Simplify, Strengthen, and Grow

Investor Update

November 2018

Important Notice

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 are intended to identify forward-looking statements. All statements contained in this presentation, 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. Information regarding CIT’s capital ratios consists of preliminary estimates. These estimates are forward-looking statements and are subject to change, possibly materially, as CIT completes its financial statements. Accordingly, you should not place undue reliance on the forward-looking statements contained in this presentation. 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.

Non-GAAP Financial Measures

This presentation contains references to non-GAAP financial measures, which provide additional information and insight regarding operating results and financial position of the business, including financial information that is presented to rating agencies and other users of financial information. **These non-GAAP measures are not in accordance with, or a substitute for, GAAP and may be different from or inconsistent with non-GAAP financial measures used by other companies.** The definitions of these measures and reconciliations of non-GAAP to GAAP financial information are available in our press release dated October 23, 2018, which is posted on the Investor Relations page of our website at http://ir.cit.com.

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

Commercial Banking

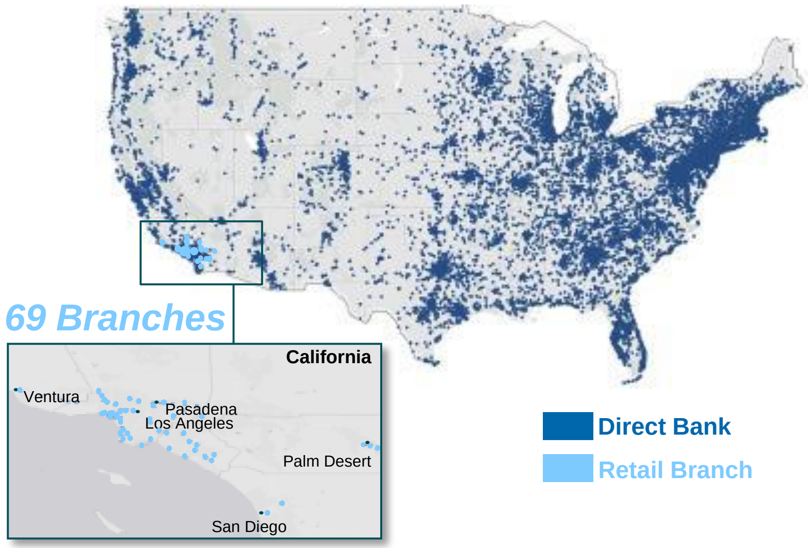
- Leading Middle Market Lender
- Top 10 Provider of Equipment Financing
- Top 5 Provider of Railcar Leasing
- Top 2 Provider of Factoring Services
- Focused Commercial Real Estate Lender

A Top 50 National Bank Focused on Lending and Leasing to the Middle Market and Small Businesses

Consumer Savings

- Top 10 National Direct Bank
- 69 Savings Branches in Southern California

Branch and Direct Bank Deposit Footprint



Significant Progress to Transform 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 ■ **Outsourced Servicing of Residential Mortgage Loans to a Third Party** ■ **Sold NACCO** – Our European rail leasing business with approximately $1.2 billion of assets
Strengthen	■ **Reduced Over $1.5 billion of Commercial Finance Leveraged Loan Exposures since 3Q 2015** ■ **Terminated $2.1 billion of Legacy Total Return Swaps** – Lowering 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. ■ **Grew Direct Bank Deposits by 40% since 2016** ■ **Entered into Strategic CIT Northbridge Joint Venture** – 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
Capital Optimization	■ **Returned $4.8 billion of Capital to Shareholders in 2017 and through October 2018, Nearly Halving Common Shares Outstanding** ■ **Our Board Has Authorized an Additional $750 Million of Capital Return** – Approximately $217 million was remaining as of October 31 ■ **Increased Common Dividend by 7% to $0.16/share in 2017 and by 56% to $0.25/share in 2018** ■ **Capital Optimization Through Preferred Stock and Tier 2 Qualifying Subordinated Debt Issuance**

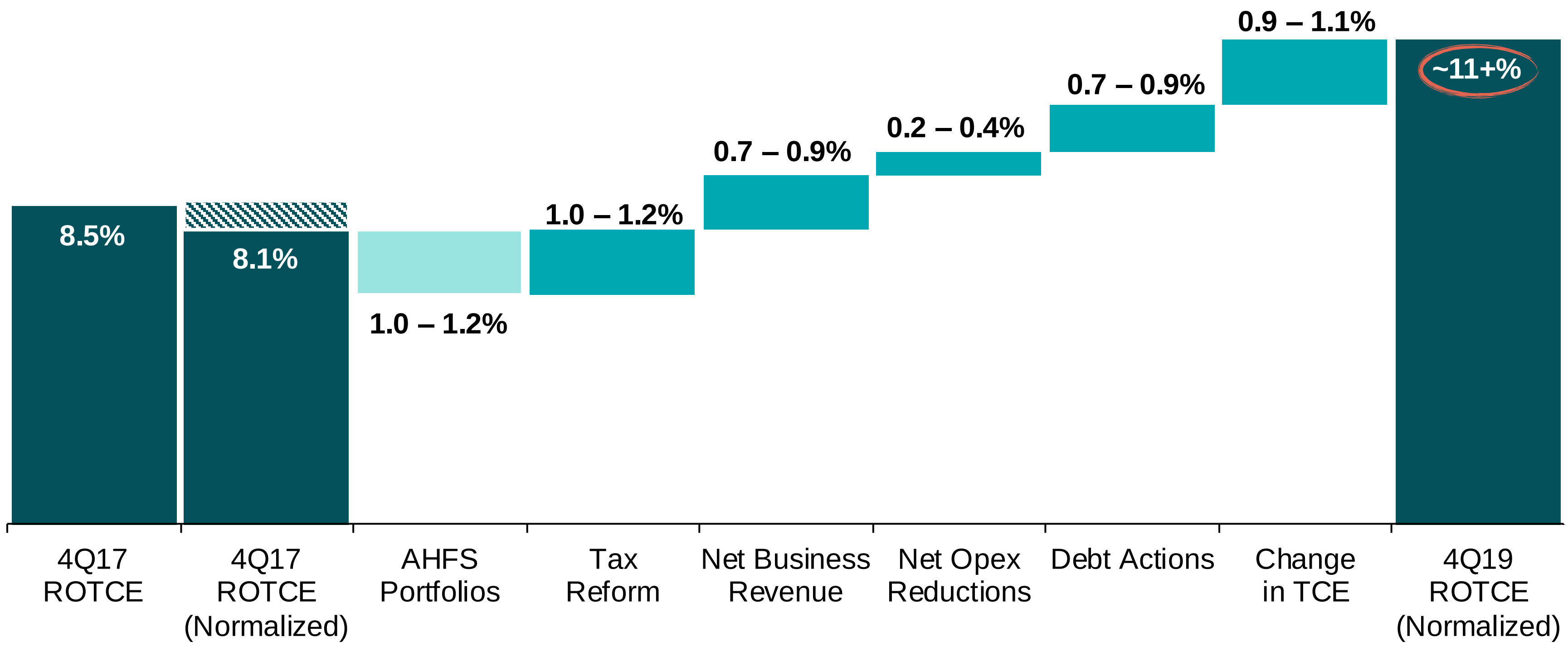
Executing on Our Strategies to Simplify, Strengthen and Grow CIT

#		Strategies	3Q18 Progress
1	Maximize Potential of Core Businesses	▪ Grow revenues – grow core businesses, enhance fee revenue, and leverage connectivity among businesses ▪ Optimize cash and investment portfolio	✓ Average core loan and lease[(1)] growth of 2% in 3Q18 and 8% from the year-ago quarter ✓ Funded volume of $3.1 billion, up 38% from the year-ago quarter
2	Enhance Operational Efficiency	▪ Reduce and manage operating expenses ▪ Invest in and enhance technology	✓ Operating expenses down 4% from the year-ago quarter[(2)] ✓ On track to achieve $1,050 million operating expense target
3	Optimize Funding Costs	▪ Reduce unsecured debt cost ▪ Improve deposit mix to lower cost (relative to index)	✓ Raised $700 million of average deposits within our Direct Bank ✓ Announced liability management actions (triggered by the NACCO sale) to result in more efficient financing
4	Optimize Capital Structure	▪ Manage, deploy, and align capital ▪ Target 10–11% CET1 ratio	✓ Repurchased 5.5 million shares at an average price of $52.91; CET1 of 12.4% ✓ Through October 31, approximately $217 million remaining repurchase authorization, most of which is expected to be completed by year-end
5	Maintain Strong Risk Management	▪ Maintain credit and operating risk discipline	✓ Credit reserves remain strong at 1.57% for the total portfolio and 1.87% for Commercial Banking

(1) Core portfolios is net of credit balances of factoring clients and excludes NACCO assets held for sale, Legacy Consumer Mortgages, and our Non-Strategic Portfolios segment.
(2) Adjusted for noteworthy items and excluding the amortization of intangible assets.

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.

