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CIT Update

November 2017

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 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 Amended Capital Plan on the timing and terms contemplated, (ii) CIT is unsuccessful in implementing its strategy and business plan, (iii) CIT is unable to react to and address key business and regulatory issues, (iv) CIT is unable to achieve the projected revenue growth from its new business initiatives or the projected expense reductions from efficiency improvements, and (v) 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, 2016, 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.

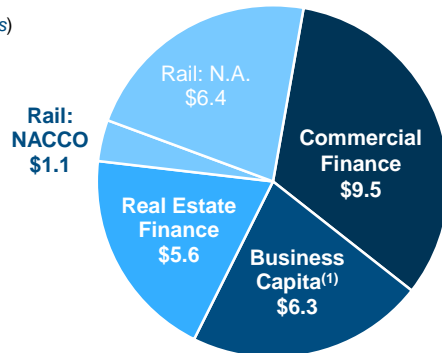
This presentation is to be used solely as part of CIT management’s continuing investor communications program. This presentation shall not constitute an offer or solicitation in connection with any securities.

Unless otherwise indicated, all data presented is as of September 30, 2017, or for the quarter ended September 30, 2017.

A Leading National Bank for Lending and Leasing to the Middle Market and Small Businesses

Commercial Banking

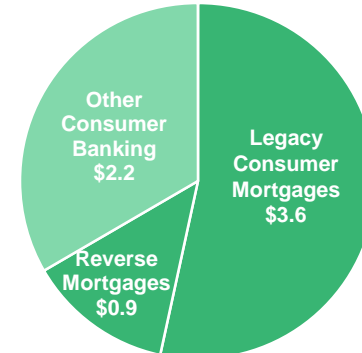
(\$ in billions)



Average Loans and Leases: \$28.8

- **Commercial Finance:** Middle-market lender with expertise in targeted industries and products. Emphasis on asset growth and lead-managed transactions.
- **Rail:** Leading railcar lessor providing financial solutions to customers in the U.S. Focus on maintaining utilization rate; market demand pressuring renewal pricing. European Rail business (NACCO) expected to be sold in the first quarter of 2018.
- **Real Estate Finance:** Leading lender to commercial real estate investors and developers; deep industry relationships, underwriting experience and market expertise.
- **Business Capital:** Leading equipment lessor and lender; among the nations largest providers of factoring services. Strong momentum and opportunity to take advantage of market disruption.

Consumer Banking



Average Loans and Leases: \$6.7

- **Legacy Consumer Mortgages:** Run-off legacy consumer mortgage portfolio. High margins and loss share agreement. Reverse Mortgage portfolio expected to be sold in the second quarter of 2018.
- **Other Consumer Banking:**
 - Full-suite of consumer deposit products, residential mortgage and SBA products offered through OneWest retail branches.
 - **Online banking:** Direct Banking channel offers online savings accounts & CDs nationally.

Certain balances may not sum due to rounding.
(1) Net of credit balances of factoring clients of \$1.5 billion.

Executing on Our 2017 Priorities to Simplify, Strengthen and Grow CIT

	Strategies	Progress
1 Maximize Potential of Core Businesses	<ul style="list-style-type: none"> ▪ Grow revenues – grow core businesses, enhance fee revenue, leverage connectivity among businesses. ▪ Optimize cash / investment portfolio build out 	<ul style="list-style-type: none"> ✓ Announced definitive agreement to sell Financial Freedom ✓ Average investments grew by \$800 million ✓ Expanding core competencies - added nearly 20 originators across 6 business teams
2 Enhance Operational Efficiency	<ul style="list-style-type: none"> ▪ Reduce / manage operating expenses ▪ Invest in and enhance technology 	<ul style="list-style-type: none"> ✓ Remain on target to achieve expense reduction target by 2018 ✓ Preserved \$400 million of NOL through strategic tax actions
3 Reduce Funding Costs	<ul style="list-style-type: none"> ▪ Increase deposits as a percent of total funding ▪ Reduce deposit costs 	<ul style="list-style-type: none"> ✓ Completed \$800 million debt tender ✓ Continued shift in deposit mix toward non-maturity deposits ✓ CIT Bank 102% loan & lease-to-deposit ratio
4 Optimize Capital Structure	<ul style="list-style-type: none"> ▪ Manage, deploy, and align capital ▪ Target CET1 ratio of upper end of 10-11% range 	<ul style="list-style-type: none"> ✓ Repurchased \$119 million of common stock at an average price of \$44.82 per share ✓ Increased quarterly common stock dividend by 7% to \$0.16 per share
5 Maintain Strong Risk Management	<ul style="list-style-type: none"> ▪ Maintain credit and operating risk discipline / process ▪ Regulatory / horizontal capital review 	<ul style="list-style-type: none"> ✓ Non-accruals 0.93% of loans ✓ CET1 ratio of 14.0%

Positioned for Growth

Commercial lending and leasing expertise built over 100+ years

- **Leading franchises** in target markets with deep industry vertical expertise
- **Superior digital platform** in small business lending supported by strength of CIT Bank
- **Disciplined risk management** culture focused on maintaining strong risk-adjusted returns
- **Highly experienced management team** focused on delivering shareholder value

Opportunity to enhance profitability

- Continue to make progress toward operating expense reduction target
- Broadening relationships with existing clients across businesses
- Scalable platforms to support growth, including portfolio purchases
- Asset sensitivity enhanced by efficiency of liquidity
- Optimizing funding mix

Opportunity to return significant excess capital, subject to regulatory approval

- Regulatory capital ratios in excess of target

Next Steps Toward Achieving Target 10% ROATCE

Grow Core Businesses

- Developing and investing in opportunities to enhance profitability and grow our core businesses
- Connectivity/Cross-sell opportunities across businesses
- Continued dispositions/run-off of non-core assets

Reduce Operating Expense

- On track to achieve \$150 million annualized operating expense reduction by 2018
- Continuously evaluating ways to improve operational efficiency

Normalize Capital

- Targeting CET1 ratio of upper end of 10-11% range - reported 14.0% at September 30, 2017
- CIT has \$106 million of repurchases remaining that can be executed by the end of the first half of 2018 under current authorizations, of which \$6 million is eligible for execution in the fourth quarter of 2017
- Reduction of incremental excess capital is subject to regulatory approval

Decrease Funding Cost

- Continue to increase deposits as a percentage of total funding
- Reduce the relative cost of deposits through price optimization and mix shift
- Considering additional debt actions to lower cost of funding

Build Out Investment Securities Portfolio

- Revenue enhancement from moving cash to high quality investments

Financial Update

Earnings Summary - GAAP

(\$ in millions, except per share data)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Interest Income	454	478	476	(24)	(5.1%)	(22)	(4.6%)
Net Operating Lease Revenues ⁽¹⁾	123	121	131	3	2.3%	(8)	(5.7%)
Interest Expense	(177)	(209)	(188)	32	15.5%	11	6.1%
Net Finance Revenue	401	390	418	11	2.8%	(18)	(4.3%)
Other Non-Interest Income	63	85	84	(21)	(25.2%)	(20)	(24.3%)
Operating Expenses	(277)	(296)	(303)	18	6.2%	26	8.5%
Loss on Debt Extinguishment and Deposit Redemption	(54)	(165)	(5)	111	67.5%	(48)	NM
Pre-provision Net Revenue	133	14	194	119	NM	(61)	(31.4%)
Provision for Credit Losses	(30)	(4)	(45)	(26)	NM	15	33.3%
Pre-tax Income from Continuing Operations	103	9	149	94	NM	(46)	(30.8%)
Benefit (Provision) for Income Taxes	120	32	(55)	88	NM	174	NM
Income from Continuing Operations	223	41	94	182	NM	129	NM
(Loss) Income from Discontinued Operations, Net of Taxes	(2)	8	37	(10)	NM	(39)	NM
Gain on Sale of Discontinued Operations, Net of Taxes	(1)	107	-	(109)	NM	(1)	0.0%
(Loss) Income from Discontinued Operations, Net of Taxes	(3)	116	37	(119)	NM	(41)	NM
Net Income	220	157	132	63	40.1%	88	66.9%
Diluted Income per Common Share							
Income from Continuing Operations	\$1.64	\$0.22	\$0.47	1.41	NM	1.16	NM
(Loss) Income from Discontinued Operations, Net of Taxes	(0.03)	0.63	0.18	(0.66)	NM	(0.22)	NM
Diluted Income per Common Share	1.61	0.85	0.65	0.76	89.3%	0.97	NM
Return on Average Earning Assets							
Average Earning Assets	45,454	50,676	47,729	(5,222)	(10.3%)	(2,274)	(4.8%)
After Tax Return on Average Earnings Assets - Continuing	1.96%	0.33%	0.79%	163 bps		117 bps	

Certain balances may not sum due to rounding.

(1) Net of depreciation, maintenance, and other operating lease expenses.

Highlights

vs. Prior Quarter

- Net Finance Revenue:** was 3% higher due to \$8 million of suspended depreciation related to NACCO, which is in held for sale, and lower interest expense from the prior quarter which included \$14 million of net interest expense from negative carry related to Commercial Air sale timing
- Other Non-Interest Income:** decreased due to impairments in LCM related to the Financial Freedom transaction
- Operating Expenses:** declined 6% due to lower compensation and benefit expense, and FDIC Insurance partially offset by higher advertising and marketing costs
- Loss on Debt Extinguishment:** related to premium paid on \$800 million of unsecured debt tendered in the quarter
- Provision for Credit Losses:** increased due to \$15 million charge-off on HECM portfolio related to transfer to HFS; otherwise net charge-offs were relatively flat
- Income Tax Provision:** benefitted from discrete items, notably a \$140 million deferred tax benefit

vs. Year-ago Quarter

- Net Finance Revenue:** declined 4% due to lower purchase accounting accretion and Rail yields and higher negative income on indemnification assets
- Other Non-Interest Income:** decreased due to impairments in LCM related to the sale of the reverse mortgage loan portfolio
- Operating Expenses:** decreased due to lower employee costs and professional fees, partially offset by higher advertising and marketing costs
- Loss on Debt Extinguishment:** related to premium paid on \$800 million of unsecured debt tendered in the quarter
- Provision for Credit Losses:** lower primarily due to lower loan balances and lower provisioning from positive changes in credit quality
- Income Tax Provision:** reflects mix of earnings and unfavorable permanent tax items in the year-ago quarter as well as a \$140 million deferred tax benefit in the current quarter

Impact of Noteworthy Items from Strategic Initiatives (Non-GAAP)⁽¹⁾

(\$ in millions, except per share data)	Continuing Operations	Discontinued Operations	Total Reported
GAAP Net Income	\$223	(\$3)	\$220
GAAP EPS	\$1.64	(\$0.03)	\$1.61

Noteworthy Items (After-Tax)

Strategic Initiatives			
Strategic Tax Item - Restructuring of an International Legal Entity	(140)		(\$140)
Debt Redemption	33		\$33
Financial Freedom Transaction Related Items ⁽²⁾	26	2	\$28
NACCO Suspended Depreciation	(5)		(\$5)
Restructuring Charges	2		\$2
Total Noteworthy Items	(\$84)	\$2	(\$82)
Non-GAAP Net Income excluding Noteworthy Items	\$139	(\$1)	\$138
Non-GAAP EPS excluding Noteworthy Items	\$1.02	(\$0.01)	\$1.01

Highlights

- Deferred tax benefit from a restructuring of an international legal entity
- Costs associated with the repayment of \$800 million of unsecured debt
- Charges related to the definitive agreement to sell Financial Freedom, our reverse mortgage servicing business, and reverse mortgage loan portfolio (collectively the “Financial Freedom Transaction”)
- Benefit from suspended depreciation on NACCO assets held for sale
- Restructuring charges

Certain balances may not sum due to rounding.

