

I. Introduction: Dodd Frank Act Stress Testing (DFAST) Overview

Under regulations created by the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA), both CIT Group Inc. (“CIT” or the “Company”) and CIT Bank (the “Bank”) are considered mid-sized banking organizations with total consolidated assets of between \$10 billion and \$50 billion. As such, both CIT and the Bank are required to perform annual company-run stress-tests (DFAST) that evaluate the potential impact of stressed economic and financial conditions based on hypothetical scenarios (supervisory scenarios) determined by bank regulators. The supervisory scenarios include the Baseline, Adverse and Severely Adverse scenarios. The stress test results along with supporting documentation are submitted to the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC). Furthermore, both CIT and CIT Bank are currently required to publicly disclose the DFAST results under the Severely Adverse scenario as detailed below.

The DFAST results will differ from data disclosed in our other regulatory filings and actual results due to certain parameters and assumptions put forth by bank regulators. The following key parameters and assumptions should be considered to provide context for the DFAST results:

- DFAST supervisory scenarios are not forecasts, but rather a number of hypothetical sequences of events designed by banking regulators to assess the strength of banking organizations and their resilience to different economic environments.
- Projected stress test results are provided for a 9-quarter planning horizon beginning with Q4-2014 and ending in Q4-2016. These stress tests are performed at a point in time and use the economic assumptions provided by the Federal Reserve and the FDIC to arrive at these results. The results were not adjusted to reflect the actual macroeconomic environment or CIT’s actual performance in Q4-2014 and Q1-2015.
- Capital actions assumed reflect specific assumptions put forth by bank regulators and differ from those in our Capital Plan. DFAST results incorporate the Company’s actual Q4 2014 dividend and share repurchase. Over the remaining planning horizon, quarterly common dividends are held constant based on the average dollar amount of quarterly dividends paid in 2014 and there are no repurchases or issuances of common stock assumed.

II. Overview of CIT Group Inc. and CIT Bank

CIT is a financial holding company with \$46 billion of assets, as of March 31, 2015. The Company, together with its subsidiaries, has provided financial solutions to its clients since 1908. CIT provides financing, leasing and advisory services principally to middle market companies in a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation industry worldwide. The Company operates primarily in North America, with locations in Europe and Asia.

CIT’s businesses are managed in three main segments: Transportation and International Finance (“TIF”), North American Commercial Finance (“NACF”) and Non-Strategic Portfolios (“NSP”). TIF includes several divisions: aerospace (commercial air and business air), rail, maritime finance, and international finance.

Revenues generated by TIF include rents collected on leased assets, interest on loans, fees, and gains from assets sold. The NACF segment consists of four divisions: Commercial Services, Corporate Finance, Equipment Finance, and Real Estate Finance. Revenue is generated from interest earned on loans, rents on equipment leased, fees and other revenue from lending and leasing activities and capital markets transactions, and commissions earned on factoring and related activities. NSP consists of portfolios that we no longer consider strategic and include several international equipment finance portfolios, including Mexico and Brazil, (both of which were under separate contracts to sell), and smaller portfolios in Europe that we identified as subscale platforms.

CIT Bank, a wholly-owned subsidiary, is a Utah state chartered bank headquartered in Salt Lake City that offers commercial financing and leasing products as well as a suite of savings options and is subject to regulation by the FDIC and the Utah Department of Financial Institutions (“UDFI”). In addition to cash and short-term investments of \$4 billion, Bank assets consist mainly of \$15 billion of commercial loans from our Corporate Finance, Equipment Finance, and Real Estate Finance divisions as well as nearly \$2 billion of railcars as of March 31, 2015.

The DFAST submission does not consider the impact of the pending acquisition of OneWest Bank.

III. Primary Risks to which CIT is exposed and included in DFAST:

CIT is subject to a variety of risks that may arise through the Company’s business activities, including the following principal forms of risk which are incorporated either quantitatively or qualitatively in our enterprise stress testing:

- Credit risk is the risk of loss (including the incurrence of additional expenses) when a borrower does not meet its financial obligations to the Company. Credit risk may arise from lending, leasing, and/or counterparty activities.
- Asset risk is the equipment valuation and residual risk of lease equipment, predominantly aircraft and railcars, owned by the Company that arises from fluctuations in the supply and demand for the underlying leased equipment. The Company is exposed to the risk that, at the end of the lease term, the value of the asset will be lower than expected, resulting in either reduced future lease income over the remaining life of the asset or a lower sale value.
- Market risk includes interest rate and foreign currency risk. Interest rate risk is the impact that fluctuations in interest rates will have on the Company’s net finance revenue and on the market value of the Company’s assets, liabilities and derivatives. Foreign exchange risk is the economic impact that fluctuations in exchange rates between currencies can have on the Company’s non-dollar denominated assets and liabilities.
- Liquidity risk is the risk that the Company has an inability to maintain adequate cash resources and funding capacity to meet its obligations, including under stress scenarios.
- Operational risk is the risk of financial loss, damage to the Company’s reputation, or other adverse impacts resulting from inadequate or failed internal processes and systems, people or external events. The assessment of Operational Risk incorporates Strategic, Information Technology, Legal and Regulatory, and Reputation risks.

- Business risk relates to the demand for CIT's services that is broadly affected by the level of economic growth and is more specifically affected by the level of economic activity in CIT's target industries.

IV. Description of the Supervisory Severely Adverse Economic Scenario

The Severely Adverse scenario features a substantial weakening in global economic activity, accompanied by large reductions in asset prices. In the scenario, the U.S. corporate sector experiences increases in financial distress that are even larger than would be expected in a severe recession, together with a widening in corporate bond spreads and a decline in equity prices.

The Severely Adverse scenario for the United States is characterized by a deep and prolonged recession in which the unemployment rate increases by 4 percentage points from its level in the third quarter of 2014, peaking at 10 percent in the middle of 2016. In terms of both the peak level reached by the unemployment rate and its total increase, this shock is of a similar magnitude to those experienced in severe U.S. contractions during the past half-century.

In response to this economic contraction, Treasury yields of all maturities are significantly lower throughout the scenario than in the baseline. Driven by the assumed decline in corporate credit quality, spreads on investment-grade corporate bonds jump from about 170 basis points to 500 basis points at their peak. As a result, despite lower long-term Treasury yields, corporate financial conditions tighten significantly in 2015 and the yield on investment-grade corporate bonds is higher than the baseline until the fourth quarter of 2016.

CIT is not currently required to incorporate the Global Market Shock because we do not engage in significant trading activities.

The full list of economic variables and a full description of the Severely Adverse scenario is available in the "2015 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule" document on the Federal Reserve website.

V. Stress Test Methodology

CIT's stress testing framework is overseen by the Board of Directors as well as executive risk and capital management committees.

Once the supervisory scenarios are published, CIT takes into account the key economic metrics which materially impact our performance and, in addition, forecasts other key economic or financial variables consistent with each of the supervisory scenarios.

The forecasting process begins with the business planning and budgeting process including bottom-up projections of CIT's balance sheet and income statement. This process results in both strategic decisions regarding areas of growth and contraction, and more tactical decisions such as asset purchases and sales – and ensures that the business plans are aligned with CIT's risk appetite. The planning process embeds

these business decisions in a set of financial statement forecasts for the bank, non-bank and consolidated holding company.

Quantitative forecast models were developed for primary CIT business segments and divisions to support stress testing. Individual models and assumptions were created for new business volumes, prepayments, pricing, fee income, and operating expenses. Qualitative assumptions are utilized where data is sparse or unavailable. Using the September 30, 2014 balance sheet as a starting point, CIT runs these models simultaneously to calculate quarterly pre-provision net revenue (“PPNR”) and loss provisions for each scenario. The framework also simulates the required funding, deposit balances and cash levels for a fully dynamic balance sheet and income statement simulation. Risk weighted assets (“RWA”) and capital positions are calculated subsequently to determine capital levels and liquidity positions throughout the simulations.

Stress testing results are reviewed by the Risk Management Committee of the Boards of CIT and CIT Bank, senior management, the business units and division credit officers. In addition to review by the executive-level committees mentioned above, the models utilized are validated by CIT’s Internal Model Validation Group and the stress testing program is audited by CIT’s Internal Audit Group.

CIT Bank originates the vast majority of the U.S. funded volume in each of the presented quarters. As a result, CIT leverages the same underlying methodologies when conducting bank-level stress testing.

VI. Results of the Severely Adverse Scenario from October 1, 2014 through December 31, 2016

Under the Supervisory Severely Adverse scenario provided by the bank regulators, CIT continues to maintain capital levels above regulatory and policy thresholds.

Cumulative revenue, loss and net income before taxes projected from October 1, 2014 through December 31, 2016 are shown in Table 1.

