



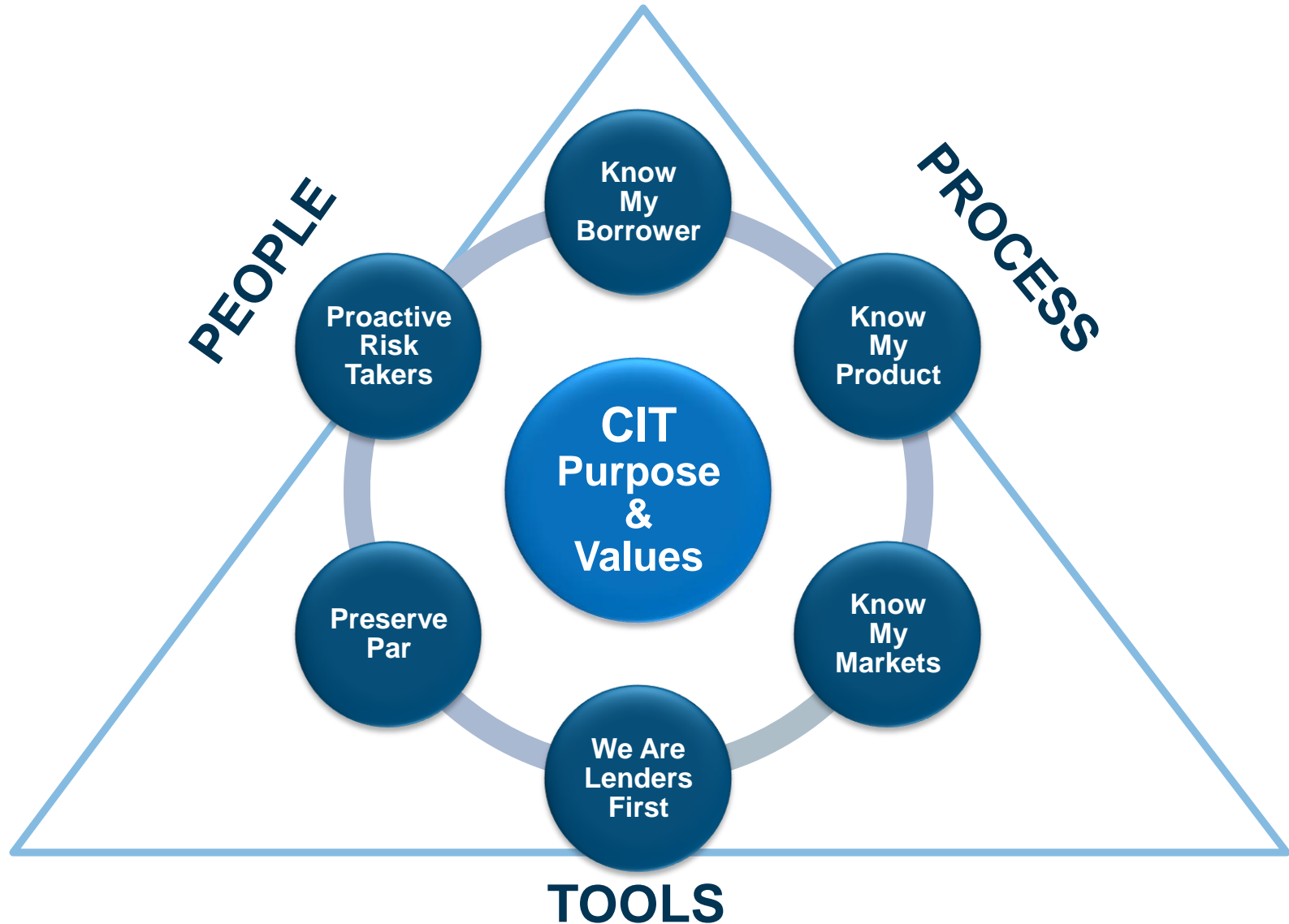
Credit Risk Management

Culture of Credit

Rob Rowe

- **Strong credit organization and culture**
- **Focused on risk adjusted / return profile of portfolio assets**
- **Portfolio has improved**

Credit Culture Based on Clear Set of Guiding Principles



Robust Oversight and Controls in Place

Corporate Governance

- Set three lines of defense: Business, Risk and Loan Review & Internal Audit
- Revised risk tolerance to reflect size and risk appetite of organization
- Instituted new committee structure that allows for quick escalation, transparency and decision making
- Revised policies and procedures in underwriting and portfolio management

