



# Goldman Sachs Financial Services CEO Conference 2006

Jeffrey M. Peek  
Chairman & Chief Executive Officer  
December 12, 2006

# Notices

## **Forward Looking Statements**

Certain statements made in these presentations that are not historical facts may constitute “forward-looking” statements under the Private Securities Litigation Reform Act of 1995, including those that are signified by words such as “anticipate”, “believe”, “expect”, “estimate”, “target”, and similar expressions. These forward-looking statements reflect the current views of CIT and its management and are subject to risks, uncertainties, and changes in circumstances. CIT’s actual results or performance may differ materially from those expressed in, or implied by, such forward-looking statements. Factors that could affect actual results and performance include, but are not limited to, potential changes in interest rates, competitive factors and general economic conditions, changes in funding markets, industry cycles and trends, uncertainties associated with risk management, risks associated with residual value of leased equipment, and other factors described in our Form 10-K for the year ended December 31, 2005 and our Form 10-Q for the quarter ended September 30, 2006. CIT does not undertake to update any forward-looking statements.

## **Non-GAAP Financial Measures**

The data provided in these presentations have been modified from our previously reported periodic data, including, but not limited to, the exclusion of certain noteworthy transactions and nonrecurring events, because management believes that the data presented herein better reflects core operating results. As such, the data will vary from comparable data reported in CIT’s Forms 10-K & 10-Q. The data provided in these presentations have not been examined by independent accountants and is not presented in accordance with generally accepted accounting principles (“GAAP”).

These presentations include certain non-GAAP financial measures, as defined in Regulation G promulgated by the Securities and Exchange Commission. Any references to non-GAAP financial measures are intended to provide additional information and insight into CIT’s financial condition and operating results. These 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.

For a reconciliation of these non-GAAP measures to GAAP and a list of the transactions and events excluded from the data herein, please refer to the appendix within this presentation or access the reconciliations through CIT’s Investor Relations website at [www.cit.com](http://www.cit.com).

**This presentation is derived from CIT’s publicly available information and is to be used solely as part of CIT management’s continuing investor communications program. This presentation has not been prepared in connection with, and should not be used in connection with, any offering of securities by CIT. For the sale of any securities by CIT you are directed to rely only upon the offering document for those particular securities.**