Table 1: CIT Group Inc.: Cumulative 9-quarter projected losses, revenue and net income before taxes through Q4 2016

Supervisory Severely Adverse Scenario	\$-millions	% Avg Assets
Pre-provision net revenue	887	2.0%
<i>Less:</i>		
Provisions for credit losses	(1,469)	(3.3)%
Realized losses/gains on securities (AFS/HTM)	-	-
Trading and counterparty losses	-	-
Other losses/gains	1	0.0%
<i>Equals:</i>		
Income before taxes	(582)	(1.3)%

Table 2 shows the cumulative losses for the loan and lease categories as defined by the Federal Reserve’s FR-Y16 reporting schedules used in DFAST. The potential impact of the Severely Adverse

scenario on CIT's portfolio of aircraft and rail cars is not included in Table 2. For these portfolios, the stress scenario is manifested in the utilization rates and yield rates for new aircraft and railcars delivered and those up for lease renewal over the 9-quarter planning period. The impact is reflected in elements of PPNR rather than loan and lease losses.

Table 2: CIT Group Inc.: Projected loan losses, by type of loan, Q4 2014 - Q4 2016

Supervisory Severely Adverse Scenario	\$-millions	Portfolio Loss Rate (%)
Loan and Lease Losses	1,438	7.9%
Commercial and Industrial	803	7.8%
Commercial Real Estate, domestic	63	4.3%
Other Loans and Leases	572	8.9%

Table 3 illustrates the regulatory capital levels at the beginning and end of the 9-quarter planning horizon as well as minimum capital levels observed for CIT Group in the Severely Adverse scenario. The capital ratios were determined under the Basel framework applicable at the point in time considered.

Table 3: CIT Group Inc. Projected Stressed Capital Ratios through Q4 2016

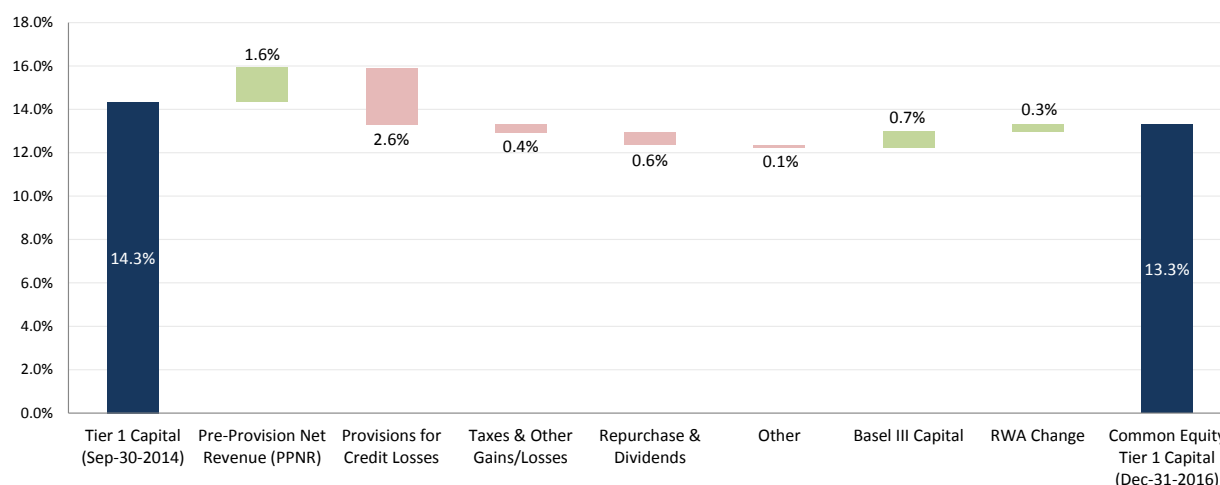
Supervisory Severely Adverse Scenario	Actual Q3 2014	Stressed Capital Ratios	
		Ending	Minimum
Common Equity Tier 1 capital ratio (%)	N/A	13.3%	13.3%
Tier 1 risk-based capital ratio (%)	14.3%	13.0%	13.0%
Total risk-based capital ratio (%)	15.0%	13.5%	13.5%
Tier 1 leverage ratio (%)	18.1%	16.0%	16.0%

N/A: Not applicable. Actual Q3 2014 ratios determined under Basel I framework while stressed capital ratios determined under Basel III framework. Note: Minimum represents the lowest value over the forecast horizon.

