and other information may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the public reference room may be obtained by calling the SEC at (800) SEC-0330. SEC filings are also available over the internet on the SEC's website, www.sec.gov. CIT also maintains an internet website at www.cit.com. For more information on CITBNA's financial performance, please see its quarterly Call Reports on file with the FDIC. Except as specifically incorporated by reference into this document, information contained in those filings or on CIT's website is not part of this document.

B Material Entities

For purposes of Resolution Planning, CIT has identified eight "Material Entities" under the Title I Rule. A Material Entity is any subsidiary that is significant to the activities of a Critical Operation[3] or Core Business Line (as defined below) of a covered company. The Resolution Plan addresses strategies that could be useful in ensuring the orderly resolution of each Material Entity in the event of material financial distress or failure. Each of CIT's Material Entities is described below.

CIT Group Inc.

CIT, the "covered company" under the Title I Rule, is the ultimate parent in the Company's organizational structure. It is a Delaware corporation and a publicly traded company listed on the New York Stock

[3] Under the Title I Rule, "Critical Operations" are those operations, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and the FDIC, would pose a threat to the financial stability of the United States.

Exchange (“NYSE”) under the ticker symbol “CIT”. CIT is a financial holding company and a bank holding company under the Bank Holding Company Act of 1956 (the “BHC Act”).

The Company has provided financial solutions to its clients since its formation in 1908. The Company provides financing and leasing services principally to small and middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. CIT itself does not directly engage in activities designated as Core Business Lines under the Title I Rule. Rather, CIT provides its direct and indirect subsidiaries with capital and funding, which, in turn, enables those subsidiaries to engage in the Company’s Core Business Lines.

The Company’s consolidated net income was $1.06bn in 2015, with diluted earnings per common share of $5.67.

As of December 31, 2015, the Company’s consolidated assets were approximately $67.5bn. The Company’s total liabilities as of December 31, 2015, were approximately $56.5bn. As of December 31, 2015, CIT’s assets on a stand-alone basis were approximately $23.4bn and its total liabilities on a stand-alone basis were approximately $12.4bn. Loans to and investments in its subsidiaries and cash represent a substantial portion of CIT’s total assets. CIT’s primary revenue sources are interest income, dividends from subsidiaries, and transfer pricing revenue paid by affiliates generated through intercompany lending agreements and funding arrangements.

The FRB establishes capital requirements, including well-capitalized standards for consolidated financial holding companies. At December 31, 2015, the consolidated Company was well-capitalized under the FRB’s regulatory capital adequacy guidelines.

CIT does not employ any personnel directly and does not offer or deliver products and services directly to clients. CIT relies upon Corporate Function employees provided by CITBNA and CIT Group (NJ) LLC (“CIT NJ”) for centralized corporate and administrative services, including certain members of CIT’s executive management team. CIT has entered into a mutual services agreement with CITBNA that allows for the provision and receipt of general corporate and business unit services among CIT, CITBNA and non-bank subsidiaries (the “Mutual Services Agreement”) as well as service agreements providing for the payment of fees associated with guarantees provided by CIT. It is also the primary holder of intellectual property, including various Company tradenames and trademarks, the public and client-facing internet website domains and copyright notices.

Further information with respect to CIT is provided in other portions of this Public Summary. Please also refer to CIT’s reports filed with the SEC and available on the SEC’s website at www.sec.gov, including CIT’s Annual Report on Form 10-K for the year ended December 31, 2015.

<u>CIT Bank, National Association</u>

CITBNA is a national banking association. CITBNA and its subsidiaries represent more than 64% of the Company’s consolidated assets and approximately 60% of the Company’s consolidated total revenue. CITBNA is involved with all of the Company’s Core Business Lines described below.

CITBNA is primarily a national middle market lending franchise with a retail presence in southern California and also owns and services for itself and others a portfolio of residential mortgages. It provides financing and leasing services principally to small and middle market companies across more than 30 industries primarily located in the United States. It provides equipment financing and leasing solutions to the transportation sector. It also offers products and services to consumers through its internet and mobile bank channels and a retail branch network of 70 branches located in southern California, operating as OneWest Bank, a division of CITBNA. CITBNA, through its deposits, is a funding source for the Company's business activities. CITBNA also employs a significant amount of the Company's personnel and owns the Company's corporate campus in Livingston, NJ.

As reported in its Consolidated Report of Condition and Income on FFIEC Form 031 (the "Call Report") as filed with the FDIC, which is available on the FDIC's website at www.fdic.gov, CITBNA's net income was approximately $198.4mm for the year ended December 31, 2015, on approximately $490mm of net revenue.

As of December 31, 2015, CITBNA's unconsolidated assets totaled approximately $43.3bn, with approximately $19.8bn of loans and leases, which represented the largest percentage of CITBNA's assets. As of December 31, 2015, total liabilities of CITBNA were approximately $37.6bn, which consisted of domestic deposits, loans from the Federal Home Loan Bank of San Francisco and other liabilities. Deposits constituted approximately 88% of CITBNA's total liabilities as of December 31, 2015. CITBNA is primarily deposit and equity funded.

The Office of the Comptroller of the Currency (the "OCC") establishes capital requirements for CITBNA. At December 31, 2015, CITBNA was well-capitalized under the OCC's regulatory capital adequacy guidelines.

CITBNA has entered into the Mutual Services Agreement with CIT and other affiliates, including other Material Entities for the provision of corporate-related services. CITBNA is the primary employing entity for the Company. In certain instances employees employed by CITBNA may perform services on behalf of other entities. Depending on the nature of the particular agreement, individual pricing terms may be negotiated. These agreements between affiliates are considered arm's-length. CITBNA employs approximately 78% of the Company's total employees. These employees work across multiple Core Business Lines, excluding the Commercial Services business of the Business Capital Core Business Line. Systems owned by CITBNA support various Core Business Lines.

Further information with respect to CITBNA is provided in other portions of this Public Summary. Please also refer to CITBNA's Call Report for the year ended December 31, 2015, as filed with the FDIC, which is available on the FDIC's website at www.fdic.gov.

CIT Finance LLC

CIT Finance LLC ("CIT Finance") is a Delaware limited liability company and is a wholly owned subsidiary of CITBNA.

CIT Finance holds finance receivables for several Core Business Lines, including Transportation Finance, Commercial Finance, Real Estate Finance and Business Capital. At the time of the OneWest acquisition in 2015, the Company determined that CIT Finance will only book new originations for the Commercial Services business of the Business Capital CBL, and any other future loan renewals or re-financings will be primarily booked directly in CITBNA.

CIT Finance's net income and revenue are driven principally by interest earned on financed client assets.

CIT Finance's assets are comprised primarily of loans and leases originated for commercial clients across a variety of industries. Total liabilities of CIT Finance consist primarily of an intercompany funding agreement payable to CITBNA.

CIT Finance is party to the Company's Mutual Services Agreement and has established a number of intercompany service agreements with certain of the Company's non-bank entities that had previously used CIT Finance as a booking entity prior to the OneWest Bank acquisition. CIT Finance does not have any employees.

The following legal entities are material, non-bank, subsidiaries of CIT Group Inc.:

CIT Group (NJ) LLC

CIT NJ is a Delaware limited liability company and a wholly owned subsidiary of CIT.