Portfolio Strategy

- Built out Credit Risk Reporting to drive portfolio strategy decisions
- Reduced large obligor exposures
- Significantly reduced problem loan portfolio
- Rebalanced cash flow and reduced consumer lending
- Re-graded entire portfolio

Staffing & Training

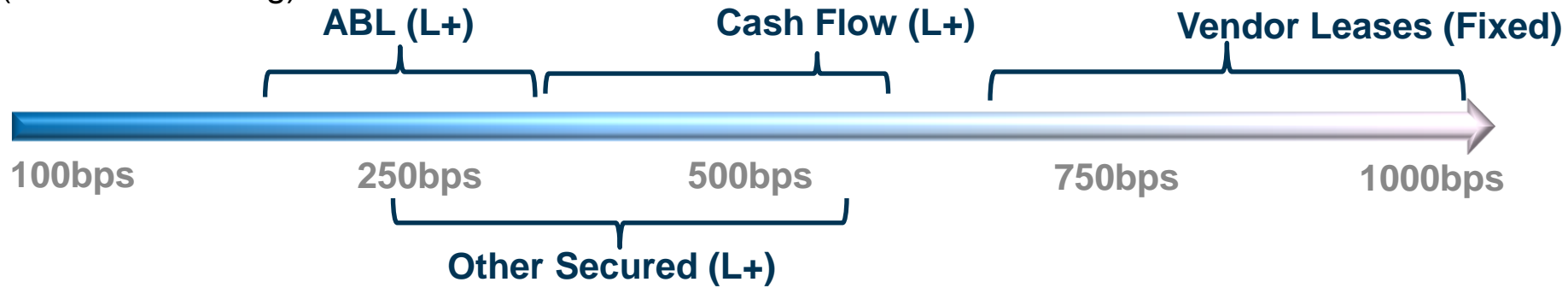
- Right people in the right places
- All credit professionals across organization report into risk
- Training and development deployed globally across credit organization

Credit Controls

- Revised authorities that are appropriate for business segments and size of firm
- New portfolio concentration limits in place
- Require industry reviews and approvals

Consistent Underwriting Approach Across Credit Risk Spectrum

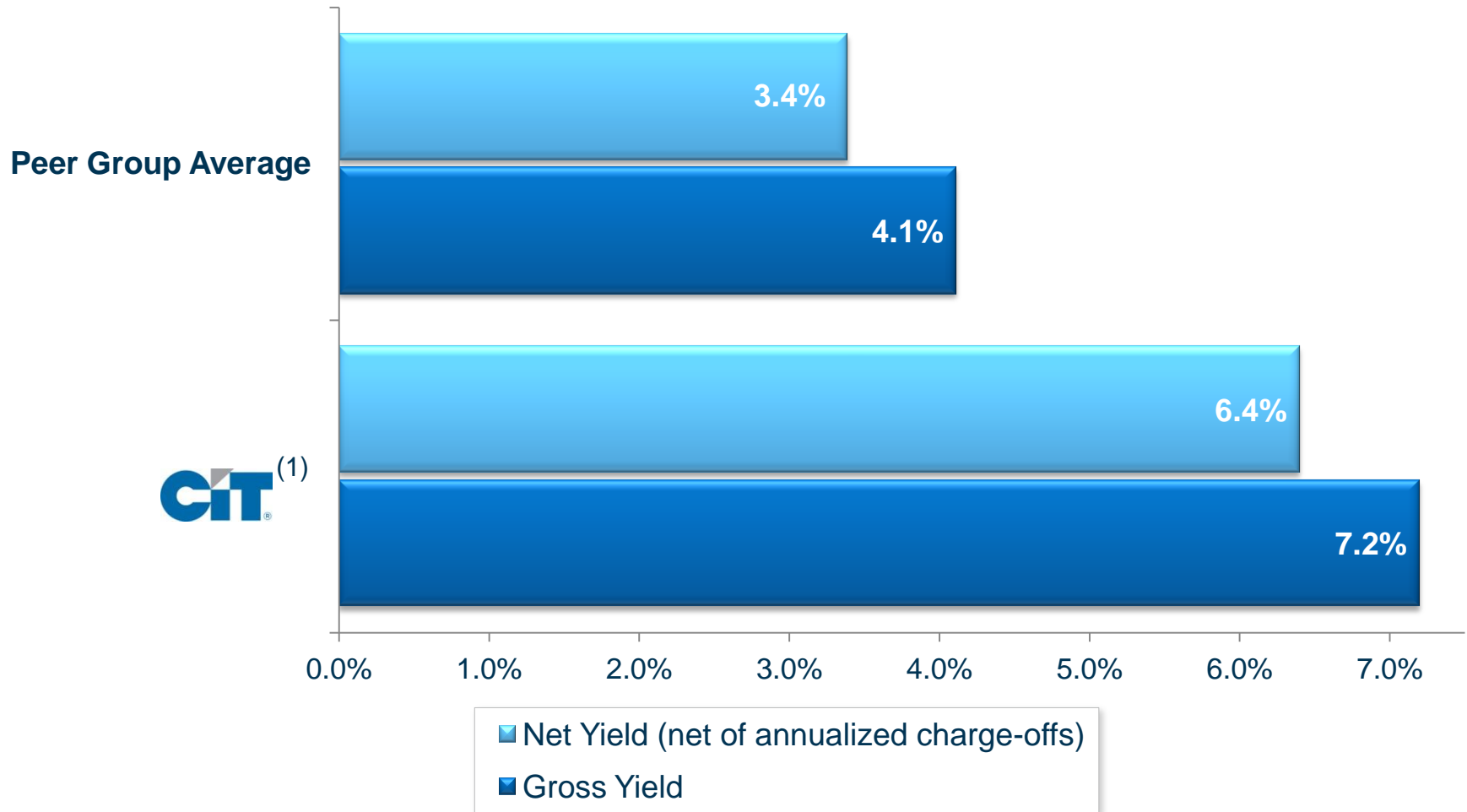
(Indicative Pricing)