EPS based on 136.1 million average diluted shares outstanding, dollar impacts are rounded.

(1) See appendix page 31 for details on Noteworthy Items.

(2) Details behind the various Financial Freedom Transaction related noteworthy items are displayed in the appendix on page 31.

Earnings Summary Excluding Noteworthy Items (Non-GAAP)

(\$ in millions, except per share data)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Interest Income	454	469	476	(15)	(3.2%)	(22)	(4.6%)
Net Operating Lease Revenues ⁽¹⁾	116	121	131	(5)	(4.1%)	(15)	(11.7%)
Interest Expense	(177)	(186)	(188)	9	4.9%	11	6.1%
Net Finance Revenue	393	404	418	(11)	(2.7%)	(26)	(6.1%)
Other Non-Interest Income	90	85	79	5	6.5%	12	14.6%
Operating Expenses	(274)	(292)	(301)	18	6.1%	26	8.7%
Loss on Debt Extinguishment and Deposit Redemption	-	-	(5)	-	NM	5	NM
Pre-provision Net Revenue	208	196	191	12	6.2%	17	9.1%
Provision for Credit Losses	(15)	(4)	(45)	(10)	NM	30	67.4%
Pre-tax Income from Continuing Operations	194	192	146	2	1.0%	48	32.7%
Provision for Income Taxes	(55)	(66)	(37)	11	16.8%	(18)	(47.1%)
Income from Continuing Operations	139	126	109	13	10.4%	30	27.8%
(Loss) Income from Discontinued Operations, Net of Taxes	(1)	3	60	(4)	NM	(62)	NM
Gain on Sale of Discontinued Operations, Net of Taxes	-	-	-	-	-	-	-
(Loss) Income from Discontinued Operations, Net of Taxes	(1)	3	60	(5)	NM	(61)	NM
Net Income	138	129	169	9	6.6%	(31)	(18.5%)
Diluted income per common share							
Income from Continuing Operations	\$1.02	\$0.68	\$0.54	0.34	49.1%	0.48	88.9%
(Loss) Income from Discontinued Operations, Net of Taxes	(0.01)	0.02	0.29	(0.03)	NM	(0.30)	NM
Diluted Income per Common Share	1.01	0.70	0.83	0.31	44.1%	0.18	22.0%
Return on Average Earning Assets							
Average Earning Assets	45,454	46,990	47,729	(1,536)	(3.3%)	(2,274)	(4.8%)
After Tax Return on Average Earnings Assets - Continuing	1.22%	1.07%	0.91%	15 bps		31 bps	

Certain balances may not sum due to rounding.

(1) Net of depreciation, maintenance, and other operating lease expenses.

Highlights

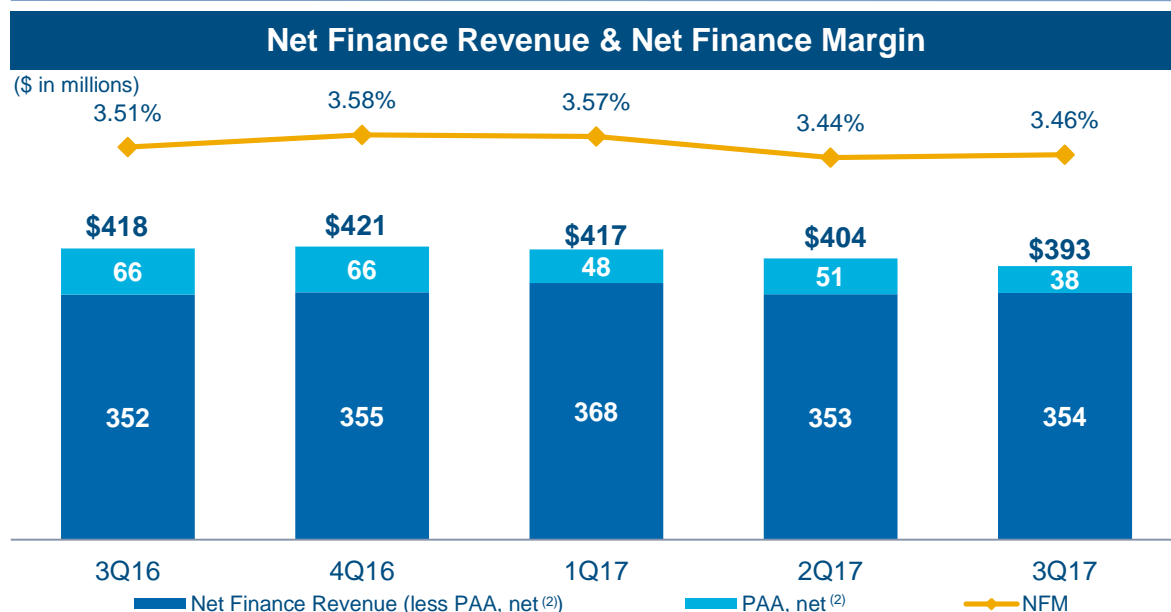
vs. Prior Quarter

- **Net Finance Revenue:** declined by nearly 3%, driven by lower purchase accounting accretion and negative income associated with the indemnification asset
- **Other Non-Interest Income:** increased 7% primarily driven by an increase in gains on investments and an increase in factoring commissions, reflecting seasonally higher volume in Commercial Services
- **Operating Expenses:** declined 6% due to lower compensation and benefit expense, FDIC Insurance, and tax expense, partially offset by higher advertising and marketing costs
- **Provision for Credit Losses:** remained low principally reflecting lower loan balances
- **Income Tax Provision:** decreased due to a true up reflecting the mix of earnings

vs. Year-ago Quarter

- **Net Finance Revenue:** declined 6%, due to lower gross yields in Rail and lower purchase accounting accretion and higher negative income associated with the indemnification asset, partially offset by higher earnings on the investment portfolio
- **Other Non-Interest Income:** increased 15% driven by mark-to-market charge on TRS incurred in non-qualifying hedges and FX in the year-ago quarter
- **Operating Expenses:** lower due to compensation and benefits, professional fees, FDIC Insurance and other taxes, partially offset by higher advertising and marketing costs
- **Provision for Credit Losses:** decreased primarily due to lower loan balances and lower provisioning from positive changes in credit quality
- **Income Tax Provision:** reflects mix of earnings

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



Highlights

- vs. Prior Quarter
- Net finance revenue decreased by \$11 million
- Lower purchase accounting accretion and higher negative income associated with the indemnification asset
 - Decrease was partially offset by higher income on investment securities

vs. Year-ago Quarter

Net finance revenue decreased by \$26 million

- Decrease primarily due to lower purchase accounting accretion, higher negative income associated with the indemnification asset and lower gross yields in Rail
- Decrease was partially offset by an increase in yields on loans and a shift from interest-bearing deposits to investment securities

(\$ in millions, except yield data)

	3Q17		2Q17		3Q16		Change from	
	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	2Q17	3Q16
Interest-Bearing Cash and Investments	9,670	2.1%	10,841	1.8%	9,780	1.3%	30 bps	80 bps
Loans ⁽³⁾	27,793	6.0%	28,257	6.1%	30,239	5.9%	(10) bps	10 bps
Operating Leases, net	7,798	5.9%	7,612	6.3%	7,335	7.1%	(40) bps	(120) bps
Indemnification Assets	193	(28.1%)	280	(13.9%)	374	(4.5%)	NM	NM
Earning Assets	45,454	5.0%	46,990	5.0%	47,729	5.1%	-	(10) bps
Interest-Bearing Deposits	28,820	1.2%	30,223	1.3%	31,734	1.3%	(10) bps	(10) bps
Borrowings ⁽⁴⁾	8,592	3.9%	8,968	4.1%	15,222	2.3%	(20) bps	160 bps
Interest-Bearing Liabilities	37,412	1.9%	39,190	1.9%	46,956	1.6%	-	30 bps

Certain balances may not sum due to rounding.

(1) See appendix page 31 for details on Noteworthy items.

(2) Purchase accounting accretion and negative return on indemnification assets.

(3) Net of credit balances of factoring clients of \$1,551 in 3Q17, \$1,567 in 2Q17 and \$1,234 in 3Q16.

(4) Reflects a \$1,735 adjustment in 2Q17 related to the timing of the completion of the Commercial Air related debt repayment.