**Data as of or for the period ended December 31 unless otherwise noted.**



# Building on 98 Years of Success



Customized Financial Solutions

Global Servicing Capabilities

Premium Brand

Managed Assets \$72 Billion

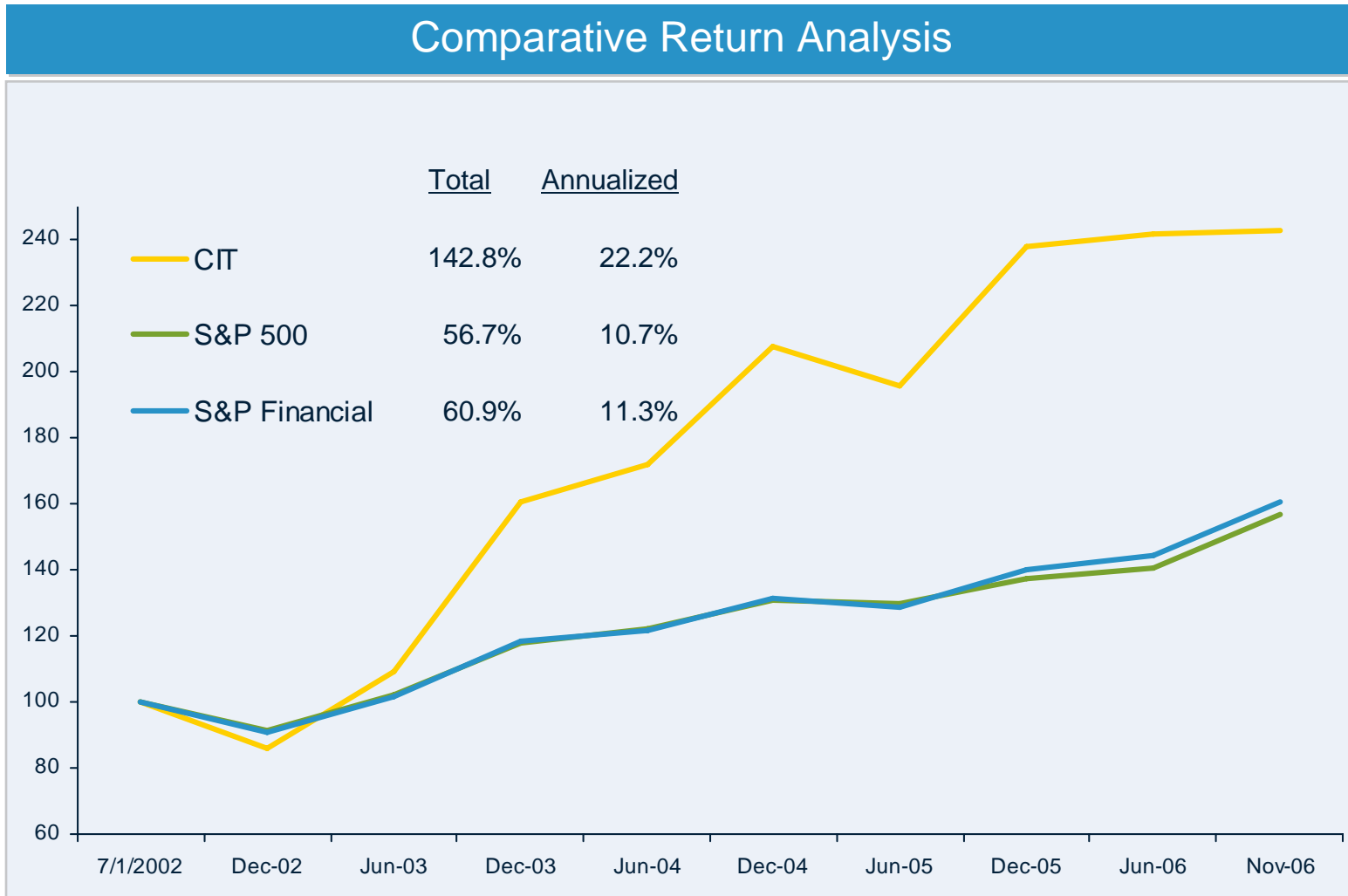
≈ \$10 Billion Market Capitalization

Diverse Portfolio

Profitable in All Cycles

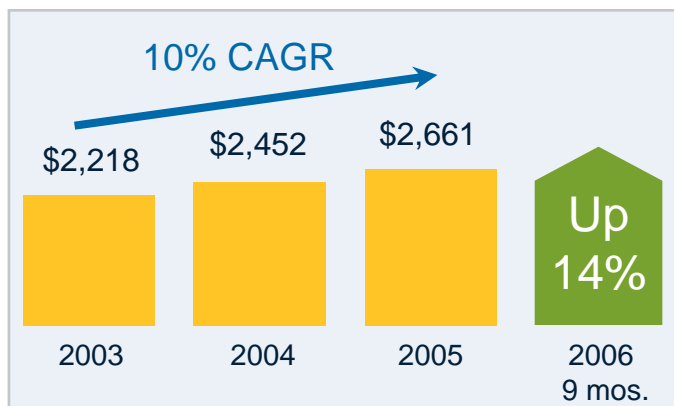


# CIT Stock Performance

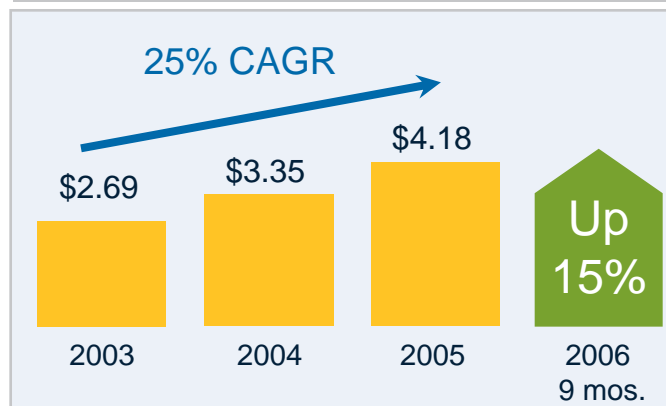


# Delivering Results

## Revenue (\$ millions)



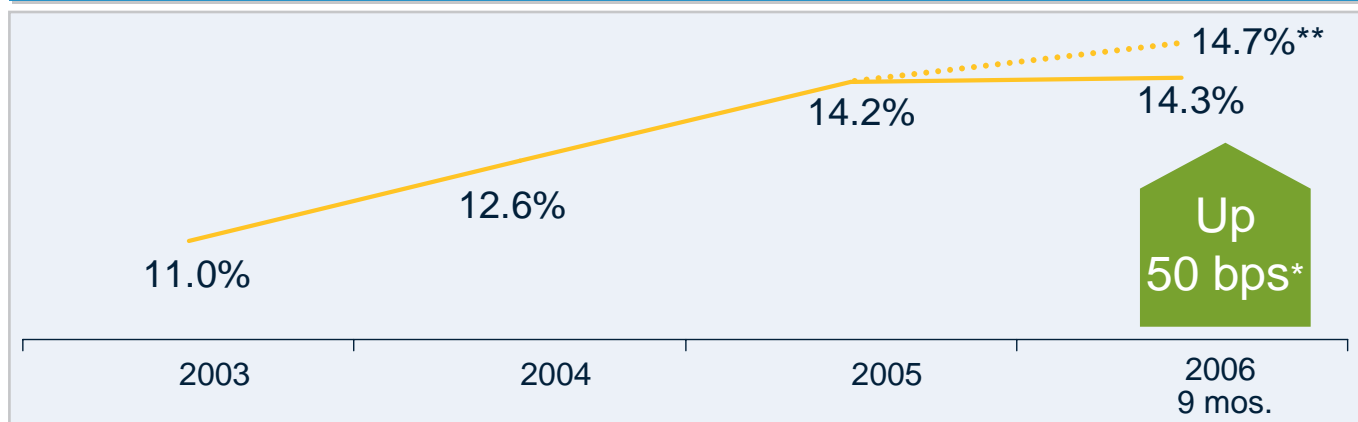
## EPS



## 2007 Guidance\*

EPS  
\$5.30 – \$5.40

## Return on Equity



ROE  
15%

\* Guidance as presented on November 7, 2006. This should not be construed as an affirmation or update of that guidance.

\*\* Excludes options.

## 2007 Initiatives

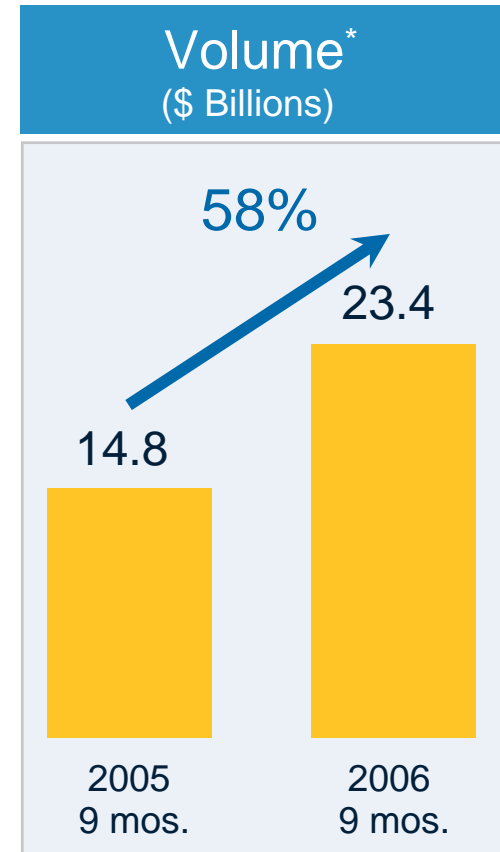
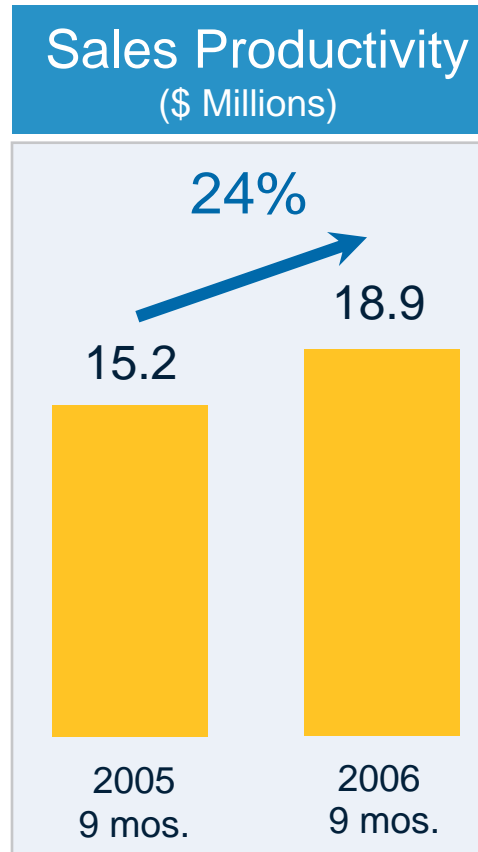
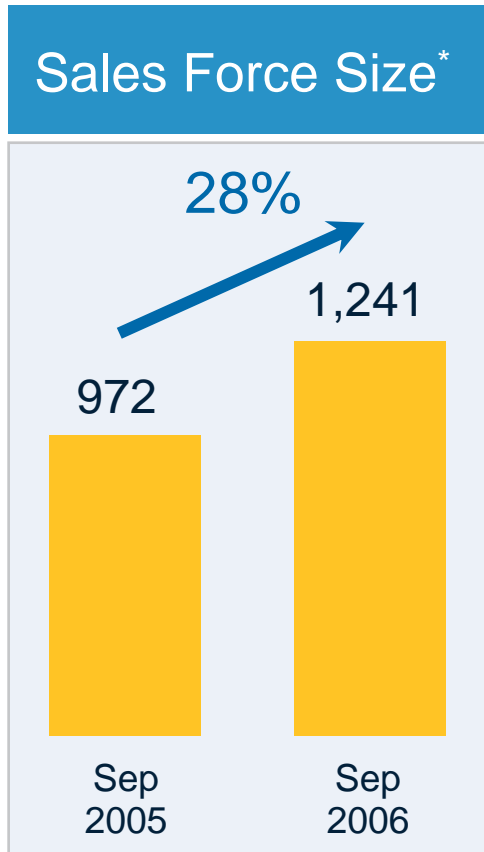
Drive volume through sales force productivity

