



# Simplify, Strengthen, and Grow

Morgan Stanley Financials Conference  
*Wednesday, June 13, 2018*

**Ellen Alemany, Chairwoman and CEO**  
**John Fawcett, CFO**

# Important Notice

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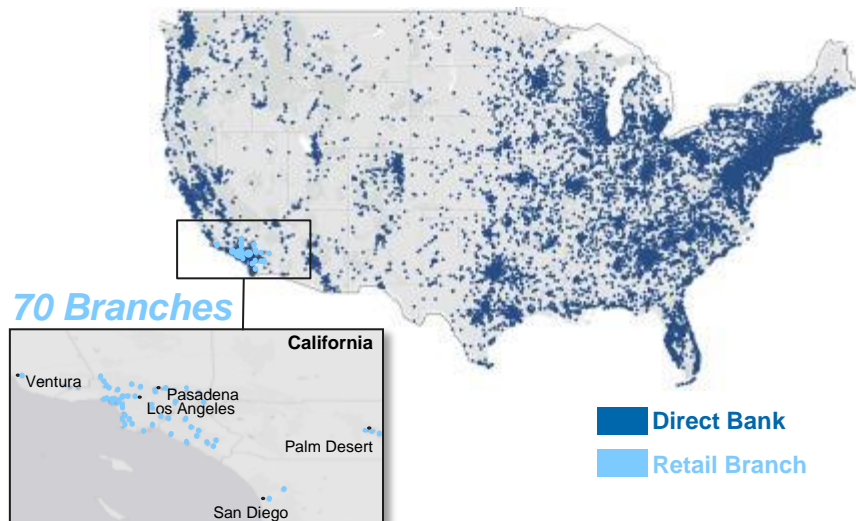
This presentation contains forward-looking statements within the meaning of applicable federal securities laws that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. The words “expect,” “anticipate,” “estimate,” “forecast,” “initiative,” “objective,” “plan,” “goal,” “project,” “outlook,” “priorities,” “target,” “intend,” “evaluate,” “pursue,” “commence,” “seek,” “may,” “would,” “could,” “should,” “believe,” “potential,” “continue,” or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements contained in this press release, other than statements of historical fact, including without limitation, statements about our plans, strategies, prospects and expectations regarding future events and our financial performance, are forward-looking statements that involve certain risks and uncertainties. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially. Important factors that could cause our actual results to be materially different from our expectations include, among others, the risk that (i) CIT is unsuccessful in implementing its strategy and business plan, (ii) CIT is unable to react to and address key business and regulatory issues, (iii) CIT is unable to achieve the projected revenue growth from its new business initiatives or the projected expense reductions from efficiency improvements, (iv) CIT becomes subject to liquidity constraints and higher funding costs, or (v) the parties to a transaction do not receive or satisfy regulatory or other approvals and conditions on a timely basis or approvals are subject to conditions that are not anticipated. We describe these and other risks that could affect our results in Item 1A, “Risk Factors,” of our latest Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission. Accordingly, you should not place undue reliance on the forward-looking statements contained in this press release. These forward-looking statements speak only as of the date on which the statements were made. CIT undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.

This presentation is to be used solely as part of CIT management’s continuing investor communications program. This presentation shall not constitute an offer or solicitation in connection with any securities.

# CIT Today: Commercially-Focused and Funded by Stable Deposits

## A Leading National Bank Focused on Lending and Leasing to the Middle Market and Small Businesses

### Branch and Direct Bank Deposit Footprint



### Financial Highlights (\$ billions)

<b>Assets</b>	\$51.5
<b>Total Loans &amp; Leases</b>	\$38.5
Commercial Banking	\$31.5
Consumer Banking	\$7.0
<b>Deposits</b>	\$30.6
<b>Market Cap</b>	\$6.0
<b>NYSE</b>	CIT

### Franchise Highlights

- Top 50 Largest U.S. Bank
- One of the Largest Banks in Southern California
- Named Best Bank in California, MONEY Best Banks, 2 Years in a Row
- Leading Direct Bank and Provider of Digital Small Business Lending
- Leading Middle Market Lender
- Top 5 Provider of Railcar Leasing
- Top 10 Provider of Equipment Financing
- Leading Provider of Factoring Services

Note: Market capitalization as of June 8, 2018. Financial information as of March 31, 2018. Map illustrates online deposits by city.

# Significant Progress to Simplify, Strengthen and Grow CIT

## We Have Transformed Our Business and Are Focused on Driving Shareholder Value

### Simplify

- Sold \$10 billion of Commercial Air Operating Leases and \$9 billion of Commitments in 2017
- Sold Over \$1 billion of International Equipment & Corporate Finance Businesses Across 4 Countries Since 2016
- Exited Reverse Mortgages – Sold our Financial Freedom servicing platform and ~\$900 million of loans
- Sale in Progress:
  - \$1.2 billion of NACCO railcar leases, our last ongoing overseas business

### Strengthen

- Reduced Over \$1.5 billion of Commercial Finance Leveraged Loan Exposures Since 3Q 2015
- Terminated \$1.5 billion Canadian TRS in 2016 – Reduced annual funding costs and earnings volatility
- Reduced \$6.9 billion of Unsecured Debt with an Average Coupon of 5.15% in 2017
- Called \$1.1 billion of Brokered Deposits with an Average Rate of ~2.6% in 2016
- Resolved Material Legacy OneWest Litigation Issues

### Grow

- Acquired OneWest Bank – Doubled deposit base and significantly decreased cost of funds through investing in Southern California, one of the best banking markets in the U.S.
- Entered into Strategic Partnership with Allstate – To provide revolving and term-loan financing to middle-market companies
- Expanded and Entered Industry Verticals – Including Aviation Finance, Healthcare Real Estate, and other divisions such as Franchise Finance, Industrial Equipment and Material Handling

### Focused on Shareholder Value

- Returned \$4.3 billion of Capital to Shareholders Since 2017 with an Average Share Repurchase Price of \$49.00
- Reduced Shares Outstanding by 88 million Common Shares, or 43%, Since 2017
- Increased Common Dividend by 7% to \$0.16 per Share in 2017

# Strong and Diverse Team with Fresh Perspectives

Leadership Team		Board of Directors	
<b>Ellen Alemany</b>	Chairwoman & Chief Executive Officer	<b>Ellen Alemany</b>	Chairwoman & Chief Executive Officer
<b>Stuart Alderoty</b>	General Counsel & Corporate Secretary	<b>Michael Brosnan</b>	Former Examiner-in-Charge for Midsize Bank Supervision in the OCC
<b>Jim Duffy</b>	Chief Human Resources Officer	<b>Michael Carpenter</b>	Former CEO of Ally Financial, Inc.
<b>John Fawcett</b>	Chief Financial Officer	<b>Dorene Dominguez</b>	Chairwoman & CEO, Vanir Group of Companies, Inc.
<b>Matt Galligan</b>	President, Real Estate Finance	<b>Alan Frank</b>	Former Partner of Deloitte & Touche LLP
<b>Marisa Harney</b>	Chief Credit Officer	<b>William Freeman</b>	Former Chairman & CEO of Arbinet-thexchange, Inc. and Former CEO of Leap Wireless International
<b>Jim Hudak</b>	President, Commercial Finance	<b>Brad Oates</b>	Chairman & Managing Partner of Stone Advisors, LP
<b>Mike Jones</b>	President, Business Capital	<b>Gerald Rosenfeld</b>	Vice Chairman of U.S. Investment Banking of Lazard Ltd.
<b>Mark Links*</b>	Chief Auditor	<b>Vice Admiral John Ryan</b> <i>(Lead Director)</i>	President & CEO of the Center for Creative Leadership
<b>Jeff Lytle</b>	President, Rail	<b>Sheila Stamps</b>	Former MD & Head of European Asset-Backed Securitization, Bank One Corporation
<b>Ken McPhail</b>	Chief Strategy Officer	<b>Khanh Tran</b>	President & CEO of Aviation Capital Group
<b>Denise Menelly</b>	Head of Technology & Operations	<b>Laura Unger</b>	Former Commissioner of the SEC and Former Counsel to the United States Senate Banking Committee
<b>Wahida Plummer</b>	Chief Risk Officer		
<b>Gina Proia</b>	Chief Marketing & Communications Officer		
<b>Steve Solk</b>	President, Consumer Banking		
<b>Average industry experience 30+ years</b>		<i>Grey highlighting denotes new additions within the past 3 years.</i>	



\*Mark Links to join CIT effective June 18, 2018.