Strong and Diverse Team with Fresh Perspectives

Leadership Team

Ellen Alemany	Chairwoman & Chief Executive Officer
Stuart Alderoty	General Counsel & Corporate Secretary
Jim Duffy	Chief Human Resources Officer
John Fawcett	Chief Financial Officer
Matt Galligan	President, Real Estate Finance
Marisa Harney	Chief Credit Officer
Jim Hudak	President, Commercial Finance
Mike Jones	President, Business Capital
Mark Links	Chief Auditor
Jeff Lytle	President, Rail
Ken McPhail	Chief Strategy Officer
Denise Menelly	Head of Technology & Operations
Wahida Plummer	Chief Risk Officer
Gina Proia	Chief Marketing & Communications Officer
Steve Solk	President, Consumer Banking

Average industry experience 30+ years

Board of Directors

Ellen Alemany	Chairwoman & Chief Executive Officer
Michael Brosnan	Former Examiner-in-Charge for Midsize Bank Supervision in the OCC
Michael Carpenter	Former CEO of Ally Financial, Inc.
Dorene Dominguez	Chairwoman & CEO, Vanir Group of Companies, Inc.
Alan Frank	Former Partner of Deloitte & Touche LLP
William Freeman	Former Chairman & CEO of Arbinet-thexchange, Inc. and Former CEO of Leap Wireless International
Brad Oates	Chairman & Managing Partner of Stone Advisors, LP
Gerald Rosenfeld	Vice Chairman of U.S. Investment Banking of Lazard Ltd.
Vice Admiral John Ryan *(Lead Director)*	President & CEO of the Center for Creative Leadership
Sheila Stamps	Former MD & Head of European Asset-Backed Securitization, Bank One Corporation
Khanh Tran	President & CEO of Aviation Capital Group
Laura Unger	Former Commissioner of the SEC and Former Counsel to the United States Senate Banking Committee

Grey highlighting denotes new additions within the past 3 years

Commercial Finance

Leveraging Deep Industry and Product Expertise

Differentiating Strengths

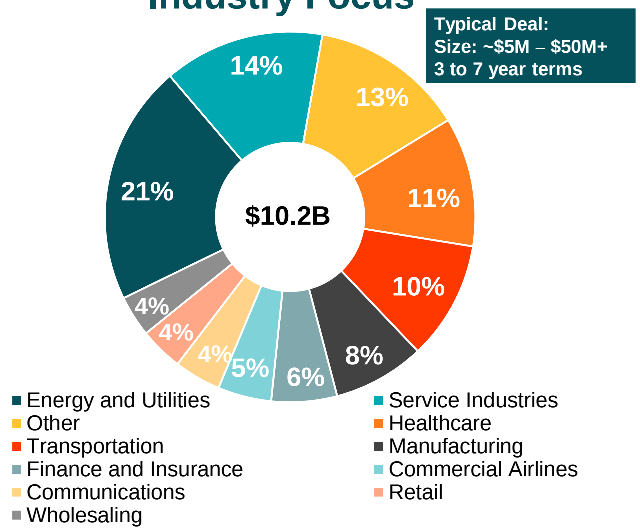
- Deep and diversified industry expertise
- Strong market presence and economies of scale
- JV relationships expand our addressable market
- Structuring and capital markets capabilities
- Long-term client relationships

Strategic Focus

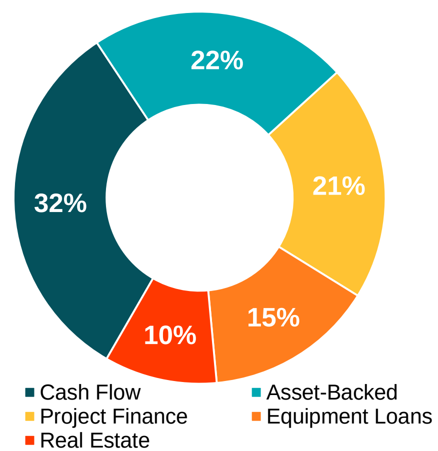
- Expand asset management capabilities
- Growth opportunities in Aviation Finance, Healthcare Real Estate, Technology, and Entertainment
- Continue to grow capital markets fees by increasing lead arranger roles

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

Industry Focus



Product Profile



Note: $10.2B represents loan and lease balance as of September 30, 2018.

Business Capital

Providing Innovative Lending and Leasing Equipment Solutions

Differentiating Strengths

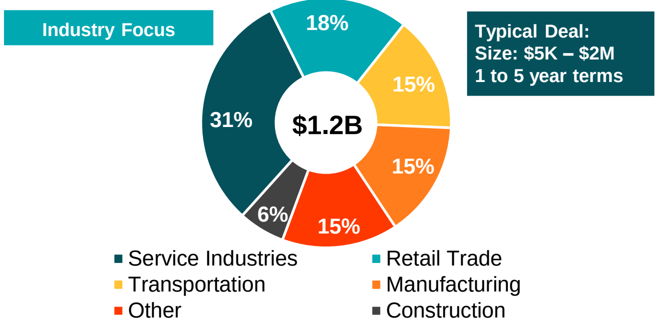
- Innovative technology provides speed of execution and valued solutions
  - Award-winning digital platform for small businesses
  - Tech-enabled customized billing and point-of-sale vendor solutions
- Expertise in design, development and implementation of traditional vendor alliances, true/virtual JVs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

Strategic Focus

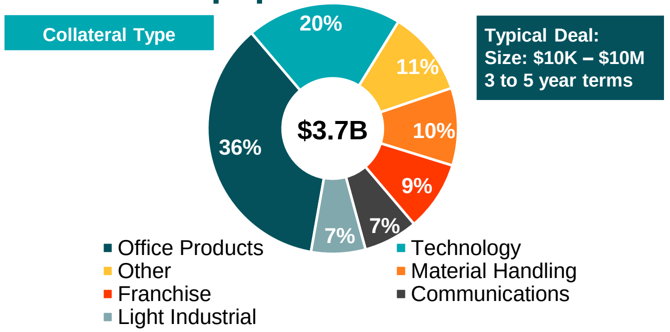
- Expand direct and indirect lending and enter new industry verticals that leverage our asset management and structuring expertise
- Continue to build innovative technology in our core businesses enabling us to stay ahead of the competition

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

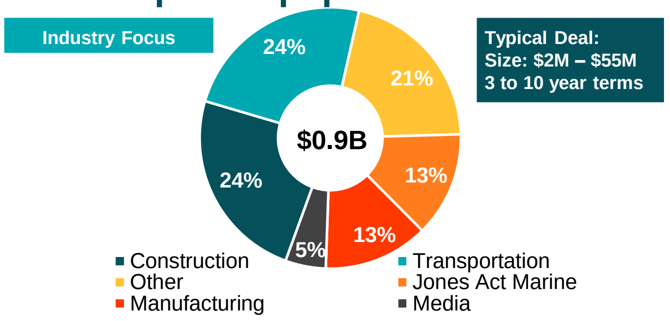
Direct Capital



Equipment Finance



Capital Equipment Finance



Note: Inside-of-chart figures represent loan and lease balance as of September 30, 2018.

Business Capital

A National Leader in Factoring

Differentiating Strengths

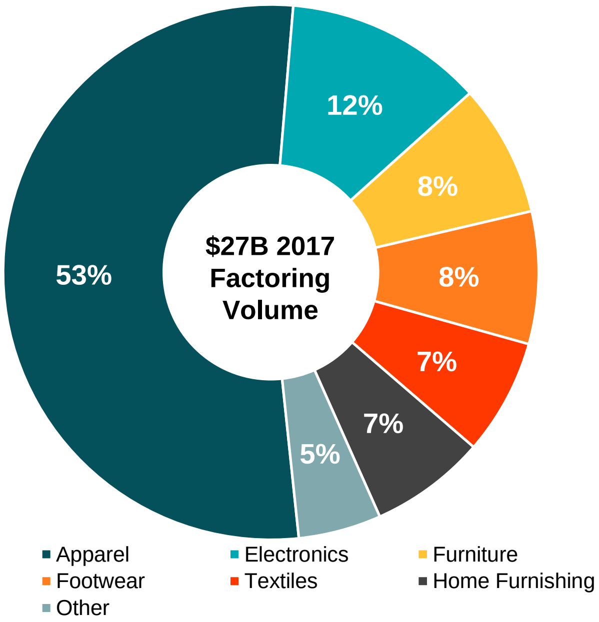
- Market leader for factoring services, including credit protection, receivables management and working capital
- Experienced management team with strong industry knowledge, customer relationships, extensive retail credit connectivity, and underwriting expertise

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

Note: Data as of September 30, 2018.