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

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Fee Revenues	26	28	29	(2)	(7.1%)	(3)	(9.3%)
Factoring Commissions	27	23	29	4	16.9%	(2)	(6.2%)
Gains on Sales of Leasing Equipment	12	14	13	(2)	(12.9%)	-	(2.4%)
Gains on Loan and Portfolio Sales	4	7	3	(4)	(51.4%)	-	5.9%
Gains on Investments	10	5	10	5	NM	-	(2.9%)
Gains on OREO Sales	1	2	4	(1)	(39.1%)	(2)	(61.1%)
Net Gains (Losses) on Derivatives and Foreign Currency Exchange	1	(2)	(16)	3	NM	17	NM
Impairment on Assets Held for Sale	-	(2)	(4)	2	NM	4	NM
Other Revenues	9	9	11	-	2.3%	(2)	(17.8%)
Total Other Non-Interest Income	90	85	79	5	6.5%	12	14.6%

All Other Income

Highlights

vs. Prior Quarter

Other non-interest income increased \$5 million

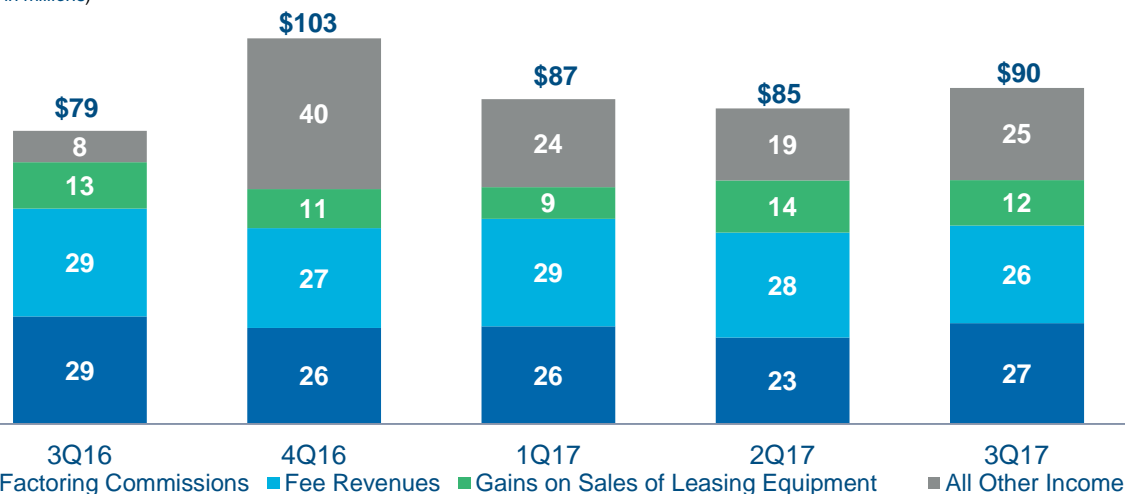
- Increase due to higher gains on Investments
- Factoring commissions increased, reflecting seasonally higher volume in Commercial Services

vs. Year-ago Quarter

Other non-interest income increased by \$12 million

- Primarily due to a \$20 million mark-to-market charge on the TRS in the year-ago quarter
- Factoring commissions declined slightly, as growth in factoring volume in Commercial Services was offset by lower pricing

(\$ in millions)



Certain balances may not sum due to rounding.

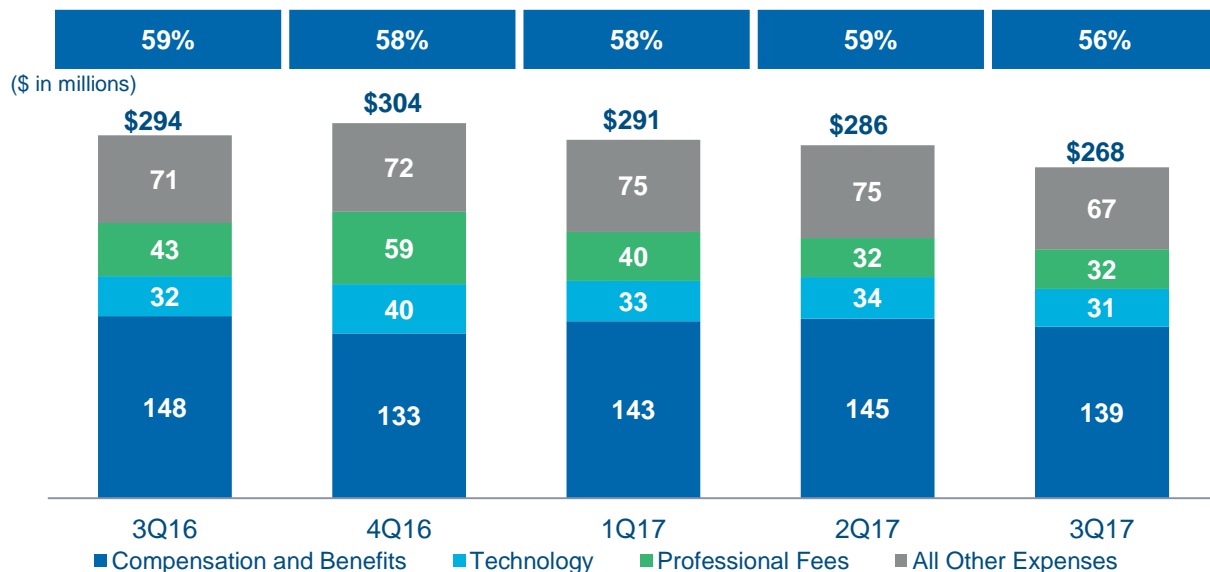
(1) See appendix page 31 for detail on Noteworthy Items.

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

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Compensation and Benefits	139	145	148	(6)	(4.4%)	(9)	(5.8%)
Technology	31	34	32	(3)	(9.7%)	(2)	(5.6%)
Professional Fees	32	32	43	-	1.6%	(11)	(25.2%)
Advertising and Marketing	14	10	5	3	30.8%	9	NM
Net Occupancy Expense	16	15	17	1	6.6%	(1)	(7.5%)
Insurance	19	25	24	(6)	(25.7%)	(5)	(22.3%)
Other	18	25	26	(6)	(25.5%)	(7)	(27.8%)
Total Operating Expenses⁽¹⁾	268	286	294	(18)	(6.2%)	(26)	(8.8%)
Headcount	3,965	3,995	4,230	(30)	(0.8%)	(265)	(6.3%)

All Other Expenses

Net Efficiency Ratio ⁽³⁾



Certain balances may not sum due to rounding.

(1) In addition to the exclusion of noteworthy items, operating expenses also exclude amortization of intangibles.

(2) See appendix page 31 for details on Noteworthy Items.

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

Highlights

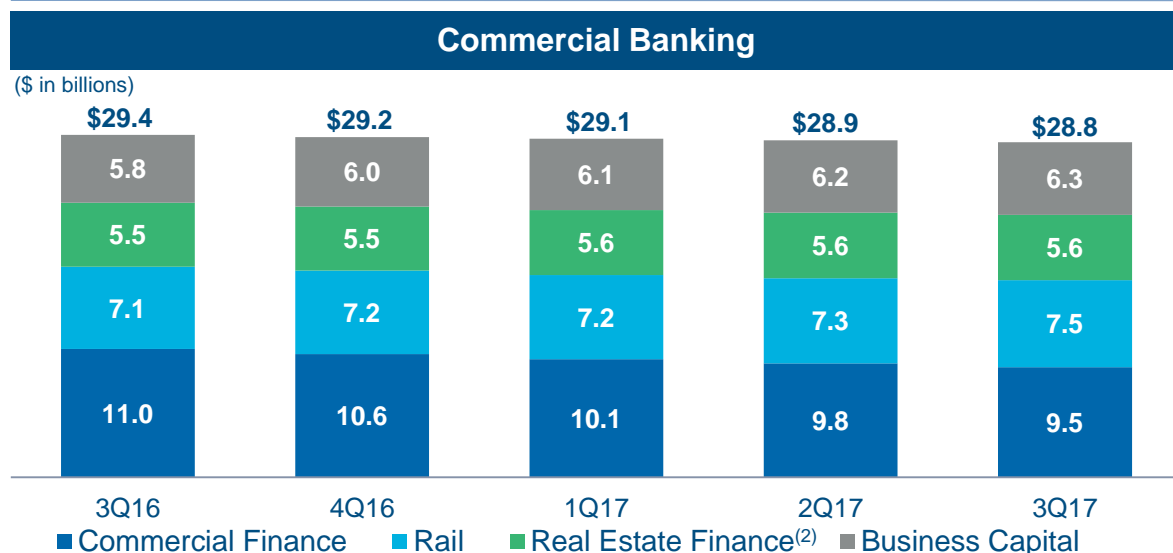
vs. Prior Quarter

- Operating expenses decreased 6%
 - Driven primarily by lower employee costs, lower FDIC insurance costs and lower tax expenses
 - Partially offset by higher advertising and marketing costs, primarily in Consumer Banking
- Net efficiency ratio improved to 56% as a result of lower operating expenses

vs. Year-ago Quarter

- Operating expenses decreased \$26 million or 9%, reflecting:
 - Lower employee costs from our operating expense reduction initiative, lower professional fees, lower FDIC Insurance and other taxes
 - Partially offset by higher advertising and higher marketing costs, primarily in Consumer Banking
- Net efficiency ratio improved to 56% as a result of lower operating expenses
- Headcount down 6%

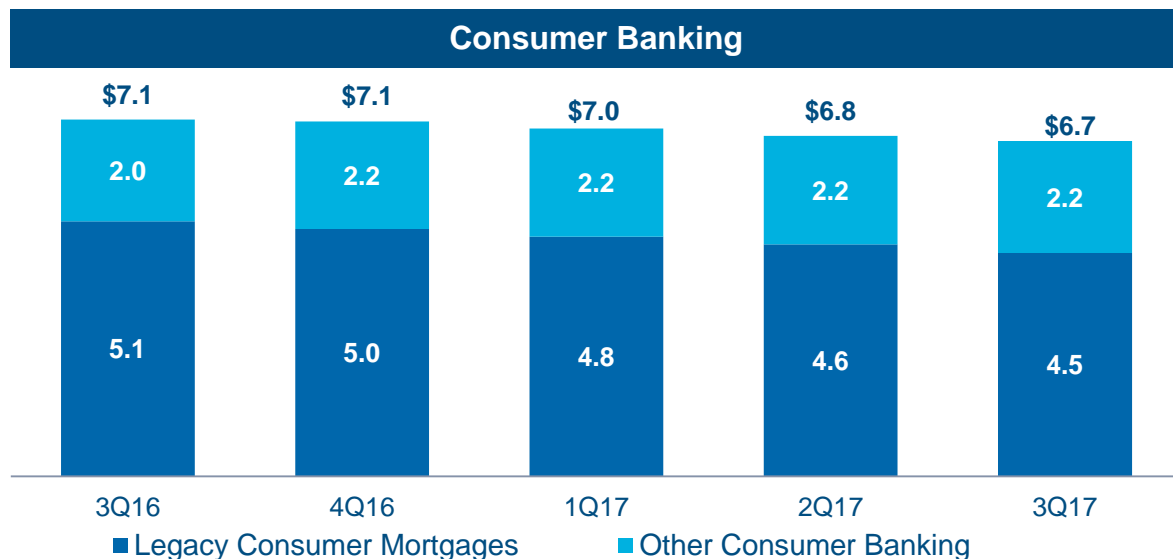
Commercial Banking and Consumer Banking Average Loans and Leases⁽¹⁾



Highlights

Commercial Banking

- Rail includes \$1.1 billion of NACCO assets held for sale
- **Vs. Prior Quarter:** Average loans and leases essentially flat as a reduction in Commercial Finance and legacy non-SFR in Real Estate Finance was mostly offset by an increase in Rail (NACCO), Business Capital, and core Real Estate Finance portfolios
- **Vs. Year-ago Quarter:** Average loans and leases declined, driven by asset sales and prepayments in the Commercial Finance division, partially offset by growth in all other divisions



Consumer Banking

- LCM includes \$0.9 billion of reverse mortgage assets held for sale
- **Vs. Prior Quarter:** Average loans declined 1% due to run-off of the LCM portfolio, partially offset by new business volume in Other Consumer Banking
- **Vs. Year-ago Quarter:** Average loans declined 6% driven by the continued run-off of loans in LCM

Certain balances may not sum due to rounding.

