

CIT GROUP INC  
Form 424B5  
May 30, 2017

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-201417**

**The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**(SUBJECT TO COMPLETION) DATED MAY 30, 2017**

**PROSPECTUS SUPPLEMENT  
(To the prospectus dated January 9, 2015)**

**CIT Group Inc.**

Shares

Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A

We are offering shares of our Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, par value \$0.01 per share, with a liquidation preference of \$1,000 per share, which we refer to as the Series A Preferred Stock.

We will pay dividends on the Series A Preferred Stock only when, as, and if declared by our board of directors or a duly authorized committee of our board and to the extent that we have lawfully available funds to pay dividends. Dividends on the Series A Preferred Stock will accrue and be payable from the date of issuance to, but excluding June 15, 2022 at a rate of % per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2017. From and including June 15, 2022, we will pay dividends on the Series A Preferred Stock, when, as, and if declared, at a floating rate equal to the then applicable three-month U.S. dollar LIBOR rate (as defined herein) plus a spread of % per annum, payable quarterly in arrears, on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2022. Payment of dividends on the Series A Preferred Stock is subject to certain legal, regulatory and other restrictions as described elsewhere in this prospectus supplement.

Dividends on the Series A Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of our board does not declare a dividend on the Series A Preferred Stock in respect of a dividend period, then no dividend shall be deemed to have accrued for such dividend period, be payable on the applicable dividend payment date, or be cumulative, and we will have no obligation to pay any dividend for that dividend period, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Series A Preferred Stock for any future dividend period.

The Series A Preferred Stock has no stated maturity, is not subject to any mandatory redemption, sinking fund or other similar provisions and will remain outstanding unless redeemed at our option. We may redeem the Series A Preferred Stock at our option, at a redemption price equal to \$1,000 per share, plus any declared and unpaid dividends (without regard to any undeclared dividends), (i) in whole or in part, from time to time, on any dividend payment date on or after June 15, 2022 or (ii) in whole but not in part, within 90 days following the occurrence of a regulatory capital treatment event, as described herein. Any redemption of the Series A Preferred Stock is subject to prior approval of the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve.

The Series A Preferred Stock will not have any voting rights, except in limited circumstances as described under Description of Series A Preferred Stock Voting Rights on page S-30.

**The Series A Preferred Stock is not a savings account, deposit or other obligation of our bank or non-bank subsidiaries and is not insured or guaranteed by the Federal Deposit Insurance Corporation, or the FDIC, or any other government agency and are not obligations of, or guaranteed, by a bank.**

**Investing in the Series A Preferred Stock involves risks. See Risk Factors beginning on page S-15 of this prospectus supplement, as well as those risk factors contained in our reports filed with the Securities and Exchange Commission, or the SEC, that are incorporated or deemed to be incorporated by reference herein, to read about other risk factors you should consider before buying the Series A Preferred Stock. The Series A Preferred Stock is not investment grade and is subject to the risks associated with non-investment grade securities.**

**None of the SEC, any state securities commission, the Federal Reserve or any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Company Before Expenses
Per Share	\$	\$	\$
Total	\$	\$	\$

The underwriters expect to deliver the Series A Preferred Stock to purchasers against payment therefor, in New York, New York on or about , 2017, which is the fifth business day following the date of this prospectus supplement. See Underwriting.

*Joint Book-Running Managers*

**Morgan Stanley Barclays Credit Suisse**

, 2017

**You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or documents to which we otherwise refer you in this prospectus supplement and the accompanying prospectus. We and the underwriters have not authorized anyone else to provide you with different or additional information. We are not making an offer of the Series A Preferred Stock in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or any document referred to therein is accurate as of any date other than the date on the front of that document.**

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement sets forth certain terms of the Series A Preferred Stock that we may offer. It supplements the description of the preferred stock contained in the prospectus under Description of Capital Stock. If information in this prospectus supplement is inconsistent with the prospectus, this prospectus supplement will control and you should not rely on the information in the prospectus to that extent.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Series A Preferred Stock. We are not making any representation to you regarding the legality of an investment in the Series A Preferred Stock by you under applicable investment or similar laws.

The distribution of this prospectus supplement and the accompanying prospectus and the offer, sale and delivery of the Series A Preferred Stock may be restricted by law in some jurisdictions. If you receive this prospectus supplement or the accompanying prospectus, you must inform yourself about, and observe, any such restrictions. This prospectus supplement and the accompanying prospectus is not an offer to sell the Series A Preferred Stock and we are not soliciting an offer to buy the Series A Preferred Stock in any state where the offer or sale is not permitted.

Offers and sales of the Series A Preferred Stock are subject to restrictions including in relation to the United Kingdom, the European Economic Area, Canada, Switzerland and the Dubai International Finance Center, details of which are set out in Underwriting Notice to Prospective Investors in this prospectus supplement. The distribution of this prospectus supplement and the accompanying prospectus and the offer, sale and delivery of the Series A Preferred Stock in other jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement or the accompanying prospectus must inform themselves about and observe any applicable restrictions.

You should read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

## NON-GAAP FINANCIAL MEASURES

**This prospectus supplement contains or incorporates by reference certain financial measures that are not calculated in accordance with accounting principles generally accepted in the United States ( GAAP ). Non-GAAP financial measures are meant to provide additional information and insight regarding operating results and financial position of the business and in certain cases to provide financial information that is presented to rating agencies and other users of financial information. These measures are not in accordance with GAAP or a substitute for GAAP measures and may be different from or inconsistent with non-GAAP financial measures used by other companies.**

**Net finance revenues and average earning assets, as presented in this prospectus supplement, are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. They are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities as measures of our liquidity. See the Non-GAAP Financial Measurements section of our Annual Report on Form 10-K for the year ended December 31, 2016 ( 2016 Form 10-K ), filed on March 16, 2017, and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017 ( 2017 First Quarter Form 10-Q ), filed on May 8, 2017, in each case, incorporated herein by reference, for a reconciliation of non-GAAP to GAAP financial information for such periods.**

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. You can also find information about us by visiting our website at [www.cit.com](http://www.cit.com). We have included our website address as an inactive textual reference only. Information on our website is not incorporated by reference into and does not form a part of this prospectus supplement.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), other than any portions of the respective filings that were furnished, under applicable SEC rules, rather than filed, until we complete our offerings of the securities:

Our Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 16, 2017;  
our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 8, 2017; and  
our Current Reports on Form 8-K filed with the SEC on January 18, 2017, January 31, 2017 (to the extent filed and not furnished), February 14, 2017, February 27, 2017, April 7, 2017, April 13, 2017, April 18, 2017, April 25, 2017 (to the extent filed and not furnished), April 27, 2017, May 1, 2017, May 9, 2017, May 10, 2017, May 16, 2017 and May 25, 2017.