CIT NJ serves as the Company's primary contracting entity for services and products acquired from third parties for use by the Company in the ordinary course of business. The Company's other operating entities enter into service agreements with CIT NJ to receive the requisite services required for their respective business activities. CIT NJ enters into these agreements on an arm's-length basis and either directly charges the operating entities for the services or products rendered or allocates costs accordingly.

CIT NJ's net income and revenue was driven by transfer pricing revenue associated with services delivered to affiliates.

CIT NJ's assets are comprised primarily of an intercompany receivable and other assets. Total liabilities of CIT NJ consist of intercompany debt owed to CIT, intercompany payables associated with services owed to affiliates and accrued expenses.

CIT NJ contracts to secure the provision of a wide variety of services on behalf of CIT and its non-banking subsidiaries. The Company's Mutual Services Agreement establishes the provision and delivery of these services. CIT NJ currently holds the majority of the Company's contracts entered into prior to the OneWest Bank acquisition.[4] CIT NJ enters into these contracts on behalf of the Company, and the vendor services are provided through CIT NJ. CIT NJ also maintains other intercompany service agreements with its key affiliates that establish the provision and delivery of certain services. CIT NJ employs approximately 2% of the Company's total employees.

The CIT Group/Equipment Financing, Inc.

The CIT Group/Equipment Financing, Inc. ("CIT EF") is a Delaware corporation and a wholly owned, direct subsidiary of CIT.

CIT EF serves as CIT's primary intermediate holding company for the majority of the Company's non-banking operating subsidiaries, principally supporting the Transportation Finance Core Business Line. CIT EF principally holds railcar operating leases originated on behalf of domestic railroads and shippers that were not booked into CITBNA. CIT EF also holds a small portfolio of legacy equipment leases and loans that is currently in runoff.

CIT EF's net income and revenue were principally driven by rental income produced by its rail car leasing business operating leases.

CIT EF's assets are comprised primarily of its operating leases and investment in its subsidiaries. Total liabilities of CIT EF consist of a deferred tax liability, an intercompany funding agreement with CIT and

[4] The contracts held by OneWest Bank prior to the acquisition have since been moved into CITBNA.

intercompany payables associated with transfer pricing costs for the receipt of shared services and portfolio services.

CIT EF is party to the Company's Mutual Services Agreement. CIT EF is not a provider of services to any bank or non-bank affiliates. CIT EF does not have any employees.

The CIT Group/Commercial Services, Inc.

The CIT Group/Commercial Services, Inc. ("CMS") is a New York corporation and an indirect, wholly owned subsidiary of CIT.

CMS is the primary legal entity supporting the Commercial Services business within the Business Capital Core Business Line. Commercial Services originates substantially all of its transactions through CMS, including factoring, receivable management products, and secured financing to businesses (its clients, which are generally manufacturers or importers of goods) that operate in several industries, including apparel, textile, furniture and consumer electronics.

CMS's net income and revenue are primarily driven by non-interest revenue and net finance margin.

CMS's assets are comprised of an investment in its subsidiaries and finance receivables, including gross balances and advances. Total liabilities of CMS consist primarily of intercompany funding agreements and credit balances for factoring clients.

CMS is party to the Company's Mutual Services Agreement. CMS directly employs its sales personnel and relies upon CIT, CIT NJ and CITBNA for shared corporate services. CMS and a non-Material Entity subsidiary of CIT collectively act as the servicer and custodian of CITBNA's interest in certain agreements originated by CMS. CMS employs approximately 9% of the Company's total employees.

C.I.T. Leasing Corporation

C.I.T. Leasing Corporation ("CIT Leasing") is a Delaware corporation and an indirect subsidiary of CIT EF and a direct subsidiary of CMS.

CIT Leasing is the primary domestic operating subsidiary supporting the Commercial Air business, part of the Transportation Finance Core Business Line. It owns and leases commercial aircraft, is a lender in Commercial Air loans and acts as agent/security trustee for certain Transportation Finance Core Business Line loans for which CITBNA is the lender. CIT Leasing is an obligor under forward purchase agreements with Airbus and Boeing for the purchase of new commercial aircraft which it leases to airlines under operating lease transactions. It is a guarantor of CIT's unsecured revolving credit facility, which is used as a strategic funding source by the Company for liquidity management. CIT Leasing is also a holding company for domestic and international subsidiaries.

CIT Leasing's net income and revenue are driven principally by rental income produced by its aircraft operating leases.

CIT Leasing's assets were comprised primarily of aircraft subject to operating leases, finance receivables and investments in subsidiaries. Total liabilities of CIT Leasing consist primarily of intercompany funding agreements.

CIT Leasing is party to the Company's Mutual Services Agreement. Additionally, CIT Leasing has entered into a service agreement with CITBNA to manage the contracts for acquisition and leasing of certain aircraft and to permit CITBNA to require CIT Leasing to purchase certain loans or leases from CITBNA. It also has a service agreement with CIT Aerospace International ("CITAI") for the payments associated with CIT Leasing's financial guarantee to CITAI. CIT Leasing is the service recipient on a number of service agreements with select other bank and non-bank affiliates for the provision of support services.

In October 2015, CIT publicly announced its intention to separate the Commercial Air business[5]. In connection with CIT's planned disposition of the Commercial Air business, CIT Leasing is currently in the process of transferring almost all of its Commercial Air-related assets, including aircraft and equity, into a new Delaware entity dedicated to Commercial Air; such transfers are targeted to be completed by the end of 2016.

CIT Leasing does not have any employees.

CIT Aerospace International

CIT Aerospace International ("CITAI") is an Irish private unlimited company that is an indirect subsidiary of CIT Leasing.

CITAI is the parent of more than 20 non-US subsidiaries organized in various countries, including special purpose entities associated with secured financing transactions as well as entities used in leasing structures in the Transportation Finance Core Business Line's Commercial Aircraft leasing business. In October 2015, CIT publicly announced its intention to separate the Commercial Air business. CITAI is an obligor under forward purchase agreements with Airbus and Boeing for the purchase of new aircraft to be delivered through 2020. CITAI's net income and revenue are driven principally by rental income produced by its aircraft operating leases.

CITAI's assets were comprised primarily of aircraft subject to operating leases. Total liabilities of CITAI consist primarily of intercompany funding agreements, intercompany payables and external debt.

CITAI is party to the Company's Mutual Services Agreement. CITAI is also party to select inter-affiliate service agreements. CITAI employs less than 1% of the Company's total employees.

C Description of Core Business Lines

The Company manages and reports its business through three segments: Transportation Finance, Consumer and Community Banking and Commercial Banking. For the purposes of the 2016 Resolution Plan, the Business Capital, Commercial Finance, and Real Estate Finance divisions of the Commercial Banking segment have been identified as Core Business Lines in addition to the Transportation and Community and Consumer Banking segments.

Within the five Core Business Lines, the Company has identified divisions and businesses that are core for the purposes of the Resolution Plan. The following table identifies the core divisions and businesses within each Core Business Line for the purposes of the 2016 Resolution Plan.[6] Core divisions and businesses for Resolution Planning are significant in size and in the firm's stated strategy.