Industry White Papers:	Define what markets we target and why
Risk Acceptance Criteria & Target Market Definitions:	Define transaction structure parameters
Risk Rating System:	First introduced in 2006 and was recently re-developed and validated
Standard Underwriting Documentation:	Promotes single credit culture and consistent approach to underwriting
Pre-screen Process:	Involves decision makers early to ensure we dedicate resources to transactions that fit our credit criteria
Credit Authorities:	Based on total institutional exposure and scaled to product and transaction risk
Approval Process:	Majority of business reviewed by committees to ensure broad input
Risk-based Pricing:	Ensures pricing reflects risk

We Get Paid for Taking Credit Risk in Areas of Expertise

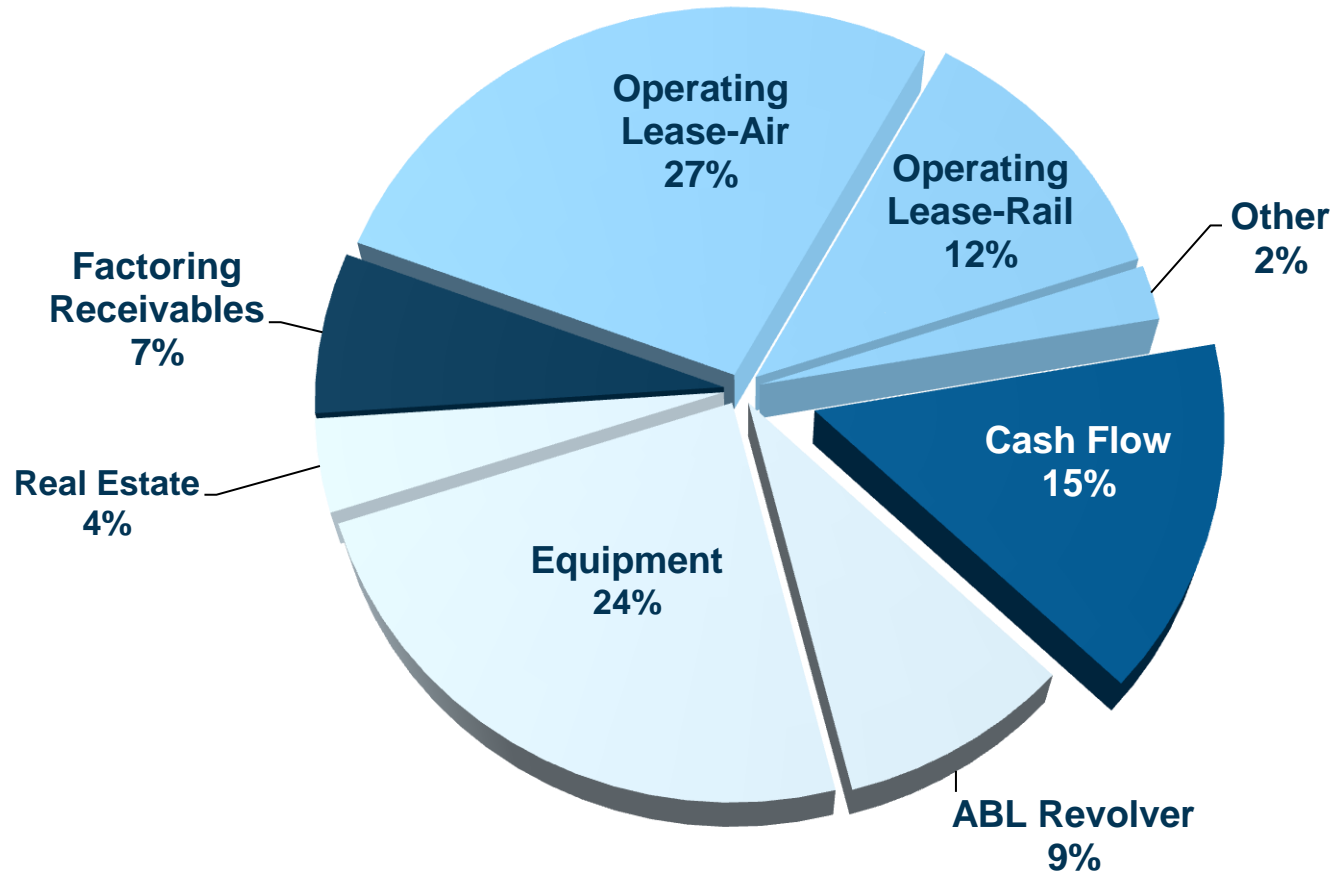
Commercial Yield Peer Comparison