Table 4 details the most significant drivers of the cumulative change in CIT Group's capital levels in the Severely Adverse scenario over the 9-quarter planning horizon. In this stress scenario, the benefits from PPNR and the transition to the Basel III framework were more than offset by provisions for credit losses resulting in a net decrease in the Common Equity Tier 1 capital ratio to 13.3% at the end of the planning horizon.

Major differences between the consolidated view and the Bank view are driven by: (1) the comparatively higher proportion of operating lease assets at consolidated CIT and higher proportion of assets subject to credit reserving at the Bank and (2) an equity infusion of substantially all cash into the Bank from the Holding Company to maintain strong capital levels.

Table 4: CIT Group Inc.: Most Significant Causes for Changes in Capital Ratios



CIT Bank’s regulatory capital levels at the beginning and end of the 9-quarter planning horizon as well as minimum capital levels observed are detailed in Table 5. The capital ratios were determined under the Basel framework applicable at the point in time considered.

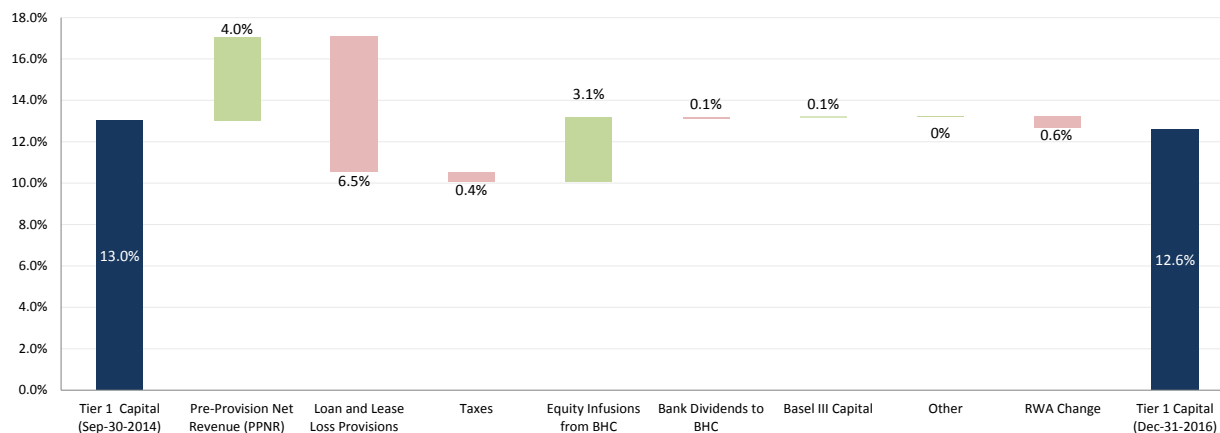
Table 5: CIT Bank Projected Stressed Capital Ratios through Q4 2016

Supervisory Severely Adverse Scenario	Actual Q3 2014	Stressed Capital Ratios	
		Ending	Minimum
Common Equity Tier 1 capital ratio (%)	N/A	12.6%	12.6%
Tier 1 risk-based capital ratio (%)	13.0%	12.6%	12.6%
Total risk-based capital ratio (%)	14.3%	13.8%	13.8%
Tier 1 leverage ratio (%)	13.2%	12.0%	12.0%

N/A: Not applicable. Actual Q3 2014 ratios determined under Basel I framework while stressed capital ratios determined under Basel III framework. Note: Minimum represents the lowest value over the forecast horizon.

Table 6 details the most significant drivers of the cumulative change in CIT Bank’s capital levels in the Severely Adverse scenario over the 9-quarter planning horizon. In this stress scenario, the Common Equity Tier 1 capital ratio declines to 12.6% at the end of the planning horizon. Benefits from PPNR and an equity infusion of substantially all cash offset provisions for credit losses and an increase in risk weighted assets.

Table 6: CIT Bank: Most Significant Causes for Changes in Capital Ratios



Forward Looking Statements:

This supplemental disclosure 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 supplemental disclosure, 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 CIT is unsuccessful in implementing its strategy and business plan, the risk that CIT is unable to react to and address key business and regulatory issues, the risk that CIT is unable to achieve the projected revenue growth from its new business initiatives or the projected expense reductions from efficiency improvements, and the risk that CIT becomes subject to liquidity constraints and higher funding costs. 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, 2014, which was filed with the Securities and Exchange Commission. Accordingly, you should not place undue reliance on the forward-looking statements contained in this supplemental disclosure. 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.