[5] In October 2015, CIT publicly announced its intention to separate its Commercial Air business. On October 6, 2016, CIT Group announced that it had reached a definitive agreement to sell its Commercial Air business to Avolon Holdings Limited, the international aircraft leasing company and a wholly-owned subsidiary of Bohai Capital Holding Co. Ltd. This transaction is expected to close by the end of the first quarter of 2017, subject to regulatory approvals and customary closing conditions.

[6] The Company has also identified non-core divisions within the Company's Core Business Lines, which are divisions that are smaller in size and/or are in the process of being wound down or sold.

Core Business Line	Core Divisions / Businesses
Business Capital	Equipment Finance
	Commercial Services
Commercial Finance	Specialty Verticals
	Capital Markets
Consumer and Community Banking	Retail Banking Group
	Consumer Lending
	Residential Servicing Operations
	Small Business Administration Lending
	Wealth Management
Real Estate Finance	East Coast
	West Coast
	Non-Core for Real Estate Finance
Transportation Finance	Aerospace (Business Air / Commercial Air)
	Rail
	Maritime Finance Group

Each of the Company's Core Business Lines under the Title I Rule are described below.

Business Capital

The Business Capital Core Business Line ("Business Capital"), part of the Commercial Banking reporting segment, includes two businesses focused on offering loans and leases to small and middle market companies in a wide range of industries on both an indirect, including private label, and direct basis. Business Capital provides financing solutions to borrowers and lessees, and assists manufacturers and distributors in growing sales, profitability and customer loyalty by providing customized, value-added financing solutions to their commercial clients. Products offered include both capital and operating leases. As of December 31, 2015, Business Capital consists of the following two businesses:

- Equipment Finance: This business offers both "small ticket" and "large ticket" leasing, as well as a capital markets segment delivered through four businesses, across both direct and indirect channels, as follows:
  - Equipment Finance, US ("EF US"): The EF US channel provides vendor sales and financing programs that support the diverse needs of a manufacturer's direct and indirect commercial customer sales channels.
  - Direct Capital: The Direct Capital channel delivers financial solutions for small businesses, franchisors and equipment and technology sellers.
  - Lender Finance: The Lender Finance channel specializes in structured lease capital market solutions, residual-based transactions and asset management, across all industries that require value-added capital market solutions, innovative products and flexible service offerings.

- Capital Equipment Finance: The Capital Equipment Finance channel specializes in providing loans and leases directly to customers for essential-use equipment for transactions ranging in size from $2mm to $100mm.

- Commercial Services: This business provides credit protection, accounts receivable management services and asset-based lending to manufacturers and importers that sell into retail channels of distribution. Commercial Services also provides factoring, receivable management products and secured financing to businesses that operate in several industries, including apparel, textile, furniture, home furnishings and consumer electronics.

Commercial Finance

The Commercial Finance Core Business Line ("Commercial Finance"), part of the Commercial Banking reporting segment, is a primary division that provides a range of lending and deposit products, as well as cash management, interest rate derivatives, foreign exchange, and capital markets services to small and medium-sized companies in the United States. The primary assets of the Commercial Finance business are finance receivables based on the commercial loan portfolio. Revenues generated by Commercial Finance are primarily driven by interest income on the commercial loans and fee income. The principal lending product offered by the Commercial Finance business is senior secured loans. As of December 31, 2015, Commercial Finance consists of the following two divisions:

- Specialty Verticals: This business provides lending, leasing and other financial services nationally to the small and middle market sectors.
- Capital Markets: This business provides risk management-based financial products and services to corporate institutions, including a range of interest rate and foreign exchange risk management derivative contracts for the Company's commercial clients. Additionally, Capital Markets provides treasury management products to allow clients the ability to improve cash flow management, reduce costs, improve productivity and protect against fraud with products such as positive pay and reverse positive pay.

Consumer and Community Banking

The Consumer and Community Banking Core Business Line ("Consumer and Community Banking") offers deposit and lending products to meet the needs of retail and small business clients, including checking, savings, certificates of deposit, residential mortgage loans and servicing business, Small Business Administration loans, credit cards and trust services. Consumer and Community Banking operates a network of 70 retail branches in southern California, a call center and an internet banking channel. Consumer and Community Banking also offers personalized relationship-based banking services to high net worth individuals and professional partnerships through the Wealth Management division. As of December 31, 2015, Consumer and Community Banking consists of the following six businesses:

- Retail Banking Group: This division consists of several deposit gathering channels, including the 70 retail branches located in southern California, the internet banking channel and the customer contact center.
- Consumer Lending: This division is responsible for the origination of residential mortgages.
- Residential Servicing Operations: This division provides support for the ongoing servicing operations related to residential loan originations and acquisitions, as well as for the legacy mortgages portfolios.

- Small Business Administration Lending: This division offers Small Business Administration ("SBA") 504, SBA 7(a) and owner occupied conventional real estate loans through its wholesale/broker origination channel.
- Wealth Management: This division offers personalized relationship-based banking services to high net worth individuals and professional partnerships.
- Community Reinvestment Act: This division is responsible for executing the Company's plan to achieve compliance with the requirements of the Community Reinvestment Act and CIT Bank's CRA Plan, and to serve the local needs of the southern California community, including the needs of low and moderate income areas.

Real Estate Finance

The Real Estate Finance Core Business Line ("REF"), part of the Commercial Banking reporting segment, is a primary division that provides senior secured commercial real estate loans to developers and other commercial real estate investors. REF focuses on providing reposition/bridge loans as well as originating construction loans to experienced and well-capitalized developers. The assets securing commercial real estate loans include property types such as office buildings, multifamily, industrial, retail, hotels, mixed-use (commercial/residential) and certain other selective property types and mortgages. REF has focused on financing properties in the Northeast, particularly in the Boston to Washington corridor, and properties on the West Coast, with concentrations in Los Angeles and Orange County, CA as well as other major cities across the US.

Transportation Finance

The Transportation Finance Core Business Line ("Transportation Finance") is a primary business operating and reporting segment that provides leasing and financing solutions to operators and suppliers in the global aviation, railcar and maritime industries. The primary source of revenue for Transportation Finance is rent collected on leased assets and, to a lesser extent, interest on loans, gains from assets sold and fees for services provided. The primary asset type held by Transportation Finance is equipment (predominantly commercial aircraft and railcars) purchased and leased to commercial end-users. The typical structure for leasing of large ticket transportation assets is an operating lease. Transportation Finance also has a loan portfolio consisting primarily of senior, secured loans. As of December 31, 2015, Transportation Finance consists of the following three divisions:

- Aerospace: This division is comprised of the Commercial Air and Business Air businesses. Aerospace provides aircraft leasing and financing solutions to operators of commercial aircraft and corporate and private owners of business jets. Aerospace maintains a portfolio of over 360 aircraft, consisting primarily of current-production single-aisle and intermediate size twin-aisle aircraft, operated by more than 100 customers in over 50 countries.
- CIT Rail: This division is a lessor of railcars and locomotives to railroads and shippers throughout North America and Europe. CIT Rail supports a wide array of industries and serves approximately 650 customers worldwide.
- CIT Maritime Finance Group: This division services clients across all major maritime segments and geographic locations. The CIT Maritime Finance Group primarily offers clients senior debt financing and finance leases.