(1) Excluded income related to FSA
Data as of or for period ended 3/31/12

Expertise and Security Mitigate Credit Risk

Commercial Loan and Lease Portfolio: \$28.4 Billion

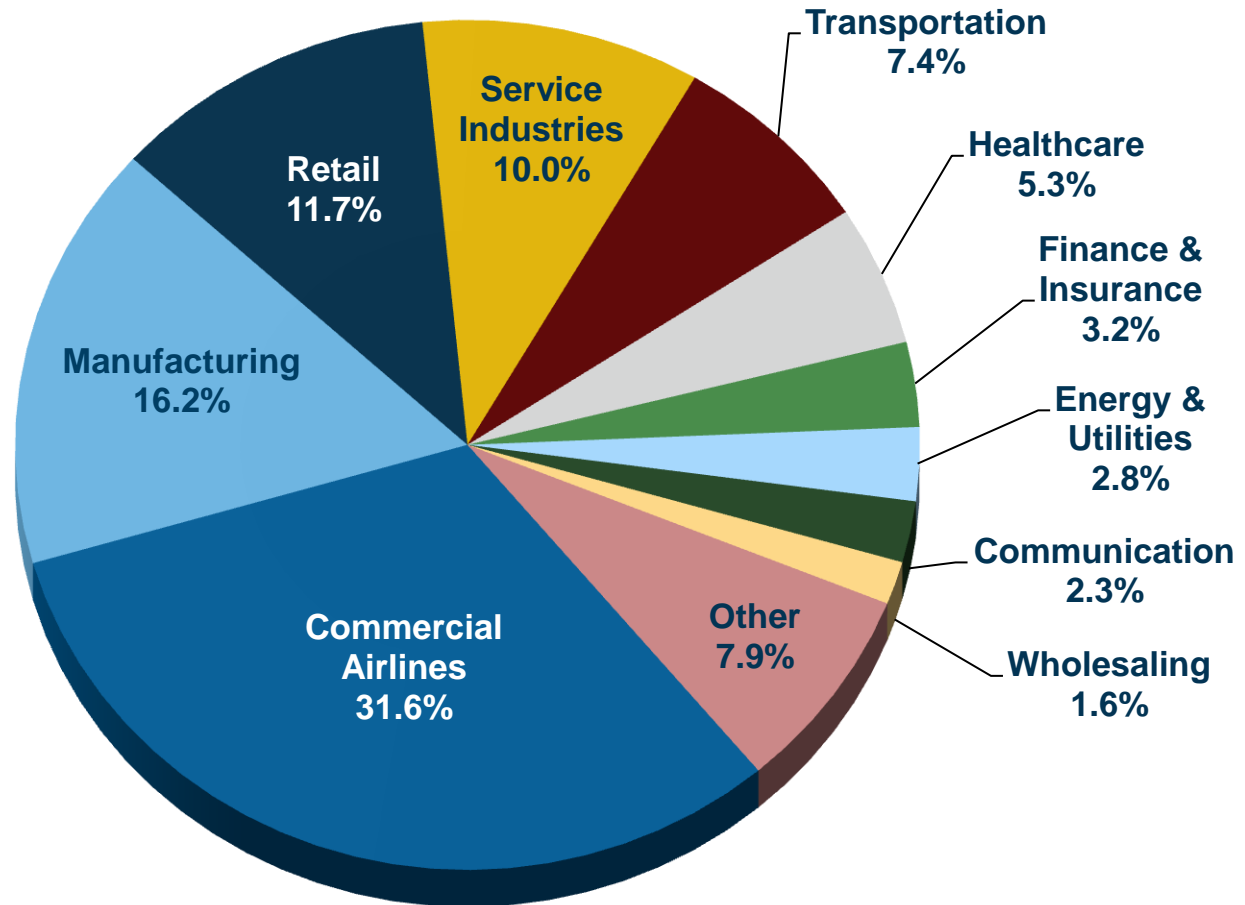


99.8% of Cash Flow Portfolio Is 1st Lien Senior Secured

Percentages based on internal loan level data as of 3/31/12

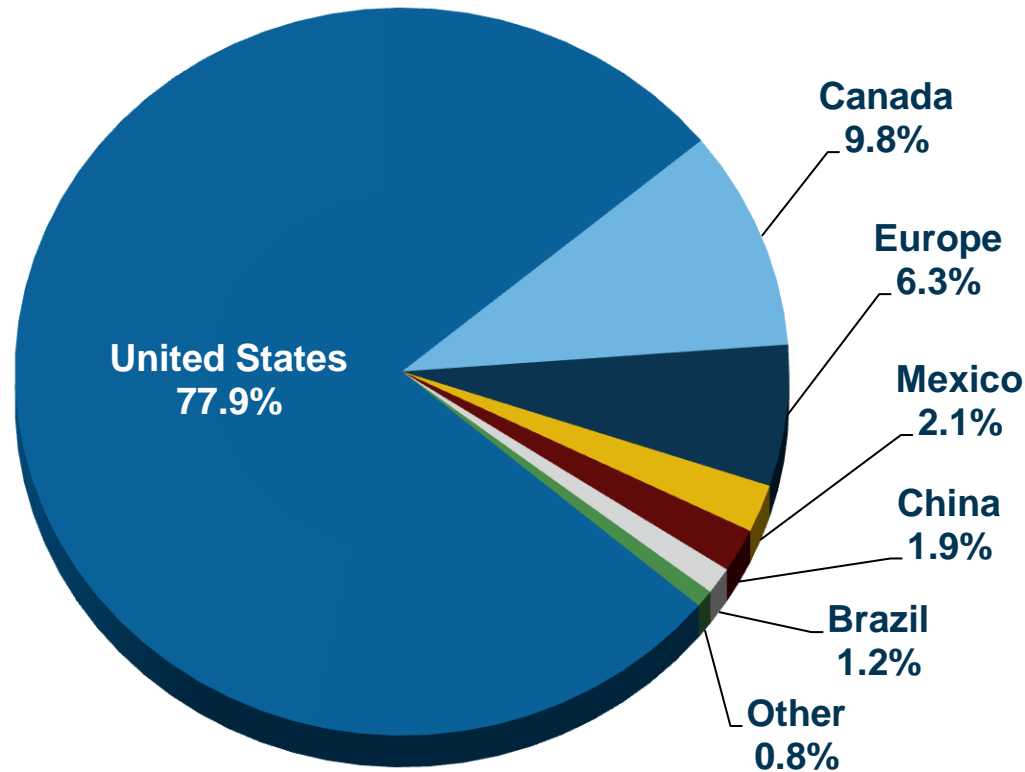
Commercial Loan & Lease Portfolio Diversified Across Industries