You may request a copy of these filings at no cost by writing or telephoning us at the following address or phone number:

CIT Investor Relations Department  
1 CIT Drive  
Livingston, NJ 07039  
(866) 54-CITIR / (866) 542-4847  
[investor.relations@cit.com](mailto:investor.relations@cit.com)

## FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and other written reports and oral statements made from time to time by the company may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements relate to expectations or forecasts of future events. They use words such as anticipate, believe, could, estimate, expect, forecast, intend, plan, project, will and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Any forward-looking statements contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus are subject to unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

our liquidity risk and capital management, including our capital plan, leverage, capital ratios, and credit ratings, our liquidity plan, and our plans and the potential transactions designed to enhance our liquidity and capital, to repay

secured and unsecured debt, to issue qualifying capital instruments, including Tier 1 qualifying preferred stock, and for a return of capital, our plans to change our funding mix and to access new sources of funding to broaden our use of deposit taking capabilities,

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our pending or potential acquisition and disposition plans, and the integration and restructuring risks inherent in such acquisitions, including our sale of our commercial aircraft leasing business in April 2017, and our proposed sale of our Financial Freedom reverse mortgage business and our Business Air loan portfolio, our credit risk management and credit quality, our asset/liability risk management, our funding, borrowing costs and net finance revenue, our operational risks, including risk of operational errors, failure of operational controls, success of systems enhancements and expansion of risk management and control functions, our mix of portfolio asset classes, including changes resulting from growth initiatives, new business initiatives, new products, acquisitions and divestitures, new business and customer retention, legal risks, including related to the enforceability of our agreements and to changes in laws and regulations, our growth rates, our commitments to extend credit or purchase equipment, and how we may be affected by legal proceedings.

All forward-looking statements involve risks and uncertainties, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information. Therefore, actual results may differ materially from those expressed or implied in those statements. Factors, in addition to those disclosed under the caption "Risk Factors" beginning on page S-15 and under the caption "Risk Factors" in our 2016 Form 10-K that could cause such differences include, but are not limited to:

capital markets liquidity, risks inherent in a return of capital, including risks related to obtaining regulatory approval, the nature and allocation among different methods of returning capital, and the amount and timing of any capital return, risks of and/or actual economic slowdown, downturn or recession, industry cycles and trends, uncertainties associated with risk management, including credit, prepayment, asset/liability, interest rate and currency risks, adequacy of reserves for credit losses, risks inherent in changes in market interest rates and quality spreads, funding opportunities, deposit taking capabilities and borrowing costs, conditions and/or changes in funding markets and our access to such markets, including secured and unsecured debt and asset-backed securitization markets, risks of implementing new processes, procedures, and systems, including any new processes, procedures, and systems required to comply with the additional laws and regulations applicable to systematically important financial institutions, risks associated with the value and recoverability of leased equipment and related lease residual values, risks of failing to achieve the projected revenue growth from new business initiatives or the projected expense reductions from efficiency improvements, application of fair value accounting in volatile markets, application of goodwill accounting in a recessionary economy, changes in laws or regulations governing our business and operations, or affecting our assets, including our operating lease equipment,

changes in competitive factors,  
demographic trends,  
customer retention rates,  
risks associated with dispositions of businesses or asset portfolios, including how to replace the income associated with such businesses or asset portfolios and the risk of residual liabilities from such businesses or portfolios,  
risks associated with acquisitions of businesses or asset portfolios and the risks of integrating such acquisitions, including the integration of OneWest Bank, and  
regulatory changes and/or developments.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees regarding our performance. We do not assume any obligation to update any forward-looking statement for any reason.

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## PROSPECTUS SUPPLEMENT SUMMARY

*The following summary does not contain all the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety, particularly the Risk Factors sections of this prospectus supplement and our 2016 Form 10-K, before making an investment decision. Unless otherwise indicated or unless the context otherwise requires, references in this Summary and Risk Factors to CIT, the Company, we, our and us are to CIT Group Inc., together with its subsidiaries, on a consolidated basis. In the Description of Series A Preferred Stock, references to CIT are only to CIT Group Inc. and not to any of its subsidiaries.*

### The Company

CIT Group Inc., together with its subsidiaries, has provided financial solutions to its clients since its formation in 1908. We provide financing, leasing and advisory services principally to middle-market companies, including to the transportation industry, and equipment financing and leasing solutions to a wide variety of industries, primarily in North America. We had \$46.4 billion of earning assets from continuing operations at March 31, 2017. CIT is a bank holding company ( BHC ) and a financial holding company ( FHC ). CIT also provides a full range of banking and related services to commercial and individual customers through its banking subsidiary, CIT Bank, N.A. ( CIT Bank ), which includes 70 branches located in Southern California, and its online bank, bankoncit.com, and through other offices in the U.S. and select international locations.

CIT is regulated by the Board of Governors of the Federal Reserve System (the Federal Reserve ) and the Federal Reserve Bank of New York ( FRBNY ) under the U.S. Bank Holding Company Act of 1956, as amended. CIT Bank is regulated by the Office of the Comptroller of the Currency of the U.S. Department of the Treasury ( OCC ).

On October 6, 2016, CIT announced a definitive agreement to sell our commercial aircraft leasing business ( Commercial Air ) to Avolon Holdings Limited ( Avolon ). On April 4, 2017, CIT completed the sale of Commercial Air. The aggregate purchase price paid by the purchaser and its subsidiaries to CIT and its subsidiaries for the sale of Commercial Air was approximately \$10.4 billion in cash, which is equal to (a) the adjusted net asset amount of Commercial Air as of such date plus (b) a premium of approximately \$627 million.