Rail North America

A Proven Asset Manager With Strong Customer Service

Differentiating Strengths

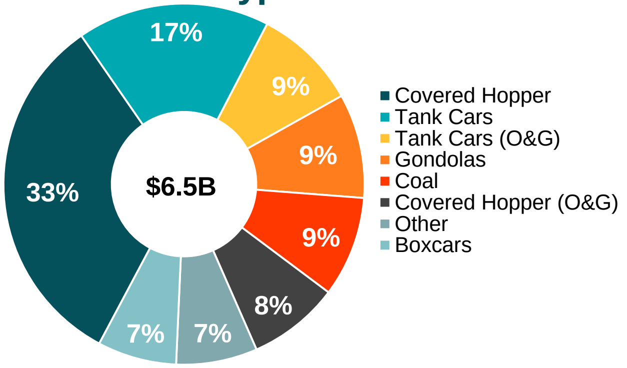
- Young and diverse fleet with broad market coverage, servicing a wide range of industries
- Proven portfolio management resulting in strong through-the-cycle returns
- Excellent customer service and long-term customer and manufacturer relationships

Strategic Focus

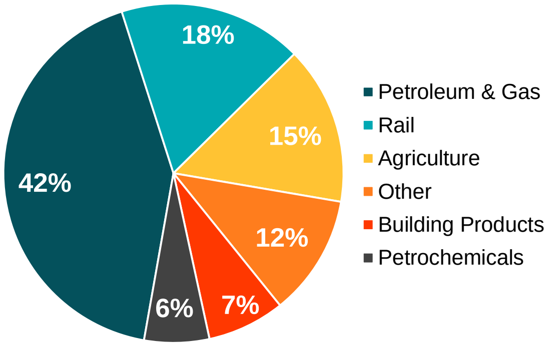
- Continue to manage portfolio proactively and adjust lease terms and rates to market conditions
- Maximize revenues by diverting cars for other services where applicable
- Selective asset sales contribute to non-interest income
- Opportunistic purchases

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 96-98% throughout 2018

Note: $6.5B represents loan and lease balance as of September 30, 2018. Percentages based on fleet unit count of operating leases.

Real Estate Finance

Disciplined Asset Originators

Differentiating Strengths

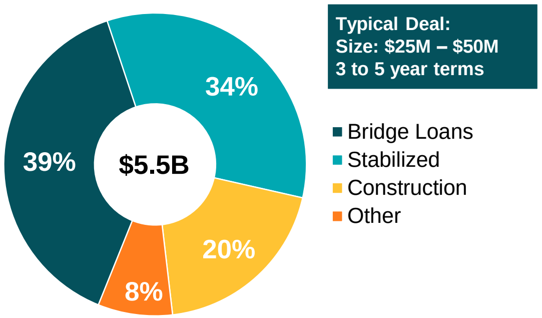
- Deep expertise in complex transactions (construction and reposition/bridge lending)
- Robust network with syndication banks
- National focus with significant presence in two largest CRE markets: Northeast Corridor and Southern California

Strategic Focus

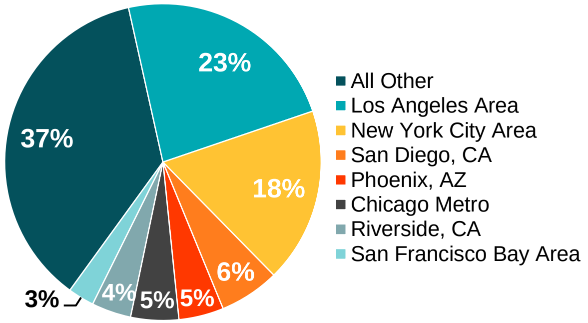
- Broadening sponsor coverage with relationship-oriented focus
- Expand syndication activities
- Increased focus on fee-generation activities

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

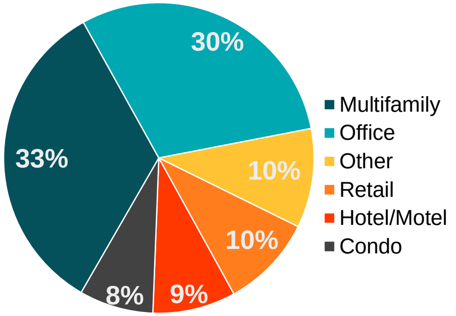
Product Profile



Geographic Focus



Collateral Type



Note: $5.5B represents loan balance as of September 30, 2018.

Consumer Banking

Efficient and Stable Funding Source

Differentiating Strengths

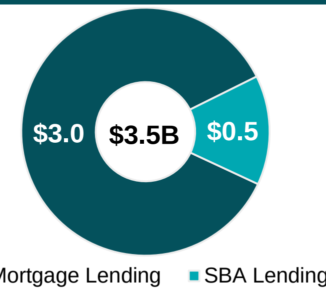
- Efficient 69 branch network in Southern California, the #2 U.S. market, offering high-touch customer service
- Top 10 national direct bank delivering savings products with the ease of a digital platform
- Leveraging Business Capital's digital small business platform to deliver an enhanced experience to small business bank customers

Strategic Focus

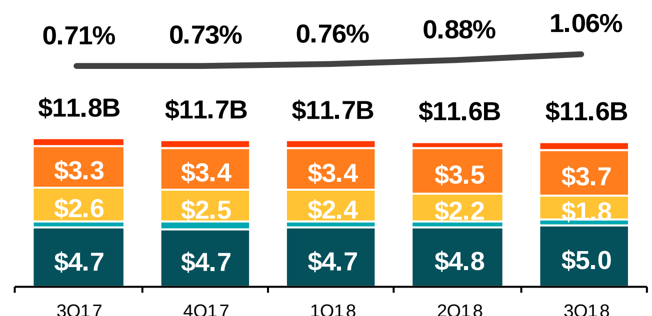
- Provide a stable and efficient funding source
- Scalable nationwide digital deposit franchise with a growing customer base
- Community and small business lending opportunities in greater L.A. market
- Disciplined pricing strategy to maximize growth and optimize cost of funds

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

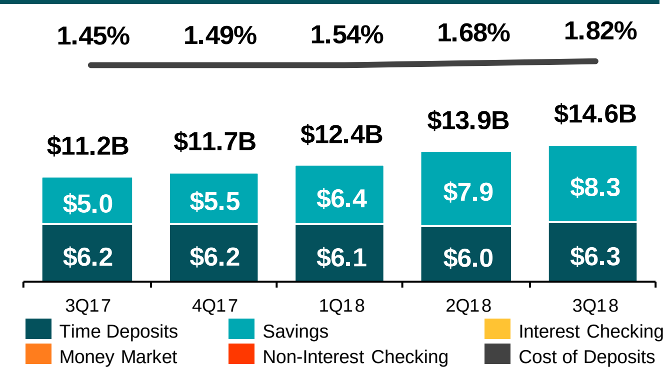
Other Consumer Banking Loans



Retail Branch Average Deposits & Rates



Direct Bank Average Deposits & Rates



Note: $3.5B balance represents loan balance as of September 30, 2018. Loan balance excludes Legacy Consumer Mortgages.

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. Optimize Funding Costs
4. Optimize Capital Structure
5. Maintain Strong Risk Management

Appendix

Quarterly Earnings Summary – Reported[1]

($ in millions, except per share data)	3Q18	2Q18	3Q17	Change from 2Q18 $	Change from 2Q18 %	Change from 3Q17 $	Change from 3Q17 %
Interest Income	474	474	454	(0)	(0%)	20	4%
Net Operating Lease Revenues[2]	130	121	123	9	8%	6	5%
Interest Expense	214	205	177	9	4%	37	21%
Net Finance Revenue	**389**	**389**	**401**	**0**	**0%**	**(11)**	**(3%)**
Other Non-Interest Income	86	135	63	(49)	(36%)	23	36%
Operating Expenses	263	268	277	(4)	(2%)	(14)	(5%)
Loss on Debt Extinguishment and Deposit Redemption	4	19	54	(16)	(82%)	(50)	(93%)
Pre-provision Net Revenue	**209**	**238**	**133**	**(29)**	**(12%)**	**76**	**57%**
Provision for Credit Losses	38	33	30	5	16%	8	27%
Pre-tax Income from Continuing Operations	**171**	**205**	**103**	**(34)**	**(17%)**	**68**	**66%**
Provision (Benefit) for Income Taxes	41	57	(120)	(16)	(28%)	161	NM
Income from Continuing Operations	**129**	**147**	**223**	**(18)**	**(12%)**	**(93)**	**(42%)**
Income (Loss) from Discontinued Operations, Net of Taxes	2	(21)	(3)	23	NM	5	NM
Net Income	**132**	**127**	**220**	**5**	**4%**	**(88)**	**(40%)**
Preferred Dividends	-	9	-	(9)	NM	-	NM
Net Income Available to Common Shareholders	**132**	**117**	**220**	**14**	**12%**	**(88)**	**(40%)**
Income from Continuing Operations Available to Common Shareholders	129	138	223	(9)	(7%)	(93)	(42%)
Diluted Income per Common Share							
Income from Continuing Operations	$1.13	$1.11	$1.64	$0.02	2%	($0.51)	(31%)
Income (Loss) from Discontinued Operations, Net of Taxes	$0.02	($0.17)	($0.03)	$0.19	NM	$0.05	NM
Diluted Income per Common Share	**$1.15**	**$0.94**	**$1.61**	**$0.21**	**23%**	**($0.46)**	**(28%)**
Return on Average Earning Assets							
Average Earning Assets	45,377	46,230	45,454	(853)	(2%)	(77)	(0%)
After Tax Return on Average Earnings Assets – Continuing Operations	1.14%	1.19%	1.96%	(5) bps		(82) bps	

Highlights

vs. Prior Quarter

- Net Finance Revenue: unchanged from the prior quarter. Includes $9 million pre-tax of NACCO suspended depreciation for both quarters
- Other Non-Interest Income: decreased $49 million as the prior quarter included aggregate noteworthy item benefits of $29 million related to the Financial Freedom transaction, as well as aggregate noteworthy item charges of $10 million in the current quarter
- Operating Expenses: decreased $4 million driven primarily by declines in employee costs and professional fees, partially offset by a $5 million reversal of a non-income tax-related reserve in the prior quarter
- Provision for Credit Losses: increased $5 million primarily driven by asset growth and an increase in charge-offs in the Commercial Banking segment
- Income Tax Provision: effective tax rate of 24% for the quarter includes $5 million of discrete tax benefits, whereas the previous quarter included $2 million of discrete tax expense

vs. Year-ago Quarter

- Net Finance Revenue: decrease of $11 million primarily reflects higher funding costs and lower net purchase accounting accretion, partially offset by higher income on loans in the Commercial Banking segment and on investment securities
- Other Non-Interest Income: increased $23 million as the year-ago quarter included $27 million of noteworthy item charges related to the Financial Freedom transaction
- Operating Expenses: decreased $14 million reflecting progress on our operating expense reduction initiatives, including declines in employee costs, professional fees, and FDIC insurance
- Provision for Credit Losses: increased $8 million, primarily driven by asset growth
- Income Tax Provision: the benefit for incomes taxes in the year-ago quarter included a $140 million deferred tax benefit

(1) Certain balances may not sum due to rounding.
(2) See appendix for a non-GAAP reconciliation.
(3) Net of depreciation, maintenance, and other operating lease expenses.