Portfolio: \$28.4 Billion



Data as of or for period ended 3/31/12

Limited Exposure to Current Regions of Concern

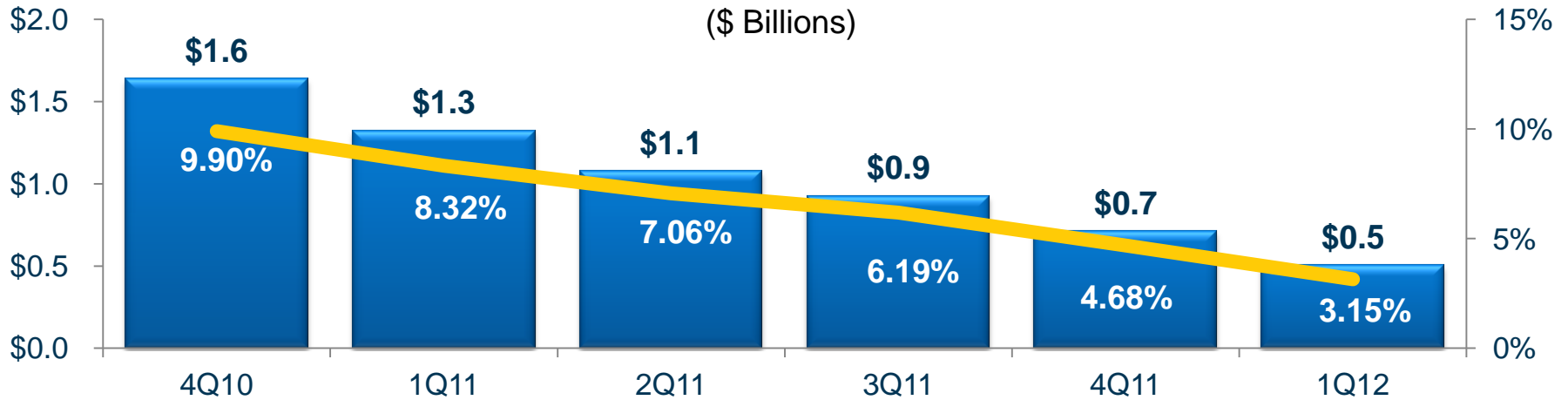


- Excludes Student Lending and Commercial Air
- \$1.2 billion or 6.3% exposure across Europe, primarily in Great Britain (2.7%) with no other European country exposure exceeding 1%
- Exposure to Portugal, Italy, Ireland, Greece and Spain totals \$180 million with no direct sovereign exposure

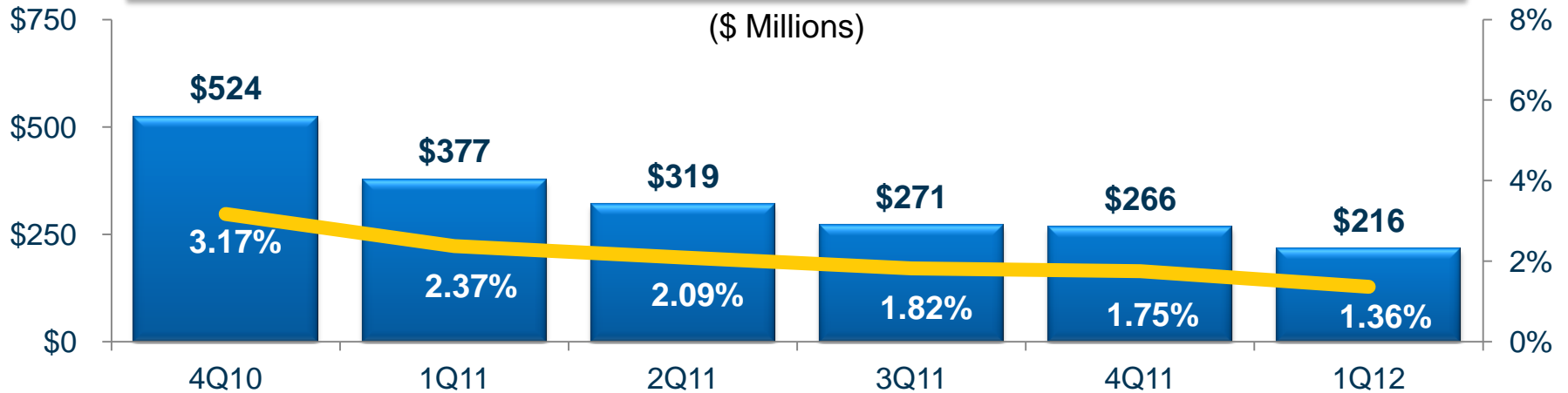
Data as of or for period ended 3/31/12. Excludes Commercial Air and Student Lending and includes Rail