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

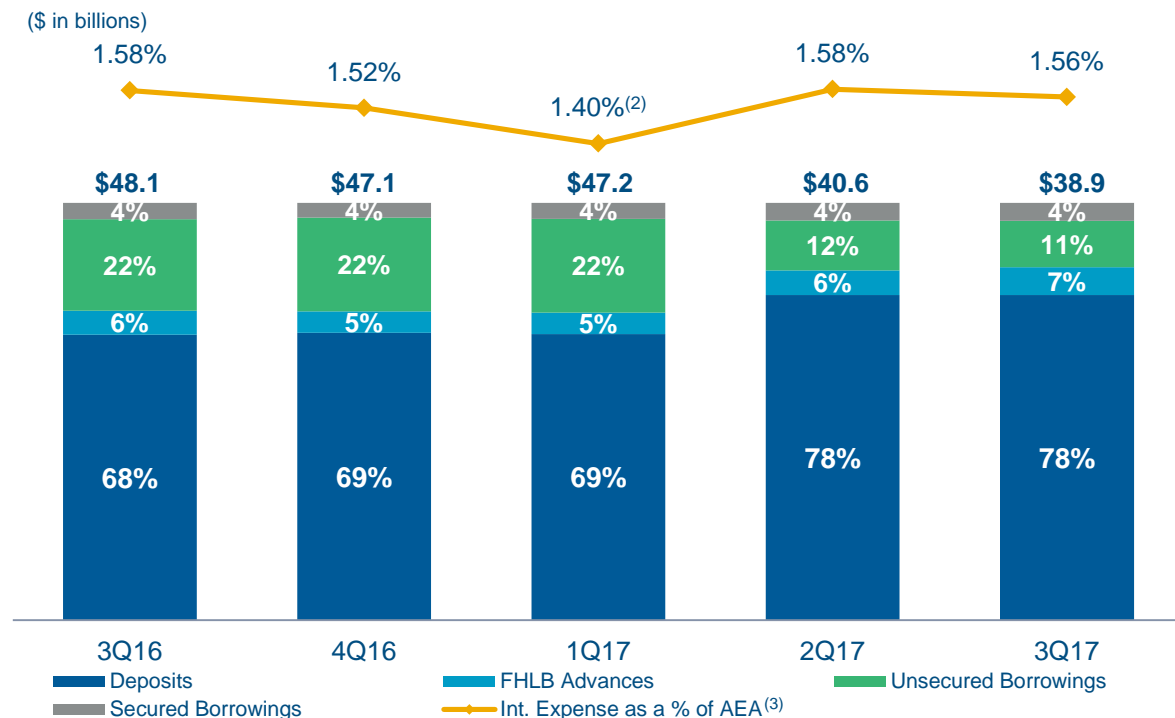
(2) Real Estate Finance includes legacy non-SFR currently in run-off in the amounts of \$728 million, \$765 million, \$802 million, \$843 million, and \$891 million for 3Q17, 2Q17, 1Q17, 4Q16, and 3Q16, respectively.

Average Funding Mix

(\$ in millions)	3Q17		2Q17		3Q16		Change from	
	Average Balance	%	Average Balance	%	Average Balance	%	2Q17	3Q16
Total Deposits	30,316	77.9%	31,634	77.9%	32,918	68.4%	(1,318)	(2,602)
FHLB Advances	2,583	6.6%	2,407	5.9%	2,765	5.7%	176	(182)
Structured Borrowings	1,662	4.3%	1,705	4.2%	1,863	3.9%	(43)	(201)
Unsecured Borrowings ⁽¹⁾	4,346	11.2%	4,856	12.0%	10,593	22.0%	(510)	(6,247)
Total Borrowed Funds and Deposits	38,908	100.0%	40,602	100.0%	48,140	100.0%	(3,429)	(9,232)

Highlights

- Average deposits are 78% of total average funding
- Wholesale funding is 15% of total funding
- Average funding costs, represented by interest expense as a percentage of AEA, has been stable compared to prior and year-ago quarters



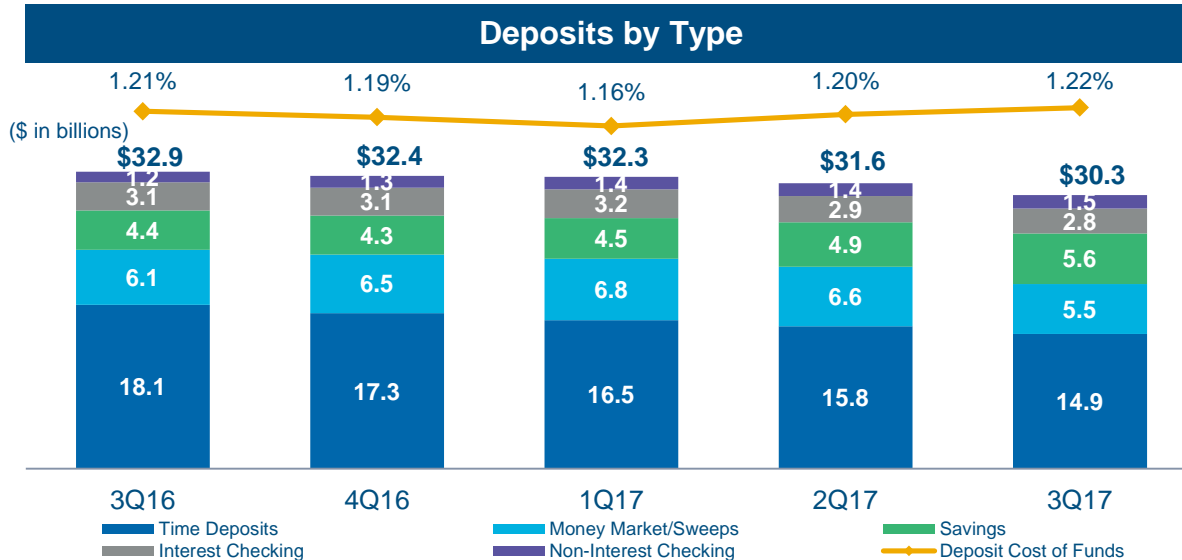
Certain balances may not sum due to rounding.

(1) Reflects a \$1,735 adjustment in 2Q17 related to the timing of the completion of the Commercial Air related debt repayment.

(2) 1Q17 shows a decline in interest expense due to an allocation to Discontinued Operations.

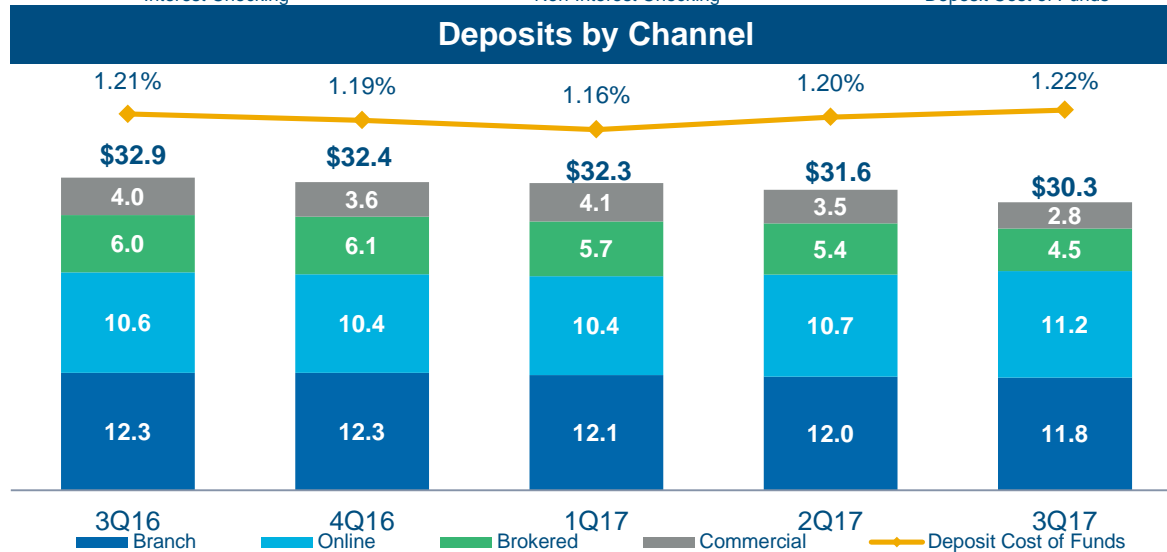
(3) Interest expense and average earnings assets are exclusive of noteworthy items; see appendix page 31 for details on Noteworthy Items.

Average Deposit Mix and Cost of Funds



Highlights

- vs. Prior Quarter
- Average deposit costs increased two basis points reflecting a modest increase in the average savings account rate offset by a reduction in higher-cost brokered and commercial deposits
 - HYSA product in online channel grew \$700 million



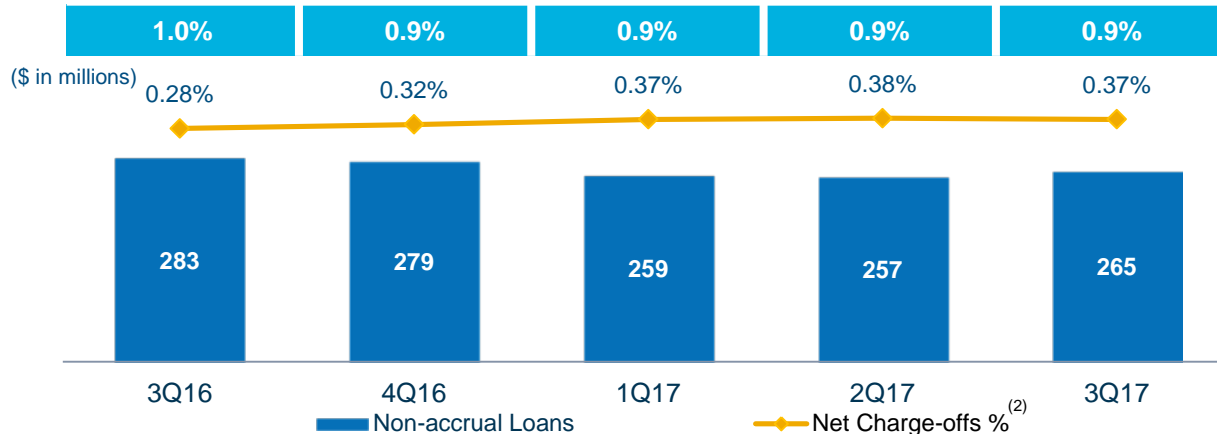
- vs. Year-ago Quarter
- Average deposit costs increased one basis point
 - Continuing to shift our mix of deposits toward non-maturity deposits and away from higher-cost brokered deposits
 - 25% decline in higher cost brokered deposits

Certain balances may not sum due to rounding.