D Summary of Financial Information

The following presents CIT's Consolidated Balance Sheets as of December 31, 2014 and 2015. For detailed financial information with respect to CIT, please refer to CIT's reports filed with the SEC and available on the SEC's website at www.sec.gov, including the Annual Report on Form 10-K for the year ended December 31, 2015.

($mm – except share data)	December 31, 2015	December 31, 2014
Assets		
Cash and due from banks, including restricted balances of $601.4 and $374.0 at December 31, 2015 and 2014, respectively	1,481.2	878.5
Interest bearing deposits, including restricted balances of $229.5 and $590.2 at December 31, 2015 and 2014, respectively	6,820.3	6,241.2
Securities purchased under agreements to resell	-	650.0
Investment securities, including $339.7 at December 31, 2015 of securities carried at fair value with changes recorded in net income	2,953.8	1,550.3
Assets held for sale	2,092.4	1,218.1
Loans	31,671.7	19,495.0
Allowance for loan losses	(360.2)	(346.4)
Total loans, net of allowance for loan losses	31,311.5	19,148.6
Operating lease equipment, net	16,617.0	14,930.4
Indemnification assets	414.8	-
Unsecured counterparty receivable	537.8	559.2
Goodwill	1,198.3	571.3
Intangible assets	176.3	25.7
Other assets, including $195.9 and 168.4 at December 31, 2015 and 2014, respectively, at fair value	3,394.9	2,106.7
Assets of discontinued operations	500.5	-
Total Assets	**67,498.8**	**47,880.0**
Liabilities		
Deposits	$32,782.2	$15,849.8
Credit balances of factoring clients	1,344.0	1,622.1
Other liabilities, including $221.3 and $62.8 at December 31, 2015 and 2014, respectively, at fair value	3,158.7	2,888.8
Borrowings, including $3,361,2 and $3,053.3 contractually due within 12 months at December 31, 2015 and December 31, 2014, respectively	18,539.1	18,455.8
Liabilities of discontinued operations	696.2	-
Total Liabilities	**56,520.2**	**38,816.5**
Stockholders' Equity		
Common stock: $0.01 par value, 600,000,000 authorized		
Issued: 204,447,769 and 203,127,291 at December 31, 2015 and December 31, 2014, respectively	2.0	2.0

($mm – except share data)	December 31, 2015	December 31, 2014
Outstanding: 201,021,508 and 180,920,575 at December 31, 2015 and December 31, 2014, respectively	-	-
Paid-in capital	8,718.1	8,603.6
Retained earnings	2,557.4	1,615.7
Accumulated other comprehensive loss	(142.1)	(133.9)
Treasury stock: 3,426,261 and 22,206,716 shares at December 31, 2015 and December 31, 2014 at cost, respectively	(157.3)	(1,018.5)
Total Common Stockholders' Equity	**10,978.1**	**9,068.9**
Noncontrolling minority interests	0.5	(5.4)
Total Equity	**10,978.6**	**9,063.5**
Total Liabilities and Equity	**64,498.8**	**47,880.0**

Capital

CIT seeks to maintain capital at a level commensurate with CIT's risk profile and risk tolerance objectives and to meet both regulatory requirements and market expectations. CIT's potential sources of capital include retention of earnings net of dividends, as well as issuances of common and preferred stock.

Regulatory Capital

CIT and CITBNA are subject to various regulatory capital adequacy requirements of the FRB and the OCC. Risk-based capital ("RBC") guidelines establish risk-adjusted capital ratios relating capital to different categories of assets and off-balance sheet exposures. At December 31, 2015, CIT and CITBNA were "well-capitalized" under applicable regulatory capital adequacy guidelines.

The following summarizes information regarding CIT's capital ratios as of December 31, 2015 and 2014.

	Transition Basis ($000s)	Fully Phased-In Basis ($000s)	($000s)
	2015	2015	2014
Tier 1 Capital Components[7]			
Total stockholders' equity	10,978.1	10,978.1	9,068.9
Effect of certain items in accumulated other comprehensive loss excluded	76.9	76.9	53.0
Adjusted total equity	11,055.0	11,055.0	9,121.9
Less: Goodwill[8]	(1,130.8)	(1,130.8)	(571.3)
Disallowed deferred tax assets	(904.5)	(904.5)	(416.8)
Disallowed intangible assets	(53.6)	(134.0)	(25.7)
Investment in certain subsidiaries	NA	NA	(36.7)

[7] The December 31, 2015 presentations reflect the risk-based capital guidelines under Basel III, which became effective on January 1, 2015, on a transition basis, and under the fully phased-in basis. The December 31, 2014 presentation reflects the risk-based capital guidelines under then effective Basel I.

[8] Goodwill and disallowed intangible assets adjustments include the respective portion of deferred tax liability in accordance with guidelines under Basel III.

	Transition Basis ($000s)	Fully Phased-In Basis ($000s)	($000s)
	2015	2015	2014
Other Tier 1 components[9]	(0.1)	(0.1)	(4.1)
Common Equity Tier 1 Capital	8,966.0	8,885.6	8,067.3
Tier 1 Capital	8,966.0	8,885.6	8,067.3
Tier 2 Capital			
Qualifying reserve for credit losses and other reserves[10]	403.3	403.3	381.8
Less: Investment in certain subsidiaries	NA	NA	(36.7)
Other Tier 2 components	—	—	—
Total qualifying capital	9,369.3	9,288.9	8,412.4
Risk-weighted assets	69,563.6	70,239.3	55,480.9
Capital Ratios			
Common Equity Tier 1 Capital Ratio	12.9%	12.7%	NA
Tier 1 Capital Ratio	12.9%	12.7%	14.5%
Total Capital Ratio	13.5%	13.2%	15.2%
Tier 1 Leverage Ratio	13.5%	13.4%	17.4%

Capital Planning and Stress Testing

Under the enhanced prudential supervision requirements of the Dodd-Frank Act, the Company is subject to capital planning and company-run and supervisory stress testing requirements under the FRB's Comprehensive Capital Analysis and Review ("CCAR") process, which requires the Company to submit an annual capital plan, along with a Company-run stress test, and demonstrate that it can meet required regulatory capital minimums over a nine-quarter planning horizon. The FRB will conduct a separate supervisory stress test using data submitted by CIT in a format specified by the FRB. The Company participated in the CCAR process in 2016 and expects to be part of the same process as established for CCAR banks beginning in 2017. CIT collects and reports certain related data on a quarterly basis, which the FRB uses to track the Company's progress against the capital plan. The Company expects that upon full implementation of the CCAR process in 2017, CIT may pay dividends and repurchase stock only in accordance with an approved capital plan to which the FRB has not objected. Prior to full implementation of the CCAR process, CIT continues to consult with the FRB regarding dividends and repurchasing stock. Annual capital plans and company-run stress tests must be submitted by April 5, with publication of results by both the FRB and CIT by June 30.