Quarterly Earnings Summary Excluding Noteworthy Items (Non-GAAP)[1]

($ in millions, except per share data)	3Q18	2Q18	3Q17	Change from 2Q18 $	Change from 2Q18 %	Change from 3Q17 $	Change from 3Q17 %
Interest Income	474	474	454	(0)	(0%)	20	4%
Net Operating Lease Revenues[2]	121	112	116	9	8%	6	5%
Interest Expense	214	205	177	9	4%	37	21%
Net Finance Revenue	**381**	**380**	**393**	**0**	**0%**	**(12)**	**(3%)**
Other Non-Interest Income	97	106	90	(9)	(9%)	7	7%
Operating Expenses	263	268	274	(4)	(2%)	(11)	(4%)
Loss on Debt Extinguishment and Deposit Redemption	-	-	-	-	NM	-	NM
Pre-provision Net Revenue	**214**	**219**	**209**	**(5)**	**(2%)**	**6**	**3%**
Provision for Credit Losses	38	33	15	5	16%	24	NM
Pre-tax Income from Continuing Operations	**176**	**186**	**194**	**(10)**	**(5%)**	**(18)**	**(9%)**
Provision for Income Taxes	45	52	55	(7)	(13%)	(10)	(18%)
Income from Continuing Operations	**131**	**134**	**139**	**(3)**	**(2%)**	**(8)**	**(6%)**
Income (Loss) from Discontinued Operations, Net of Taxes	2	(7)	(1)	9	NM	3	NM
Net Income	**133**	**127**	**138**	**6**	**5%**	**(5)**	**(3%)**
Preferred Dividends	-	9	-	(9)	NM	-	NM
Net Income Available to Common Shareholders	**133**	**118**	**138**	**15**	**13%**	**(5)**	**(3%)**
Income from Continuing Operations Available to Common Shareholders	131	125	139	6	5%	(8)	(6%)
Diluted Income per Common Share							
Income from Continuing Operations	$1.15	$1.00	$1.02	$0.15	15%	$0.13	13%
Income (Loss) from Discontinued Operations, Net of Taxes	$0.02	($0.05)	($0.01)	$0.07	NM	$0.03	NM
Diluted Income per Common Share	**$1.17**	**$0.95**	**$1.01**	**$0.22**	**24%**	**$0.16**	**16%**
Return on Average Earning Assets							
Average Earning Assets	45,377	46,230	45,454	(853)	(2%)	(77)	(0%)
After Tax Return on Average Earnings Assets – Continuing Operations	1.15%	1.08%	1.22%	8 bps		(7) bps	

Highlights

vs. Prior Quarter

- Net Finance Revenue: increased slightly as higher net operating lease revenue, driven by a lease prepayment and lower maintenance costs in Rail, were offset by higher deposit costs
- Other Non-Interest Income: decreased $9 million as prior quarter other revenues included $5 million of activity related to the reverse mortgage portfolio and $6 million of reserve releases related to the OneWest acquisition
- Operating Expenses: decreased $4 million driven primarily by declines in employee costs and professional fees, partially offset by a $5 million reversal of a non-income tax-related reserve in the prior quarter
- Provision for Credit Losses: increased $5 million primarily driven by asset growth and an increase in charge-offs in the Commercial Banking segment
- Income Tax Provision: effective tax rate of 26%. Excluding discrete tax items, the effective tax rate was 28%

vs. Year-ago Quarter

- Net Finance Revenue: decrease of $12 million primarily reflects higher funding costs and lower net purchase accounting accretion, partially offset by higher income on loans in the Commercial Banking segment and on investment securities
- Other Non-Interest Income: increased $7 million primarily driven by higher income from BOLI
- Operating Expenses: decreased $11 million reflecting progress on our operating expense reduction initiatives, including declines in employee costs, professional fees, and FDIC insurance
- Provision for Credit Losses: increased $24 million from $15 million in the year-ago quarter, primarily driven by asset growth
- Income Tax Provision: effective tax rate of 26%. Excluding discrete items, the effective tax rate was 28%

(1) Certain balances may not sum due to rounding.
(2) See appendix for details on noteworthy items.
(3) Net of depreciation, maintenance, and other operating lease expenses.

Third Quarter Impact of Noteworthy Items (Non-GAAP)(1)

($ in millions, except per share data)	Continuing Operations	Discontinued Operations	Total Reported
GAAP Income Available to Common Shareholders	**$129**	**$2**	**$132**
GAAP Diluted EPS	**$1.13**	**$0.02**	**$1.15**
Noteworthy Items *(After-Tax):*			
Impairment of LCM Indemnification Asset	**$16**		**$16**
Non-Strategic Portfolio – Release of Valuation Reserve	**($11)**		**($11)**
NACCO Suspended Depreciation	**($6)**		**($6)**
Debt Extinguishment Costs	**$3**		**$3**
Total Noteworthy Items	**$2**	**$0**	**$2**
Non-GAAP Net Income Available to Common Shareholders Excluding Noteworthy Items	**$131**	**$2**	**$133**
Non-GAAP Diluted EPS Excluding Noteworthy Items	**$1.15**	**$0.02**	**$1.17**

Highlights

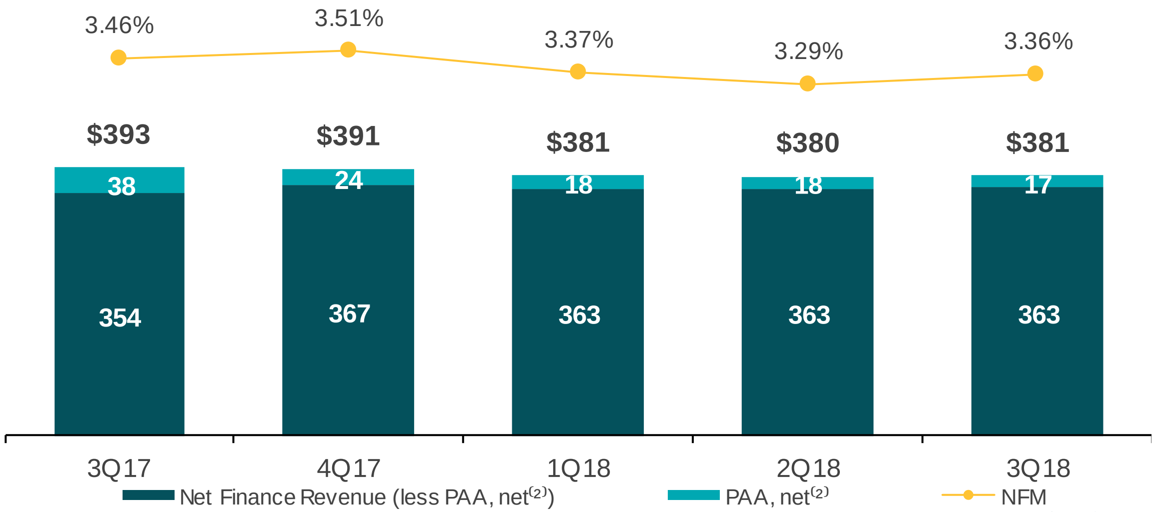
- Impairment of LCM Indemnification Asset: $16 million ($0.14 per diluted common share) after-tax charge in other non-interest income from an impairment to the indemnification asset related to a loss share agreement on assets in our Legacy Consumer Mortgage (LCM) portfolio in the Consumer Banking segment
- Release of AHFS Valuation Reserve: $11 million ($0.09 per diluted common share) after-tax benefit from a release of a valuation reserve in other non-interest income related to assets held for sale in China in the Non-Strategic Portfolios (NSP) segment
- NACCO Suspended Depreciation: $6 million ($0.05 per diluted common share) after-tax benefit in net finance revenue from the suspension of depreciation of NACCO assets held for sale
- Debt Extinguishment Costs: $3 million ($0.02 per diluted common share) after-tax expense related to the redemption of $500 million of senior unsecured debt

(1) Certain balances may not sum due to rounding. EPS based on 114 million average diluted shares outstanding. Dollar impacts are rounded.
(2) See appendix for details on noteworthy items.