Increase the velocity of assets

Continue international expansion

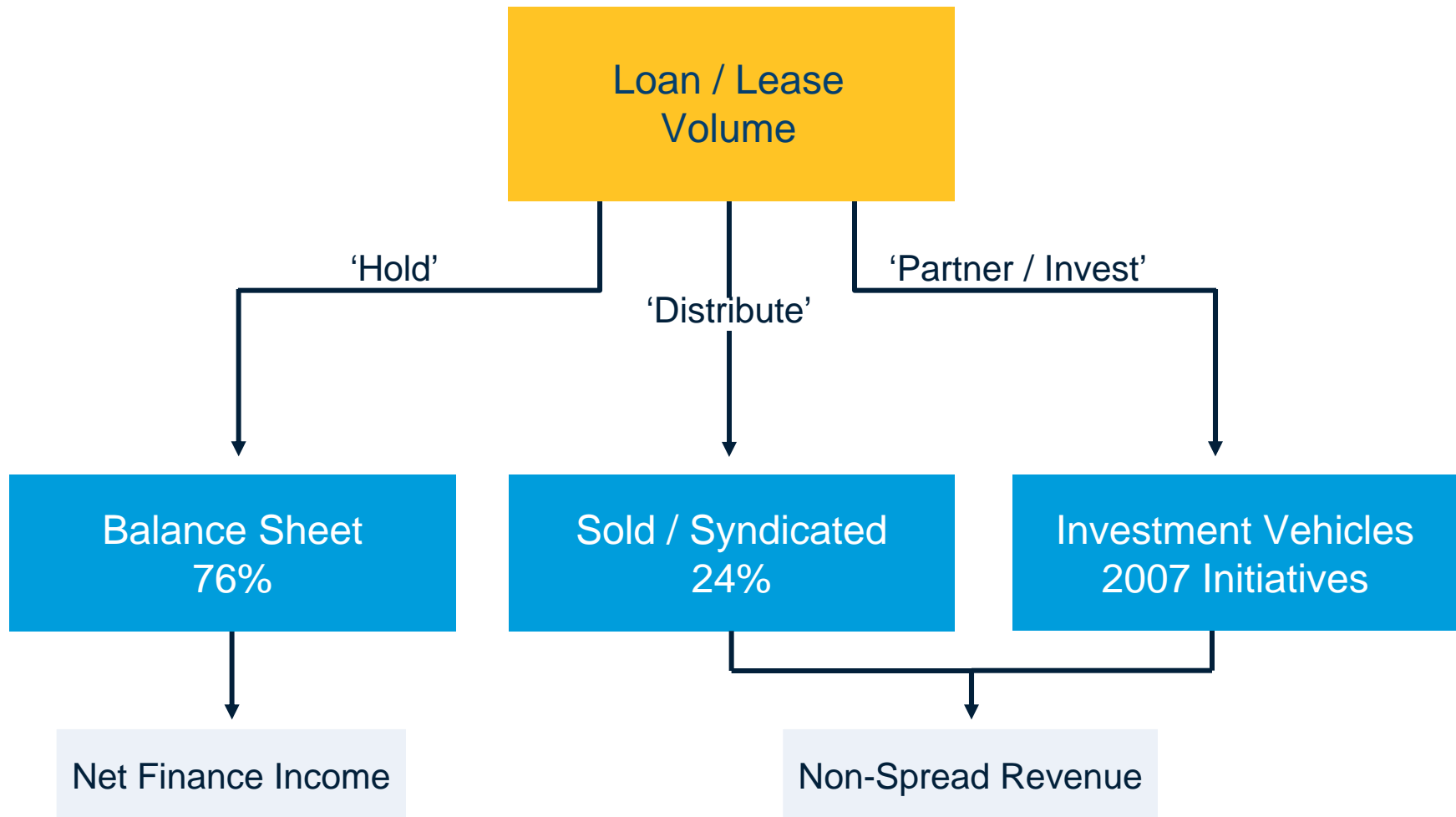
Proactively manage risk and capital

# Accelerating Sales Momentum



\* Excludes Trade Finance, joint ventures and portfolio purchases.