Furthermore, CIT and CITBNA are required to conduct Company-run stress tests, pursuant to the Dodd-Frank Act Stress Tests ("DFAST") to assess the impact of stress scenarios (including supervisor-provided baseline, adverse, and severely adverse scenarios and, for CIT, one Company-defined baseline scenario and at least one Company-defined stress scenario) on their consolidated earnings, losses, and capital over a nine-quarter planning horizon, taking into account their current condition, risks, exposures, strategies, and activities. While CITBNA is only required to conduct an annual stress test, CIT must conduct both an annual and a mid-cycle stress test. CIT and CITBNA must submit their annual DFAST

[9] Includes the Tier 1 capital charge for nonfinancial equity investments under Basel I.
[10] "Other reserves" represents additional credit loss reserves for unfunded lending commitments, letters of credit, and deferred purchase agreements, all of which are recorded in Other Liabilities.

results to their respective regulators by July 31, with public disclosure of summary stress test results between October 15 and October 31.

Major Funding Sources and Liquidity Management

CIT actively manages and monitors its funding and liquidity sources against relevant limits and targets. These sources satisfy funding and other operating obligations, while also providing protection against unforeseen stress events including unanticipated funding obligations, such as customer line draws, or disruptions to the capital markets or other funding sources. Primary liquidity sources include cash, investment securities and credit facilities.

CIT's liquidity risk management and monitoring process is designed to ensure the availability of adequate cash resources and funding capacity to meet its obligations. CIT's overall liquidity management strategy is intended to ensure ample liquidity to meet expected and contingent funding needs under both normal and stress environments.

Consistent with this strategy, CIT maintains cash and highly liquid investments. Additional sources of liquidity include the Amended and Restated Revolving Credit and Guaranty Agreement, dated as of January 27, 2014, among CIT, certain subsidiaries of CIT, Bank of America, N.A., which serves as an administrative agent, and several other participating lenders (the "Revolving Credit Facility"), other committed financing facilities and cash collections generated by portfolio assets originated in the normal course of business.

CIT utilizes a series of measurement tools to assess and monitor the level and adequacy of its liquidity position, liquidity conditions and trends. The primary tool is a cash forecast designed to identify material movements in cash flows. Stress scenarios are applied to measure the resiliency of the liquidity position and to identify stress points requiring remedial action. Also included among CIT's liquidity measurement tools is an early warning system (summarized on an Early Warning Indicator Report) that monitors key macro-environmental and company specific metrics that serve as early warning signals of potential impending liquidity stress events. Event triggers are categorized by severity into a three-level stress monitoring system: Moderately Enhanced Crisis, Heightened Crisis and Maximum Crisis. Assessments outside defined thresholds trigger contingency funding actions, which are detailed in CIT's Contingency Funding Plan ("CFP").

Integral to CIT's liquidity management practices is its CFP, which outlines actions and protocols under liquidity stress conditions, whether they are idiosyncratic or systemic in nature and defines the thresholds that trigger contingency funding actions. The objective of the CFP is to ensure an adequately sustained level of liquidity under certain stress conditions.

Funding sources include deposits and borrowings. Deposits represent the largest funding source for CIT at approximately 58% of total consolidated liabilities as of December 31, 2015.

CIT and its consolidated subsidiaries also supplement funding provided through deposits with various borrowings. Borrowing sources totaled $18.5bn and accounted for 33% of total liabilities as of December 31, 2015.

The following table summarizes CIT's funding sources as of December 31, 2015 and 2014:

	December 31, 2015 ($mm)	December 31, 2014 ($mm)
Deposits		
CDs	18,201.9	9,942.2
Interest-bearing checking	3,123.7	—
Savings	4,840.5	3,941.6
Money Markets	5,560.5	1,873.8
Total Deposits	**32,782.2**	**15,849.8**
Long-term Borrowings		
Senior unsecured	10,677.7	11,932.4
Structured financings	4,743.8	6268.7
FHLB advances[11]	3,117.6	254.7
Total Long-term borrowings	**18,545.4**	**18,465.4**

E Description of Hedging and Derivative Activities

The Company manages economic risk and exposure to interest rate and foreign currency risk through derivative transactions in over-the-counter markets with other financial institutions. The Company also offers derivative products to its customers in order for them to manage their interest rate and currency risks. The Company does not enter into derivative financial instruments for speculative purposes.

Derivatives utilized by the Company may include swaps, forward settlement contracts and options contracts. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. Forward settlement contracts are agreements to buy or sell a quantity of a financial instrument, index, currency or commodity at a predetermined future date, rate or price. An option contract is an agreement that gives the buyer the right, but not the obligation, to buy or sell an underlying asset from or to another party at a predetermined price or rate over a specific period of time.

The Company documents, at inception, all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategies for undertaking various hedges. Upon executing a derivative contract, the Company designates the derivative as either a qualifying hedge or a non-qualifying hedge. The designation may change based upon management's reassessment of circumstances. Upon de-designation or termination of a hedge relationship, changes in fair value of the derivative are reflected in earnings.

The Company utilizes cross-currency swaps and foreign currency forward contracts to hedge net investments in foreign operations. These transactions are classified as foreign currency net investment hedges with resulting gains and losses reflected in accumulated other comprehensive income ("AOCI"). For hedges of foreign currency net investment positions, the "forward" method is applied whereby effectiveness is assessed and measured based on the amounts and currencies of the individual hedged net investments versus the notional amounts and underlying currencies of the derivative contract. For those hedging relationships where the critical terms of the underlying net investment and the derivative

[11] These values are based on purchase accounting and therefore differ from the contractual obligation to the FHLB, $3,113.5mm.

are identical, and the credit-worthiness of the counterparty to the hedging instrument remains sound, there is an expectation of no hedge ineffectiveness so long as those conditions continue to be met.

The Company also enters into foreign currency forward contracts to manage the foreign currency risk associated with its non-US subsidiaries' funding activities and designates these as foreign currency cash flow hedges for which certain components are reflected in AOCI and others recognized in noninterest income when the underlying transaction impacts earnings.

The Company uses foreign currency forward contracts, interest rate swaps, cross currency interest rate swaps and options to hedge interest rate and foreign currency risks arising from its asset and liability mix. These are treated as economic hedges.

The Company also provides interest rate derivative contracts to support the business requirements of its customers. The derivative contracts include interest rate swap agreements and interest rate cap and floor agreements wherein the Company acts as a seller of these derivative contracts to its customers. To mitigate the market risk associated with these customer derivatives, the Company enters into similar offsetting positions with broker-dealers.

The following table presents the total notional or contractual amounts and fair values for the Company's derivatives. Derivative transactions can be measured in terms of the notional amount, but this amount is not, when viewed in isolation, a meaningful measure of the risk profile of the instruments. The notional amount is generally not exchanged, but is used only as the basis on which interest and other payments are determined. Derivative instruments that qualify for hedge accounting are presented in the balance sheet at their fair value in other assets or other liabilities. Derivatives that do not qualify for hedge accounting are also presented in the balance sheet in other assets or other liabilities.