Each business has industry alignment and focuses on specific sectors, products and markets. Our principal product and service offerings include:

### Products and Services

Account receivables collection	Equipment leases
Acquisition and expansion financing	Factoring services
Asset management and servicing	Financial risk management
Asset-based loans	Import and export financing
Credit protection	Insurance services
Cash management and payment services	Letters of credit / trade acceptances
Debt restructuring	Merger and acquisition advisory services
Debt underwriting and syndication	Residential mortgage loans and mortgage servicing
Deposits	Secured lines of credit
Enterprise value and cash flow loans	Small Business Administration ( SBA ) loans

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We source our commercial lending business primarily through direct marketing to borrowers, lessees, manufacturers, vendors and distributors, and through referral sources and other intermediaries. We source our consumer lending business through our online bank branch network. Periodically we buy participations in syndications of loans and lines of credit and purchase finance receivables and residential mortgage loans on a whole-loan basis.

We generate revenue by earning interest on loans and investments, collecting rents on equipment we lease, and earning commissions, fees and other income for services we provide. We syndicate and sell

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certain finance receivables and equipment to leverage our origination capabilities, reduce concentrations and manage our balance sheet.

We set underwriting standards for each division and employ portfolio risk management models to achieve desired portfolio demographics. Our collection and servicing operations are organized by business and geography in order to provide efficient client interfaces and uniform customer experiences.

Funding sources include deposits and borrowings, and our funding mix has continued to migrate towards a higher proportion of deposits.

Our principal executive offices are located at 11 West 42nd Street, New York, New York and our telephone number is (212) 461-5200.

### **Recent Developments**

On April 4, 2017, upon consummation of the sale of Commercial Air, the total commitment amount under the Company's second amended and restated revolving credit facility was automatically reduced from \$1.4 billion to \$750 million, and the covenant requiring that the Company maintain a minimum \$6 billion minimum consolidated net worth was replaced with a covenant requiring that the Company maintain a minimum Tier 1 capital ratio of 9.0%. Also upon the consummation of the sale of Commercial Air, one of the nine domestic operating subsidiaries of the Company was automatically discharged and released as a guarantor under the second amended and restated revolving credit facility.

On April 4, 2017, CIT announced that it had given notice of its intention to redeem and, on May 4, 2017, CIT redeemed, 100% of the aggregate principal amount (approximately \$4.84 billion) of its outstanding (i) \$1,725.8 million, 4.250% Senior Unsecured Notes due August 2017; (ii) \$1,465.0 million, 5.250% Senior Unsecured Notes due March 2018; (iii) \$695.0 million, 6.625% Series C Unsecured Notes due April 2018; and (iv) \$955.9 million, 5.000% Senior Unsecured Notes due May 2018, at an aggregate premium of \$98 million.

On April 4, 2017, CIT commenced an offer to purchase for cash (the Debt Tender Offer) up to \$950 million in the aggregate of its (i) 5.500% Series C Unsecured Notes due February 2019; (ii) 5.375% Senior Unsecured Notes due May 2020; and (iii) 5.000% Senior Unsecured Notes due August 2022 (the 2022 Notes) and, together with the 2019 Notes and the 2020 Notes, the Notes).

On April 18, 2017, CIT announced that the Debt Tender Offer was oversubscribed, that the Company elected to increase the aggregate maximum principal amount of Notes accepted for purchase in the Tender Offer to \$969 million, and that it had elected to early settle the Debt Tender Offer. A total principal amount of \$969 million of our 5.500% Series C Unsecured Notes due 2019 have been repurchased for total consideration of \$1.04 billion, including accrued interest of \$9 million.

On April 27, 2017, CIT commenced a cash tender offer by means of a modified Dutch auction (the Equity Tender Offer) for up to \$2.75 billion of shares of its common stock, par value \$0.01 per share, at a purchase price not greater than \$48.00 per share and not less than \$43.00 per share, and further pursuant to the terms and conditions set forth in the related Offer to Purchase, dated April 27, 2017, and the accompanying letter of transmittal. The Equity Tender Offer expired on May 24, 2017 and CIT announced on May 25, 2017 that a total of approximately 65.8 million shares of CIT's common stock were properly tendered and not properly withdrawn at or below a purchase price of \$48.00 per share, including approximately 27.4 million shares that were tendered by notice of guaranteed delivery. In accordance with the terms and conditions of the Equity Tender Offer and based on the preliminary count by the depository, CIT expects to accept for payment, at a purchase price of \$48.00, approximately 57.3 million shares properly tendered at or

below the purchase price and not properly withdrawn before the expiration date, at an aggregate cost of \$2.75 billion, excluding fees and expenses relating to the tender offer. The shares expected to be purchased represent approximately 28.3% of CIT's common stock issued and outstanding as of May 23, 2017. The number of shares expected to be purchased in the Equity Tender Offer, and the per share and total purchase price are based on the assumption that all shares tendered through notice of guaranteed delivery are being delivered within the prescribed three trading day settlement period. The final number of shares to be purchased, the final per share and total purchase prices will be announced following the expiration of the guaranteed delivery period and the completion by the depository of the confirmation

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process. To the extent shares tendered through notice of guaranteed delivery are not delivered within the prescribed three trading day settlement period, the number of shares we accept and the per share and total purchase prices may differ from the preliminary amounts above. Payment for the shares accepted for purchase pursuant to the tender offer, and the return of all other shares tendered and not purchased, will occur promptly thereafter.