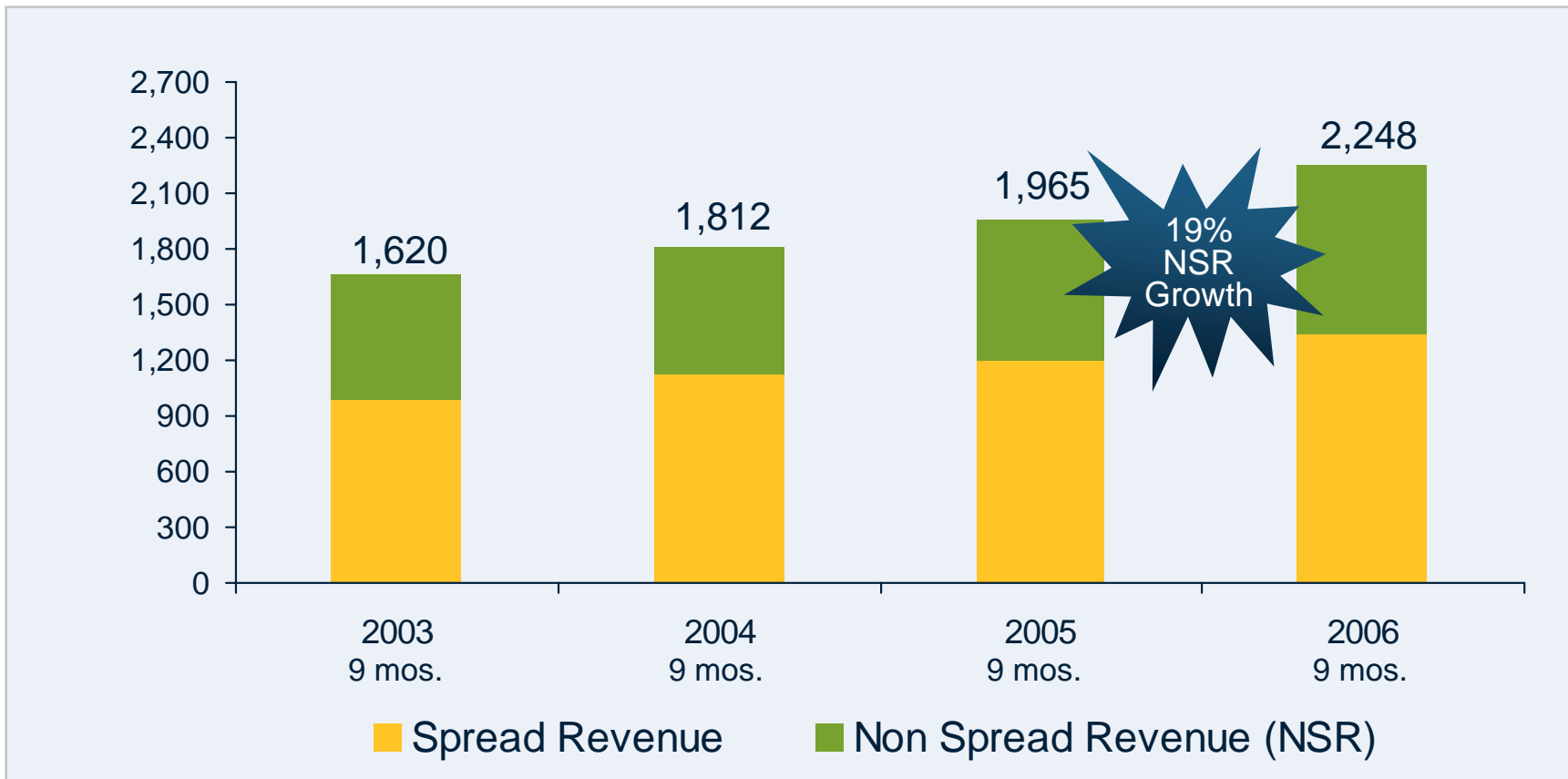
# Leveraging Originations





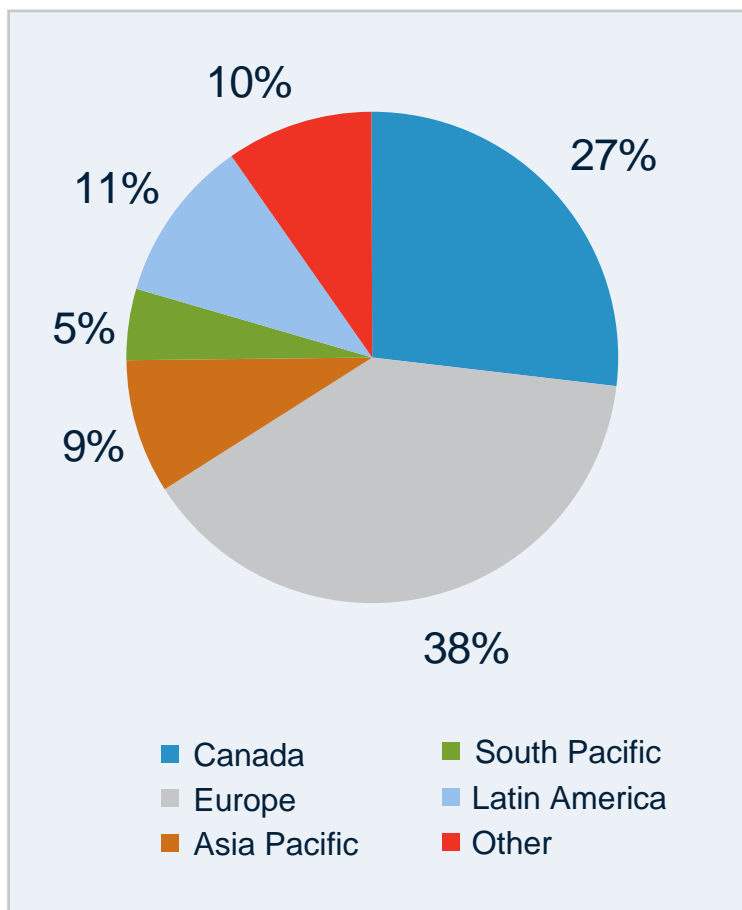
# Balancing Revenue Growth

Revenue Composition  
(\$ in Millions)



# Gaining Global Traction

## International Portfolio Assets



### Europe - \$5.3B

- Centralized servicing operations in Dublin
- Announced global relationship with Microsoft
- Acquired factoring platform in Germany
- Acquiring Barclays UK & German vendor finance business

### Canada - \$3.7B

- Offer full suite of commercial products and services

### Asia Pacific - \$1.2B

- Largest foreign owned leasing company in China
- Offices in Hong Kong, Beijing and Shang Hai

### South Pacific - \$0.7B

- Market leading wholesale & retail financing

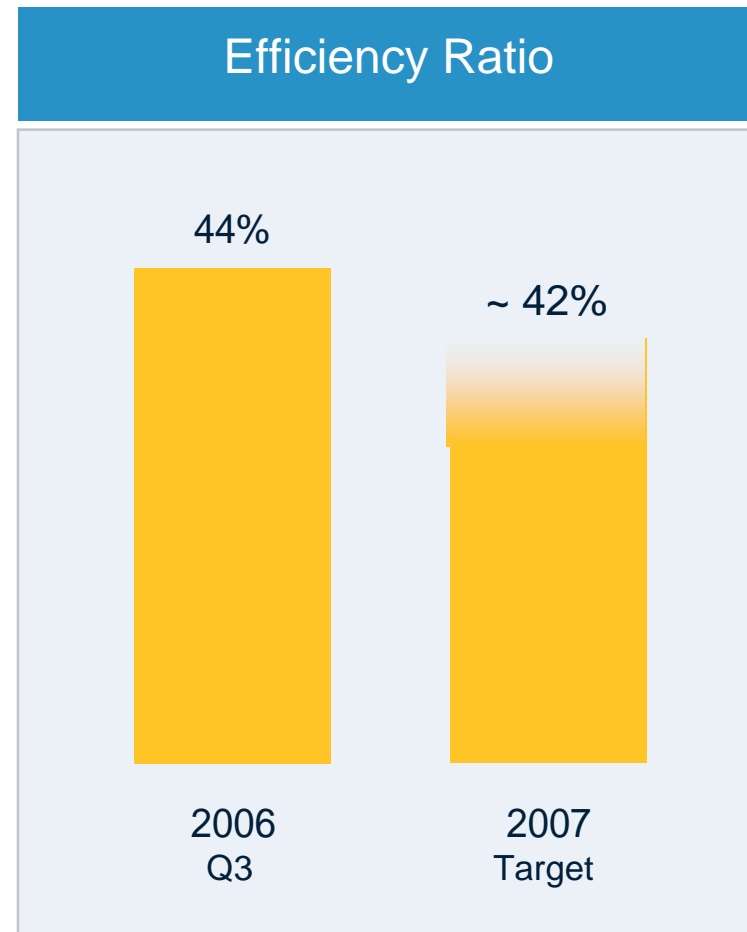
### Latin America - \$1.5B

- Key player in major economies



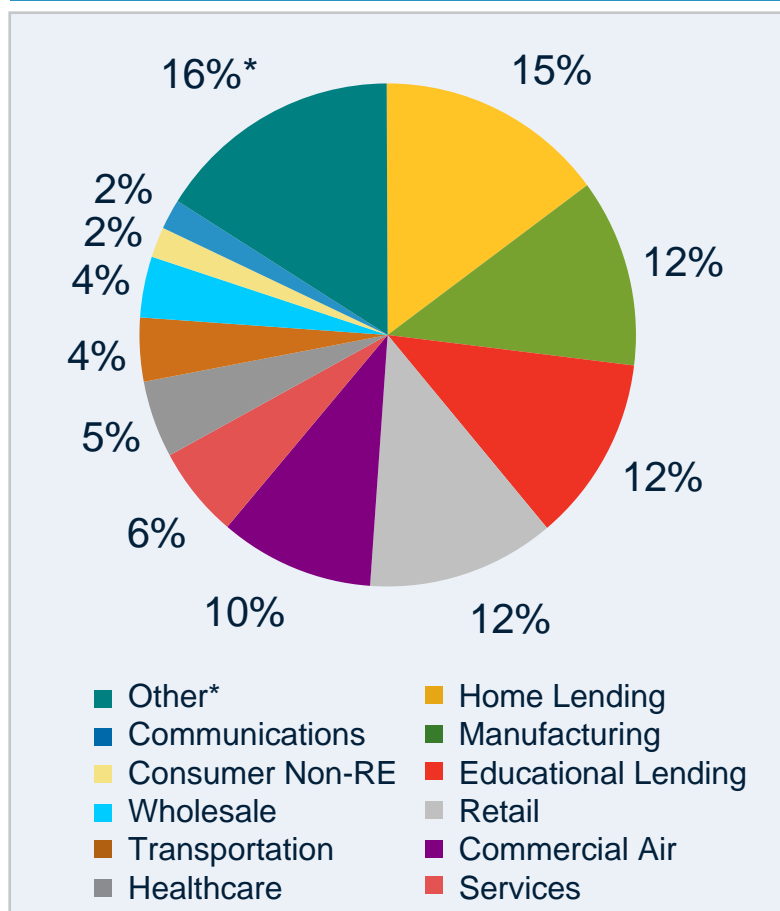
# Improving Operating Efficiency

- Drive revenue growth
- Control expenses
  - Slow sales force hiring
  - Consolidate leasing platforms
  - Scale international operations
  - Expand shared services model
  - Offshore select functions
  - Control headcount



# Performing in All Cycles

## Balanced Portfolio (% Financing and Leasing Assets)



## Reduced Sensitivity to US Economy

- Entered non-cyclical industries
  - Student lending
  - Healthcare finance
- Expanded fee generation capabilities
  - Broadened syndication efforts
  - Fortified restructuring team
  - Entered distressed debt market
- Furthering originate-to-sell capabilities
- Building international franchises