Fair and Notional Values of Derivative Financial Instruments[12]	December 31, 2015 ($mm)			December 31, 2014 ($mm)		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
Qualifying Hedges						
Foreign currency forward contracts—net investment hedges	788	46	(0)	1,193	75	-
Total Qualifying Hedges	**788**	**46**	**(0)**	**1,193**	**75**	**-**
Non-Qualifying Hedges						
Interest rate swaps[13]	4,646	45	(39)	1,902	16	(24)
Written options	3,346	0	(3)	2,712	-	(3)
Purchased options	2,343	2	(0)	948	1	-
Foreign currency forward contracts	1,624	48	(7)	2,029	77	(12)
Total Return Swap[14] (TRS)	1,153	-	(55)	1,092	-	(25)
Equity Warrants	1	0	-	1	0	-
Interest Rate Lock Commitments	10	0	-	-	-	-
Credit derivatives	38	-	(0)	-	-	-

[12] Presented on a gross basis
[13] Fair value balances include accrued interest
[14] On December 7, 2016, CIT Financial Ltd. ("CFL"), a wholly-owned indirect subsidiary of CIT Group Inc., entered into a Fourth Amended and Restated Confirmation (the "Termination Agreement") with GSI to terminate the $1.5 billion total return swap facility (the "Canadian TRS Facility"). Under the Termination Agreement, the Canadian TRS Facility will terminate on March 31, 2017, or such earlier date designated by CFL upon five business days' prior notice delivered to GSI on or after January 2, 2017.

Fair and Notional Values of Derivative Financial Instruments[12]	December 31, 2015 ($mm)			December 31, 2014 ($mm)		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
Total Non-Qualifying Hedges	**13,160**	**96**	**(103)**	**8,684**	**94**	**(63)**
Total Hedges	**13,947**	**141**	**(104)**	**9,877**	**168**	**(63)**

F Memberships in Material Payment, Clearing and Settlement Systems

The Company uses a broad system of payment networks as well as a network of correspondent banks to support operational back office activities. The payment networks, or Financial Market Utilities ("FMU"), and bank relationships are utilized for several types of activities, including wire payments and transfers, check clearing, as well as automated clearing house ("ACH") payments and settlement.

The Company utilizes 11 FMUs to support its business activities, as described above, these are described in the following table.

Network	Description
Endpoint Exchange	Endpoint Exchange clears check images from financial institutions, service bureaus, clearinghouses and the Federal Reserve Banks.
Fedwire Funds Service	Fedwire Funds Service is provided by the Federal Reserve Bank; it is a real-time gross settlement system which allows members to initiate immediate and irreversible fund transfers. It is typically utilized for large-value payments that must be processed on short notice. Fedwire Funds works as a credit transfer service; participants can originate transfers in three ways: online, through a secure electronic message, or via telephone.
Viewpointe Clearing, Settlement & Association Services, LLC ("Viewpointe")	Viewpointe is a provider of electronic content management, and exchange solution services. Customers have access to secure means of payment and end-to-end check image clearing and settlement; institutions Viewpointe serves vary in size from local credit unions to Fortune 100 financial institutions. As a voting member of National Automated Clearinghouse Association, it is one of 17 regional payments associations that offer payments education, ACH audit services, risk management and access to discounted industry publications.
Federal Reserve Automatic Clearing House Services ("FedACH")	FedACH is comprised of a network of depository institutions that engage in credit and debit transfers. It is one of two national ACH operators. Examples of ACH credit transfers include payroll direct deposits, social security benefits and tax refunds, whereas debit transfers are items such as mortgage and utility bills. FedACH services can be used for recurring payments; today it is frequently used for one-time debit transfers as well, which include payments made through the internet or phone.
MasterCard	MasterCard is a worldwide payment solution and financial services firm offering a wide range of products to its clients.
VISA	VISA is a worldwide payment solution and financial services firm offering a wide range of products to its clients.
Chicago Mercantile Exchange ("CME")	CME, through its US clearing division ("CME Clearing"), provides central counterparty clearing services for futures, options and swaps contracts. CME Clearing is a derivatives clearing organization registered with the Commodity Futures Trading Commission and a clearing agency registered with the Securities Exchange Commission. CME, as a central counterparty for buyers and sellers, ensures the financial security of the marketplace and helps clearing participants limit credit risk and achieve operational and financial efficiency.
Electronic Payments Network ("EPN")	EPN is one of two national ACH operators. The Federal Reserve Banks and EPN rely on each other to process payments when the originating and receiving institutions are served by different ACH operators; once the payments are processed they are settled by the Federal Reserve Banks.

Network	Description
The LCH.Clearnet Group	The LCH.Clearnet Group is a leading multi-asset class and multi-national clearing house, serving major exchanges and platforms as well as a range of OTC markets. The holding company, LCH.Clearnet Group Limited, is incorporated in the United Kingdom; the US entity is LCH.Clearnet LLC and is registered as a derivative Clearing Organization with the CFTC.
Depository Trust & Clearing Corporation (“DTCC”)	DTCC provides solutions to protect the global financial markets; it serves as the post-trade market infrastructure in the industry, advancing the automation, centralization, standardization and streamlining of processes critical to the markets’ safety and soundness. DTCC processes trillions of dollars of securities transactions each day, serving as the centralized clearinghouse for more than 50 exchanges and equity platforms.
Society for Worldwide Interbank Financial Telecommunication (“SWIFT”)	SWIFT is a secure messaging platform that offers products and services to banking and securities institutions, market infrastructures as well as corporate customers. Products and services include software and access to the SWIFT cloud. SWIFT allows a global community to communicate financial information reliably and securely; this allows for increased international trade, greater access to data, and stronger business intelligence, while preventing financial crimes.

G Description of Foreign Operations

The Company’s international businesses are primarily focused on the business conducted through the CIT Rail and Aerospace divisions of Transportation Finance. Transportation Finance is a leading provider of leasing and financing solutions to operators and suppliers in the global aviation, North American and European railcar industries and maritime businesses. As mentioned above, the financing and leasing assets in the International Finance division are included in assets held for sale as of December 31, 2015. In October 2015, CIT publicly announced its intention to separate the Commercial Air business of the Aerospace division. On October 6, 2016 CIT Group announced that it had reached a definitive agreement to sell the Commercial Air business to Avolon Holdings Ltd., which is based in Ireland and is owned by the HNA Group of China. This sale is targeted to close by the end of 1st quarter, 2017.

At December 31, 2015, the Company’s foreign financing and leasing assets totaled approximately $14.9bn, representing approximately 29.5% of the Company’s total financing and leasing assets and approximately 22% of the Company’s total consolidated assets.

Approximately 9% of the Company’s employees are employed outside the United States.