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### The Offering

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the Series A Preferred Stock, see Description of Series A Preferred Stock. As used in this The Offering section, the terms CIT Group Inc., CIT, the Company, we, our, us and other similar references refer only to CIT Group Inc. and not to any of its subsidiaries.*

Issuer	CIT Group Inc. ( CIT )
Securities Offered	shares of our Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, with a liquidation preference of \$1,000 per share.
Maturity Date	The Series A Preferred Stock does not have a stated maturity date and will be perpetual unless redeemed at our option. CIT is not required to redeem the Series A Preferred Stock. Holders of the Series A Preferred Stock have no right to require CIT to redeem their shares of Series A Preferred Stock.
Ranking	<p>Shares of the Series A Preferred Stock will rank, with respect to the payment of dividends and distributions upon our liquidation, dissolution or winding-up, respectively:</p> <ul style="list-style-type: none"> <li>senior to our common stock and to any class or series of our capital stock we may issue in the future that is not expressly stated to be on parity with or senior to the Series A Preferred Stock with respect to such dividends and distributions;</li> <li>on parity with any class or series of our capital stock we have issued and may issue in the future that is expressly stated to be on parity with our Series A Preferred Stock with respect to such dividends and distributions; and</li> <li>junior to any class or series of our capital stock we may issue in the future that is expressly stated to be senior to the Series A Preferred Stock with respect to such dividends and distributions, if the issuance is approved by the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock.</li> </ul>
Dividends	<p>Dividends on the Series A Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount of \$1,000 per share, at a fixed rate per annum equal to % with respect to each dividend period from and including the original issue date to, but excluding, June 15, 2022 (the fixed rate period ) semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2017 and ending on June 15, 2022 and, thereafter, at a floating rate per annum equal to the three-month LIBOR on the related dividend determination date plus a spread of % per annum (the floating rate period ) quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2022.</p> <p>If our board of directors or a duly authorized committee of the board fails to declare a full dividend on the Series A Preferred Stock before the dividend payment date for any dividend period, the undeclared dividend shall not be cumulative and shall not accrue or be payable for such dividend period, and we will have no obligation to pay the undeclared dividend for such dividend period, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period or any other class or series of our capital stock.</p> <p>So long as any Series A Preferred Stock remains outstanding, unless full dividends for the most recently completed dividend period have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on all outstanding shares of</p>



Series A Preferred Stock, we may not, subject to certain important exceptions:

- declare, pay or set aside for payment any dividend or distribution on any shares of capital stock ranking junior to the Series A Preferred Stock as to dividend or liquidation rights;
- repurchase, redeem or otherwise acquire for consideration, directly or indirectly, any shares of capital stock ranking junior to the Series A Preferred Stock as to dividend or liquidation rights;
- or
- repurchase, redeem or otherwise acquire for consideration, directly or indirectly, any shares of capital stock ranking on parity with the Series A Preferred Stock, as to dividend or liquidation rights.

See Description of the Series A Preferred Stock Priority of Dividends in this prospectus supplement.

Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, upon the shares of the Series A Preferred Stock and any shares of capital stock ranking on a parity with the Series A Preferred Stock as to dividend rights ( dividend parity stock ), dividends may be declared and paid upon shares of the Series A Preferred Stock and the dividend parity stock pro rata in proportion to the respective amounts of undeclared and unpaid dividends on the Series A Preferred Stock and all parity stock payable on such dividend payment date.

Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) may be declared and paid on our common stock, and any other class or series of capital stock that ranks junior to the Series A Preferred Stock as to dividend and liquidation rights, from time to time out of any assets legally available for such payment, and the holders of the Series A Preferred Stock or dividend parity stock shall not be entitled to participate in any such dividend.

Our ability to pay dividends on the Series A Preferred Stock is subject to certain legal, regulatory and other prohibitions and other restrictions described under Description of the Series A Preferred Stock Dividends in this prospectus supplement.

**Dividend Payment Dates** June 15 and December 15 of each year, beginning on December 15, 2017 and ending on June 15, 2022 and, thereafter, on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2022. If any dividend payment date applicable to the fixed rate period is not a business day, then the related payment of dividends will be made on the next succeeding business day, and no additional dividends will accrue on such payment. If any dividend payment date applicable to the floating rate period is not a business day, then the dividend payment date will be postponed to the next succeeding business day, and dividends will accrue to, but exclude the next succeeding business day.

**Redemption** On or after June 15, 2022, the Series A Preferred Stock may be redeemed at our option on any dividend payment date, in whole or in part, from time to time, at a redemption price equal to \$1,000 per share, plus the per share amount of any declared and unpaid dividends, without regard to any undeclared dividends. The Series A Preferred Stock also may be redeemed at our option in whole, but not in part, within 90 days following the occurrence of a regulatory capital treatment event, as described under Description of the Series A Preferred Stock Redemption in this prospectus supplement at a redemption price equal to \$1,000 per share, plus any declared and unpaid dividends, without regard to any

Liquidation Rights

undeclared dividends. The holders of the Series A Preferred Stock will not have the right to require us to redeem or repurchase their shares of Series A Preferred Stock.

Any redemption of the Series A Preferred Stock is subject to prior approval of the Federal Reserve.

Upon CIT's voluntary or involuntary liquidation, dissolution or winding-up, holders of the Series A Preferred Stock are entitled to receive out of our assets that are available for distribution to shareholders, before any distribution is made to holders of common stock or other capital stock ranking junior to the Series A Preferred Stock as to liquidation rights, a liquidation

distribution in the amount of \$1,000 per share, plus any declared and unpaid dividends, to the date of the liquidation distribution, without regard to any undeclared dividends. Distributions will be made only to the extent of CIT's assets that are available after satisfaction of all liabilities and obligations to creditors and subject to the rights of holders of any shares of capital stock ranking senior to the Series A Preferred Stock as to liquidation rights and pro rata as to any other shares of our capital stock ranking on a parity with the Series A Preferred Stock as to such distributions, if any. After payment of the full amount of the liquidation distribution, holders of the Series A Preferred Stock

shall not be entitled to any further participation in any distribution of CIT's assets. In any such distribution, if CIT's assets are not sufficient to pay the liquidation preference in full to all holders of Series A Preferred Stock and all holders of any shares of our capital stock ranking as to any such liquidation distribution on parity with the Series A Preferred Stock, the amounts paid to the holders of Series A Preferred Stock and to such other shares will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders.