# Positioned for Growth with Our Leading National Platforms...

## Leading Commercial Banking Franchises with \$29 Billion in Loans & Leases\*

### What We Do

#### Commercial Finance

- Established middle market national franchise with deep industry and product expertise and customized solutions

#### Business Capital

- Trusted partner providing innovative technology, industry expertise, unique residual knowledge, and factoring services

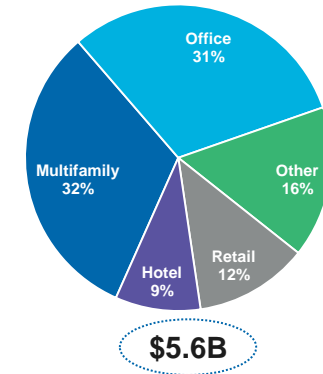
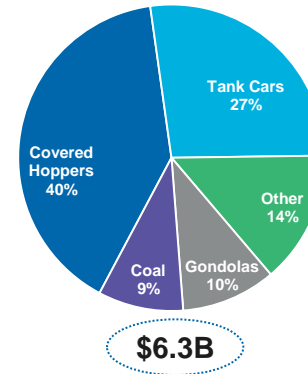
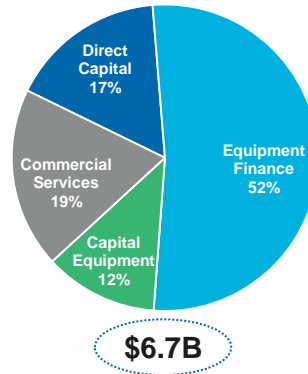
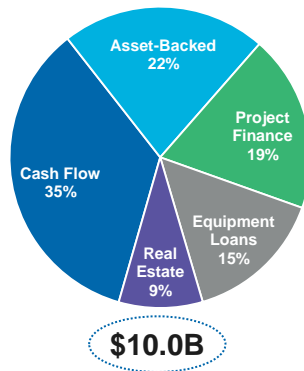
#### Rail, N.A.

- 4<sup>th</sup> largest rail equipment lessor in North America with strong, through-the-cycle profitability

#### Real Estate Finance

- Relationship approach through life of loan provides consistent quality service to sponsors

### Business Mix



### Differentiating Strengths

- Deep and diversified industry expertise
- Strong market presence and economies of scale
- JV relationships expand our addressable market
- Structuring and capital markets capabilities
- Long-term client relationships

- Innovative technology provides speed of execution and valued solutions
- Experts in design, development and implementation of vendor programs
- Unique expertise in fair market value lending
- Market leader for factoring services with strong industry knowledge

- Young and diverse fleet with broad market coverage, servicing a wide range of industries
- Proven portfolio management resulting in strong through-the-cycle returns
- Strong customer service and long-term customer and manufacturer relationships

- Deep expertise in complex transactions (construction and reposition/bridge lending)
- Robust network with syndication banks
- National focus with significant presence in two largest CRE markets: Northeast Corridor and Southern California

\*Loan and lease balances are as of March 31, 2018, the balance for Commercial Services is net of credit balances of factoring clients, and the balance for Rail, N.A excludes NACCO. The Rail, N.A. chart illustrates rail car type as a percentage of CIT's total North American rail car fleet based on unit count.

# ...And Deposit Franchises Providing Stable and Diverse Funding

**Consumer Banking – offering competitive deposit products through a branch and digital experience, with small business lending and mortgage products**

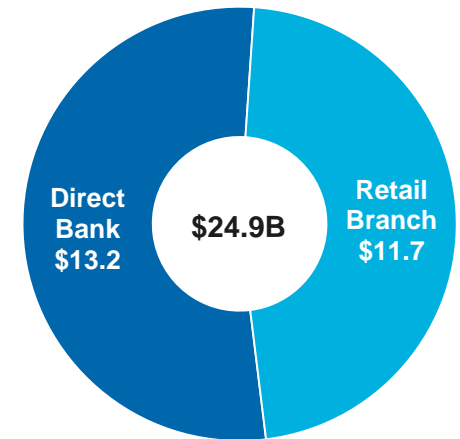
## Direct Bank Franchise

- **Leading Direct Bank** with a national reach
- Highly **scalable platform**
- Offers a digital experience and **competitive product offering**
- Growing and diversifying customer base with higher net worth savers, as well as an **increasing number of millennials**
- Products gaining **third-party recognition**

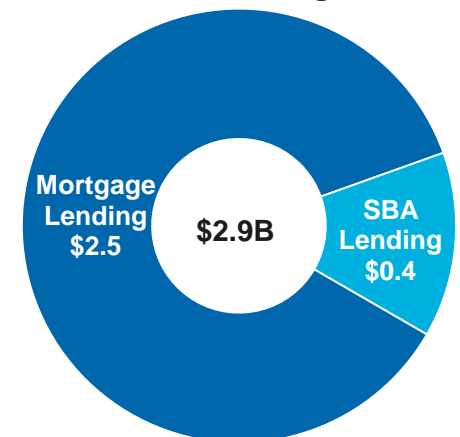
## Retail Branch Franchise

- **70 branches** in attractive Southern California market, the #2 market in the U.S.
- Offers **excellent customer service** with a local community commitment
- Average deposits per branch of **\$165 million** with average customer relationship of **12+ years**
- Integrating CIT's **small business lending capability**
- Products and service gaining **third-party recognition**

## Consumer Banking Deposits



## Consumer Banking Assets



Note: Deposit and loan balances are as of March 31, 2018. Loan balance excludes Legacy Consumer Mortgages.

# Enhancing Technology to Drive Efficiencies and Growth



## Simplifying Infrastructure to Drive Efficiencies

- Upgrading platforms to reduce complexity and improve operational efficiency
- Leveraging emerging technology to enable scalability in infrastructure
- Deploying robotics to automate manual activities



## Improving Customer Experiences and Digital Capabilities to Support Deposit Growth

- Creating an effortless banking experience by integrating digital and mobile-enabled convenience
- Improving digital functionality
- Leveraging artificial intelligence to create a seamless customer experience



## Creating Innovative Business Solutions

- Received FinTech Breakthrough Award for digital point-of-sale financing solution
- Launched point-of-sale platform with leading technology company to provide business customers with online and in-store financing
- Continuing to invest in the *FlexAbility* digital platform for vendors to manage invoicing and sales seamlessly