H Material Supervisory Authorities

The Company is regulated by US federal banking laws, regulations and policies. Such laws and regulations are intended primarily for the protection of depositors, customers and the federal deposit insurance fund, as well as to minimize risk to the banking system as a whole, and not for the protection of our shareholders or non-depository creditors. Bank regulatory agencies have broad examination and enforcement power over bank holding companies and their subsidiaries, including the power to impose substantial fines, limit dividends, and other capital distributions, restrict operations and acquisitions and require divestitures. Bank holding companies and banks, as well as subsidiaries of both, are prohibited by law from engaging in practices that the relevant regulatory authority deems unsafe or unsound. CIT is a bank holding company, and elected to become a financial holding company, subject to regulation and examination by the FRB and the Federal Reserve Bank of New York. As a financial holding company, CIT is subject to certain limitations on its activities, transactions with affiliates and payment of dividends, and certain standards for capital and liquidity, safety and soundness and incentive compensation, among other matters. Under the system of “functional regulation” established under the BHC Act, the FRB supervises CIT, including all of its non-bank subsidiaries, as an “umbrella regulator” of the consolidated organization. CITBNA is chartered as a national bank by the OCC and is a member bank of the Federal Reserve System. CIT’s principal regulator is the FRB and CITBNA’s principal regulator is the OCC. Both CIT and CIT Bank are regulated by the Consumer Financial Protection Bureau, which regulates consumer financial products.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was enacted in July 2010, made extensive changes to the regulatory structure and environment affecting banks, bank holding companies, non-bank financial companies, broker-dealers, and investment advisory and management firms. Although the Dodd-Frank Act has not significantly limited the Company from conducting the activities in which it was previously engaged, a number of regulations have affected and will continue to affect the conduct of a number of its business activities, either directly through regulation of specific activities or indirectly through regulation of concentration risks, capital or liquidity or through the imposition of additional compliance requirements. As of September 30, 2015, as a result of the acquisition of OneWest Bank, the Company exceeded $50 billion in total consolidated assets, and therefore became subject to enhanced prudential supervision requirements under Sections 165 and 166 of the Dodd-Frank Act and regulations issued by the FRB thereunder. These additional requirements will be phased in over time, through March 2017.

I Lists of Principal Officers

Name	Position
Ellen R. Alemany	Chairwoman and CEO of CIT Group and Chairwoman, CEO and President of CIT Bank, N.A.
Stuart Alderoty	Executive Vice President, General Counsel and Secretary
Jim Duffy	Chief Human Resources Officer
Matt Galligan	President, CIT Real Estate Finance
Carol Hayles	Executive Vice President, Chief Financial Officer
Jim Hudak	President, CIT Commercial Finance
Jeff Knittel	President, CIT Transportation Finance
Denise Menelly	Executive Vice President, Head of Technology and Operations
Raymond Matsumoto	Executive Vice President, Chief Administrative Officer
Kelley Morrell	Executive Vice President, Chief Strategy Officer
Gina Proia	Executive Vice President, Chief Marketing and Communications Officer
Robert Rowe	Executive Vice President, Chief Risk Officer
Steve Solk	President, CIT Business Capital, CIT Consumer and Commmunity Banking and California

J Resolution Planning Corporate Governance Structure and Processes

With the acquisition of OneWest Bank in August 2015, CIT exceeded $50 billion in total consolidated assets and became a covered company subject to requirements of the Title I Rule. Shortly after the acquisition of OneWest Bank, CIT began preparations for the development and submission of the Resolution Plan. The Company developed a governance framework for Resolution Planning which is documented in its Recovery and Resolution Planning Policy. The General Counsel is the executive sponsor of the Resolution Plan. As executive sponsor, the General Counsel formed the Resolution

Planning Executive Steering Committee (the “ESC”) to oversee CIT’s Resolution Planning efforts. The ESC consists of the Company’s General Counsel, Chief Risk Officer, Chief Financial Officer, Chief Information and Operations Officer, Chief Human Resources Officer, Chief Administrative Officer, Treasurer and certain Core Business Line leaders.

The ESC’s role is to provide oversight and guidance on the development of the Resolution Plan. The ESC ratified the approach and implementation plan, and approved the governance framework. The ESC made key decisions and resolved issues as they arose. The ESC also manages risks and provided resources to perform and oversee work required to gather the information and draft the Resolution Plan. Additionally, the ESC reviews and validates Resolution Plan Impediments and confirms the sponsorship for ex-ante actions. ESC meetings generally were held monthly to review and discuss the project, address risks and issues, confirm key decisions, affirm key messages for other stakeholders and ratify Resolution Plan sections.

The ESC established the role of the Recovery and Resolution Planning Officer (“RRP Officer”) to manage the day-to-day development of the Plan. To assist with the development of the Resolution Plan, the ESC formally established a working-group structure that organized resources of the Company around key Resolution Planning topics to support the gathering of key information underlying the Resolution Plan, and to assist with the drafting and review of Resolution Plan content. The Company also engaged external counsel and a third party professional services advisory firm to provide subject matter advice, industry perspectives and heightened support to the Project.

Key participants in the resolution governance structure and processes also include the Board of Directors of CIT, committees of the Board of Directors of CIT including the Risk Management Committee, the Company’s senior leadership and relevant support groups, risk groups and business lines. Each of these groups has been appropriately engaged in the preparation of the Resolution Plan.

The Recovery and Resolution Planning Office (“RRPO”) manages the Company’s Resolution Planning efforts and is the central point of control with respect to the Resolution Planning governance structure. In addition to coordinating Resolution Planning efforts throughout the Company, the RRPO takes strategic direction from the ESC and ultimately the Board of Directors of CIT. For the 2016 Resolution Plan, the RRPO reported into the ESC. For future submissions, the RRPO will be organized under the Enterprise Risk Management team, ultimately reporting to the Chief Risk Officer and report in to the Company’s Enterprise Risk Committee.

The Company’s 2016 Resolution Plan has been approved by the Board of Directors of CIT.

K Description of Material Management Information Systems

Management Information Systems (“MIS”) are vital for the Company to run and execute its day-to-day business activities, meet customer expectations and compete in the marketplace. The Company maintains important systems that are dedicated to individual Core Business Lines and Corporate Functions, as well as infrastructure, systems and reports that are used across the organization and by executive management to run and manage the Company.

As part of the Resolution Planning process, the Company has identified the MIS needed to produce reports required to manage day-to-day operations. CIT management depends on company systems to produce management reports related to risk, accounting, finance, and regulatory reporting. These reports inform senior management about the financial health of the organization and identify risks to the operation of businesses, Material Entities and Core Business Lines.

Risk Management

The Company has an enterprise-wide framework for risk management, including governance, policies, procedures and systems used to identify, measure and manage risks, including those associated with credit risk, liquidity risk, asset risk, capital risk, vendor risk, operational risk, market risks, business continuity and regulatory risks. Key MIS applications provides the data and controls for the Company to manage these risks, and include systems that provide information regarding counterparty exposure, credit risk exposure and performance, liquidity risks and regulatory risks.

Accounting and Financial and Regulatory Reporting

MIS applications and the associated data is used by the Corporate Controllers, Accounting, Treasury and Regulatory Reporting teams to reconcile general ledger balances, manage liquidity, interest rates and foreign currency risks, ensure the adequacy of financial controls and to generate information necessary for the preparation of financial statements and SEC and regulatory reports. These systems are used to monitor the Company's financial health and to provide the necessary information to prepare financial statements and regulatory reports which are reviewed by the Board and a number of first-tier management committees

Business Continuity Management

CIT recognizes that significant business disruptions are a possibility. To mitigate the impact of business interruptions resulting from a variety of potential events, a company-wide Business Continuity Management ("BCM") program is maintained in compliance with applicable regulations and guidelines. The program establishes a single global framework for how CIT manages and controls identified risks resulting from disasters and other significant disruptive events.