Net Finance Margin (NFM) – Continuing Operations (Excluding Noteworthy Items)[1]

Net Finance Revenue & Net Finance Margin

($ in millions)



($ in millions, except yield data)	3Q18		2Q18		3Q17		Change from 2Q18	Change from 3Q17
	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	Yield	Yield
Interest-bearing Deposits	2,466	1.9%	3,531	1.8%	3,874	1.3%	8 bps	61 bps
Investments and Repurchase Agreements	6,416	2.8%	6,063	2.8%	5,796	2.6%	(0) bps	15 bps
Loans(3)(4)	28,409	6.0%	28,554	6.0%	27,793	6.0%	3 bps	2 bps
Operating Leases, Net of Depreciation(4)	8,032	6.0%	7,980	5.6%	7,798	5.9%	42 bps	10 bps
Indemnification Assets	55	(74.9%)	102	(49.1%)	193	(28.1%)	NM	NM
Earning Assets	**45,377**	**5.2%**	**46,230**	**5.1%**	**45,454**	**5.0%**	**18 bps**	**24 bps**
Deposits	31,239	1.6%	30,964	1.4%	30,316	1.2%	15 bps	34 bps
Borrowings	8,692	4.2%	9,437	4.0%	8,592	3.9%	17 bps	26 bps
Funding Liabilities	**39,931**	**2.1%**	**40,401**	**2.0%**	**38,908**	**1.8%**	**11 bps**	**33 bps**

(1) Certain balances may not sum due to rounding.
(2) See appendix for details on noteworthy items.
(3) Purchase accounting accretion and negative return on indemnification assets.
(4) Net of credit balances of factoring clients.
(5) Balances include loans and leases held for sale, respectively.

Highlights

vs. Prior Quarter

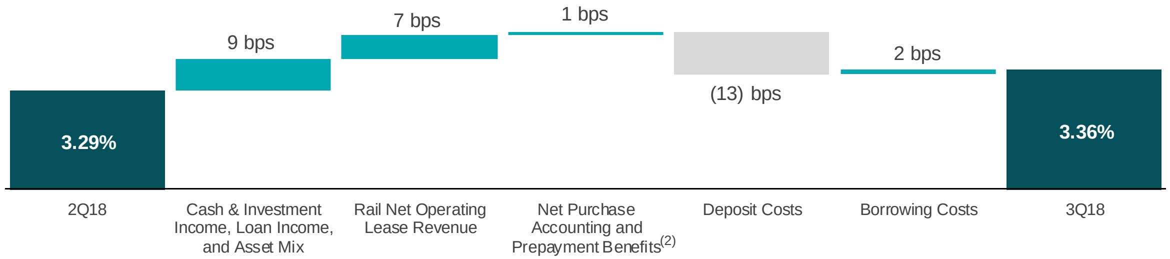
- Net Finance Revenue increased by $1 million
- Higher net operating lease income, driven by a lease prepayment and lower maintenance costs in Rail, mostly offset by higher deposit costs

vs. Year-ago Quarter

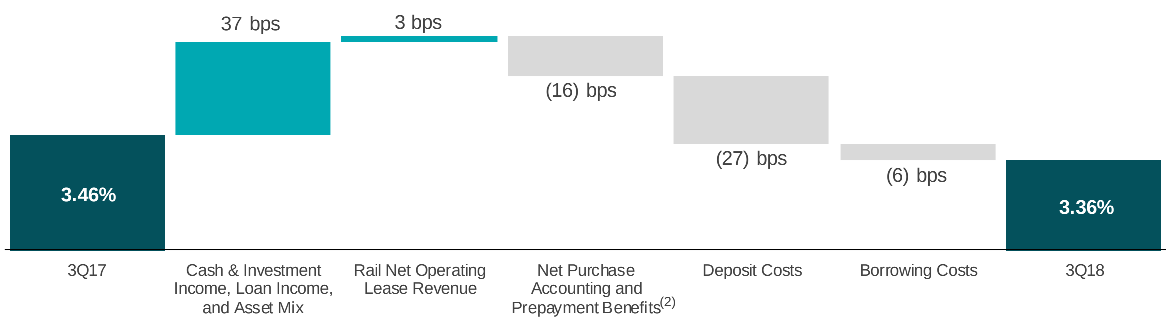
- Net Finance Revenue decreased by $12 million
- Decrease primarily due to lower net purchase accounting accretion and higher funding costs
- Decrease partially offset by higher income from investment securities and Commercial Banking loans

Net Finance Margin Trends – Continuing Operations (Excluding Noteworthy Items)(1)

Net Finance Margin Walk 2Q18 to 3Q18



Net Finance Margin Walk 3Q17 to 3Q18



Highlights

vs. Prior Quarter

- 9bps Cash & Investment Income, Loan Income, and Asset Mix Shift
  - Improved asset yields from higher interest rates and the deployment of cash
- 7bps Rail Net Operating Lease Revenue
  - Increase in prepayment benefits and lower lease maintenance expense
- 1bps Net PAA and Prepayment Benefits
  - Higher prepayment benefits and lower negative indemnification income offset by lower PAA
- 13bps Deposit Costs
  - Direct Bank deposit growth
- 2bps Borrowing Costs
  - Lower average FHLB balances

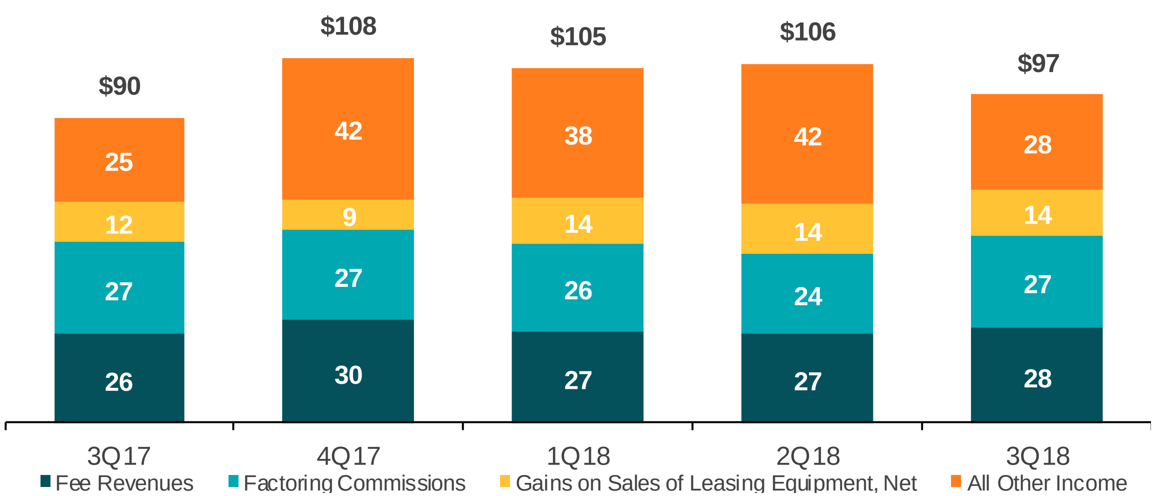
vs. Year-ago Quarter

- 37bps Cash & Investment Income, Loan Income, and Asset Mix Shift
  - Improved asset yields from higher interest rates and the deployment of cash
- 3bps Rail Net Operating Lease Revenue
  - Positive impact due to prepayment benefits
- 16bps Net PAA and Prepayment Benefits
  - Lower mostly due to reduction in gross PAA
- 27bps Deposit Costs
  - Direct Bank deposit growth offset by reduction of higher-cost brokered deposits
- 6bps Borrowing Costs
  - Higher costs due to subordinated debt issuance and extension of unsecured debt, partially offset by lower average FHLB balances

(1) See appendix for details on noteworthy items.
(2) Purchasing accounting accretion net of negative income associated with our indemnification asset.