# Executing on Our Strategies to Simplify, Strengthen, and Grow CIT

	Strategies	1Q18 Progress
<b>1</b> Maximize Potential of Core Businesses	<ul style="list-style-type: none"> <li>Grow revenues – grow core businesses, enhance fee revenue, and leverage connectivity among businesses</li> <li>Optimize cash and investment portfolio</li> </ul>	<ul style="list-style-type: none"> <li>✓ Average loan &amp; lease growth of 2% in our core portfolios<sup>(1)</sup></li> <li>✓ Funded volume of \$2.7 billion up significantly from year-ago quarter</li> <li>✓ Average investment portfolio up 5%</li> </ul>
<b>2</b> Enhance Operational Efficiency	<ul style="list-style-type: none"> <li>Reduce and manage operating expenses</li> <li>Invest in, and enhance technology</li> </ul>	<ul style="list-style-type: none"> <li>✓ Operating expenses reflect seasonally elevated costs and a litigation accrual</li> <li>✓ Remain on target to achieve core expense target for 2018 of \$1,050 million</li> </ul>
<b>3</b> Reduce Funding Costs	<ul style="list-style-type: none"> <li>Reduce unsecured debt cost</li> <li>Improve deposit mix to lower cost (relative to index)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Average deposits increased ~\$400 million</li> <li>✓ Non-maturity deposits increased to 53% of total average deposits</li> <li>✓ LDR<sup>(2)</sup> improved to 126% for consolidated and to 98% for CIT Bank</li> </ul>
<b>4</b> Optimize Capital Structure	<ul style="list-style-type: none"> <li>Manage, deploy, and align capital</li> <li>Target 10–11% CET1 ratio</li> </ul>	<ul style="list-style-type: none"> <li>✓ Received non-objection to amended capital plan, increasing capital return approval to up to \$900 million for 1H18</li> <li>✓ Repurchased 16.1 million shares at an average price of \$54.16 in 1H18</li> </ul>
<b>5</b> Maintain Strong Risk Management	<ul style="list-style-type: none"> <li>Maintain credit and operating risk discipline</li> </ul>	<ul style="list-style-type: none"> <li>✓ Non-accruals remained flat: ~80bps</li> <li>✓ Credit reserves remained strong:               <ul style="list-style-type: none"> <li>1.52% for total portfolio</li> <li>1.79% for Commercial Banking</li> </ul> </li> </ul>

(1) Core portfolios is net of credit balances of factoring clients and excludes NACCO AHFS, Legacy Consumer Mortgages, and NSP.

(2) Loan and lease-to-deposit ratio.

# 1 Growing Core Loans and Leases to Drive Top Line Growth

## Growth Opportunities in Our Core Franchises

### Commercial Finance

- Expand asset management capabilities
- Growth opportunities in Aviation Finance, Healthcare Real Estate, Technology, and Entertainment
- Continue to grow capital markets fees by increasing lead arranger roles

### Business Capital

- Expand direct and indirect lending and enter new industry verticals leveraging asset management and structuring expertise
- Continue to build innovative technology
- Expand factoring relationships across industries

### Rail, N.A.

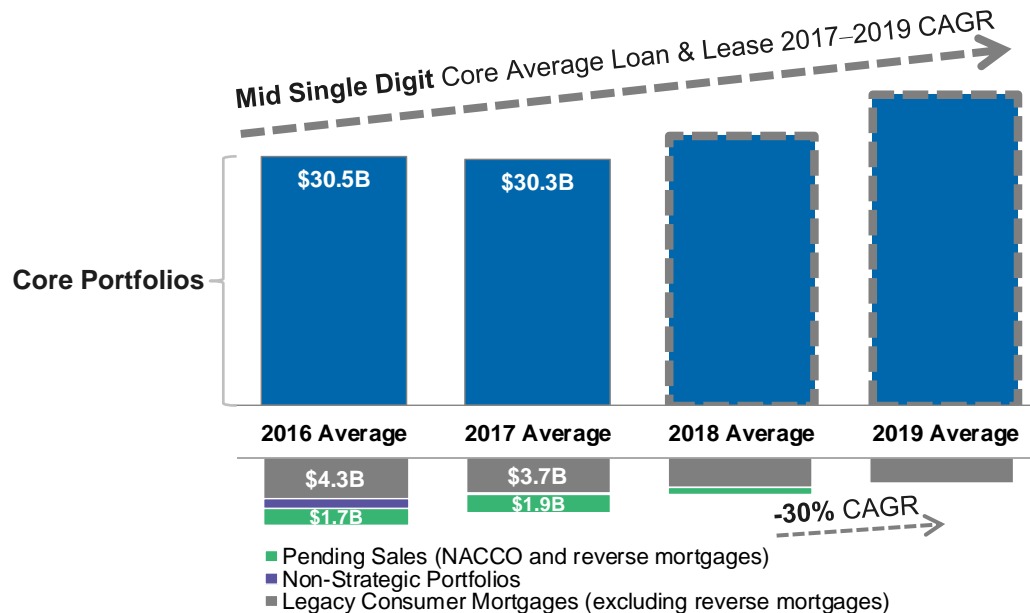
- Continue to manage portfolio proactively and adjust lease terms and rates to market conditions
- Maximize revenues by diverting cars for other services where applicable
- Selective asset sales contribute to non-interest income
- Opportunistic purchases

### Real Estate Finance

- Broaden sponsor coverage with relationship-oriented focus
- Expand syndication activities
- Increase focus on fee-generation activities

### Consumer Banking

- Community and small business lending opportunities in greater L.A. market
- Leveraging digital small business lending platform to deliver an enhanced experience to small business bank customers

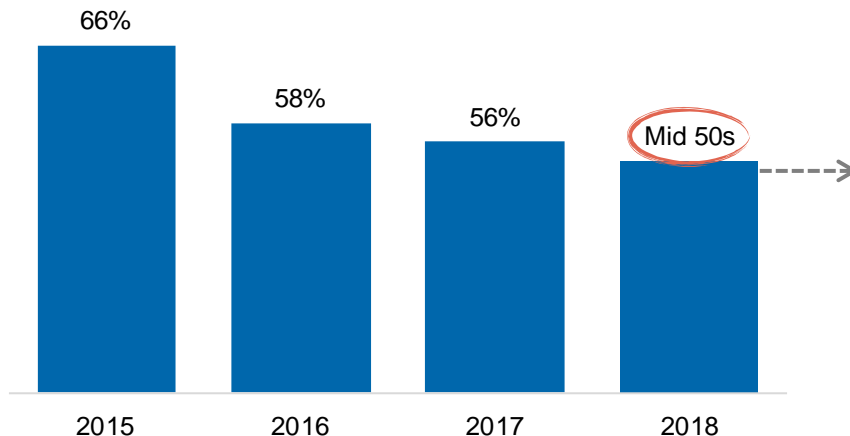


Note: Core portfolios exclude NACCO, reverse mortgages related to the Financial Freedom transaction, Non-Strategic Portfolios, and Legacy Consumer Mortgages.

## 2 Improving Operating Efficiency

On Track to Deliver Expense Saves in 2018 with a Focus on Improving Our Efficiency Ratio

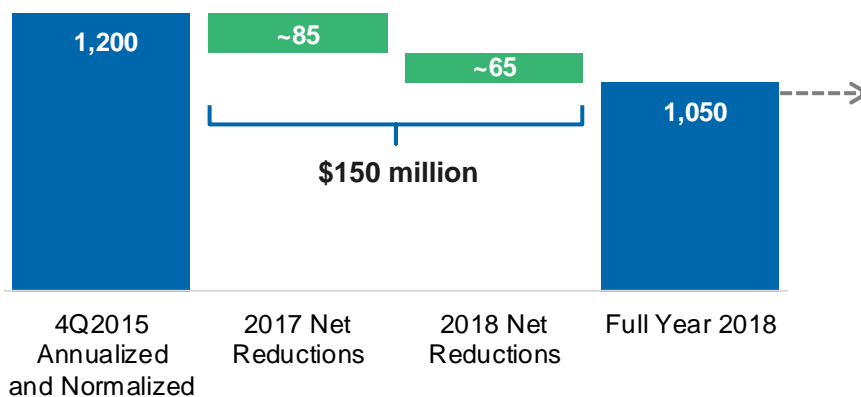
### Improving Net Efficiency Ratio



### Further Improvement in 2019 Efficiency Ratio

- **Revenue growth will be driven by:**
  - Growing core portfolio assets
  - Expanding fee opportunities
  - Increasing market interest rates
  - Partially offset by Rail lease rate headwinds, as well as sales and run-off of legacy portfolios
- **Continuous improvement in operating expenses**