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

Non-accrual Loans & Net Charge-offs

Non-accrual Loans as a % of Loans

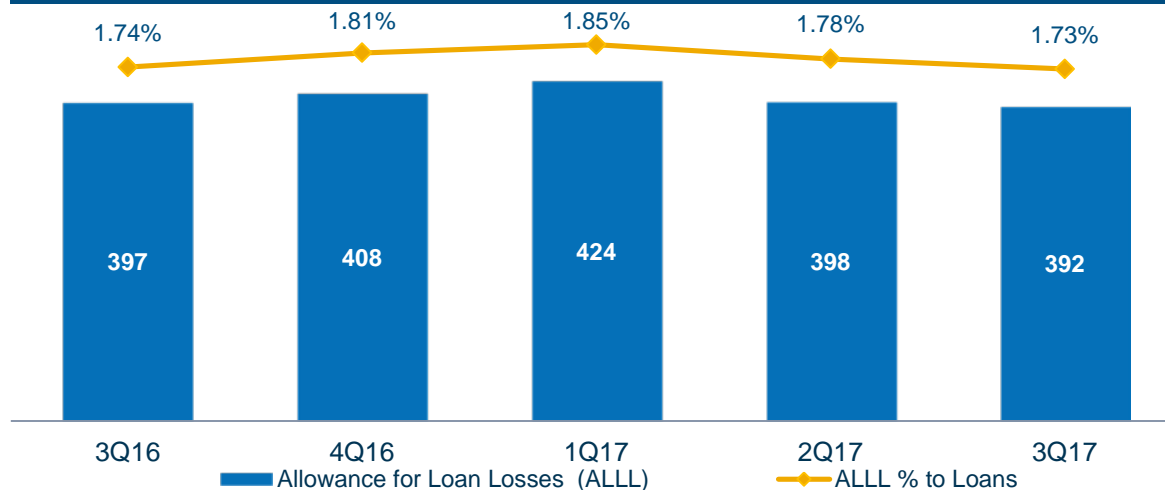


Highlights

vs. Prior Quarter

- Provision for credit losses remained low principally reflecting lower balances
- Non-accrual loans as a percent of average loans was essentially flat
- Net charge-offs essentially flat
- Decrease in the allowance for loan losses reflects lower balances

Allowance for Loan Losses – Commercial



vs. Year-ago Quarter

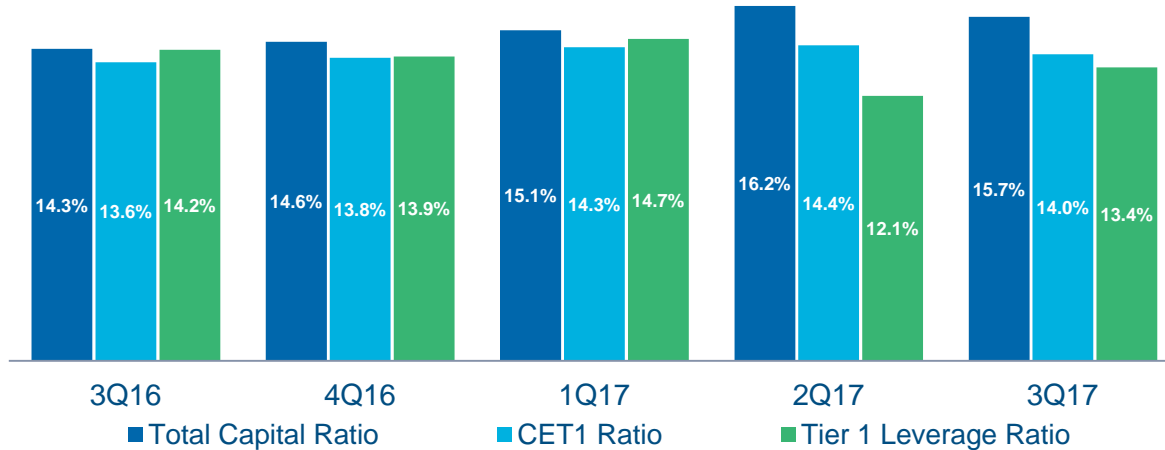
- Provision for credit losses decreased \$30 million primarily due to lower loan balances and lower provisioning from positive changes in credit quality
- Non-accrual loans as a percent of average loans was essentially flat
- Net charge-offs increased 9 bps
- Increase in the total allowance for loan losses reflects purchase accounting accretion on loans acquired from OneWest

(1) See appendix page 31 for details on Noteworthy Items.

(2) Excluding charge-offs related to transfer of reverse mortgages to held for sale.

Strong Capital Position

Risk Based Capital Ratios⁽¹⁾

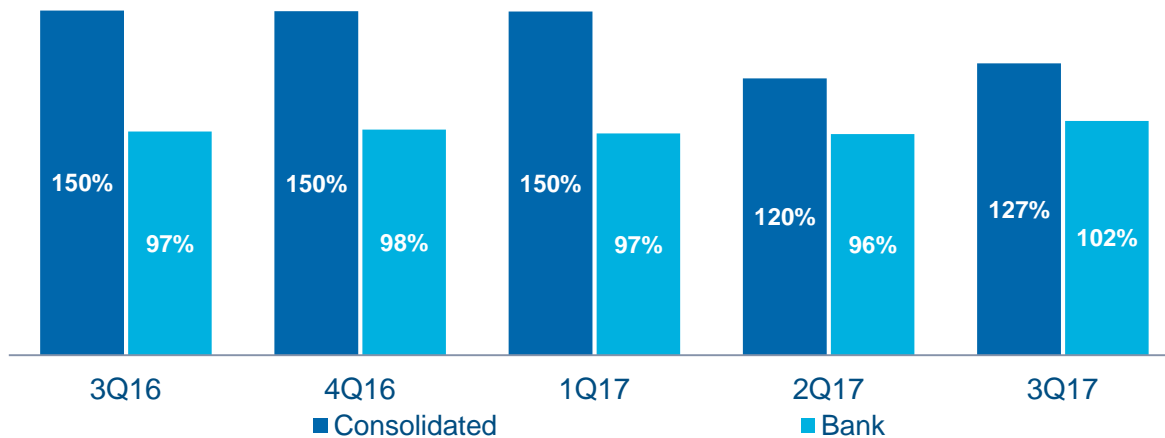


Highlights

vs. Prior Quarter

- CET1 capital ratio decreased approximately 40 bps
- CET1 capital remained relatively flat as earnings were offset by capital returns and an increase in the disallowed deferred tax asset
- Risk-weighted assets (RWA) increased, primarily reflecting a shift from cash and deposits to investment securities and other assets and seasonally higher end of period loan balances

Loans and Leases-to-Deposit Ratio



vs. Year-ago Quarter

- CET1 capital ratio increased approximately 40 bps
- Total capital ratio increased by 140 bps

(1) Capital ratios preliminary as of 9/30/17 and are based on fully phased-in Basel III estimates.

Key Performance Metrics – Continuing Operations

(\$ in millions)	As Reported			Excluding Noteworthy Items ⁽¹⁾		
	3Q17	2Q17	3Q16	3Q17	2Q17	3Q16
AEA⁽²⁾	45,454	50,676	47,729	45,454	46,990	47,729
Net Finance Margin⁽³⁾	3.5%	3.1%	3.5%	3.5%	3.4%	3.5%
Credit Provision⁽³⁾	0.3%	0.0%	0.4%	0.1%	0.0%	0.4%
Other Non-Interest Income⁽³⁾	0.6%	0.7%	0.7%	0.8%	0.7%	0.7%
Operating Expenses⁽³⁾⁽⁴⁾	2.4%	2.3%	2.5%	2.4%	2.4%	2.5%
Net Efficiency Ratio⁽⁵⁾	57.8%	60.3%	58.6%	55.5%	58.6%	59.2%
Tax Rate	NM	NM	36.7%	28.4%	34.5%	25.6%
CET1 Ratio⁽⁶⁾	14.0%	14.4%	13.6%	14.0%	14.4%	13.6%
Adjusted ROATCE⁽⁷⁾	14.58%	2.84%	7.41%	9.20%	8.14%	8.34%

(1) See appendix page 31 for details on Noteworthy Items.

(2) Average earning assets (AEA) components include interest-earning cash, 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 amortization of intangibles.

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

(6) Capital ratios preliminary as of 9/30/17 and based on fully phased-in Basel III estimates.

(7) Return on average tangible common equity for continuing operations adjusted to remove the impact of amortization of intangibles, goodwill impairment and the impact from valuation allowance from income from continuing operations, while the average tangible common equity is reduced for disallowed deferred tax assets and, in 2Q17 and 3Q16, ~\$3 billion of capital reduction associated with the Commercial Air sale.

Key Performance Metrics – Continuing Operations

(\$ in millions)	3Q17	Excluding Noteworthy Items ⁽¹⁾ 3Q17	4Q17 Outlook Commentary	Target
AEA ⁽²⁾	45,454	45,454		-
Net Finance Margin ⁽³⁾	3.5%	3.5%	<ul style="list-style-type: none"> Expect to drift closer toward the middle of the range, as purchase accounting accretion run-off and Rail headwinds are partially offset by the benefits from the investment securities portfolio build out and liability management actions 	3.0-3.5%
Credit Provision ⁽³⁾	0.3%	0.1%	<ul style="list-style-type: none"> Expect to be within the targeted range 	0.25-0.50%
Other Non-Interest Income ⁽³⁾	0.6%	0.8%	<ul style="list-style-type: none"> Expect to be within the targeted range 	0.6-0.75%
Operating Expenses ⁽³⁾⁽⁴⁾	2.4%	2.4%	<ul style="list-style-type: none"> Expect to be flat to third quarter and ongoing improvements to be offset by investment expenditures 	1.9-2.2%
Net Efficiency Ratio ⁽⁵⁾	57.8%	55.5%		Low 50s
Tax Rate	NM	28.4%	<ul style="list-style-type: none"> Expect to be in the low -to-mid 30% range excluding discrete items 	<40%
CET1 Ratio ⁽⁶⁾	14.0%	14.0%	<ul style="list-style-type: none"> Currently intend to achieve upper end of our target range toward the end of 2018, subject to regulatory approval of assumed capital actions 	10-11%
Adjusted ROATCE ⁽⁷⁾	14.58%	9.20%		10%

(1) See appendix page 31 for details on Noteworthy Items.

(2) Average earning assets (AEA) components include interest earning cash, 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 amortization of intangibles.