Other Non-Interest Income – Continuing Operations (Excluding Noteworthy Items)[1]

	($ in millions)	3Q18	2Q18	3Q17	Change from 2Q18 $	Change from 2Q18 %	Change from 3Q17 $	Change from 3Q17 %
	Fee Revenues	**28**	27	26	2	6%	2	8%
	Factoring Commissions	**27**	24	27	4	16%	0	1%
	Gains on Sales of Leasing Equipment, Net of Impairments	**14**	14	12	(1)	(6%)	1	12%
Other Income	Gains on Investment Securities, Net of Impairments	**4**	4	10	(0)	(3%)	(7)	(65%)
Other Income	BOLI Income	**7**	7	2	(0)	(2%)	5	NM
Other Income	Other Revenues	**18**	31	13	(14)	(44%)	5	42%
	Total Other Non-Interest Income	**97**	**106**	**90**	**(9)**	**(9%)**	**7**	**7%**



Highlights

vs. Prior Quarter

- Other non-interest income decreased $9 million
- Fee income increased $2 million
- Factoring commissions up $4 million due to seasonally higher volumes
- Prior quarter other revenues include $5 million of activity related to the reverse mortgage portfolio and $6 million of reserve releases related to the OneWest acquisition

vs. Year-ago Quarter

- Other non-interest income increased $7 million
- Increase primarily driven by higher income from BOLI

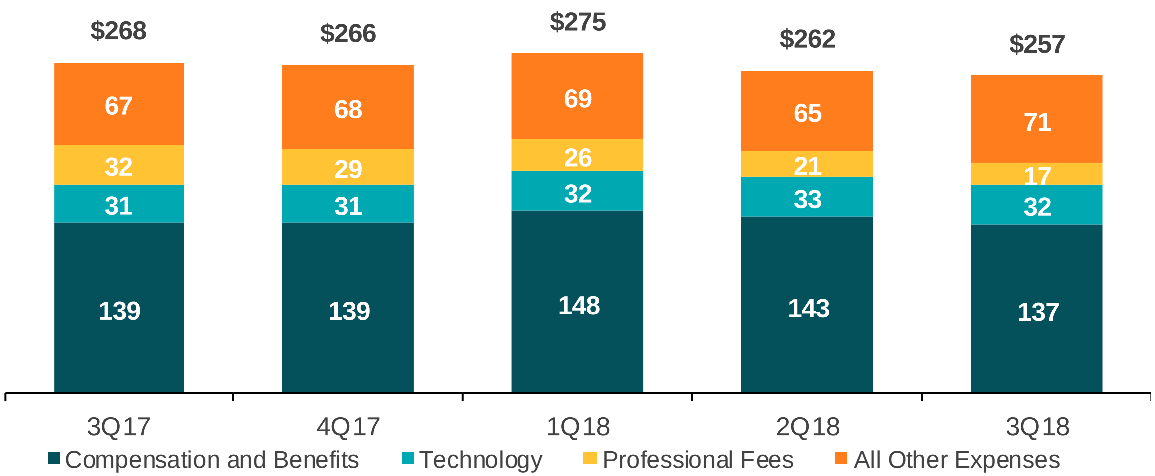
(1) Certain balances may not sum due to rounding.
(2) See appendix for details on noteworthy items.

Operating Expenses[1] – Continuing Operations (Excluding Noteworthy Items)[2]

	($ in millions)	3Q18	2Q18	3Q17	Change from 2Q18 $	Change from 2Q18 %	Change from 3Q17 $	Change from 3Q17 %
	Compensation and Benefits	**137**	143	139	(6)	(4%)	(2)	(1%)
	Technology	**32**	33	31	(0)	(1%)	2	6%
	Professional Fees	**17**	21	32	(4)	(19%)	(15)	(48%)
All Other Expenses	Advertising and Marketing	**11**	13	14	(3)	(21%)	(3)	(22%)
All Other Expenses	Net Occupancy Expense	**16**	16	16	0	1%	(0)	(0%)
All Other Expenses	Insurance	**16**	19	19	(3)	(14%)	(3)	(14%)
All Other Expenses	Other	**28**	17	18	11	67%	10	55%
	Total Operating Expenses[1]	**257**	**262**	**268**	**(4)**	**(2%)**	**(11)**	**(4%)**
	Headcount	**3,757**	**3,843**	**3,966**	**(86)**	**(2%)**	**(209)**	**(5%)**

Net Efficiency Ratio [3]

3Q17	4Q17	1Q18	2Q18	3Q18
56%	53%	57%	54%	54%



Highlights

vs. Prior Quarter

- Operating Expenses decreased by $4 million
- Decline driven primarily by decreases in employee costs and professional fees, partially offset by a $5 million reversal of a non-income tax-related reserve in the prior quarter

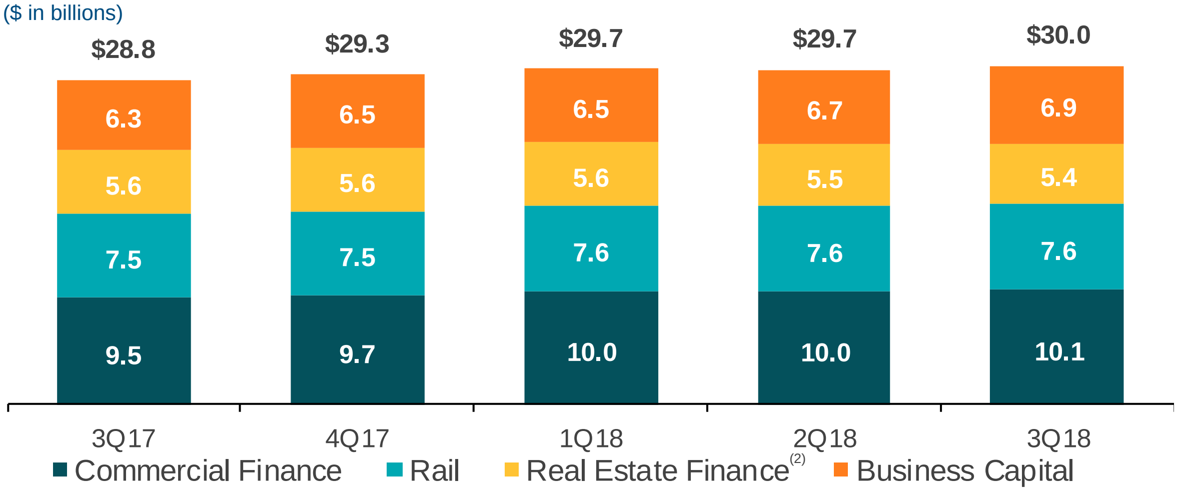
vs. Year-ago Quarter

- Operating Expenses decreased by $11 million
- Decrease primarily reflecting lower professional fees, partially offset by higher other non-income tax expenses

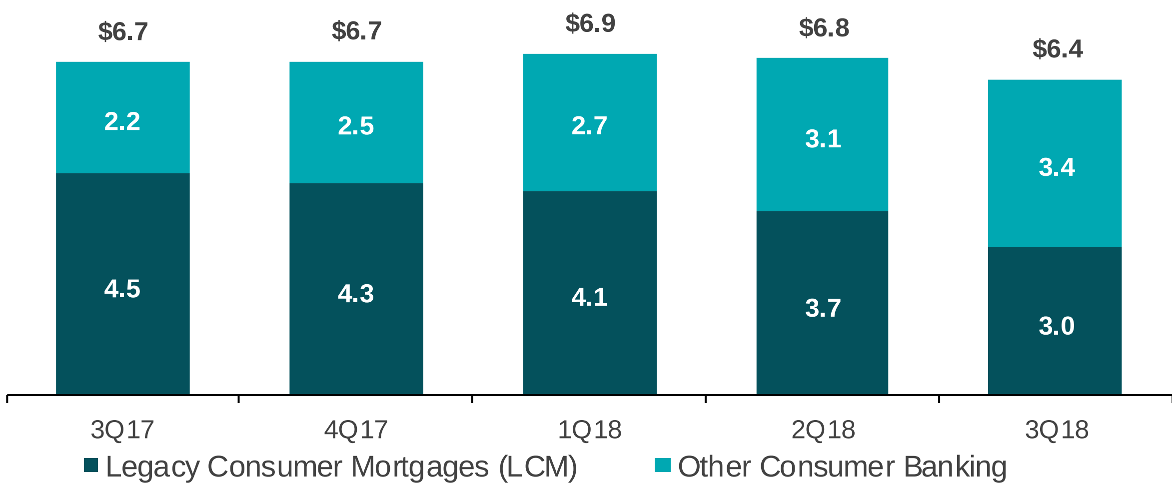
(1) Certain balances may not sum due to rounding.
(2) In addition to the exclusion of noteworthy items, operating expenses also exclude amortization of intangibles.
(3) See appendix for details on noteworthy items.
(4) Total operating expenses exclusive of noteworthy items and amortization of intangibles divided by total revenue (net finance revenue and other non-interest income).

Commercial Banking and Consumer Banking Average Loans and Leases(1)

Commercial Banking



Consumer Banking



Certain balances may not sum due to rounding.

(1) Net of credit balances of factoring clients and including assets held for sale.

(2) Real Estate Finance includes legacy non-SFR currently in run-off in the amounts of $582 million, $613 million, $647 million, $684 million, and $728 million in 3Q18, 2Q18, 1Q18, 4Q17, and 3Q17, respectively.

Highlights

Commercial Banking

Average loans and leases of $30 billion includes $1.2 billion of NACCO rail assets held for sale. The NACCO sale closed on October 4th.