### Operating Expenses (\$ in millions)



### Opportunities to Further Reduce 2019 Operating Costs

- Further rationalization of consulting services and professional fees
- Continued right-sizing across organization
- Expense saves will be partially offset by investments in technology

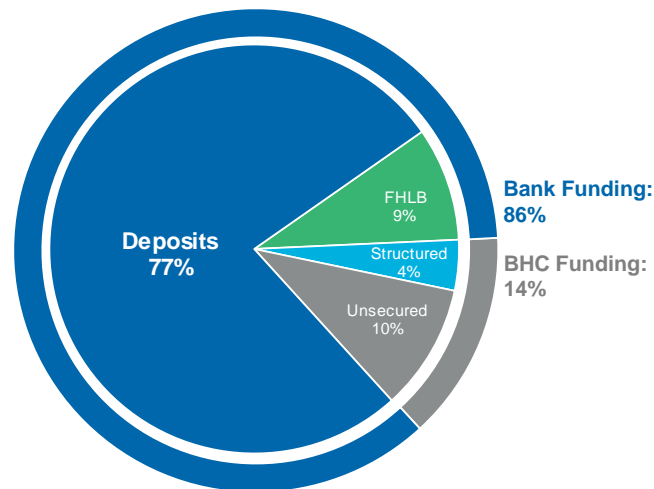
Note: Operating expenses exclude restructuring costs, intangible asset amortization, and noteworthy items listed in the appendix.

# 3 Optimizing Unsecured Debt While Improving Deposit Mix & Cost

## Optimizing Unsecured Debt

- In 2017 redeemed or repurchased \$6.9 billion of senior unsecured debt with an average coupon of 5.15%
- In 2018 issued \$1 billion of senior unsecured debt and used proceeds to extend ~\$900 million of debt maturing in 1Q19 into 2021 and 2025
- \$3.9 billion of senior unsecured debt remaining with an average rate of 4.83%<sup>1</sup>
- Continue to look for opportunities to refinance, extend maturities, and reduce unsecured debt

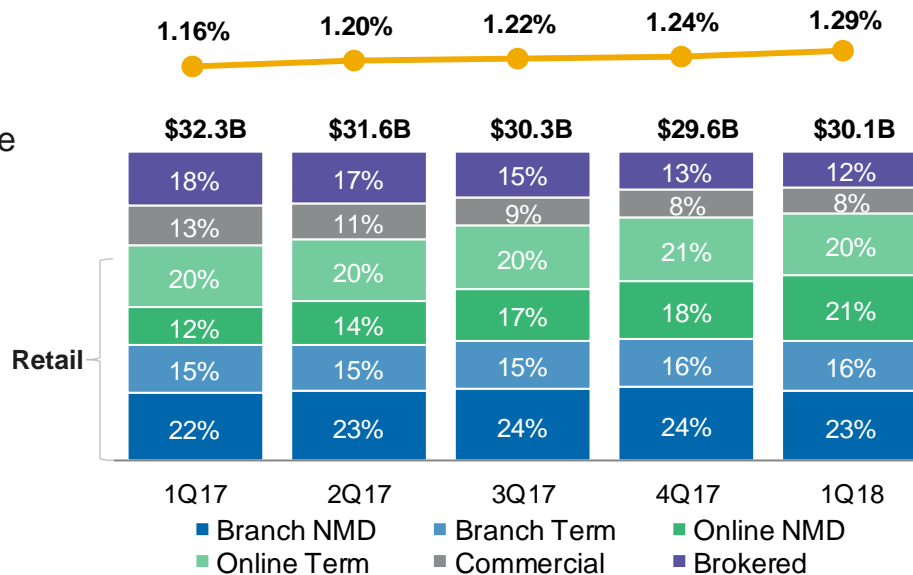
## Average Bank Funding Has Increased Significantly<sup>1</sup>



## Improving Deposit Mix to Lower Cost

- Deposit costs have performed well despite three rate hikes over the past year
- Strategy to reduce deposit costs relative to the index by shifting to lower cost non-maturity deposits and lower balance accounts which we believe will perform better over time

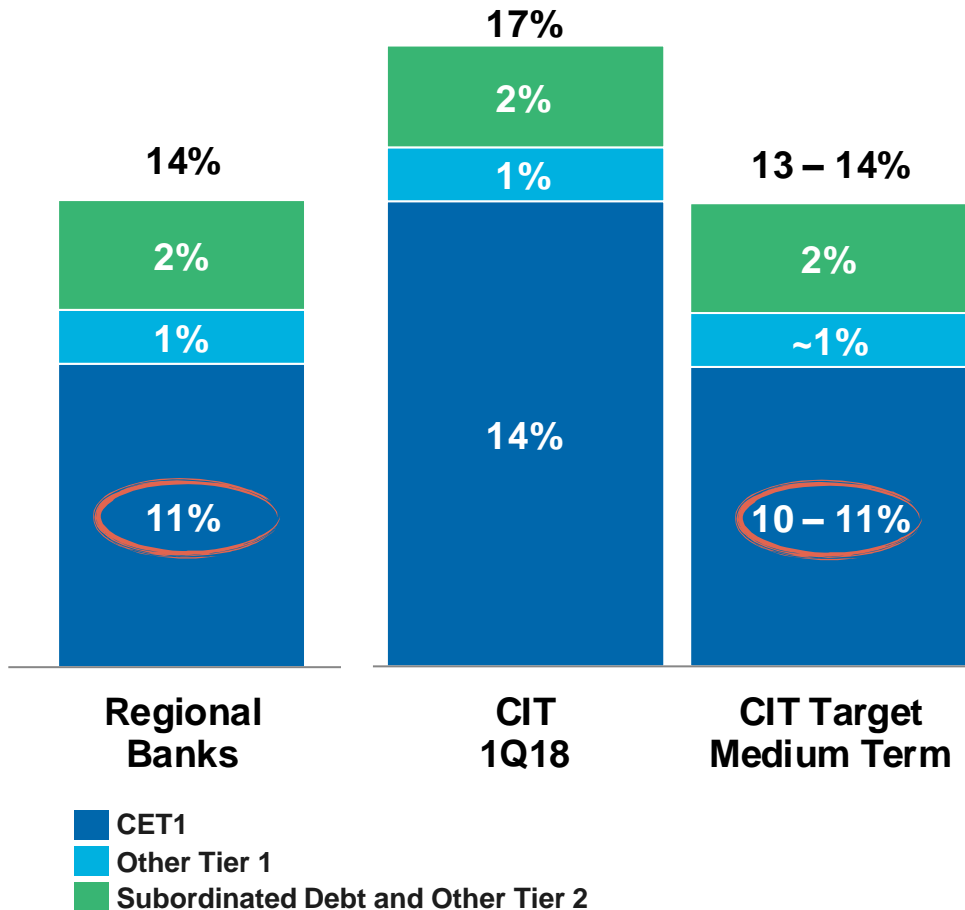
## Average Deposit Balances by Channel



<sup>1</sup> Pro forma for unsecured debt redemption on April 9, 2018.