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

(6) Capital ratios preliminary as of 9/30/17 and based on fully phased-in Basel III estimates.

(7) Return on average tangible common equity for continuing operations adjusted to remove the impact of amortization of intangibles, goodwill impairment and the impact from valuation allowance from income from continuing operations, while the average tangible common equity is reduced for disallowed deferred tax assets and, in 2Q17 and 3Q16, ~\$3 billion of capital reduction associated with the Commercial Air sale.

Business Update

Commercial Banking

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Interest Income	309	317	319	(7)	(2.3%)	(9)	(2.9%)
Net Operating Lease Revenues ⁽¹⁾	123	121	127	3	2.3%	(4)	(2.8%)
Interest Expense	(131)	(128)	(132)	(4)	(2.7%)	1	0.4%
Net Finance Revenue	301	309	314	(8)	(2.6%)	(12)	(3.9%)
Other Non-Interest Income	71	75	76	(4)	(5.2%)	(5)	(7.0%)
Provision for Credit Losses	(11)	-	(44)	(11)	NM	33	74.4%
Operating Expenses	(169)	(177)	(193)	8	4.5%	24	12.6%
Pre-Tax Income from Continuing Operations	193	208	153	(15)	(7.4%)	39	25.7%

Key Metrics

Average Earning Assets	29,011	29,159	29,777	(147)	(0.5%)	(766)	(2.6%)
Net Finance Margin	4.2%	4.2%	4.2%	-		-	
Net Efficiency Ratio	44.9%	45.6%	49.1%	(70) bps		NM	
PTI-ROAEA	2.7%	2.9%	2.1%	(20) bps		60 bps	

Highlights

vs. Prior Quarter

- **Net Finance Revenue:** decreased \$8 million from the prior quarter, primarily driven by lower purchase accounting accretion in Commercial Finance, partially offset by an increase in net rental income due to suspended depreciation related to NACCO
- **Average Loans and Leases:** essentially flat as a reduction in Commercial Finance was mostly offset by Rail and Business Capital
- **Other Non-Interest Income:** decreased \$4 million primarily driven by lower gains on asset sales in Commercial Finance, partially offset by higher factoring commissions
- **Provision for Credit Losses:** remained relatively low
- **Total Operating Expenses:** decreased \$8 million primarily driven by tax reserve releases in current quarter

vs. Year-ago Quarter

- **Net Finance Revenue:** decreased primarily due to lower average earning assets, lower purchase accounting accretion and lower net rental income in Rail
- **Average Loans and Leases:** decreased 3% driven by sales and prepayments in the Commercial Finance division
- **Other Non-Interest Income:** decreased \$5 million driven mostly by lower gains on sales and fee income in Commercial Finance
- **Provision for Credit Losses:** decreased significantly due to lower loan balances and lower provisioning from positive changes in credit quality
- **Total Operating Expenses:** operating expenses decreased by \$24 million, reflecting cost reduction initiatives

Certain balances may not sum due to rounding.

(1) Net of depreciation and maintenance and other operating lease expenses.

Commercial Finance

Portfolio Industry Diversification

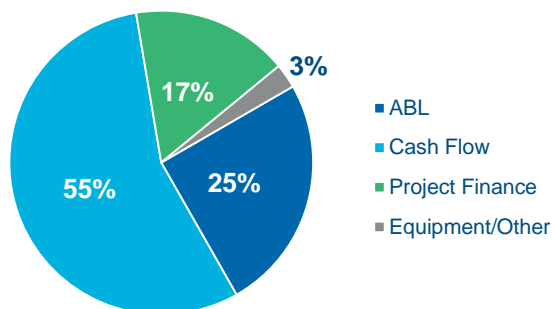


Lending Products

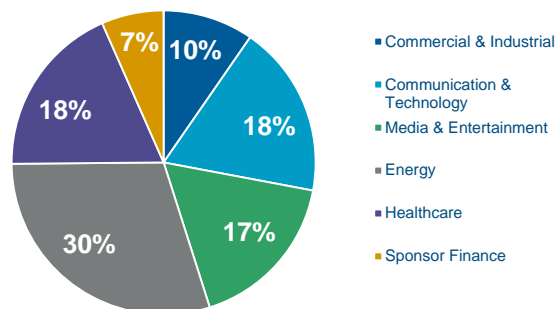
- Customer revenues: \$50M-\$500M+
- Middle market credits from B to BB
- Deal sizes: ~\$5M - \$50M+
- Terms of 3 to 7 years
- Primarily floating rate
- Approximately 1,000 customers

Funded Amount

Product



Vertical



Strategic Focus

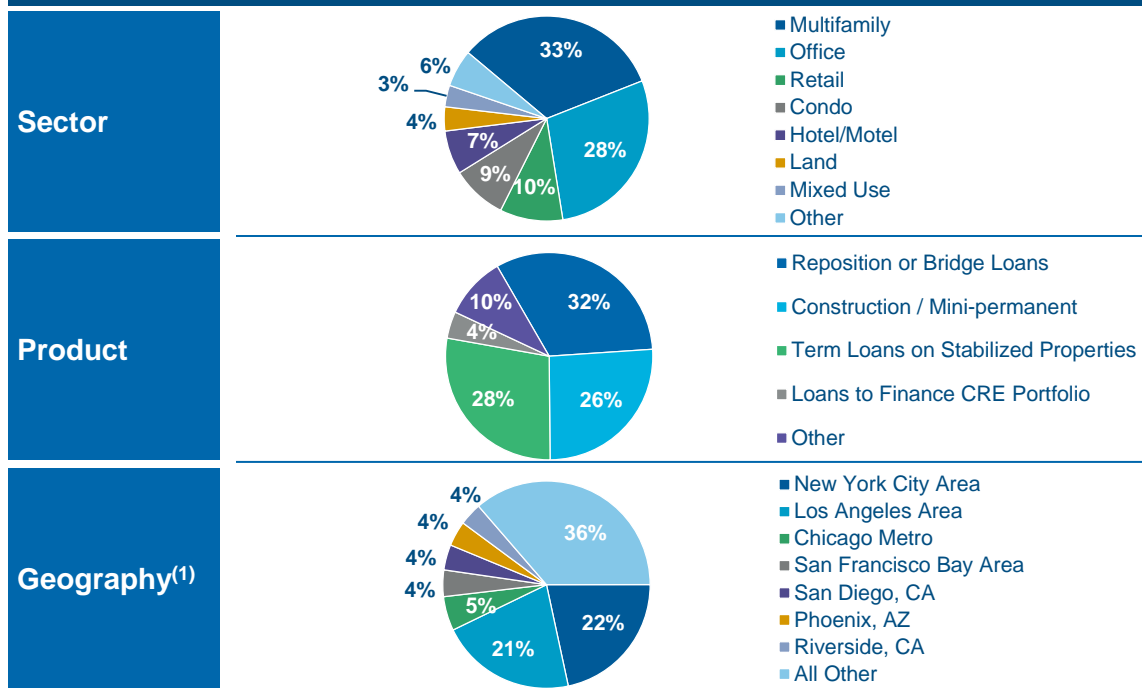
- Focus on risk-adjusted returns by selectively growing the portfolio
- Strategic positioning emphasizing opportunities that build upon our lending expertise by providing credit as well as other bank products and services
- Emphasis on lead-managed transactions
- Portfolio acquisitions could contribute to asset growth

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans and Leases	9,450	9,773	11,002	(323)	(3.3%)	(1,552)	(14.1%)
AEA	9,541	9,858	11,085	(317)	(3.2%)	(1,544)	(13.9%)
Net Finance Revenue	95	101	109	(6)	(6.0%)	(14)	(12.7%)
Gross Yield	5.6%	5.6%	5.4%	-		20 bps	
Net Finance Margin	4.0%	4.1%	3.9%	(10) bps		10 bps	

Certain balances may not sum to due rounding.

Real Estate Finance

Portfolio Breakdown



Lending Products

- ~\$25M - \$50M+ typical deal size
- Floating rate lending
- Typical term of 3 to 5 years
- First lien products
- Portfolio LTV ~65%

Strategic Focus

- Target commercial construction loans, term loans, bridge loans and development lending to leading investors and developers

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans and Leases	5,599	5,646	5,507	(47)	(0.8%)	92	1.7%
AEA	5,599	5,646	5,507	(47)	(0.8%)	92	1.7%
Net Finance Revenue	51	52	51	(2)	(3.1%)	(1)	(1.5%)
Gross Yield	5.3%	5.3%	5.1%	-		20 bps	
Net Finance Margin	3.6%	3.7%	3.7%	(10) bps		(10) bps	

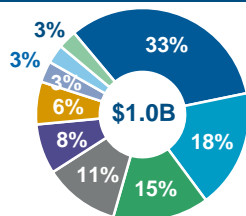
Certain balances may not sum to due rounding. (1) All others sectors individually represent <3% of portfolio.

Business Capital – Equipment Finance Businesses

Sub-Divisions

Direct Capital

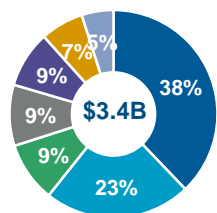
Deal Size:
~\$1K - \$500K
1 to 5 year terms



- Service Industries
- Food Industry
- Manufacturing
- Transportation
- Other
- Construction
- Agriculture
- Retail Trade
- Wholesale Trade

Equipment Finance⁽¹⁾

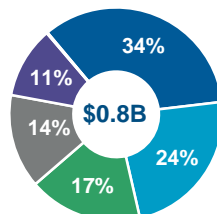
Deal Size:
~\$5K - \$20M
3 to 5 year terms



- Office Products
- Technology
- Communications
- Material Handling
- Other
- Franchise
- Transportation

Capital Equipment Finance

Deal Size:
~\$5M - \$50M
3 to 8 year terms



- Transportation
- Construction
- Industrial & Manufacturing
- Other
- Technology & Telecom
- Medical

Lending Products

- Full banking product suite offering
- Equipment & residual expertise
- Speed and predictability of execution
- Flow or structured vendor programs
- Instantaneous credit decisioning system
- Industry expertise – trusted advisor
- Client focused – long tenured relationships
- Technology driven solutions
 - Deep B2B connectivity with key partners
 - Expand technology capability across all major partners

Strategic Focus

- Nationally, covering a wide array of industries through speed and reliability of execution, we consistently deliver financing and banking solutions to help companies successfully compete in the markets they serve
- Leverage infrastructure and expand customer base through portfolio acquisition opportunities and strategic partnerships

Key Metrics ⁽²⁾ (\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans and Leases ⁽³⁾	6,265	6,188	5,810	77	1.2%	454	7.8%
AEA	6,328	6,261	6,021	67	1.1%	308	5.1%
Net Finance Revenue	75	79	76	(3)	(4.3%)	(1)	(1.6%)
Gross Yield	8.8%	8.8%	8.5%	-		30 bps	
Net Finance Margin	4.7%	5.0%	5.1%	(30) bps		(40) bps	

Certain balances may not sum to due rounding.