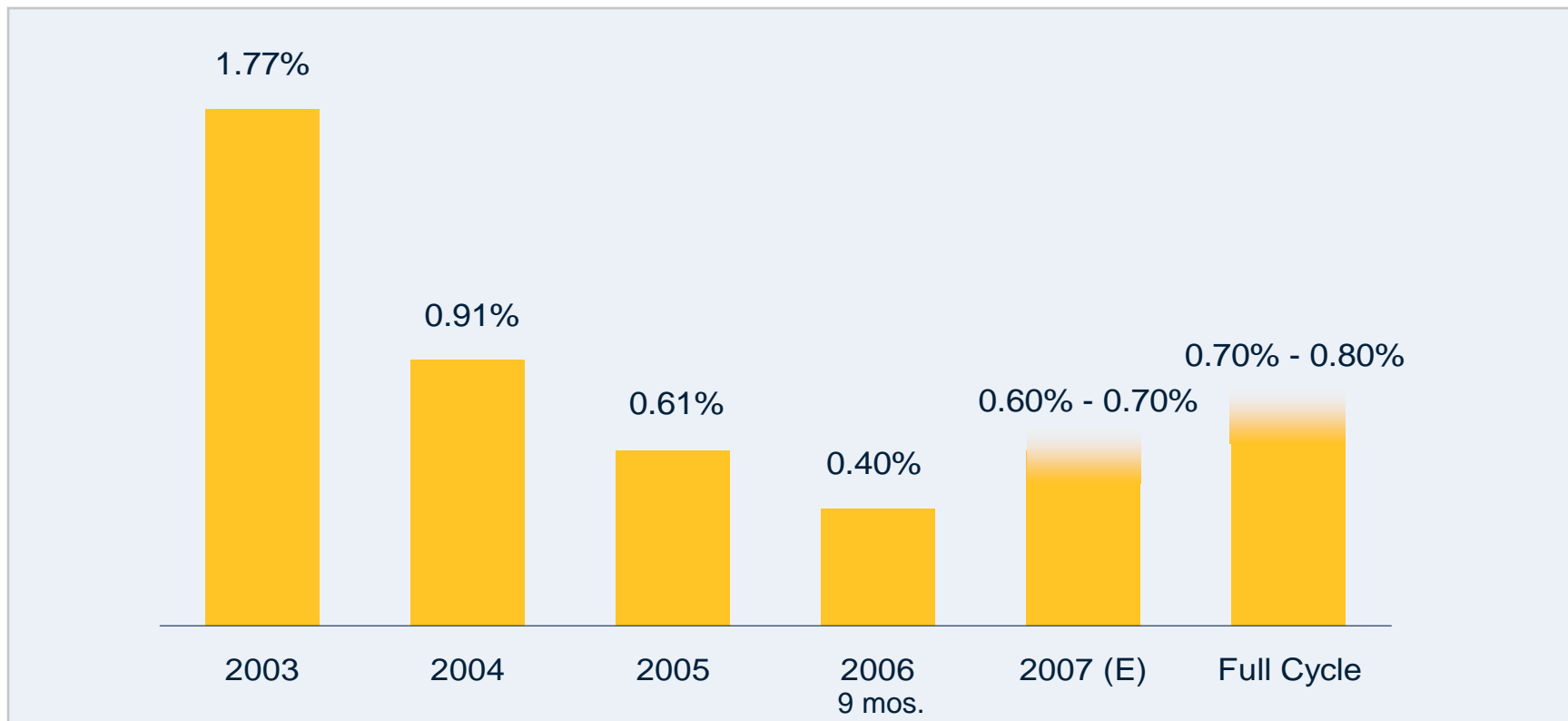


Data as of September 30, 2006.

\*No other industry served greater than 2%.

# Maintaining Credit Discipline

Charge-Off History  
(% Average Finance Receivables)



Expect 2007 to remain below full cycle credit losses



# Enduring Financial Tenets

## Strong balance sheet

- Ample liquidity
- Healthy loan loss reserves
- Prudent capital base
- Solid debt ratings

## Match fund

- Minimal interest rate risk
- Hedged currency risk

## Efficient capital structure

- Focus on risk adjusted returns
- Maintain 15-20% dividend payout ratio
- Opportunistic share repurchase
- Prudent common / non-common equity mix

## Business Update

Segment	% Income	ROE	2007 Expectations
Corporate Finance	29%	16%	<ul style="list-style-type: none"> <li>• Strong originations</li> <li>• Higher fees</li> <li>• Improved productivity</li> </ul>
Trade Finance	16%	26%	<ul style="list-style-type: none"> <li>• Modest growth</li> <li>• Expanding breadth</li> <li>• Stable credit</li> </ul>
Transportation Finance	15%	17%	<ul style="list-style-type: none"> <li>• Consistent expansion</li> <li>• Solid utilization</li> <li>• Efficient tax structure</li> </ul>
Vendor Finance	27%	26%	<ul style="list-style-type: none"> <li>• Strong global volume</li> <li>• Increased productivity</li> <li>• Stable credit</li> </ul>
Consumer/SBL	13%	13%	<ul style="list-style-type: none"> <li>• Focused growth</li> <li>• Strong fees</li> <li>• Seasoning portfolio</li> </ul>

Excludes corporate allocations.