## 4 Achieving an Optimal Capital Structure

### Targeting an Optimal Capital Structure Consistent with Regional Banks



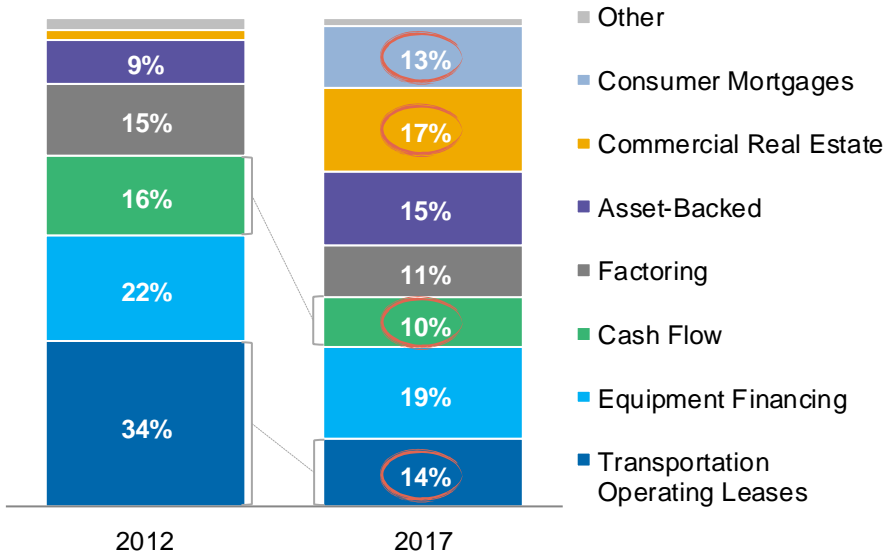
### Managing Capital to Increase Returns

- We are optimizing our capital structure and targeting a **10-11%** CET1 ratio
- We plan to reduce CET1 ratio to **11.5-12%** by the end of 2018 and to **11%** by the end of 2019
- In 1Q18 we received non-objection to amended capital plan, increasing our approved common equity distributions to up to \$900 million in the first half of 2018
  - In 1Q18 we issued \$400 million of subordinated debt and in 1H18 we repurchased \$875 million of common equity through May 31<sup>st</sup>
- In 2Q18 we participated in this year's CCAR cycle

Note: The regional banks represented are CFG, CMA, FITB, HBAN, KEY, MTB, RF, and ZION, and the capital ratios are averaged as of December 31, 2017.

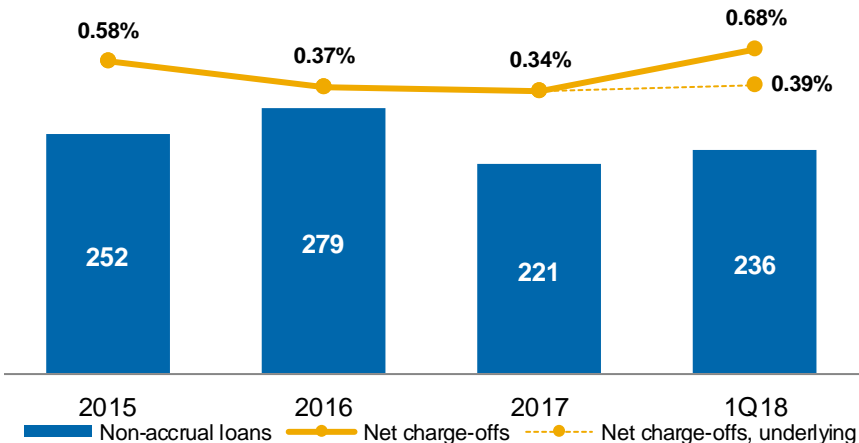
# 5 Maintaining Strong Risk Management

## Committed Loan and Lease Shift in Mix

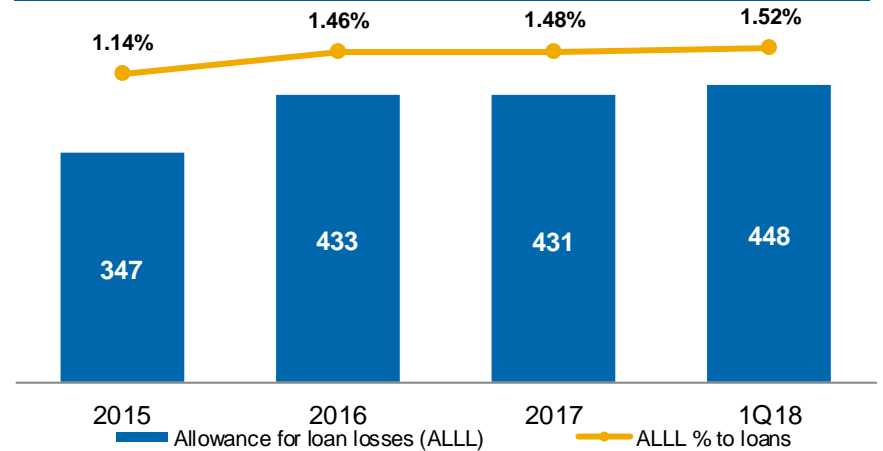


- Our shift in mix of loans and leases illustrates diversification
- Improved risk profile with reduction in transportation operating leases and cash flow lending
- 1Q18 net charge-offs included a single commercial exposure that was episodic in nature

## Non-Accrual Loans & Net Charge-offs (\$ in millions)



## Allowance for Loan Losses (\$ in millions)



Note: NACCO and reverse mortgages have been excluded from 2017 in the illustration of the change in product profile. The net charge-offs for 2017 is shown excluding noteworthy items listed in the appendix. 1Q18 underlying removes the episodic commercial net charge-off that occurred in 1Q18.

# Key Performance Metrics and 2018 Targets

(\$ in millions)	Reported FY 2017	Excluding Noteworthy Items <sup>(1)</sup> FY 2017	2018 Target
AEA <sup>(2)</sup>	\$46,852	\$45,922	Flat
Core Average Loans and Leases	\$30,278	\$30,278	Mid Single-Digit Growth
Net Finance Margin <sup>(3)</sup>	3.43%	3.49%	3.20–3.40%
Core Operating Expenses <sup>(4)</sup>	\$1,111	\$1,111	\$1,050
Net Efficiency Ratio <sup>(5)</sup>	56.4%	56.3%	Mid 50s
Net Charge Offs	0.39%	0.34%	35–45 bps
Effective Tax Rate <sup>(6)</sup>	(35.4%)	30.3% / 33.6%	26–28% excluding discrete items

## ROTCE Update

- To achieve ~9.5–10% ROTCE at end of 2018
  - CET1 ratio of ~11.5–12.0%
- Medium-term ROTCE Target of 11-12%
  - CET1 ratio of 10-11%

(1) See appendix for details on noteworthy items.

(2) Average earning assets (AEA) components include interest-earning cash, securities purchased under agreement to resell, investment securities, indemnification assets, loans and operating lease equipment, less the credit balances of factoring clients.

(3) As a percentage of average earnings assets.