Preemptive and Conversion Rights  
Voting Rights

None.  
Holders of the Series A Preferred Stock will have no voting rights except with respect to

certain changes in the terms of the Series A Preferred Stock and the issuance of capital stock ranking senior to the Series A Preferred Stock, in the case of certain dividend nonpayments, certain other fundamental corporate events and as otherwise expressly required by applicable law. See Description of the Series A Preferred Stock Voting Rights in this prospectus supplement. We do not intend to apply for listing of the shares of Series A Preferred Stock on any securities exchange or for inclusion of the Series A Preferred Stock on any automated dealer quotation system. For a discussion of material tax considerations relating to the

Listing

Tax Consequences

Series A  
Preferred  
Stock, see  
Material United  
States Federal  
Income Tax  
Considerations  
in this  
prospectus  
supplement.  
Use of Proceeds We intend to  
use the net  
proceeds from  
this offering for  
general  
corporate  
purposes,  
including  
returning  
capital to our  
shareholders.  
Risk Factors Potential  
investors in the  
Series A  
Preferred Stock  
should  
carefully  
consider the  
matters set  
forth herein  
under the  
caption Risk  
Factors  
beginning on  
page S-15 and  
under the  
caption Risk  
Factors in our  
2016 Form  
10-K, which is  
incorporated  
herein by  
reference, prior  
to making an  
investment  
decision with  
respect to the  
Series A  
Preferred  
Stock.

Transfer Agent & Registrar

Computershare  
Trust  
Company, N.A.

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### Summary Historical Financial Data

The following tables set forth our summary historical financial data. In 2016, the Company realigned its segments. As a result of the segment realignments, the Company recast its financial statements to reflect the realigned segments, as more fully described in our 2016 Form 10-K, and incorporated by reference herein. All prior period comparisons therein were conformed to the current period presentation reflected therein.

Our summary historical financial data as of and for the three months ended March 31, 2017 are not necessarily indicative of results that may be expected for the entire calendar year.

(\$ in millions)	Three Months Ended March 31,		Fiscal Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
<b>Statement of Operations Data:</b>							
Total interest income	\$ 455.7	\$ 482.9	\$ 1,911.5	\$ 1,445.2	\$ 1,155.6	\$ 1,190.4	\$ 1,324.9
<i>Interest expense</i>							
Interest on borrowings	(69.1)	(95.5)	(358.4)	(401.3)	(484.1)	(571.4)	(1,636.9)
Interest on deposits	(94.0)	(99.5)	(394.8)	(330.1)	(231.0)	(179.8)	(152.5)
Total interest expense	(163.1)	(195.0)	(753.2)	(731.4)	(715.1)	(751.2)	(1,789.4)
Provision for credit losses	(49.7)	(89.5)	(194.7)	(158.6)	(104.4)	(75.3)	(41.7)
<i>Non-interest income</i>							
Rental income on operating leases	251.3	264.1	1,031.6	1,018.1	949.6	845.4	811.9
Other income	79.1	84.8	150.6	149.6	263.9	337.6	595.8
Total non-interest income	330.4	348.9	1,182.2	1,167.7	1,213.5	1,183.0	1,407.7
<i>Non-interest expenses</i>							
Depreciation on operating lease equipment	(73.5)	(61.3)	(261.1)	(229.2)	(229.8)	(208.7)	(198.2)
Maintenance and other operating	(53.8)	(48.9)	(213.6)	(185.1)	(171.7)	(132.5)	(121.8)



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lease equipment expense							
Operating expenses	(311.6)	(330.1)	(1,283.5)	(1,121.1)	(900.1)	(911.0)	(827.5)
Gain/(loss) on debt extinguishments and deposit redemption		(1.6)	(12.5)	(1.5)	(3.5)		(61.2)
Goodwill impairment			(354.2)				
Total other expenses	(438.9)	(441.9)	(2,124.9)	(1,536.9)	(1,305.1)	(1,252.2)	(1,208.7)
Income (loss) from continuing operations before income taxes	134.4	105.4	20.9	186.0	244.5	294.7	(307.3)
(Provision) benefit for income taxes	(56.2)	(44.4)	(203.5)	538.0	432.4	(50.4)	(77.8)
Income (loss) from continuing operations before attribution of non-controlling interests	78.2	61.0	(182.6)	724.0	676.9	244.3	(385.1)
Income (loss) from discontinued operations	101.7	85.0	(665.4)	310.0	443.4	437.3	(203.4)
Net income (loss)	\$ 179.9	\$ 146.0	\$ (848.0)	\$ 1,034.1	\$ 1,119.1	\$ 675.7	\$ (592.3)

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(\$ in millions) <i>Select Period</i> <i>Data:</i>	Three Months Ended March 31,		CIT			
	2017	2016	2016	2015	Fiscal Years Ended December 31, 2014	2013
Net finance revenue	\$ 416.6	\$ 441.8	\$ 1,715.2	\$ 1,317.6	\$ 988.6	\$ 943.3
Average earning assets (AEA)	\$ 46,638.9	\$ 48,107.1	\$ 47,664.2	\$ 38,019.8	\$ 29,959.3	\$ 27,991.1
Net financing revenue / AEA (%)	3.57%	3.67%	3.60%	3.47%	3.30%	3.37%
<b>Balance Sheet Data (at period end)</b>						
Total cash and interest bearing deposits	\$ 6,156.9	\$ 7,489.4	\$ 6,430.6	\$ 7,652.4	\$ 6,155.2	\$ 5,369.0
Investment securities	4,476.3	2,896.8	4,491.1	2,953.7	1,550.3	2,630.2
Loans	29,691.4	30,948.7	29,535.9	30,518.7	18,260.6	17,745.3
Allowance for loan losses	(448.6)	(400.8)	(432.6)	(347.0)	(334.2)	(339.1)
Total loans, net of allowance for loan losses	29,242.8	30,547.9	29,103.3	30,171.7	17,926.4	17,406.2
Operating lease equipment, net	7,516.2	7,071.4	7,486.1	6,851.7	5,980.9	4,765.7
Goodwill	686.1	1,060.0	685.4	1,063.2	432.3	233.7
Assets of discontinued operations	12,718.2	12,951.9	13,220.7	13,059.6	12,493.7	14,742.1
Total assets	63,094.4	67,088.6	64,170.2	67,391.9	47,755.5	46,996.8
Deposits	32,336.2	32,877.8	32,304.3	32,761.4	15,838.7	12,523.3
Borrowings						
Liabilities of discontinued operations	2,731.9	4,195.1	3,737.7	4,302.0	3,818.1	6,993.7
Total liabilities	52,928.9	55,996.5	54,167.1	56,446.7	38,702.9	38,146.7
Total equity and non-controlling interests	10,165.5	11,092.1	10,003.1	10,945.2	9,052.6	8,850.0
<b>Other Financial Data (at period end)<sup>(1)</sup>:</b>						

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Tier I capital ratio	14.3%	13.1%	13.8%	12.6%	14.5%	16.7%
Total capital ratio	15.1%	13.7%	14.6%	13.2%	15.1%	17.4%

(1) Capital ratios for 2014, 2013 and 2012 are based on Basel 1 requirements. 2017, 2016 and 2015 are based on Basel 3 requirements.