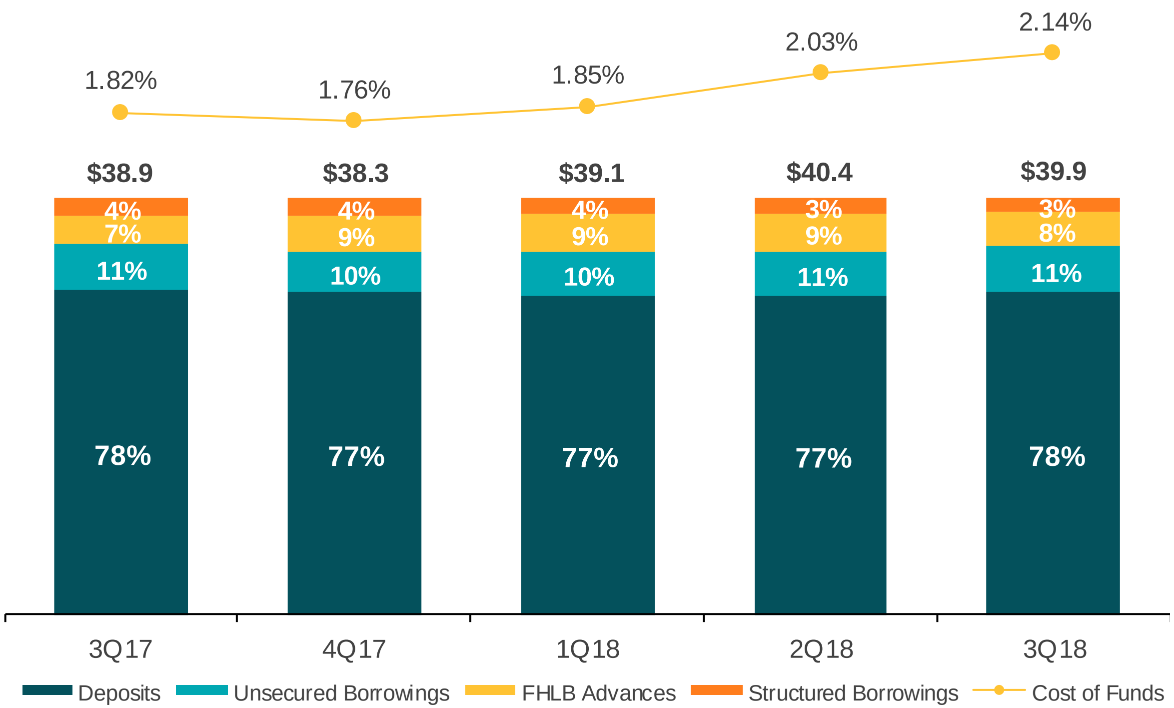
- **Vs. Prior Quarter:** Average loans and leases up almost $350 million driven by growth in Commercial Finance and Business Capital
- **Vs. Year-ago Quarter:** Average loans and leases increased 4%, reflecting asset growth in Commercial Finance, Rail, and Business Capital

Consumer Banking

- **Vs. Prior Quarter:** Average loans declined 6% due to the sale of our reverse mortgage portfolio related to the Financial Freedom transaction and run-off of our LCM portfolio, partially offset by growth in Other Consumer Banking
- **Vs. Year-ago Quarter:** Average loans down almost $350 million due to run-off in LCM and the sale of our reverse mortgage portfolio, partially offset by growth in Other Consumer Banking

Average Funding Mix

($ in millions)	3Q18		2Q18		3Q17		Change from 2Q18	Change from 3Q17
	Average Balance	%	Average Balance	%	Average Balance	%	Balance	Balance
Total Deposits	31,239	78%	30,964	77%	30,316	78%	275	923
Unsecured Borrowings	4,422	11%	4,318	11%	4,346	11%	104	76
FHLB Advances	2,967	8%	3,711	9%	2,583	7%	(744)	384
Structured Borrowings	1,302	3%	1,408	3%	1,662	4%	(105)	(360)
Total Borrowed Funds and Deposits	**39,931**	**100%**	**40,401**	**100%**	**38,907**	**100%**	**(470)**	**1,023**



Highlights

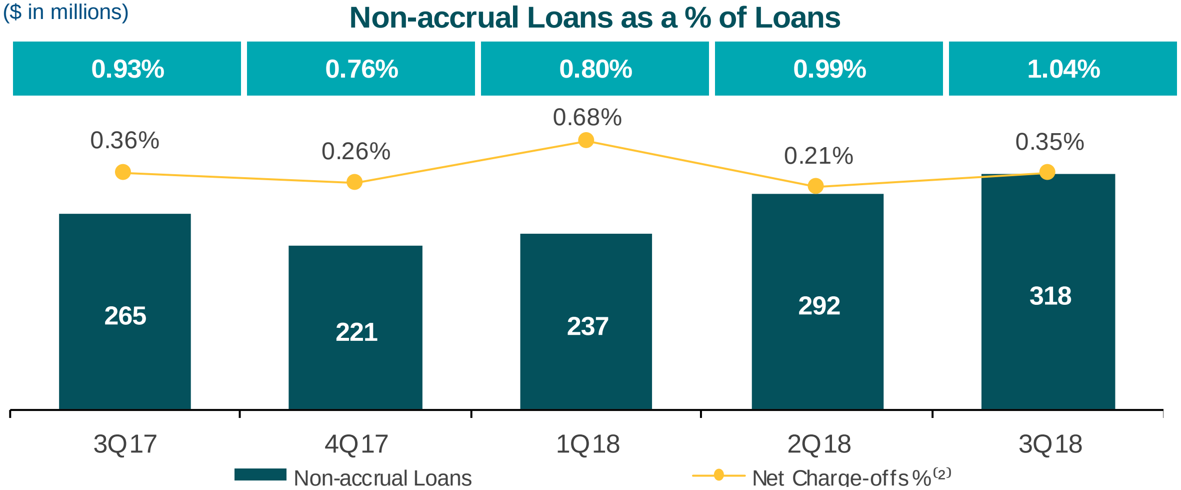
- Average deposits increased $275 million sequentially reflecting growth within our Direct Bank
- FHLB borrowings decreased to 8% of funding due to the repayment of outstanding advances during the quarter
- Cost of funds increased 11 basis points sequentially, driven by higher deposit costs and the issuance of $500 million of senior unsecured debt
- A portion of the net proceeds from the sale of NACCO, which closed in October 2018, were used to terminate a Dutch subsidiary's total return swap facility (TRS) and redeem the $465 million outstanding railcar securitization that served as the TRS's reference obligation

(1) Certain balances may not sum due to rounding.

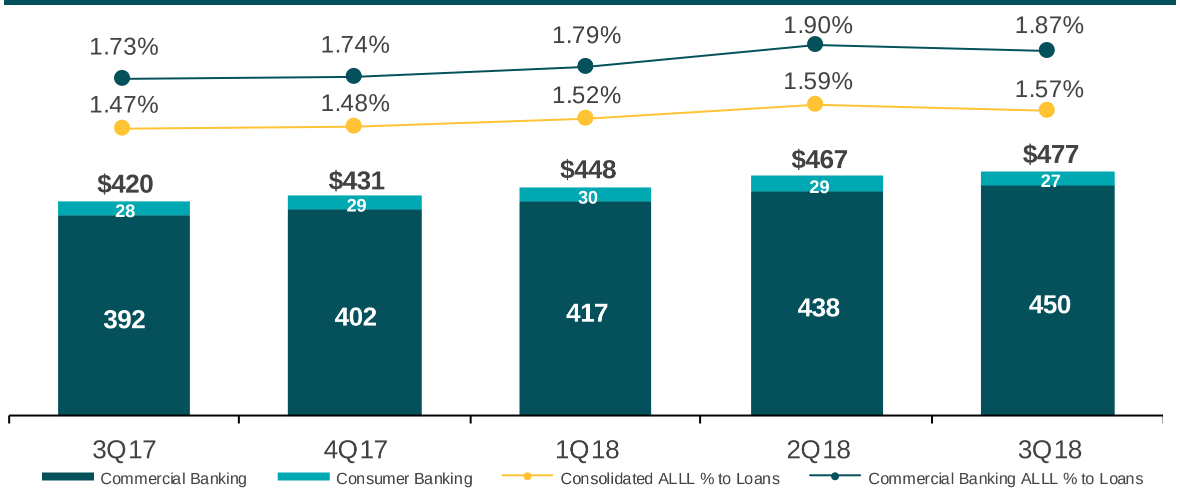
Asset Quality Trends – Continuing Operations (Excluding Noteworthy Items)(1)

Non-accrual Loans & Net Charge-offs

($ in millions)



Allowance for Loan Losses



Highlights

vs. Prior Quarter

- Provision for credit losses of $38 million in the current quarter increased $5 million, primarily driven by asset growth and an increase in charge-offs in the Commercial Banking segment
- Net charge-offs in the Commercial Banking segment was $25 million (0.42% of average loans), up from $15 million (0.25% of average loans)

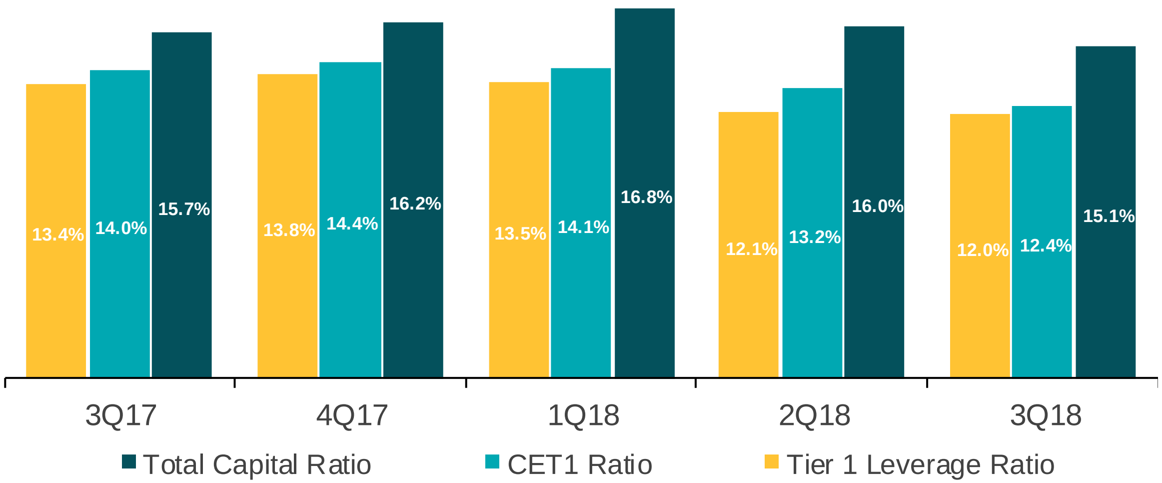
vs. Year-ago Quarter

- Provision for credit losses increased $24 million, primarily driven by asset growth
- Net charge-offs as a percentage of average loans was essentially flat
- Allowance for loan losses up 10 basis points to 1.57%, mostly attributable to Commercial Banking