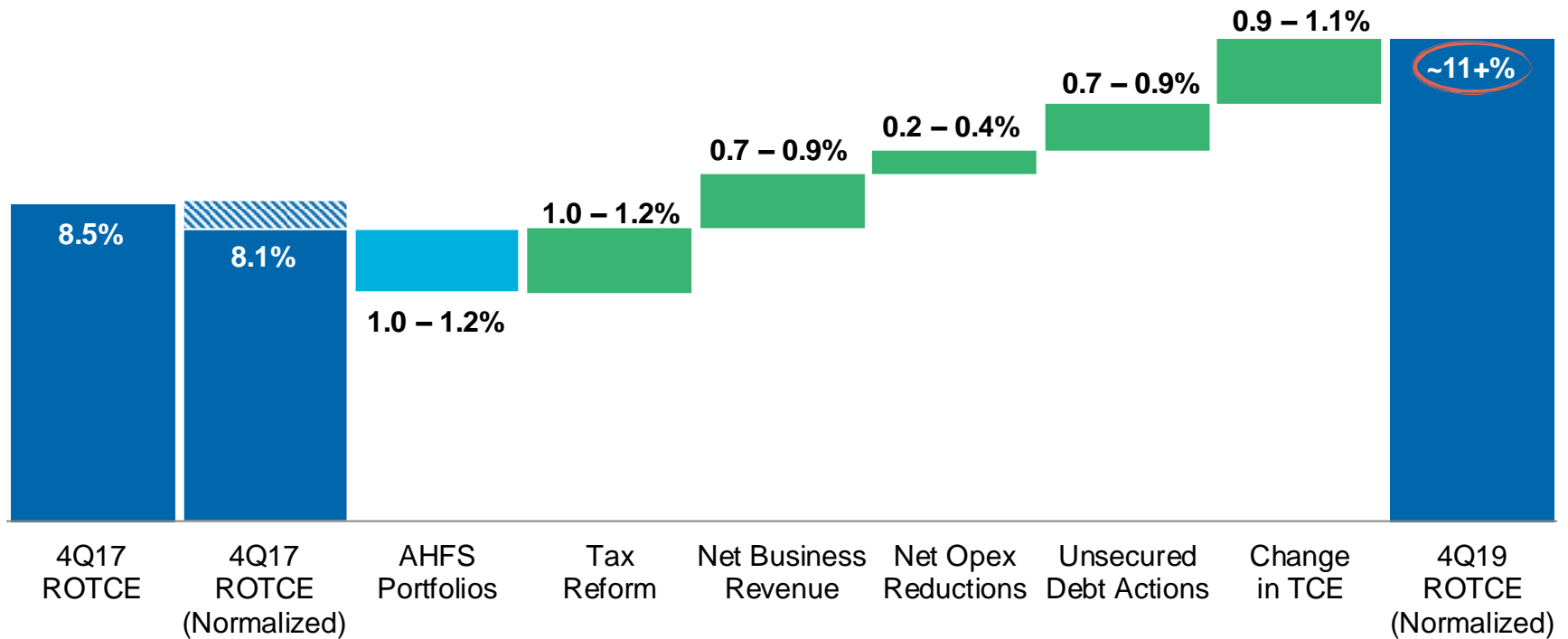
(4) Operating expenses exclusive of restructuring costs and intangible asset amortization.

(5) Total operating expenses exclusive of restructuring charges and amortization of intangibles divided by total revenue (net finance revenue and other income).

(6) For FY2017 excluding noteworthy items, the first value is only excluding noteworthy items, whereas the second value is excluding noteworthy and discrete items.

# Our Path to Improved Profitability

## Targeting 11% to 12% ROTCE in the Medium Term



Note: Return on tangible common equity is net income from continuing operations adjusted for noteworthy items less intangible asset amortization. Average tangible common equity adjusts for the average disallowed deferred tax asset. In addition, 4Q17 is adjusted to normalize for elevated discrete tax benefits during the quarter, and the second and last bars of the chart adjust ROTCE for the preferred dividend payment as if it were accrued evenly through the year given its semiannual payout.



# Executing on Our Strategies to Simplify, Strengthen and Grow CIT



**A Leading National  
Bank Focused on  
Lending and Leasing to  
the Middle Market and  
Small Businesses**

**Focusing  
on Our  
Strategic  
Priorities**

**1**

**Maximize  
Potential of Core  
Businesses**

**2**

**Enhance  
Operational  
Efficiency**

**3**

**Reduce Funding  
Costs**

**4**

**Optimize Capital  
Structure**

**5**

**Maintain Strong  
Risk Management**

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# Appendix

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# Commercial Finance: Leveraging Deep Industry and Product Expertise

## Differentiating Strengths

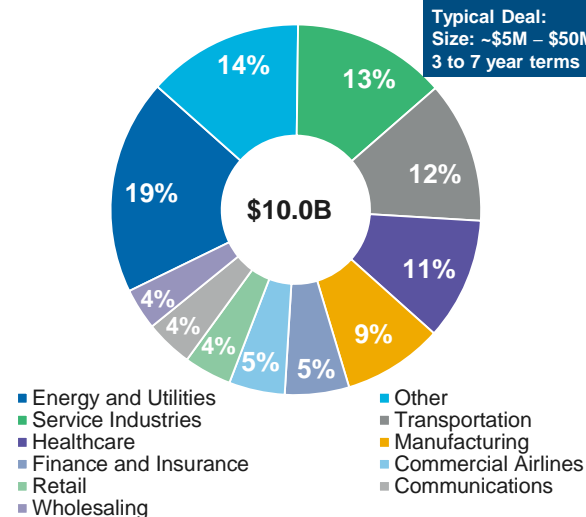
- Deep and diversified industry expertise
- Strong market presence and economies of scale
- JV relationships expand our addressable market
- Structuring and capital markets capabilities
- Long-term client relationships

## Strategic Focus

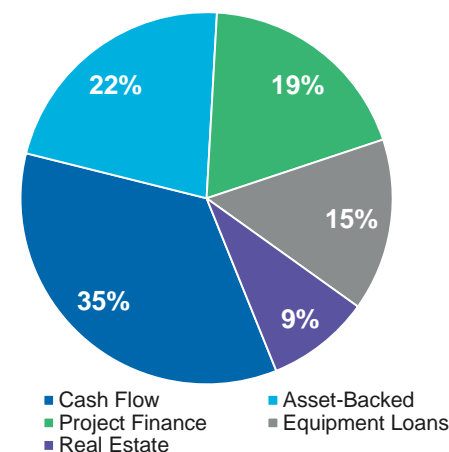
- Expand asset management capabilities
- Growth opportunities in Aviation Finance, Healthcare Real Estate, Technology, and Entertainment
- Continue to grow capital markets fees by increasing lead arranger roles

**Established middle market national franchise with deep industry and product expertise and customized solutions**

## Industry Focus



## Product Profile



Note: \$10.0B represents loan and lease balance as of March 31, 2018.

# Business Capital: Providing Innovative Lending and Leasing Equipment Solutions

## Differentiating Strengths

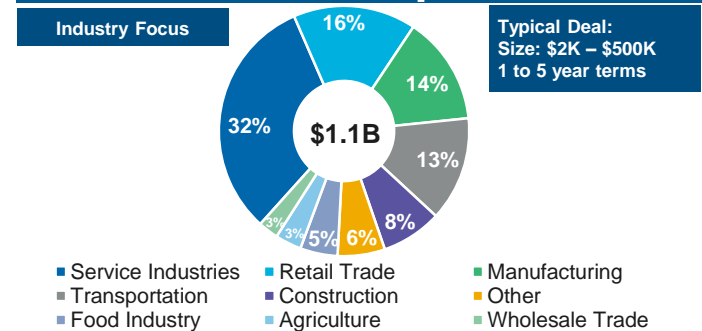
- Innovative technology provides speed of execution and valued solutions
  - Award-winning digital platform for small businesses
  - Tech-enabled customized billing vendor solutions
- Expertise in design, development and implementation of traditional vendor alliances, true/virtual JVs and Private Label programs
- Unique expertise in fair market value lending driven by collateral expertise gained over long history of performance

## Strategic Focus

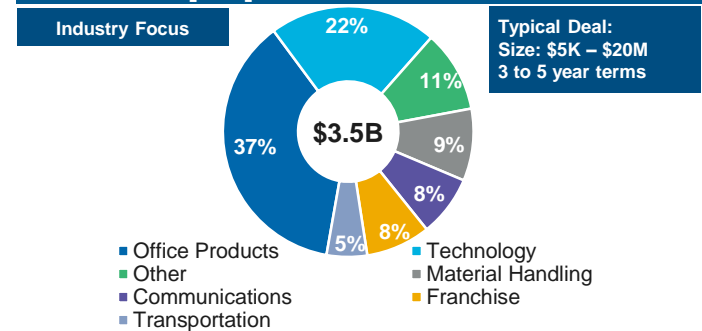
- Expand direct and indirect lending and enter new industry verticals that leverage our asset management and structuring expertise
- Continue to build innovative technology in our core businesses enabling us to stay ahead of the competition

**Trusted partner providing innovative technology, industry expertise and unique residual knowledge**

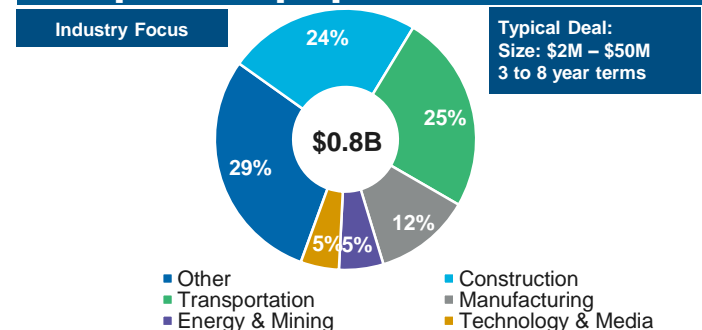
## Direct Capital



## Equipment Finance



## Capital Equipment Finance



Note: Inside-of-chart figures represent loan and lease balance as of March 31, 2018.

