PART ONE

Item 1. Business Overview

BUSINESS DESCRIPTION

Founded in 1908, CIT Group Inc., a Delaware Corporation, is a bank holding company, that together with its owned subsidiaries, (collectively "we," "CIT" or the "Company"), provides primarily commercial financing and leasing products and other services to small and middle market businesses across a wide variety of industries. The Company became a bank holding company (BHC) in December 2008, and is regulated by the Board of Governors of the Federal Reserve System (FRS) under the U.S. Bank Holding Company Act of 1956 (BHC Act). CIT operates primarily in North America, with locations in Europe, Latin America and the Asia-Pacific region.

We provide financing and leasing capital to our clients and their customers in over 30 industries and 50 countries. Our businesses focus is primarily on commercial clients with a particular emphasis on small business and middle-market companies. We serve clients in a variety of industries including transportation, particularly aerospace and rail, manufacturing, retailing, healthcare, communications, media and entertainment, energy, and various service-related industries. We are a leader in small business lending. We funded $7.0 billion of new business volume during 2009.

Each business has industry alignment and focuses on specific sectors, products and markets, with portfolios diversified by client and geography. Our principal product and service offerings include:

Products
- Asset-based loans
- Secured lines of credit
- Leases: operating, finance and leveraged
- Factoring services
- Vendor finance
- Import and export financing
- Small business loans
- Acquisition and expansion financing
- Letters of credit / trade acceptances
- Debtor-in-possession / turnaround financing

Services
- Financial risk management
- Asset management and servicing
- Debt restructuring
- Credit protection
- Account receivables collection
- Debt underwriting and syndication
- Capital markets
- Insurance services

We source transactions through direct marketing efforts to borrowers, lessees, manufacturers, vendors and distributors, and to end-users through referral sources and other intermediaries. Our business units work together both in referring transactions between units and by combining products and services to meet our customers' needs. We also buy and sell participations in syndications of finance receivables and lines of credit and periodically purchase and sell finance receivables on a whole-loan basis.

We set underwriting standards for each business unit and employ portfolio risk management models to achieve desired portfolio demographics. Our collection and servicing operations are centralized across businesses and geographies providing efficient client interfaces and uniform customer experiences.

We generate revenue by earning interest on loans we hold on our balance sheet, collecting rentals on equipment we lease, and earning fee and other income for financial services we provide. We syndicate and sell certain finance receivables and equipment to leverage our origination capabilities, reduce concentrations, manage our balance sheet and maintain liquidity.

As a bank holding company, we have bank and non-bank subsidiaries. CIT Bank, a state chartered bank located in Salt Lake City, Utah, is the Company's primary bank subsidiary. CIT Bank is subject to regulation and examination by the Federal Deposit Insurance Corporation (FDIC) and the Utah Department of Financial Institutions (UDFI). Non-bank subsidiaries, both in the U.S. and abroad, currently own the majority of the Company's assets. As a BHC, we are prohibited from certain business activities including certain real estate investment and equity investment activities, and will exit these within a specified period.

Our funding model is in transition. We historically funded our businesses with unsecured debt and, to a lesser extent, securitizations. However, in 2007 and 2008, the disruption in the global credit markets restricted our access to economic funding via these mediums. Accordingly, we embarked on a strategy to bolster our funding model by becoming a BHC. While we became a BHC in December 2008, we were unable to realize some of the benefits we hoped to achieve.

Failure to obtain these benefits, coupled with accelerating client credit line draw activity, deteriorating portfolio performance and debt rating downgrades, exacerbated our already strained liquidity situation and culminated with the parent company (CIT Group Inc.) and one non-operating subsidiary, CIT Group Funding Company of Delaware LLC ("Delaware Funding"), filing prepackaged voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of New York on November 1, 2009. We emerged from bankruptcy on December 10, 2009.

The restructuring strengthened our liquidity and capital. Debt levels were reduced by approximately $10.4 billion, and principal repayments on $23.2 billion of new second lien notes do not start until 2013, relieving near-term funding stress. In accordance with accounting standards for companies that have emerged from bankruptcy (sometimes called "fresh start accounting"), our balance sheet at December 31, 2009 reflects our assets and liabilities at fair value, and a new equity value was established. All old common stock and preferred stock were cancelled, and 200 million shares of new common stock were issued to eligible debt holders. With our improved liquidity and capital levels, we are working on our business plan and strategy under which we expect to transition to a smaller company focused on serving small- and mid-sized commercial businesses. In addition, we are building a new senior management team, including a new Chairman and CEO, who was hired in February 2010. As a result of these developments, our business, financial condition, and strategy changed significantly, and the information contained in this annual report about CIT following our emergence from bankruptcy, including the financial statements and other information for the year ended December 31, 2009, which reflects fresh start accounting, is not necessarily comparable with information provided for prior periods.

Further discussion of these events and resultant financial statement impacts are located in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* (Introduction) and *Item 8. Financial Statements and Supplementary Data* (*Notes 1 and 2*).