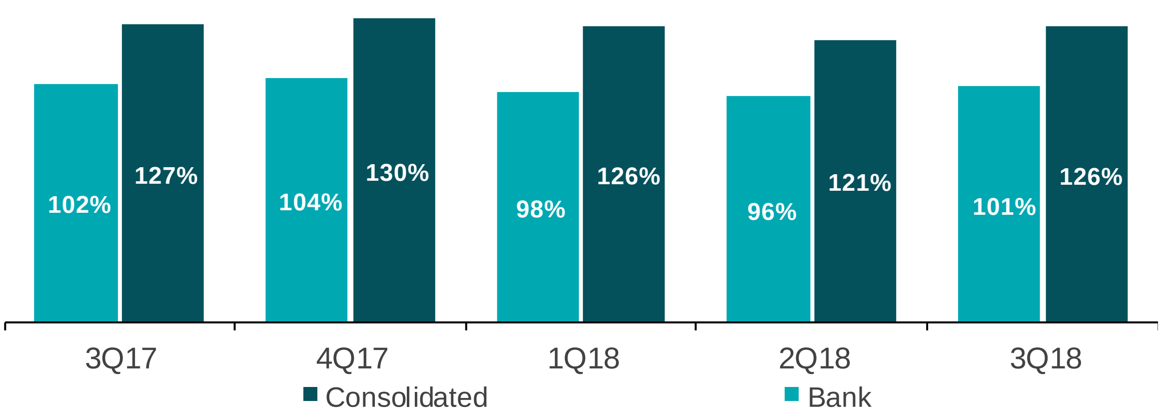
(1) See appendix for details on noteworthy items.
(2) As a percent of average loans, excluding loans held for sale, and excluding charge-offs related to the transfer of reverse mortgages to held for sale in 3Q17.

Strong Capital Position

Risk Based Capital Ratios[1]



Loans and Leases-to-Deposit Ratio



Highlights

vs. Prior Quarter

- Capital levels remain strong CET1 capital ratio decreased 80 basis points from the prior quarter to 12.4%
- Approximately 5.5 million shares were repurchased during the quarter at an average price of $52.91
- Risk-weighted assets (RWA) increased primarily reflecting growth in our core portfolio including a seasonal increase in Commercial Services

vs. Year-ago Quarter

- CET1 capital ratio decreased approximately 160 basis points
- Total capital ratio decreased approximately 60 basis points, as capital distributions more than offset retained earnings and a Tier 2 qualifying capital issuance

(1) Capital ratios for the current quarter are preliminary.

Key Performance Metrics – Continuing Operations

($ in millions)	Reported 3Q18	Reported 2Q18	Reported 3Q17	Excluding Noteworthy Items[1] 3Q18	Excluding Noteworthy Items[1] 2Q18	Excluding Noteworthy Items[1] 3Q17
AEA	**$45,377**	$46,230	$45,454	**$45,377**	$46,230	$45,454
Core Average Loans and Leases[2]	**$32,224**	$31,568	$29,922	**$32,224**	$31,568	$29,922
Net Finance Margin	**3.43%**	3.37%	3.53%	**3.36%**	3.29%	3.46%
Core Operating Expenses[3]	**$257**	$262	$268	**$257**	$262	$268
Net Efficiency Ratio[4]	**54%**	50%	58%	**54%**	54%	56%
Net Charge Offs	**0.35%**	0.21%	0.58%	**0.35%**	0.21%	0.36%
Effective Tax Rate[5]	**24%**	28%	(116%)	**26%, 28%**	28%, 27%	28%, 28%
CET1 Ratio	**12.3%**	13.2%	14.0%	**12.3%**	13.2%	14.0%
Adjusted ROTCE[6]	**9.7%**	9.4%	14.6%	**9.8%**	8.6%	9.2%

(1) See appendix for details on noteworthy items.
(2) Core portfolios is net of credit balances of factoring clients and excludes NACCO assets held for sale, Legacy Consumer Mortgages, and our Non-Strategic Portfolios segment.
(3) Operating expenses exclusive of restructuring costs and intangible asset amortization.
(4) Total operating expenses exclusive of restructuring charges and amortization of intangibles divided by total revenue (net finance revenue and other income).
(5) Under the section excluding noteworthy items, the first value is only excluding noteworthy items, whereas the second value is excluding both noteworthy items and discrete items.
(6) The numerator is adjusted to remove the impact of intangible amortization and goodwill impairment. The denominator is reduced for disallowed deferred tax assets.

Fourth Quarter 2018 Outlook

($ in millions)	Reported 3Q18	Excluding Noteworthy Items[1] 3Q18	4Q18 Outlook Commentary	2018 Target
AEA	$45,377	**$45,377**	▪ AEA down reflecting the sale of NACCO and the run-off of our LCM portfolio, offset by core loan growth	**Flat**
Core Average Loans and Leases[2]	$32,224	**$32,224**	▪ Low-single digit quarterly growth in core average loans and leases	**Mid-Single-Digit Growth**
Net Finance Margin	3.43%	**3.36%**	▪ Middle of target range	**3.20–3.40%**
Core Operating Expenses[3]	$257	**$257**	▪ Quarterly expense run rate, before intangible amortization, to decrease given full year target of $1,050 million	**$1,050**
Net Efficiency Ratio[4]	54%	**54%**		**Mid 50s**
Net Charge-offs	0.35%	**0.35%**	▪ Within the annual target range of 35-45 bps	**35–45 bps**
Effective Tax Rate[5]	24%	**26%, 28%**	▪ 26-28% excluding discrete items	**26–28% excluding discrete items**

ROTCE

- **To achieve ~9.5–10% ROTCE at the end of 2018, normalized for the semiannual preferred dividend payment**
  - **CET1 to near the upper end of ~11.5–12.0% range**
- **Medium-term ROTCE Target to 11–12%**
  - **CET1 ratio of 10–11%**

(1) See appendix for details on noteworthy items.
(2) Core portfolios is net of credit balances of factoring clients and excludes NACCO, Legacy Consumer Mortgages, and our Non-Strategic Portfolios segment.
(3) Operating expenses exclusive of restructuring costs and intangible asset amortization.
(4) Total operating expenses exclusive of restructuring charges and amortization of intangibles divided by total revenue (net finance revenue and other income).
(5) Under the section excluding noteworthy items, the first value is only excluding noteworthy items, whereas the second value is excluding both noteworthy items and discrete items.

Quarterly Noteworthy Items

($ in millions, except for per share data)		Segment	Item	Line Item	Pre-Tax	After-Tax	Per Share[1]
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 HFI HECMs	Credit Provision/Charge-offs	($15)	($9)	($0.07)
	Discontinued Operations		Financial Freedom Related Impairment		($4)	($2)	($0.02)
4Q17	Continuing Operations	Corporate	LIHTC Methodology Change	Other Non-Interest Income – Other Revenue	$29	$29	$0.22
		Corporate	LIHTC 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
2Q18	Continuing Operations	Consumer Banking	Financial Freedom Transaction – Primarily Gain on Sale of Reverse Mortgage Portfolio	Other Non-Interest Income – Other Revenue	$29	$22	$0.17
		Commercial Banking	NACCO Suspended Depreciation	Depreciation on Operating Lease Equipment	$9	$6	$0.05
		Corporate	Debt Redemption	Debt Extinguishment Costs	($19)	($14)	($0.11)
	Discontinued Operations		Net Loss on Financial Freedom Servicing Ops. – Primarily Reserve & Transaction Costs		($19)	($14)	($0.11)
3Q18	Continuing Operations	Consumer Banking	Impairment of LCM Indemnification Asset	Other Non-Interest Income – Other Revenue	($21)	($16)	($0.14)
		Non-Strategic Portfolios	Release of Valuation Reserve on AHFS	Other Non-Interest Income – Other Revenue	$11	$11	$0.09
		Commercial Banking	NACCO Suspended Depreciation	Depreciation on Operating Lease Equipment	$9	$6	$0.05
		Corporate	Loss on Debt Redemption	Debt Extinguishment Costs	($3)	($3)	($0.02)

(1) Per share impact based on 114 million, 125 million, 132 million, 131 million, 136 million average diluted shares outstanding for 3Q18, 2Q18, 1Q18, 4Q17, and 3Q17, respectively; dollar impacts are rounded.