# Business Capital: A National Leader in Factoring

## Differentiating Strengths

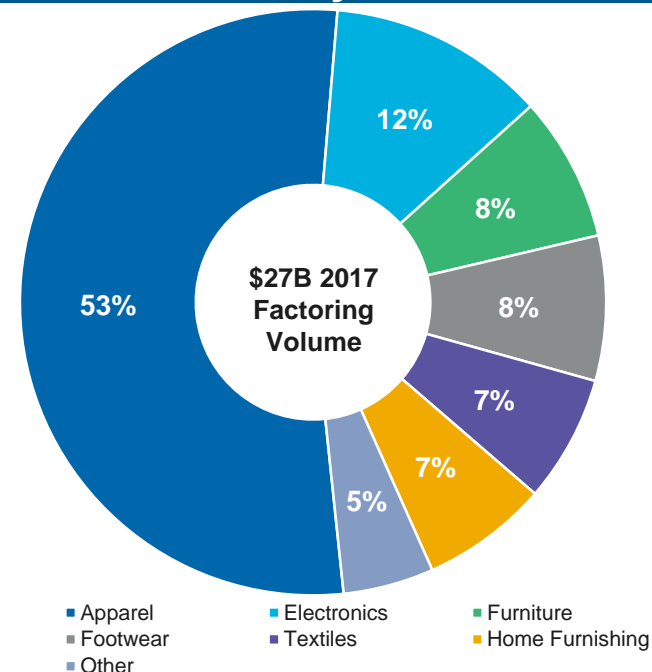
- Market leader for factoring services, including credit protection, receivables management and working capital
- Experienced management team with strong industry knowledge, customer relationships, extensive retail credit connectivity, and underwriting expertise

## Strategic Focus

- Expand client relationships and products across multiple industries
- Broaden market coverage by adding key personnel in underserved geographies

**Market leader in factoring services with  
700+ clients**

## Industry Focus



### Client Profile

- Over 700 clients
  - Most are privately owned
  - Client revenues: \$5m–\$1B+
- 50% of exposure is investment grade rated customers
- Contracts range from 60 days to multi-year while receivables are 60 to 90 days
- Primarily discretionary lending facilities against receivables, inventory and intellectual property
- Typical client tenure 10+ years
- On average, \$2–\$3B of factored receivables on balance sheet at any given time
- On average, \$1–\$1.5B of average earnings assets on balance sheet at any given time representing factored receivables net of credit balances of factoring clients

# Rail North America:

## A Proven Asset Manager With Strong Customer Service

### Differentiating Strengths

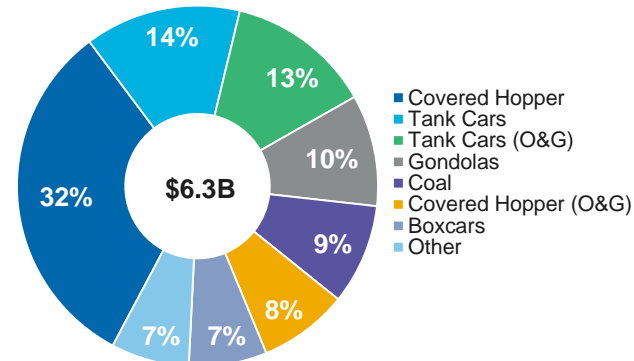
- Young and diverse fleet with broad market coverage, servicing a wide range of industries
- Proven portfolio management resulting in strong through-the-cycle returns
- Excellent customer service and long-term customer and manufacturer relationships

### Strategic Focus

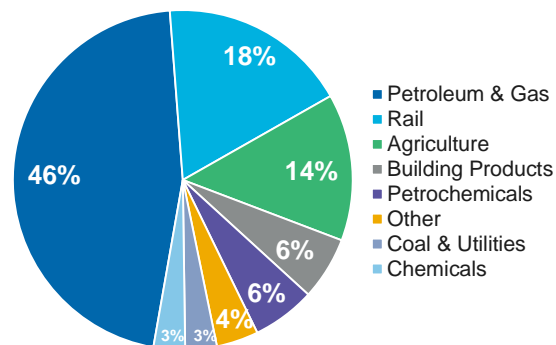
- Continue to manage portfolio proactively and adjust lease terms and rates to market conditions
- Maximize revenues by diverting cars for other services where applicable
- Selective asset sales contribute to non-interest income
- Opportunistic purchases

**4th Largest rail equipment lessor in North America with strong profitability through economic cycles**

### Fleet Car Types



### Industry Focus



#### Rail N.A. Fleet Details

- Operating leased fleet of 117,000 railcars
- 73% freight cars; 27% tank cars
- Rail franchise serves 500 customers in the U.S., Canada, and Mexico
- Average railcar age of 13 years
- 20–25% of railcar leases expire in any given year
- Utilization 94–95% throughout 2017

Note: \$6.3B represents loan and lease balance as of March 31, 2018. Percentages based on fleet unit count of operating leases.

# Real Estate Finance: Disciplined Asset Originators

## Differentiating Strengths

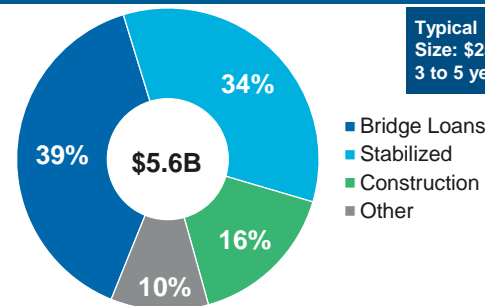
- Deep expertise in complex transactions (construction and reposition/bridge lending)
- Robust network with syndication banks
- National focus with significant presence in two largest CRE markets: Northeast Corridor and Southern California

## Strategic Focus

- Broadening sponsor coverage with relationship-oriented focus
- Expand syndication activities
- Increased focus on fee-generation activities

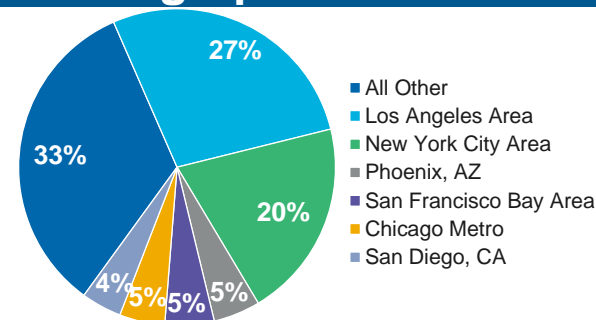
**Relationship approach through life of loan provides consistent quality service to sponsors**

## Product Profile

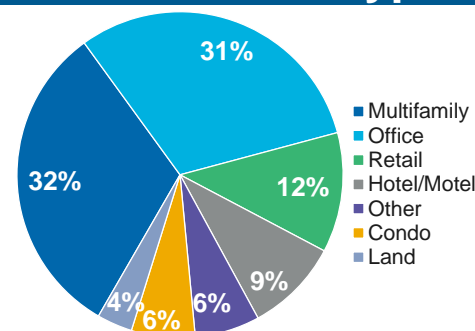


Typical Deal:  
Size: \$25M – \$50M  
3 to 5 year terms

## Geographic Focus



## Collateral Type



Note: \$5.6B represents funded loan balance as of March 31, 2018.