Non-Performing Assets Have Declined Significantly

Non-Performing Assets: Commercial



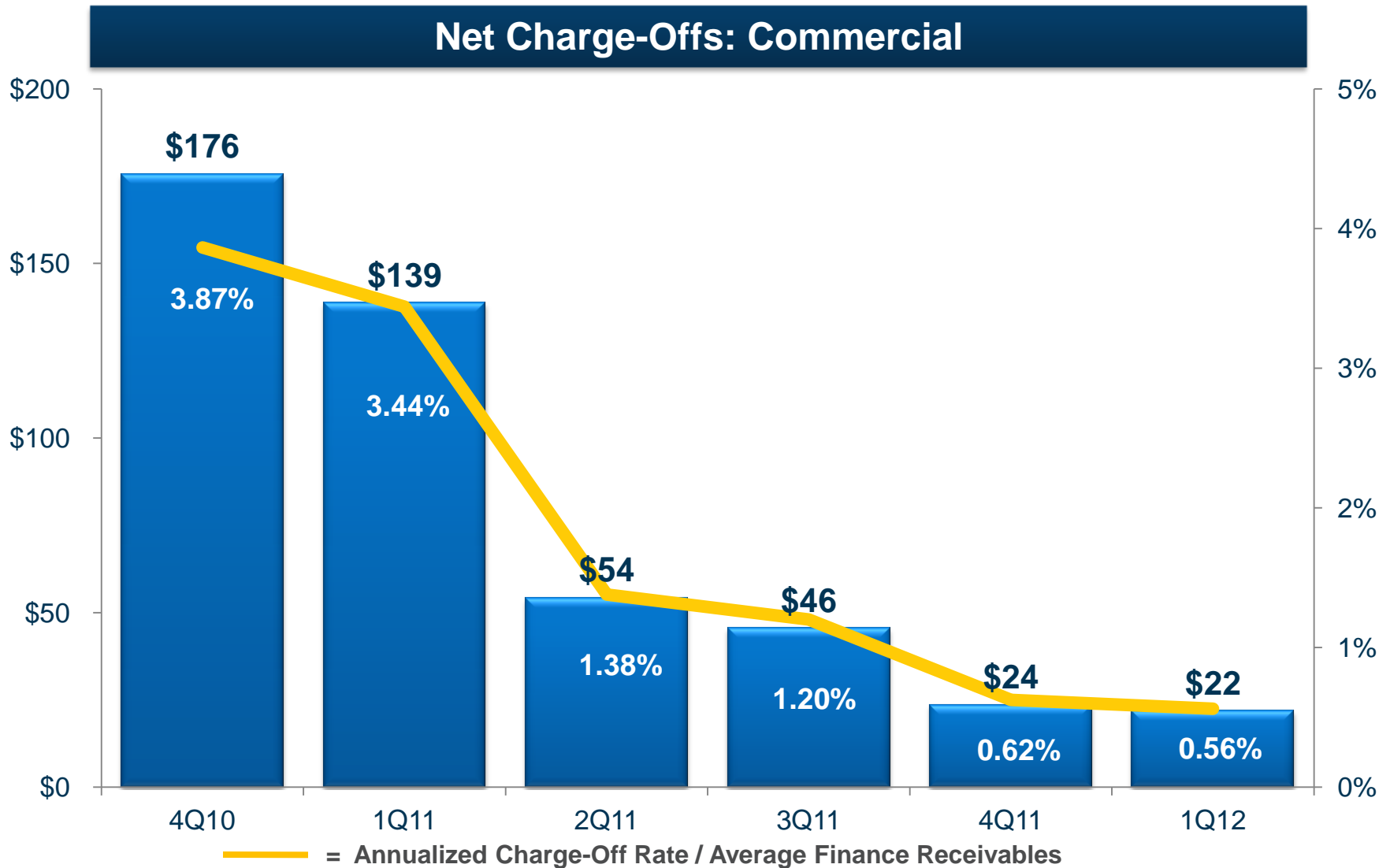
30+ Days Delinquency: Commercial



— = Percent of Total Finance Receivables

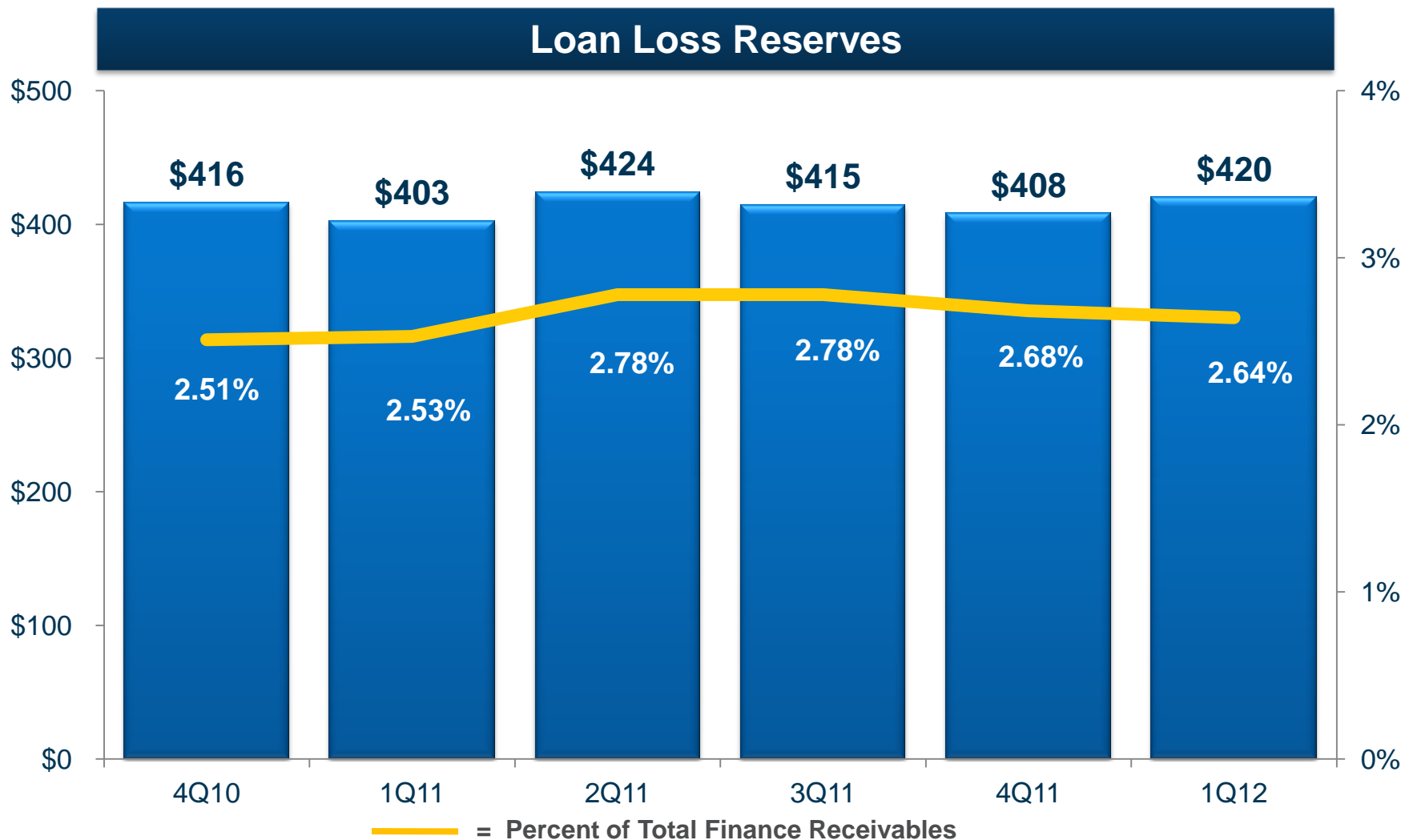
Net Charge-Offs Have Decreased to Cycle Lows

(\$ Millions)



Reserves Are Stable Due to Improving and Growing Commercial Portfolio

(\$ Millions)



Aligning Credit Culture and Growth Objective

- **Strong credit organization and culture**
 - Foundation built on disciplined underwriting processes and culture
- **Focused on risk adjusted / return profile of portfolio assets**
 - Platform currently in place to support strong and prudent risk adjusted growth
- **Portfolio has improved**
 - Granularity continues to be a focus
 - Lower NPAs as a percentage of the portfolio
 - Diverse portfolio across four business segments



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