CIT governs its BCM program through an established and documented corporate policy which is approved annually by the Risk Management Committee of the Board of Directors of CIT. The policy establishes requirements, standards, roles and responsibilities designed to maintain the availability of critical business processes in the event of a business disruption. CIT promotes and facilitates continuity through a comprehensive and centrally managed BCM program with a dedicated staff of professionals responsible for the strategic and tactical execution of the business continuity and disaster recovery program.

L High-Level Description of Resolution Strategy

In accordance with the Title I Rule, CIT has developed Resolution Strategies that, in the event of its failure, describe the actions that would be taken to prevent or mitigate any adverse effects of such failure. The Resolution Plan is based on the Company's balance sheet as of December 31, 2015, and assumes that the Company is operating under business-as-usual conditions as of that date. The Resolution Plan then assumes the Company experiences a hypothetical idiosyncratic loss event under economic conditions consistent with the severely adverse scenario developed by the FRB.

None of the Resolution Strategies described below or in the Resolution Plan itself are binding on a bankruptcy court, the FDIC or any other resolution authority, and in the event of the resolution of the Company, the strategies implemented by the Company, the FDIC or any other resolution authority could differ, possibly materially, from the strategies the Company has described. The proposed failure scenarios and assumptions described in this Public Section and in the Resolution Plan are hypothetical and do not necessarily reflect an event or events to which the Company is or may become subject.

CIT's preferred Resolution Strategy follows a dual approach to resolution:

- Upon failure, CIT files for bankruptcy protection under Chapter 11 of the US Bankruptcy Code (a "Chapter 11 Proceeding"), along with the following non-bank Material Entities: CIT NJ; CIT EF; and CMS (together with CIT, the "Debtors"). CIT Leasing and CITAI would continue to operate outside of the bankruptcy process.
- CITBNA and its banking subsidiaries, including CIT Finance, would enter an FDIC receivership.

Chapter 11 Proceeding for CIT and its Non-bank Subsidiaries

Under CIT's preferred Resolution Strategy, CIT files a Chapter 11 Proceeding as a result of the cumulative stress, liquidity and financial impacts resulting from the hypothetical idiosyncratic event, and a resulting run on liquidity. Simultaneously, CIT NJ, CIT EF and CMS would also file a Chapter 11 Proceeding. Each entity that files a Chapter 11 Proceeding would be a Debtor-in-Possession ("DIP") with its Board of Directors and management team controlling the day-to-day operations, as opposed to a trustee, but would be required to obtain approval by the Bankruptcy Court for approval of transactions outside the ordinary course of business. Once a Chapter 11 Proceeding is commenced, the Debtors would execute a series of asset sales under Section 363 of the US Bankruptcy Code ("§363 Sales"), with the approval of the Bankruptcy Court, to generate funds to pay administrative expenses and to repay creditors.

CIT would exit from bankruptcy by means of a plan of reorganization under Chapter 11 of the US Bankruptcy Code.

CIT Leasing and CITAI

Under CIT's preferred Resolution Strategy, CIT Leasing and CITAI continue to operate as going concerns outside of the Chapter 11 process. Because CIT Leasing is the primary domestic commercial air leasing entity for the Commercial Air business of the Transportation Finance Core Business Line (and the indirect owner of CITAI, which is the primary international commercial air leasing entity), this strategy allows the Commercial Air business to maintain the greatest amount of franchise value, while also reducing administrative costs and transaction complexity. CMS, a Debtor in CIT's preferred Resolution Strategy, owns 100% of the equity in CIT Leasing and would facilitate a carve-out and sale of the Commercial Air assets through a §363 Sales process.

FDIC Receivership for CITBNA and CIT Finance

Under CIT's preferred Resolution Strategy, CITBNA would be resolved under the FDIA in an FDIC receivership. The FDIC's primary goals for the resolution process are to provide depositors with timely access to their insured funds and to resolve the failing institution in the manner least costly to the Deposit Insurance Fund. Once CITBNA becomes undercapitalized, insolvent or at the point of non-viability, in accordance with the provisions of the FDIA, the FDIC would be appointed as receiver of CITBNA by CITBNA's primary regulator, the OCC, and would assume control of all assets, rights, powers, titles and privileges of CITBNA. Federal law gives the FDIC special powers in a receivership to minimize the estate's exposure to loss and expedite the resolution process. These powers include the ability to repudiate contracts, allow or disallow claims, place litigation on hold, avoid fraudulent conveyances, and use special defenses to allow for efficient resolution of a failed institution's affairs.

The specific actions taken by the FDIC as receiver, including the decision whether to cause any CITBNA subsidiaries to commence bankruptcy proceedings, would depend in part upon the circumstances under which the FDIC is appointed as receiver. Among other things, the FDIC's decisions could be affected by CITBNA's rate of deterioration, the state of the economy, the availability of potential purchasers and the potential impact of the failure on the deposit insurance fund. Under CIT's preferred strategy, the FDIC would transfer the majority of the assets and certain liabilities, including all deposit liabilities, of CITBNA to a new bridge depository institution organized by the FDIC (the "Bridge Bank"). The Bridge Bank would provide the FDIC flexibility for marketing CITBNA and additional time for thorough assessment of CITBNA's condition, a complete evaluation of alternate resolution strategies, and due diligence from prospective buyers. Select liabilities of CITBNA and its subsidiaries would be left behind in the receivership and the majority of its assets would be moved into a Bridge Bank with the goal of operating the Bridge Bank until it could be recapitalized and exit receivership as a new company or sold.

Prior to the establishment of the Bridge Bank, the FDIC could begin looking for a single acquirer for CITBNA and its subsidiaries. A single sale to a third-party purchaser via a purchase and assumption agreement might lower the transaction costs and avoid a prolonged resolution. If a transaction could not be executed over Resolution Weekend, the FDIC could continue to pursue a single acquirer after the establishment of the Bridge Bank. However, CIT believes that a sale to a single acquirer is not the likely strategy for resolution of CITBNA and that the Bridge Bank would likely be established.

After the establishment of the Bridge Bank, the FDIC would sell certain business and/or portfolio to generate sufficient capital and liquidity to sustain the operations of the Bridge Bank through the recapitalization processes. CIT estimates that after operating for 12 months, the Bridge Bank would be sufficiently stable and able to operate without any additional portfolio sales. After the Bridge Bank has been stabilized and the portfolio sales completed, the FDIC would consider recapitalizing the Bridge Bank by selling the entity to a third-party or raising capital through an initial public offering.

CIT Finance is a wholly owned subsidiary of CITBNA and as a limited liability company would be subject to the US Bankruptcy Code. Because CIT Finance is a subsidiary of CITBNA, however, the FDIC, as receiver of CITBNA, would have the power to determine how to approach the resolution of CIT Finance, including whether to seek the protection of the US Bankruptcy Code. The FDIC would likely only cause or permit CIT Finance to be subject to bankruptcy proceeding if CIT Finance were unable to continue to operate for financial or other reasons, and thus, in such case, would subject CIT Finance to a Chapter 11 liquidating plan or a Chapter 7 liquidation.

M Conclusion

The Resolution Plan provides for the resolution of CIT, in a rapid and orderly manner. The resolution options proposed are designed to ensure that key components of CIT's business would be able to continue during the period immediately following failure, and that customers would have prompt access to their deposits, minimizing customer impact. CIT believes that it has developed an effective and feasible plan for resolution.