# Consumer Banking: Efficient and Stable Funding Source

## Differentiating Strengths

- Efficient 70 branch network in Southern California, the #2 U.S. market, offering high-touch customer service
- Top 10 national direct bank delivering savings products with the ease of a digital platform
- Leveraging Business Capital's digital small business platform to deliver an enhanced experience to small business bank customers

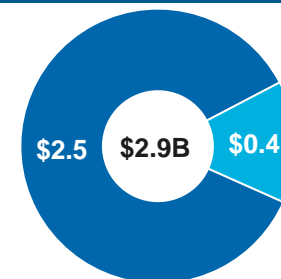
## Strategic Focus

- Provide a stable and efficient funding source
- Scalable nationwide digital deposit franchise with a growing customer base
- Community and small business lending opportunities in greater L.A. market
- Disciplined pricing strategy to maximize growth and optimize cost of funds

**Offering competitive deposit products through a branch and digital experience, with small business lending and consumer mortgage products to complement the portfolio**

Note: \$2.9B balance represents loan balance as of March 31, 2018. Loan balance excludes Legacy Consumer Mortgages.

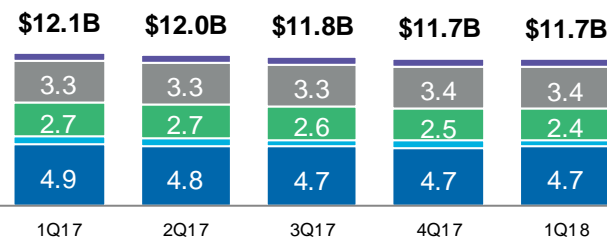
## Other Consumer Banking Loans



■ Consumer Lending ■ SBA Lending

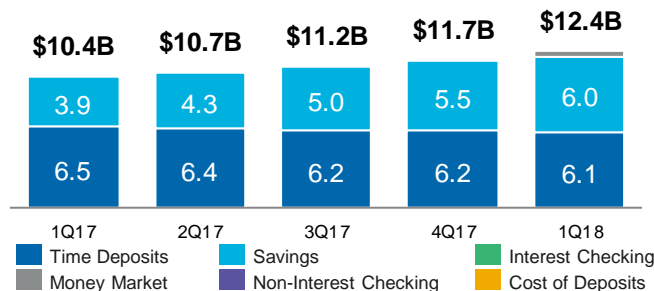
## Branch Average Deposits & Rates

0.68% 0.69% 0.71% 0.73% 0.76%



## Online Average Deposits & Rates

1.43% 1.44% 1.45% 1.49% 1.54%



■ Time Deposits ■ Savings ■ Interest Checking  
■ Money Market ■ Non-Interest Checking ■ Cost of Deposits



# Quarterly Noteworthy Items

(\$ in millions, except for per share data)				Segment	Item	Line Item	Pre-Tax	After-Tax	Per Share <sup>(1)</sup>	Balance Sheet
1Q17	Continuing Operations	Corporate	Entity Restructuring	Tax Provision	-	(\$14)	(\$0.07)			
		Corporate	Restructuring Expenses	Operating Expenses	(\$15)	(\$10)	(\$0.05)			
		NSP	Currency Translation Adjustments	Other Income	(\$8)	(\$7)	(\$0.03)			
	Discontinued Operations		Commercial Air Suspended Depreciation		\$113	\$69	\$0.34			
			Commercial Air Secured Debt Expenses		(\$39)	(\$34)	(\$0.17)			
		TC-CIT Joint Venture Gain		\$14	\$13	\$0.06				
2Q17	Continuing Operations	Corporate	Debt Extinguishment Costs	Debt Extinguishment Costs	(\$165)	(\$100)	(\$0.54)			
		Corporate	Excess Interest Cost <sup>(2)</sup>	Interest Expense	(\$23)	(\$15)	(\$0.08)			
		Corporate	Interest Income <sup>(2)</sup>	Interest Income	\$9	\$6	\$0.03			
		Corporate	Commercial Air Asset Adjustment <sup>(2)</sup>	Average Earning Assets				(\$3,686)		
		Corporate	Resolution of Legacy Tax Items	Tax Provision	-	\$19	\$0.11			
		Corporate	NACCO DTA Recognition	Tax Provision	-	\$7	(\$0.04)			
		Corporate	Restructuring Charges	Operating Expenses	(\$3)	(\$2)	(\$0.01)			
	Discontinued Operations		Commercial Air Gain on Sale		\$135	\$100	\$0.54			
		Financial Freedom Net Settlement Items and Servicing Rights Impairment		\$20	\$12	\$0.07				
3Q17	Continuing Operations	Corporate	Strategic Tax Item – Restructuring of an International Legal Entity	Tax Provision	-	\$140	\$1.03			
		Corporate	Debt Redemption	Debt Extinguishment Costs	(\$54)	(\$33)	(\$0.24)			
		Corporate	Restructuring Charges	Operating Expenses	(\$3)	(\$2)	(\$0.02)			
		Commercial Banking	NACCO Suspended Depreciation	Depreciation on Operating Lease Equipment	\$8	\$5	\$0.04			
		Consumer Banking	Financial Freedom Transaction – Impairment on REO	Other Non-Interest Income – Gains on OREO Sales	(\$5)	(\$3)	(\$0.02)			
		Consumer Banking	Financial Freedom Transaction – Impairment on Reverse Mortgage-Related Assets	Other Non-Interest Income – Impairment on Assets Held for Sale	(\$9)	(\$6)	(\$0.04)			
		Consumer Banking	Financial Freedom Transaction – Impairment on HFS HECMs	Other Non-Interest Income – Impairment on Assets Held for Sale	(\$12)	(\$8)	(\$0.06)			
	Consumer Banking	Financial Freedom Transaction – Impairment on HF1 HECMs	Credit Provision/Charge-offs	(\$15)	(\$9)	(\$0.07)				
Discontinued Operations		Financial Freedom Related Impairment		(\$4)	(\$2)	(\$0.02)				
4Q17	Continuing Operations	Corporate	LHHC Methodology Change	Other Income	\$29	\$29	\$0.22			
		Corporate	LHHC Methodology Change	Tax Provision	-	(\$38)	(\$0.29)			
		Corporate	Impact of US Corporate Tax Reform	Tax Provision	-	\$12	\$0.09			
		Commercial Banking	NACCO Suspended Depreciation	Depreciation on Operating Lease Equipment	\$9	\$6	\$0.05			
		Commercial Banking	NACCO Related Tax Items	Tax Provision	-	\$10	\$0.08			
		Commercial Banking	Commercial Goodwill Impairment	Goodwill Impairment	(\$256)	(\$222)	(\$1.69)			
		Corporate	Restructuring Charges	Operating Expenses	(\$32)	(\$20)	(\$0.15)			
1Q18	Continuing Operations	Commercial Banking	NACCO Suspended Depreciation	Depreciation on Operating Lease Equipment	\$9	\$7	\$0.05			

(1) Per share data based on 131.6 million, 131.3 million, 136.1 million, 183.8 million, and 203.3 million shares for 1Q18, 4Q17, 3Q17, 2Q17, and 1Q17, respectively; dollar impacts are rounded.

(2) Excess interest cost, interest income and increase in average earning assets are the result of a timing difference between the receipt of the proceeds from the Commercial Air sale and the completion of the related debt and capital actions.

**cit**

The image shows the lowercase letters 'cit' in a bold, blue, sans-serif font. The letter 'c' is a simple circle with a white cutout. The letter 'i' is a solid vertical bar. The letter 't' is a solid vertical bar with a horizontal top bar. A grey triangle is positioned at the top of the 'i' and 't', with its hypotenuse sloping downwards from left to right, partially overlapping the top of the 'i' and the top bar of the 't'.