(1) Distribution based on equipment type as opposed to data in 10-K which is provided by obligor/lessee industry.

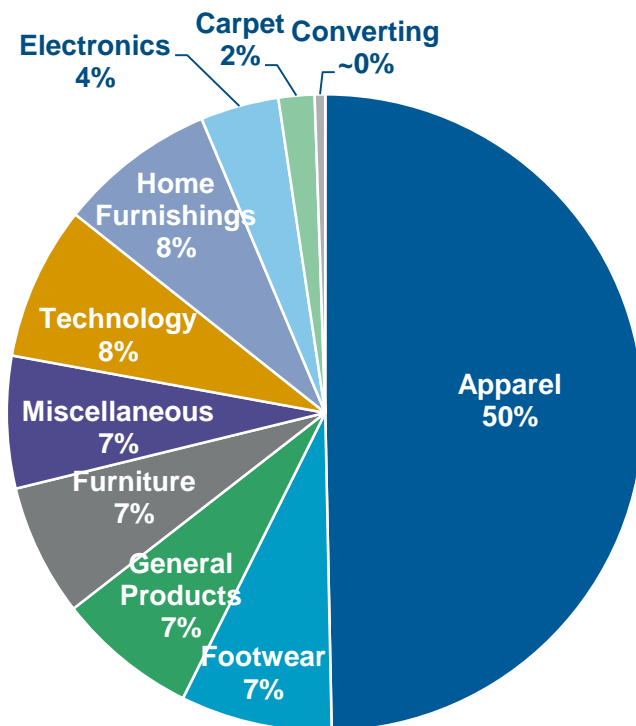
(2) Data in table is for the entire Business Capital Division, including Commercial Services which is shown on the next slide.

(3) Loans and Leases are an average of the period and are net of credit balances of factoring clients.

Business Capital – Commercial Services

Portfolio Overview

\$19.7B in Factored Volume YTD



Client Profile

- Over 700 clients
 - Most are privately held
 - Client revenues: \$5M-\$500M+
- ~40% also borrow
- Contracts range from 60 days to multi-year
- Primarily discretionary lending
- Typical client tenure 10+ years

Strategic Focus

- Market leader for factoring services, including credit protection, receivables management and working capital
- Broadening and strengthening sales coverage through key hires
- Expanding partnerships and products across multiple industries

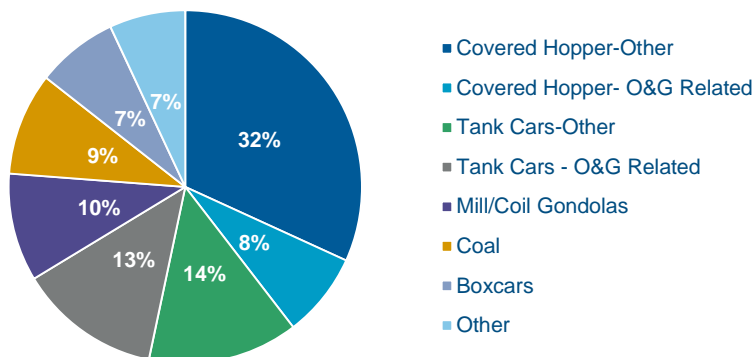
Certain balances may not sum to due rounding.

Rail

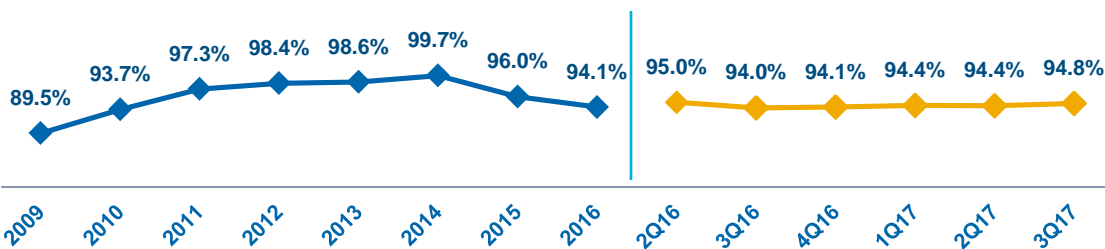
North America Fleet by Type

Total Cars:
~117,000

Average Age:
12 Years



(1) Utilization Trends – North America Rail



Key Metrics ⁽¹⁾ (\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans and Leases	7,462	7,310	7,062	152	2.1%	399	5.7%
AEA	7,543	7,393	7,164	149	2.0%	379	5.3%
Net Finance Revenue	81	78	78	3	4.4%	4	4.5%
Gross Yield	11.4%	11.7%	12.4%	(30) bps		(100) bps	
Net Finance Margin	4.3%	4.2%	4.3%	10 bps		-	

Certain balances may not sum to due rounding.

(1) Key metrics are for the division, which includes NACCO

Portfolio and Strategic Focus

- Total leased fleet of ~117,000 railcars**
 - ~73% freight cars, ~27% tank cars
 - ~500 customers;
 - Clients in US, Canada, Mexico and throughout Europe
- Strong portfolio management maximizes returns**
 - Balanced distribution of car types
 - Largely high-capacity, efficient cars
 - Young, well-maintained equipment
- Strong customer relationships & service**
- ~20-25% of rail car leases expire in any given year**
- Rail key metrics includes \$1.1 billion of NACCO assets held for sale expected to be sold in the first quarter of 2018.**

Consumer Banking

(\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Interest Income	92	102	105	(9)	(9.3%)	(13)	(12.3%)
Interest Benefit (Expense)	16	10	(1)	6	66.7%	17	NM
Net Finance Revenue	108	111	104	(3)	(2.7%)	4	3.9%
Other Non-Interest Income	(23)	6	13	(28)	NM	(36)	NM
Provision for Credit Losses	(19)	(5)	(2)	(14)	NM	(17)	NM
Operating Expenses	(106)	(96)	(87)	(10)	(10.4%)	(19)	(21.9%)
Pre-Tax (Loss)Income from Continuing Operations	(40)	16	29	(56)	NM	(68)	NM

Key Metrics

Average Earning Assets	6,904	7,093	7,515	(189)	(2.7%)	(611)	(8.1%)
Net Finance Margin	6.3%	6.3%	5.5%	-		80 bps	
Net Efficiency Ratio	118.9%	78.3%	70.4%	NM		NM	
PTI-ROAEA	(2.3%)	0.9%	1.5%	NM		NM	

Highlights

vs. Prior Quarter

- **Net Finance Revenue:** decreased slightly due to the benefit in interest expense received from the other segments for the value of the excess deposits Consumer Banking generates, offset by lower interest income from a decline in purchase accounting accretion and higher negative income on indemnification asset
- **Average Loans:** decreased as a result of run-off of the LCM portfolio
- **Other Non-Interest Income:** included \$27 million of charges in noteworthy items in the current quarter related to Financial Freedom Transaction
- **Provision for Credit Losses:** excluding a \$15 million charge-off related to the Financial Freedom Transaction, the provision for credit losses was essentially unchanged
- **Total Operating Expenses:** increased due to advertising and marketing expenses

vs. Year-ago Quarter

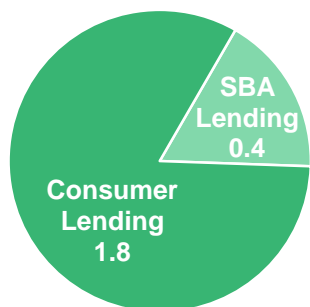
- **Net Finance Revenue:** increased slightly from an increase in benefit from interest expense received from the other segments for the value of the excess deposits Consumer Banking generates, partially offset by a decline in interest income from run-off in the LCM portfolio, lower purchase accounting accretion and higher negative income on indemnification asset
- **Average Loans:** decreased as a result of run-off of the LCM portfolio
- **Other Non-Interest Income:** included \$27 million of charges in noteworthy items in the current quarter related to Financial Freedom Transaction and a \$5 million net gain from the sale of loans related to the IndyMac venture in noteworthy items in the year-ago quarter
- **Provision for Credit Losses:** excluding a \$15 million charge-off related to the Financial Freedom Transaction, the provision for credit losses was essentially unchanged
- **Total Operating Expenses:** increased due to advertising and marketing expenses

Certain balances may not sum due to rounding.

Other Consumer Banking

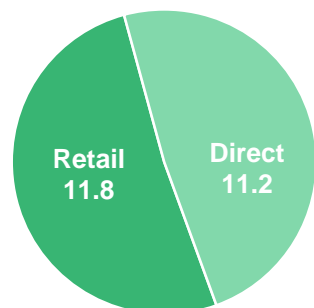
Average Loans by Sub-Division and Deposits

Average Loans
\$2.2 Billion



- SBA Lending
- Consumer Lending

Average Deposits
\$23.0 Billion



- Retail (Branches)
- Direct (Online)

Lending Products

- Offer consumer deposit and residential lending solutions nationally through:
 - Southern California retail branch network
 - CIT Bank, our online Direct Banking channel
- Offer small business deposit, lending and payment solutions in Southern California through the Retail Branches
- Conduct community development lending, investing and service

Strategic Focus

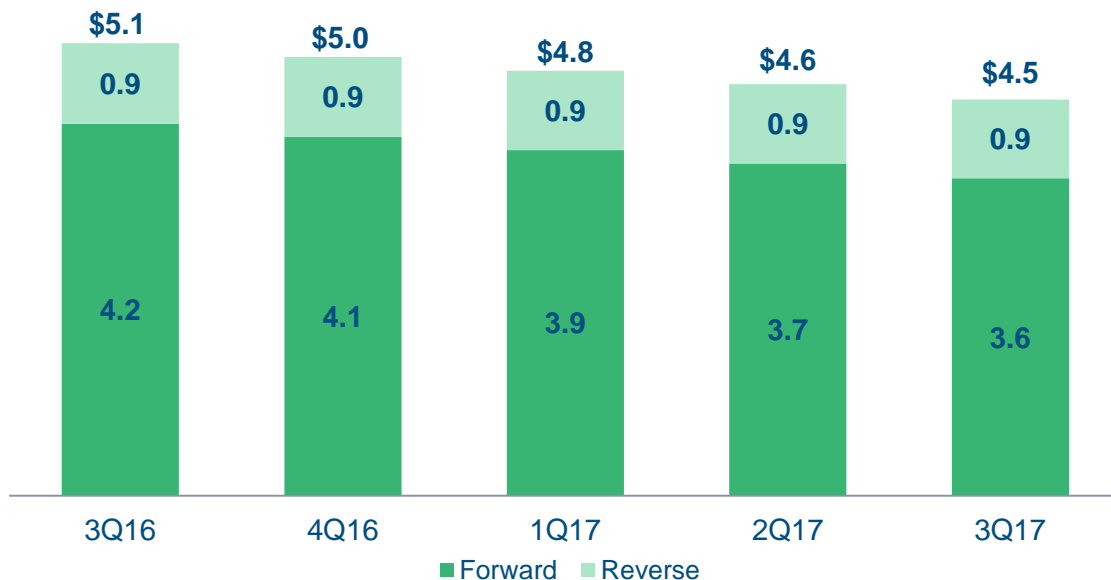
- Provide a stable, lower cost funding source
- Mix shift toward lower-cost and non-maturity deposits
- Enhancing digital customer experience
- Engagement with our communities