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### Pro Forma Financial Data

On April 4, 2017, CIT completed the sale of Commercial Air to Avolon, the international aircraft leasing company and a wholly-owned subsidiary of Bohai Capital Holding Co. Ltd. (the CIT Commercial Air Sale ) in exchange for \$10.4 billion in cash.

On April 18, 2017, the Company repurchased for cash, by tender offer, \$969 million principal amount of its outstanding 5.500% Series C Unsecured Notes due 2019 at 106.125% (the Debt Tender Offer ).

On May 4, 2017, the Company redeemed for cash, at an average price of 102.02%, an aggregate of \$4.84 billion principal amount of all of its outstanding notes listed below (the debt redemptions ):

- o \$1.7 billion principal amount 4.250% Senior Unsecured Notes due August 2017;
- o \$1.5 billion principal amount 5.250% Senior Unsecured Notes due March 2018;
- o \$0.7 billion principal amount 6.625% Series C Unsecured Notes due April 2018; and
- o \$1.0 billion principal amount 5.000% Senior Unsecured Notes due May 2018.

On May 24, 2017, at 11:59 P.M., the Equity Tender Offer expired, and based on the preliminary results of the Equity Tender Offer, CIT expects to purchase an aggregate of approximately 57.3 million shares of CIT 's common stock at a purchase price of \$48.00 per share.

The following unaudited pro forma condensed consolidated financial information is presented to illustrate the estimated effects of the CIT Commercial Air Sale, the Debt Tender Offer, the debt redemptions and the Equity Tender Offer on the consolidated results of CIT. The following unaudited pro forma condensed consolidated balance sheet as of March 31, 2017 and the unaudited pro forma condensed consolidated statements of income for the three-month period ended March 31, 2017 and the year ended December 31, 2016 are based upon, derived from, and should be read in conjunction with the historical audited financial statements of CIT (which are available in the 2016 Form 10-K), and the historical unaudited financial statements of CIT (which are available in the 2017 First Quarter Form 10-Q).

The pro forma adjustments are preliminary and are based upon available information and certain assumptions that management believes are reasonable under the circumstances and that are described in the accompanying notes to the unaudited pro forma condensed consolidated financial information. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated statements of income for fiscal year ended December 31, 2016 and the three-month period ended March 31, 2017 assume the consummation of the CIT Commercial Air Sale, the Debt Tender Offer, the debt redemptions and the Equity Tender Offer as if they occurred on January 1, 2016. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2017 assumes the CIT Commercial Air Sale, the Debt Tender Offer, the debt redemptions and the Equity Tender Offer occurred on March 31, 2017.

The unaudited pro forma condensed consolidated financial information have been prepared by management in accordance with the regulations of the SEC and are not necessarily indicative of the consolidated financial position or results of operations that would have been realized had the CIT Commercial Air Sale, the Debt Tender Offer, the debt redemptions and the Equity Tender Offer occurred as of the dates indicated, nor is it meant to be indicative of any anticipated consolidated financial position or results of operations that CIT will experience after the transactions.

The CIT Commercial Air Sale does not have an impact on income from continuing operations as the CIT Commercial Air business met the definition of a Discontinued Operation and was presented as such in the 2017 First Quarter Form 10-Q and the 2016 Form 10-K.

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This unaudited pro forma condensed consolidated financial information should be read in conjunction with the accompanying notes and assumptions as well as the historical consolidated financial statements and related notes of the 2016 Form 10-K or the 2017 First Quarter Form 10-Q.

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**Unaudited Pro Forma Condensed Consolidated Balance Sheet  
as of March 31, 2017**

(in millions)	Historical	Sale of CIT Commercial Air	Notes	Debt Tender	Debt Redemption	Equity Tender	Total Adjustment
<b>Assets</b>							
Cash and interest bearing deposits	\$ 6,156.9	\$ 10,244.5	(b)(g)	\$ (1,037.1)	\$ (4,988.2)	\$ (2,753.8)	\$ 1,465.4
Investment securities	4,476.3						
Assets held for sale	562.6						
Loans	29,691.4						
Allowance for loan losses	(448.6)						
<b>Total loans, net of allowance for loan losses</b>	<b>29,242.8</b>						
Operating lease equipment, net	7,516.2						
Indemnification assets	313.1						
Unsecured counterparty receivable	212.0						
Goodwill	686.1						
Intangible assets	134.3						
Other assets	1,075.9	10.8	(c)				10.8
Assets of discontinued operations	12,718.2	(11,959.2)	(a)				(11,959.2)
<b>Total Assets</b>	<b>\$ 63,094.4</b>	<b>\$ (1,703.9)</b>		<b>\$ (1,037.1)</b>	<b>\$ (4,988.2)</b>	<b>\$ (2,753.8)</b>	<b>\$ (10,483.0)</b>
<b>Liabilities</b>							
Deposits	\$ 32,336.2						
Credit balances of factoring clients	1,547.1						
Other liabilities	1,577.4	11.3	(d)(h)	(32.5)	(91.8)		(113.0)
Borrowings	14,736.3		(i)	(968.3)	(4,836.2)		(5,804.5)
Liabilities of discontinued operations	2,731.9	(1,801.1)	(a)				(1,801.1)

operations

<b>Total Liabilities</b>	<b>52,928.9</b>	<b>(1,789.8)</b>		<b>(1,000.8)</b>	<b>(4,928.0)</b>		<b>(7,718.6)</b>
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**Stockholders****Equity**

Common stock:

\$0.01 par

value,

600,000,000

authorized 2.1

Paid-in capital	8,782.6	1.4	(e)				1.4
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Retained earnings	1,701.1	68.2	(f)(j)	(36.2)	(60.3)		(28.3)
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Accumulated other comprehensive loss	(123.7)	16.3	(a)				16.3
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Treasury stock at cost	(196.9)		(k)			(2,753.8)	(2,753.8)
------------------------	---------	--	-----	--	--	-----------	-----------

**Total****Common****Stockholders**

<b>Equity</b>	<b>10,165.2</b>	<b>85.9</b>		<b>(36.2)</b>	<b>(60.3)</b>	<b>(2,753.8)</b>	<b>(2,764.4)</b>
---------------	-----------------	-------------	--	---------------	---------------	------------------	------------------

Noncontrolling

minority

interests 0.3

<b>Total Equity</b>	<b>10,165.5</b>	<b>85.9</b>		<b>(36.2)</b>	<b>(60.3)</b>	<b>(2,753.8)</b>	<b>(2,764.4)</b>
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**Total****Liabilities and**

<b>Equity</b>	<b>\$ 63,094.4</b>	<b>\$ (1,703.9)</b>		<b>\$ (1,037.1)</b>	<b>\$ (4,988.2)</b>	<b>\$ (2,753.8)</b>	<b>\$ (10,483.0)</b>
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See the accompanying notes to the unaudited pro forma condensed consolidated balance sheet.

***Unaudited Pro forma Condensed Consolidated Statement of Income***  
***For the three months ended March 31, 2017***

<b>(in millions-except per share data)</b>	<b>Historical</b>	<b>Equity Tender</b>	<b>Total Adjustment</b>	<b>Pro- Forma</b>	
<i>Interest income</i>					
Interest and fees on loans	412.1			412.1	
Other interest and dividends	43.6			43.6	
Interest income	455.7			455.7	
<i>Interest expense</i>					
Interest on borrowings	(69.1)			(69.1)	
Interest on deposits	(94.0)			(94.0)	
Interest expense	(163.1)			(163.1)	
Net interest revenue	292.6			292.6	
Provision for credit losses	(49.7)			(49.7)	
Net interest revenue, after credit provision	242.9			242.9	
<i>Non-interest income</i>					
Rental income on operating leases	251.3			251.3	
Other income	79.1			79.1	
Total non-interest income	330.4			330.4	
<b>Total revenue, net of interest expense and credit provision</b>	<b>573.3</b>			<b>573.3</b>	
<i>Non-interest expenses</i>					
Depreciation on operating lease equipment	(73.5)			(73.5)	
Maintenance and other operating lease expenses	(53.8)			(53.8)	
Operating expenses	(311.6)			(311.6)	
Total other expenses	(438.9)			(438.9)	
Income from continuing operations before provision for income taxes	134.4			134.4	
Provision for income taxes	(56.2)			(56.2)	
<b>Income from continuing operations</b>	<b>78.2</b>			<b>78.2</b>	
<b>Basic income per common share</b>					
Income from continuing operations	(1)	0.39	0.16	0.16	0.54
<b>Diluted income per common share</b>					
Income from continuing operations	(1)	0.38	0.16	0.16	0.54



**Average number of common shares (thousands)**

Basic	(1)	202,449	(57,292)	(57,292)	145,157
Diluted	(1)	203,348	(57,292)	(57,292)	146,056

See the accompanying notes to the unaudited pro forma condensed consolidated statement of income.

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**Unaudited Pro forma Condensed Consolidated Statement of Income**  
**For the year ended December 31, 2016**

(in millions-except per share data)	Historical	Equity Tender	Total Adjustment	Pro-Forma	
<i>Interest income</i>					
Interest and fees on loans	1,779.6			1,779.6	
Other interest and dividends	131.9			131.9	
Interest income	1,911.5			1,911.5	
<i>Interest expense</i>					
Interest on borrowings	(358.4)			(358.4)	
Interest on deposits	(394.8)			(394.8)	
Interest expense	(753.2)			(753.2)	
Net interest revenue	1,158.3			1,158.3	
Provision for credit losses	(194.7)			(194.7)	
Net interest revenue, after credit provision	963.6			963.6	
<i>Non-interest income</i>					
Rental income on operating leases	1,031.6			1,031.6	
Other income	150.6			150.6	
Total non-interest income	1,182.2			1,182.2	
<b>Total revenue, net of interest expense and credit provision</b>	<b>2,145.8</b>			<b>2,145.8</b>	
<i>Non-interest expenses</i>					
Depreciation on operating lease equipment	(261.1)			(261.1)	
Maintenance and other operating lease expenses	(213.6)			(213.6)	
Operating expenses	(1,283.5)			(1,283.5)	
Total other expenses	(2,124.9)			(2,124.9)	
Income from continuing operations before provision income taxes	20.9			20.9	
Provision for income taxes	(203.5)			(203.5)	
<b>Loss from continuing operations</b>	<b>(182.6)</b>			<b>(182.6)</b>	
<b>Basic income per common share</b>					
Loss from continuing operations	(1)	(0.90)	(0.36)	(0.36)	(1.26)
<b>Diluted income per common share</b>					
Loss from continuing operations	(1)	(0.90)	(0.36)	(0.36)	(1.26)

**Average number of common shares (thousands)**

Basic	(1)	201,850	(57,292)	(57,292)	144,558
Diluted	(1)	201,850	(57,292)	(57,292)	144,558

See the accompanying notes to the unaudited pro forma condensed consolidated statement of income.

**Note 1. Description of Transactions**

On April 4, 2017, the Company completed the CIT Commercial Air sale to Avolon, the international aircraft leasing company and a wholly-owned subsidiary of Bohai Capital Holding Co. Ltd., in exchange for \$10.4 billion in cash.

On April 18, 2017, the Company repurchased for cash, by tender offer, \$969 million principal amount of its outstanding 5.500% Series C Unsecured Notes due 2019 at 106.125%.

On May 4, 2017, the Company redeemed for cash, at an average price of 102.02%, aggregate \$4.84 billion principal amount of all of its outstanding notes listed below:

\$1.7 billion principal amount 4.250% Senior Unsecured Notes due August 2017;

\$1.5 billion principal amount 5.250% Senior Unsecured Notes due March 2018;

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\$0.7 billion principal amount 6.625% Series C Unsecured Notes due April 2018; and

\$1.0 billion principal amount 5.000% Senior Unsecured Notes due May 2018.