## Key Take Aways

Strong momentum

Expanded growth platform

Focused on operational excellence

Positioned to deliver in all cycles



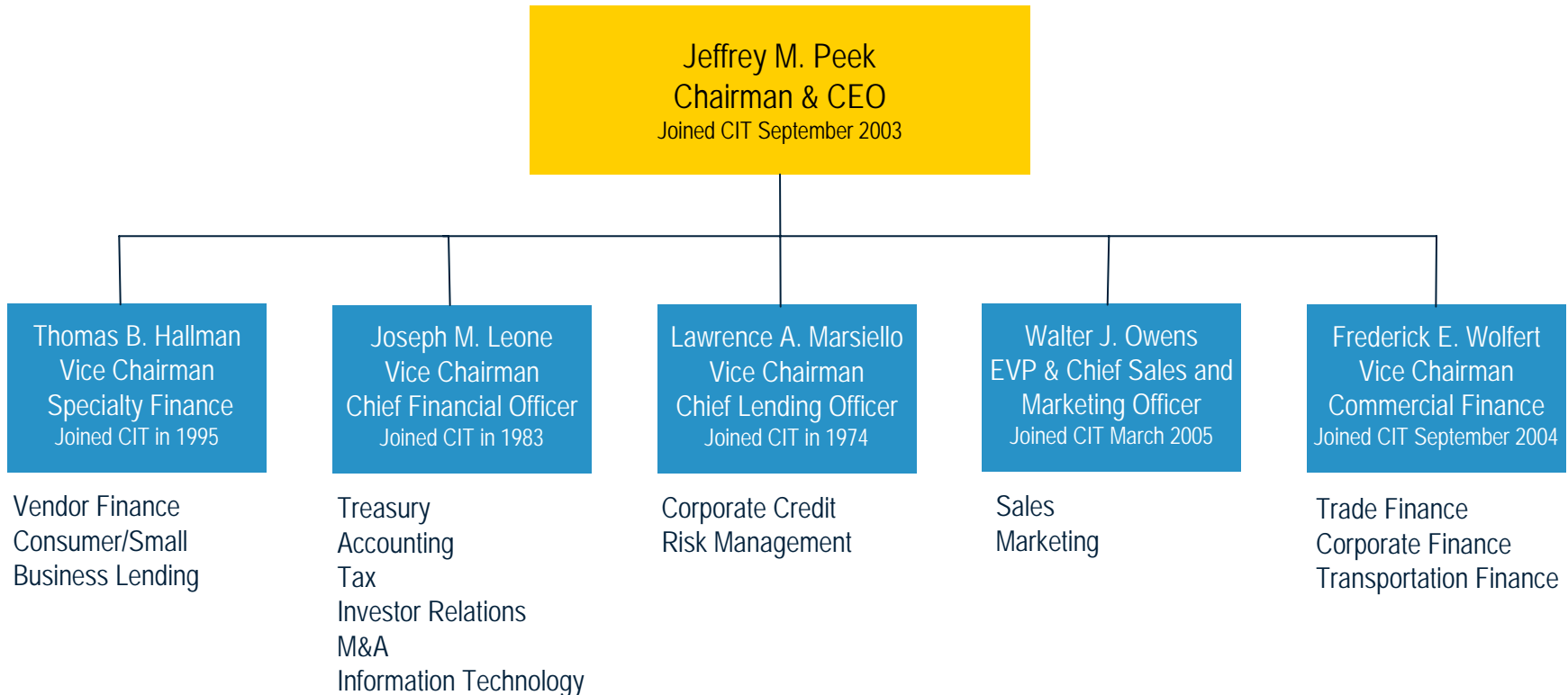


# Appendix

# Board of Directors

Board Member	Current Position	Member Since	Independent Directors	Board Committees		
				Audit	Compensation	Nominating & Governance
Jeffery M. Peek	CEO & Chairman CIT Group Inc.	2003				
Thomas H. Kean	Principal THK Consulting LLC	2002	▲		Chair	
Peter J. Tobin	Retired	2002	Lead	Chair		
William M. Freeman	Retired	2003	▲		▲	
Marianne Miller Parrs	EVP& CFO International Paper Company	2003	▲	▲		
John R. Ryan	Chancellor SUNY Maritime College	2003	▲			Chair
Lois M. Van Deusen	Managing Partner McCarter & English LLP	2003	▲			▲
Gary Butler	President & CEO ADP	2004	▲			▲
Timothy M. Ring	Chairman & CEO C.R. Bard Inc.	2005	▲		▲	
Seymour Sternberg	Chairman & CEO New York Life Insurance Co.	2005	▲	▲		
Susan Lyne	President & CEO Martha Stewart Living	2006	▲		▲	

# Executive Leadership



Seasoned, balanced management team



# Home Lending

## Business Overview

Broker driven origination network

“Near-prime” target demographic

Conservative product set

- Primarily 1<sup>st</sup> liens and owner occupied
- No negative amortization loans
- Limited interest only exposure

Centralized underwriting with 100% appraisal review

Disciplined lending standards define a sustainable target market

## Portfolio Demographics

<b>Borrower Traits</b>	<b>2005</b>	<b>2006</b>
FICO	631	636
Debt to Income	39%	40%
Length of employment	9	8
Length of residence	9	8
<b>Loan Traits</b>	<b>2005</b>	<b>2006</b>
Loan Size	\$112K	\$120K
% Fixed	46%	44%
Loan to Value at Origination	81%	81%
Current LTV	70%	69%

# Student Loan Xpress

## Business Highlights

- Government guaranteed FFELP collateral
- Ninth largest FFELP consolidation loan originator
- Sixteenth largest FFELP Stafford/PLUS loan originator
- Seasoned senior management team with 15+ years average experience
- Product acceptance at 1,300 schools

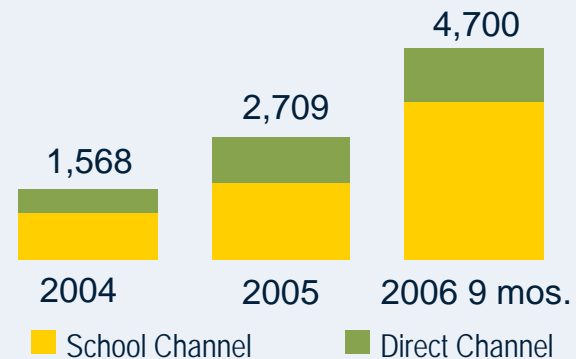
## Business Update

- School channel volume doubled versus Q3 05
- Accretive ahead of forecast
- On target to achieve return requirements
- Preferred lender at nearly 1,200 schools
- Servicing over \$3.5 billion of loans in-house

## Portfolio

	<u>9/30/06</u>
Consolidation Loans	\$6,868
Other Guaranteed Loans	\$919
Private Loans	\$207
Portfolio (\$MM)	<u>\$7,994</u>

## Volume (\$ millions)



# Commercial Aerospace

## Portfolio Statistics

Category	Grouping	%
Body type	Narrow	77.4%
	Intermediate	19.6%
	Wide	2.8%
	Other	0.3%
Manufacturer	Boeing	44.6%
	Airbus	55.2%
	Other	0.3%
Geographic diversity	Europe	43.4%
	Asia Pacific	23.5%
	North America	14.0%
	Latin America	13.4%
	Africa / Middle East	5.7%
Weighted average age	Years	6
Aircraft on the ground	Planes	0
Top exposure	Millions	291.6
Top US exposure	Millions	197.2

## Portfolio Composition







	Net Investment		Aircraft	
	\$ millions	%	Number	%
Operating Leases	5,883.0	92.5%	189	90.0%
Leveraged Leases	148.2	2.3%	5	2.4%
Loans	102.2	1.6%	8	3.8%
Tax-Op. Leveraged Leases	68.2	1.1%	2	1.0%
Capital Leases	155.6	2.4%	6	2.9%
	6357.2	100.0%	210	100.0%

## Remaining Order Book






Year	Amt (\$B)	Number	Placed
2006	0.4	8	8
2007	1.3	26	17
2008	1.4	24	8
2009+	1.7	21	0
Total \$	4.9	79	33



# Managing Net Finance Revenue Dynamics

	Net Finance Revenue	2007 Impact
2004	3.94%	
Portfolio Mix	(0.35%)	
Yield Curve	(0.17%)	
Funding Strategy	(0.11%)	
Leverage	(0.10%)	
Market Pricing	(0.10%)	
Fees and Other	(0.08%)	
Q3 2006	3.03%	

## Targeting Productivity

	Efficiency Ratio (%)	Operating Expense (\$ Millions)	Net Revenue (\$ Millions)	2007 Impact
Q3 2004 (annualized)	40%	\$1,000	\$2,475	
New businesses	2.4%	\$190	\$300	
Business expansion	1.1%	\$200	\$400	
Expense take-outs	(1.6%)	(\$50)	---	
Options	1.0%	\$30	---	
Other	1.3%	\$40	---	
Q3 2006 (annualized)	44%	\$1,410	\$3,175	