Key Metrics (\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans	2,240	2,168	2,035	72	3.3%	206	10.1%
AEA	2,240	2,168	2,035	72	3.3%	206	10.1%
Net Finance Revenue	58	53	40	6	11.0%	18	44.7%
Gross Yield	3.5%	3.6%	3.5%	(10) bps		-	
Net Finance Margin	10.4%	9.7%	7.9%	70 bps		250 bps	

Legacy Consumer Mortgages

Average Loans

(\$ in billions)



Lending Products

- Offer consumer deposit and residential lending solutions nationally through:
 - Southern California retail branch network
 - CIT Bank, our online Direct Banking channel
- Offer small business deposit, lending and payment solutions in Southern California through the Retail Branches
- Conduct community development lending, investing and service

Strategic Focus

- Provide a stable, lower cost funding source
- Mix shift toward lower-cost and non-maturity deposits
- Enhancing digital customer experience
- Engagement with our communities

Key Metrics (\$ in millions)	3Q17	2Q17	3Q16	Change from			
				2Q17		3Q16	
				\$	%	\$	%
Average Loans	4,471	4,645	5,107	(174)	(3.7%)	(636)	(12.5%)
AEA	4,664	4,925	5,481	(261)	(5.3%)	(817)	(14.9%)
Net Finance Revenue	50	59	64	(9)	(15.2%)	(14)	(21.9%)
Gross Yield	6.2%	6.7%	6.4%	(50) bps		(20) bps	
Net Finance Margin	4.3%	4.8%	4.7%	(50) bps		(40) bps	

APPENDIX

Noteworthy Items

		(\$ in millions, except for per share data)		Segment	Item	Line Item	Pre-Tax	After-Tax	Per Share ⁽¹⁾	Balance Sheet
3Q16	Continuing Operations	Corporate	China Valuation Allowance		Tax Provision		-	(\$16)	(\$0.08)	
		Consumer Banking	Gain related to IndyMac venture		Other Income		\$5	\$3	\$0.01	
		Corporate	Restructuring Expenses		Operating Expenses		(\$2)	(\$1)	(\$0.01)	
	Discontinued Operations		Reverse Mortgage Servicing Rights Impairment				(\$19)	(\$12)	(\$0.06)	
			Business Air Impairment				(\$18)	(\$11)	(\$0.05)	
4Q16	Continuing Operations	Corporate	TRS Termination Charge		Other Income		(\$243)	(\$146)	(\$0.72)	
		Consumer Banking	Consumer Goodwill Impairment		Goodwill Impairment		(\$319)	(\$319)	(\$1.58)	
		Commercial Banking	Commercial Services Goodwill Impairment		Goodwill Impairment		(\$35)	(\$28)	(\$0.14)	
		NSP	Canadian Assertion Change		Tax Provision		-	(\$54)	(\$0.27)	
		NSP	Canada Portfolio Sale Gain		Other Income		\$22	\$16	\$0.08	
		Consumer Banking	Legacy OneWest Bank Matters		Operating Expenses		(\$27)	(\$17)	(\$0.08)	
	Corporate	Restructuring Expenses		Operating Expenses		(\$4)	(\$3)	(\$0.01)		
	Discontinued Operations		Commercial Air Tax Provision				-	(\$847)	(\$4.19)	
			Commercial Air Suspended Depreciation				\$106	\$66	\$0.33	
			Financial Freedom Reserve				(\$27)	(\$16)	(\$0.08)	
		Business Air Impairment				(\$7)	(\$4)	(\$0.02)		
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 ⁽²⁾		Interest Expense		(\$23)	(\$15)	(\$0.08)	
		Corporate	Interest Income ⁽²⁾		Interest Income		\$9	\$6	\$0.03	
		Corporate	Commercial Air Asset Adjustment ⁽²⁾		Average Earning Assets					(\$3,686)
		Corporate	Resolution of Legacy Tax Items		Tax Provision		-	\$19	\$0.11	
		Corporate	NACCO DTA Recognition		Tax Provision		\$0	\$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 HECMs-HFS		Other Non-Interest Income - Impairment on Assets Held for Sale		(\$12)	(\$8)	(\$0.06)	
	Consumer Banking	Financial Freedom Transaction - Impairment on HECMs-HFI		Credit Provision/Charge-offs		(\$15)	(\$9)	(\$0.07)		
Discontinued Operations		Financial Freedom Related Impairment				(\$4)	(\$2)	(\$0.02)		

(1) Per share data based on 136.1 million, 183.8 million, 203.3 million, 202.1 million, and 202.8 million for 3Q17, 2Q17, 1Q17, 4Q16, and 3Q16, 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.

Non-GAAP Disclosures⁽¹⁾

	Quarter Ended September 30, 2017	Quarter Ended June 30, 2017	Quarter Ended September 30, 2016
Adjusted Other Non-Interest Income			
Other Non-Interest Income	63	85	84
Financial Freedom Transaction - Impairment on REO	5		
Financial Freedom Transaction - Impairment on Reverse Mortgage-Related Assets	9		
Financial Freedom Transaction - Impairment on HECMs-HFS	12		
Gain related to IndyMac venture			(5)
Adjusted Other Non-Interest Income	90	85	79
Adjusted Other Non-Interest Income as a % of AEA	0.79%	0.67%	0.66%
Adjusted Other Non-Interest Income as a % of Adjusted AEA	0.79%	0.72%	0.66%
Adjusted Operating Expenses			
Operating expenses	(277)	(296)	(303)
Intangible asset amortization	6	6	6
Provision for severance and facilities exiting activities	3	3	2
Operating expenses exclusive of restructuring costs and intangible assets amortization ⁽²⁾	(268)	(286)	(294)
Adjusted operating expenses (exclusive of restructuring costs and intangible assets amortization) as a % of AEA	2.36%	2.26%	2.47%
Adjusted operating expenses (exclusive of restructuring costs and intangible assets amortization) as a % of Adjusted AEA	2.36%	2.43%	2.47%
Adjusted Net Efficiency Ratio⁽³⁾			
Adjusted Net Finance Revenue	393	404	418
Adjusted Other Non-Interest Income	90	85	79
Total net revenues	483	488	497
Adjusted operating expenses exclusive of restructuring costs and intangible assets amortization ⁽²⁾	(268)	(286)	(294)
Adjusted Net Efficiency Ratio	55.5%	58.6%	59.2%

Certain balances may not sum due to rounding.

(1) Reconciliations of non-GAAP measurements to GAAP measurements that are included in our quarterly earnings release are not repeated in this presentation.

(2) Operating expenses exclusive of restructuring costs and amortization of intangibles is a non-GAAP measure used by management to compare period over period expenses.

(3) Net efficiency ratio is a non-GAAP measurement used by management to measure operating expenses (before restructuring costs and intangible amortization) to the level of total net revenues.

Non-GAAP Disclosures⁽¹⁾

	<u>Quarter Ended</u> <u>September 30,</u> <u>2017</u>	<u>Quarter Ended</u> <u>June 30,</u> <u>2017</u>	<u>Quarter Ended</u> <u>March 31,</u> <u>2017</u>	<u>Quarter Ended</u> <u>December 31,</u> <u>2016</u>	<u>Quarter Ended</u> <u>September 30,</u> <u>2016</u>	
Income from Continuing Operations	223	41	78	(426)	94	A
Less: Restructuring Expenses	2	2	10	3	1	
Financial Freedom Transaction Related Items ⁽²⁾	26	-	-	-	-	
Strategic Tax Item - Restructuring of an International Legal Entity	(140)	-	-	-	-	
NACCO Suspended Depreciation	(5)	-	-	-	-	
Debt Extinguishment Costs	33	100	-	-	-	
Excess Interest Cost	-	15	-	-	-	
Interest Income	-	(6)	-	-	-	
Resolution of Legacy Tax Items	-	(19)	-	-	-	
NACCO DTA Recognition	-	(7)	-	-	-	
Currency Translation Adjustment	-	-	7	-	-	
China Valuation Allowance	-	-	-	-	16	
Gain Related to Indymac Venture	-	-	-	-	(3)	
Consumer Goodwill Impairment	-	-	-	319	-	
Commercial Services Goodwill Impairment	-	-	-	28	-	
TRS Termination Charge	-	-	-	146	-	
Canada Assertion Change	-	-	-	54	-	
Canada Portfolio Sale Gain	-	-	-	(16)	-	
OneWest Bank Legacy Matters	-	-	-	17	-	
Entity Restructuring	-	-	14	-	-	
Total Noteworthy Adjustments	(84)	85	31	551	14	
Plus: Intangible asset amortization (net of tax)	5	4	4	5	5	B
Plus: Valuation Allowance	-	-	-	-	16	
Adjusted Income from Continuing Operations, for ROTCE Calculation	144	130	113	131	129	C
	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	
Tangible Common Equity						
Average Tangible Common Equity	6,335	8,378	9,296	9,886	9,984	
Less: Disallowed DTA - Average	(85)	(97)	(177)	(665)	(831)	
Adjusted Tangible Common Equity	6,249	8,280	9,119	9,221	9,153	
Less: Capital Adjustment Related to Commercial Air Sale	-	1,903	2,975	2,975	2,975	
Adjusted TCE for Capital Reduction	6,249	6,377	6,144	6,246	6,178	D
ROATCE Adjusted Pro-Forma for estimated Capital Adjustment	14.58%	2.84%	5.36%	NM	7.41%	A + B / D
ROATCE Adjusted for Noteworthy Items and Pro-Forma Capital Adjustment	9.20%	8.14%	7.39%	8.38%	8.34%	C / D

Certain balances may not sum due to rounding. Capital numbers for current quarter are preliminary.

(1) Selective reconciliations of non-GAAP measurements to GAAP measurements are included in our quarterly earnings release and not repeated in this presentation.

(2) Details behind the various Financial Freedom Transaction related noteworthy items are displayed in the appendix on page 31.

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