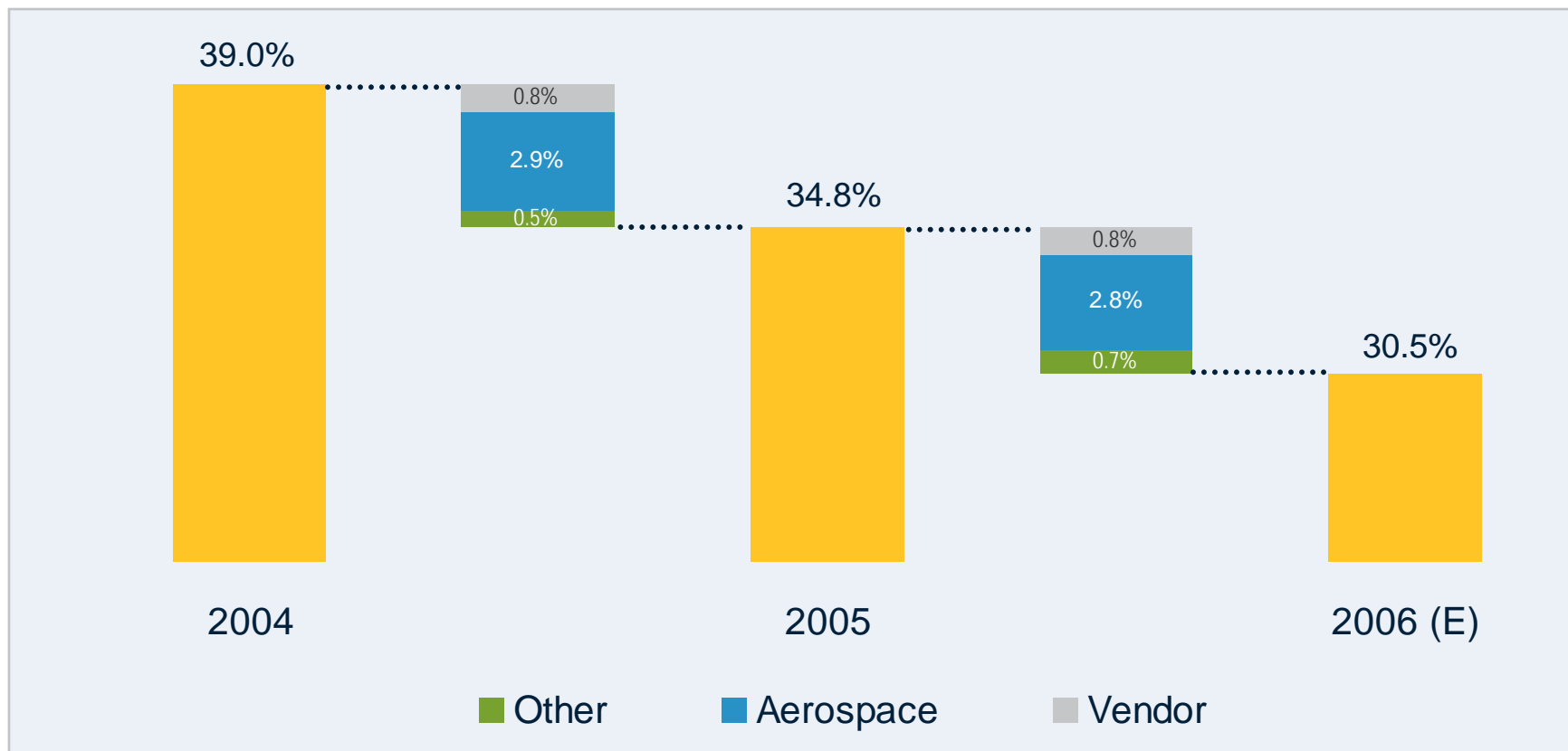
Efficiency ratio improvement expected





# Prudent Tax Planning

## Effective Tax Rate



# Noteworthy Items

		<u>Item Description</u>	<u>P&amp;L Line Item</u>	<u>Segment</u>	<u>Impact on Income</u>		<u>EPS</u>
					<u>Pre-Tax</u>	<u>After-Tax</u>	<u>Impact</u>
2003	Q4	Gain on call of PINES debt	Gain on redemption of debt	Corporate	50.4	31.2	0.15
2003	Q4	Loss on venture capital investments	Other revenue	Corporate	(60.5)	(37.5)	(0.17)
2004	Q1	Gain on call of PINES debt	Gain on redemption of debt	Corporate	41.8	25.9	0.12
2004	Q4	Release of telecom reserves	Provision for credit losses	Corporate	43.3	26.8	0.12
2004	Q4	(Loss) on venture capital investments	Other revenue	Corporate	(14.0)	(8.7)	(0.04)
2004	Q4	(Loss) on sale of manufactured housing	Other revenue	Vendor Finance	(15.7)	(9.3)	(0.04)
2005	Q1	Gain on restatement of select derivative transactions	Other revenue	Corporate	27.7	14.7	0.07
2005	Q1	Other minor restatements (timing difference)	Operating margin	Corporate	4.2	2.5	0.01
2005	Q2	Gain on sale of business aircraft	Other revenue	Transportation Finance	22.0	14.4	0.07
2005	Q2	Provision for restructuring	Provision for restructuring	Corporate	(25.2)	(16.5)	(0.08)
2005	Q2	Gain on Restatement of select derivative transactions	Other revenue	Corporate	52.4	30.9	0.14
2005	Q2	Other minor restatements (timing difference)	Operating margin	Corporate	(4.2)	(2.5)	(0.01)
2005	Q3	Reserves for hurricanes Katrina and Rita	Provision for credit losses	Corporate	(35.9)	(23.3)	(0.11)
2005	Q3	Retained interest impairment from hurricanes Katrina and Rita	Other revenue	Corporate	(6.8)	(4.4)	(0.02)
2005	Q3	Gain on sale of real estate investment	Other revenue	Corporate	115.0	69.7	0.34
2005	Q3	(Loss) on sale of commercial and business aircraft	Other revenue	Transportation Finance	(86.6)	(52.9)	(0.25)
2005	Q3	(Loss) on sale of manufactured housing	Other revenue	Vendor Finance	(20.0)	(11.9)	(0.06)
2005	Q3	Release of international tax reserves	Provision for income taxes	Transportation Finance	0.0	17.6	0.08
2005	Q3	Loss on Restatement of select derivative transactions	Other revenue	Corporate	(14.3)	(8.1)	(0.04)
2005	Q4	Gain on sale of micro-ticket leasing point of sale unit	Other revenue	Vendor Finance	44.3	26.8	0.13
2005	Q4	Early termination fee on NYC lease / Legal Settlement	Operating expenses	Corporate	(11.0)	(6.7)	(0.03)
2005	Q4	Loss on select derivative transactions	Other revenue	Corporate	(22.7)	(12.9)	(0.06)
2005	Q4	Reversal of deferred tax liability	Provision for income taxes	Commercial	0.0	17.0	0.08
2006	Q1	Provision for restructuring	Provision for restructuring	Corporate	(11.1)	(7.4)	(0.04)
2006	Q1	Tax adjustment on planned NOL utilization	Provision for income taxes	Corporate	0.0	6.5	0.03
2006	Q3	Release of deferred tax liabilities	Provision for income taxes	Transportation Finance	0.0	55.6	0.28
2006	Q3	(Loss) on debt termination	Interest expense	Transportation Finance	(5.8)	(3.6)	(0.02)
2006	Q3	(Loss) on sale of non-strategic assets	Other revenue	Transportation Finance	(15.0)	(9.2)	(0.04)
2006	Q3	Provision for restructuring	Provision for restructuring	Corporate	(8.5)	(5.5)	(0.03)

# Non-GAAP Reconciliation

	<u>9/30/2006</u>	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>12/31/2003</u>
<b>Managed assets:</b>				
Finance receivables	\$ 53,161.0	\$ 44,294.5	\$ 44,294.5	\$ 42,685.2
Operating lease equipment, net	10,472.5	9,635.7	9,635.7	9,184.4
Finance receivables held for sale	1,768.5	1,620.3	1,620.3	1,848.4
Equity and venture capital investments (included in other assets)	28.0	30.2	30.2	31.1
Total financing and leasing portfolio assets	<u>65,430.0</u>	<u>55,580.7</u>	<u>55,580.7</u>	<u>53,749.1</u>
Securitized assets	6,510.6	7,285.7	7,285.7	7,539.4
Managed assets	<u>\$ 71,940.6</u>	<u>\$ 62,866.4</u>	<u>\$ 62,866.4</u>	<u>\$ 61,288.5</u>
<b>Earning assets:</b>				
Total financing and leasing portfolio assets	\$ 65,430.0	\$ 55,580.7	\$ 55,580.7	\$ 53,749.1
Credit balances of factoring clients	(4,318.7)	(4,187.8)	(4,187.8)	(4,267.1)
Earning assets	<u>\$ 61,111.3</u>	<u>\$ 51,392.9</u>	<u>\$ 51,392.9</u>	<u>\$ 49,482.0</u>
<b>Total Tangible stockholders' equity:</b>				
Total common stockholders' equity	\$ 7,059.2	\$ 6,462.7	\$ 6,462.7	\$ 6,111.8
Other comprehensive loss relating to derivative financial instruments	(30.1)	(27.6)	27.1	41.3
Unrealized (gain) loss on securitization investments	(15.2)	(17.0)	(8.5)	(7.7)
Goodwill and intangible assets	<u>(1,028.0)</u>	<u>(1,011.5)</u>	<u>(1,011.5)</u>	<u>(1,003.8)</u>
Tangible common stockholders' equity	5,985.9	5,406.6	5,469.8	5,141.6
Preferred Stock	500.0	500.0	500.0	500.0
Preferred capital securities	250.7	252.0	252.0	252.5
Total Tangible stockholders' equity	<u>\$ 6,736.6</u>	<u>\$ 6,158.6</u>	<u>\$ 6,221.8</u>	<u>\$ 5,894.1</u>
<b>Debt, net of overnight deposits:</b>				
Total debt	\$ 56,484.5	\$ 47,864.5	\$ 47,864.5	\$ 44,899.3
Overnight deposits	(2,349.7)	(2,703.1)	(1,507.3)	(1,529.4)
Preferred capital securities	(250.7)	(252.0)	(252.0)	(252.5)
Debt, net of overnight deposits	<u>\$ 53,884.1</u>	<u>\$ 44,909.4</u>	<u>\$ 46,105.2</u>	<u>\$ 43,117.4</u>

Non-GAAP financial measures disclosed by management are meant to provide additional information and insight relative to trends in the business to investors and, in certain cases, to present financial information as measured by rating agencies and other users of financial information. These 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.

# Financial Statements

## Balance Sheet

	9/30/2006	12/31/2005	9/30/2005
<b>Assets</b>			
Finance Receivables	\$ 53,161.0	\$ 44,294.5	\$ 42,685.2
Reserve for Credit Losses	(658.8)	(621.7)	(652.8)
Net Finance Receivables	52,502.2	43,672.8	42,032.4
Operating Lease Equipment, Net	10,472.5	9,635.7	9,184.4
Financing and Leasing Assets Held for Sale	1,768.5	1,620.3	1,848.4
Cash and Cash Equivalents	3,344.3	3,658.6	1,935.4
Retained Interest in Securitizations and Other Investments	1,146.1	1,152.7	1,180.9
Goodwill and Intangible Assets, Net	1,028.0	1,011.5	1,003.8
Other Assets	2,928.0	2,635.0	2,964.9
<b>Total Assets</b>	<b>\$ 73,189.6</b>	<b>\$ 63,386.6</b>	<b>\$ 60,150.2</b>
<b>Liabilities</b>			
Commercial Paper	\$ 4,662.5	\$ 5,225.0	\$ 5,185.1
Deposits	2,210.3	261.9	248.2
Variable-Rate Senior Unsecured Notes	18,376.0	15,485.1	14,318.1
Fixed-Rate Senior Unsecured Notes	26,802.1	22,591.7	21,157.7
Non-recourse Secured Borrowings - Student Lending	4,182.9	4,048.8	3,737.7
Preferred Capital Securities	250.7	252.0	252.5
Total Debt	56,484.5	47,864.5	44,899.3
Notes and Payables to Tyco Affiliates	-	-	-
Credit Balance of Factoring Clients	4,318.7	4,187.8	4,267.1
Accrued Liabilities & Payables	4,788.8	4,321.8	4,322.2
<b>Total Liabilities</b>	<b>65,592.0</b>	<b>56,374.1</b>	<b>53,488.6</b>
<b>Minority Interest</b>	<b>38.4</b>	<b>49.8</b>	<b>49.8</b>
<b>Stockholders' Equity</b>			
Preferred Stock	500.0	500.0	500.0
Common Stock	2.1	2.1	2.1
Paid-in Capital	10,656.4	10,632.9	10,598.7
Contributed Capital	-	-	-
Accumulated (Deficit) Earnings	(3,057.2)	(3,691.4)	(3,905.7)
Accumulated Other Comprehensive (Loss)/Inc.	165.5	115.2	(50.6)
Treasury Stock, at Cost	(707.6)	(596.1)	(532.7)
<b>Total Common Stockholders' Equity</b>	<b>7,059.2</b>	<b>6,462.7</b>	<b>6,111.8</b>
<b>Total Stockholders' Equity</b>	<b>7,559.2</b>	<b>6,962.7</b>	<b>6,611.8</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 73,189.6</b>	<b>\$ 63,386.6</b>	<b>\$ 60,150.2</b>

## Income Statement

	Nine Months Ended		Years Ended	
	September 30, 2006	December 31, 2005	December 31, 2004	
<b>Finance revenue</b>	\$ 4,145.4	\$ 4,515.2	\$ 3,760.8	
Interest expense	2,044.8	1,912.0	1,260.1	
Net finance revenue	2,100.6	2,603.2	2,500.7	
Depreciation on operating lease equipment	762.1	968.0	965.4	
Net revenue after depreciation on operating lease equipment	1,338.5	1,635.2	1,535.3	
Provision for credit losses	154.0	217.0	214.2	
Finance revenue, net of interest expense, depreciation, and credit provision	1,184.5	1,418.2	1,321.1	
Other revenue	888.3	1,137.4	887.1	
<b>Total revenue, net of interest expense, depreciation and credit provision</b>	<b>2,072.8</b>	<b>2,555.6</b>	<b>2,208.2</b>	
Salaries and general operating expenses	1,019.6	1,113.8	1,012.1	
Provision for restructuring	19.6	25.2	-	
Gain on redemption of debt	-	-	41.8	
Income before provision for income taxes	1,033.6	1,416.6	1,237.9	
Provision for income taxes	(252.9)	(464.2)	(483.2)	
Minority interest, after tax	(1.5)	(3.3)	(1.1)	
<b>Net income before preferred stock dividends</b>	<b>779.2</b>	<b>949.1</b>	<b>753.6</b>	
Preferred stock dividends	(22.7)	(12.7)	-	
<b>Net income available to common stockholders</b>	<b>\$ 756.5</b>	<b>\$ 936.4</b>	<b>\$ 753.6</b>	
<b>Per common share data</b>				
Basic earnings per share	\$ 3.80	\$ 4.54	\$ 3.57	
Diluted earnings per share	\$ 3.72	\$ 4.44	\$ 3.50	
Number of shares - basic (thousands)	199,113	206,059	211,017	
Number of shares - diluted (thousands)	203,498	210,734	215,054	
<b>Other Revenue</b>				
Fees and other income	\$ 412.9	\$ 637.0	\$ 502.9	
Factoring commissions	173.0	235.7	227.0	
Gains on receivable sales and syndication fees	192.5	91.9	101.6	
Gains on sales of leasing equipment	90.7	39.1	59.1	
Gains on securitizations	33.7	115.0	-	
Gain on sale of real estate investment	-	22.0	-	
Charges related to transportation assets transferred to held for sale	(15.0)	44.3	-	
Charge related to manufactured housing assets held for sale	-	(86.6)	-	
(Loss)/gain on derivatives	-	(20.0)	-	
Gain on sale of business aircraft portfolio	-	43.1	-	
(Loss)/gain on venture capital investments	0.5	15.9	(3.5)	
<b>Total other revenue</b>	<b>\$ 888.3</b>	<b>\$ 1,137.4</b>	<b>\$ 887.1</b>	