On May 24, 2017, the Equity Tender Offer expired, and, based on the preliminary results of the Equity Tender Offer, CIT expects to purchase an aggregate of approximately 57.3 million shares of CIT's common stock at a purchase price of \$48.00 per share.

## Note 2. Basis of Presentation

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2017 and the unaudited pro forma condensed consolidated statements of income for the three months ended March 31, 2017 and for the year ended December 31, 2016 presented herein are based on the historical financial statements and give effect to the CIT Commercial Air Sale, debt tender, debt redemptions and equity tender as if the transactions were completed on January 1, 2016 for the unaudited pro forma condensed consolidated statements of income and March 31, 2017 for the unaudited pro forma condensed consolidated balance sheet. Per the definitive agreement, cash proceeds from Avolon are calculated as the sum of the net asset value of CIT Commercial Air plus a premium. Any change in the net asset value of CIT Commercial Air results in an adjustment to the amount of cash proceeds to be received from Avolon. The cash paid out for the debt tender, debt redemptions and equity tender are based on actual pricing of the transactions at settlement date.

The unaudited pro forma condensed consolidated financial statements have been prepared for illustrative purposes only and are not necessarily indicative of the financial position or results of operations in future periods.

The pro forma adjustments are preliminary and are based on available information and certain assumptions that management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions in the accompanying unaudited pro forma condensed consolidated financial information.

This unaudited pro forma condensed consolidated financial information, including the notes thereto, should be read in conjunction with the historical consolidated financial statements of CIT as of and for the three-month period ended March 31, 2017 and the year ended December 31, 2016 included in the 2017 First Quarter Form 10-Q and the 2016 Form 10-K.

The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma condensed consolidated financial information to give effect to the pro forma events that are (i) directly attributable to the CIT Commercial Air Sale, debt tender, debt redemptions and equity tender, (ii) factually supportable and (iii) with respect to the unaudited pro forma condensed consolidated statements of income, expected to have a continuing impact on the consolidated results.

## Note 3. Unaudited Pro Forma Condensed Consolidated Balance Sheet Adjustments

(a) Represents derecognition of CIT Commercial Air balances.

(b) Represents estimated cash proceeds, payments, and settlements as if the CIT Commercial Air Sale was completed on March 31, 2017. This amount does not reflect final net cash proceeds to be realized upon completion of the CIT Commercial Air Sale primarily as a result of the actual closing date being April 4, 2017 as opposed to March 31, 2017 as reflected herein.

Pro forma adjustments to Cash and interest bearing deposits (in millions):

Cash proceeds to be received	\$ 10,389.7
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Payment of transaction costs	(36.9)
Payment of contingent employee compensation	(30.1)
Payment of current cash tax liabilities	(78.2)

**Net Cash Proceeds** **\$ 10,244.5**

(c) Represents an increase in Other assets as a result of the CIT Commercial Air Sale. Such increase is the net of (i) the recording of \$15.1 million US federal and state deferred tax assets at March 31, 2017, in

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connection with the sale of CIT Commercial Air and (ii) the receipt of payment of a \$4.3 million receivable from Avolon.

(d) Represents an increase in Other liabilities as a result of the CIT Commercial Air Sale. Such increase is the sum of (i) the recognition of a \$4.7 million pension liability recorded in relation to executive pension curtailment and special termination benefits, (ii) the recognition of a \$2.4 million indemnification liability assumed by CIT relating to selected tax positions and litigation reserves in foreign jurisdictions, and (iii) the recognition of a \$4.2 million deferred revenue liability due to prepayment of TSA fees from Avolon.

(e) Represents the accelerated vesting of restricted stock units for exiting CIT Commercial Air employees.

(f) Represents the estimated after tax net gain on the sale of CIT Commercial Air. This amount does not reflect the final amount to be realized upon completion of the CIT Commercial Air Sale primarily as a result of the actual closing date being April 4, 2017 as opposed to March 31, 2017 as reflected herein. The final after tax net gain or loss will be reflected in the historical income statement to be included in CIT's Quarterly Report on Form 10-Q for the quarter ending June 30, 2017.

Pro forma adjustments to Retained earnings (in millions):	
Cash proceeds less net assets of CIT Commercial Air	\$ 198.3
Transaction costs	(36.9)
Contingent employee compensation	(30.1)
Pretax gain on sale	131.3
Income tax expense	(63.1)
<b>After Tax Net Gain on Sale</b>	<b>\$ 68.2</b>

(g) Represents total cash payments for debt tender (settled on April 18, 2017), debt redemption (settled on May 4, 2017) and Equity Tender Offer (expired on May 24, 2017) - includes principal amounts, early debt termination premium, accrued interest and 3rd party fees.

(h) Represents tax benefit - decrease in tax liability due to loss on debt extinguishment at March 31, 2017.

(i) Represents reduction in carrying value of borrowings (outstanding principal net of deferred costs) due to the debt tender and debt redemptions.

(j) Represents after-tax loss on debt extinguishment - a non-recurring expense that is not included in the pro-forma statement of income.

(k) Represents the purchase of equity in the Equity Tender Offer that expired on May 24, 2017.

#### **Note 4. Unaudited Pro Forma Condensed Consolidated Statement of Income Adjustments**

The CIT Commercial Air Sale, debt tender and debt redemptions do not impact continuing operations and, thus, are not reflected in the pro forma condensed consolidated statements of income.

(l) Represents reduction in common shares outstanding due to the equity tender at a price of \$48.00.



## **RISK FACTORS**

*The operation of our business, and the economic and regulatory climate in the U.S. and other regions of the world involve various elements of risk and uncertainty. Before making an investment decision, you should carefully consider the risks and uncertainties described below, as well as the risks described under the caption Risk Factors in our 2016 Form 10-K and incorporated herein by reference. Additional risks that are presently unknown to us or that we currently deem immaterial may also impact our business.*

### **Risks Relating to the Series A Preferred Stock**

*The shares of Series A Preferred Stock are equity securities and are subordinate to our existing and future indebtedness; certain of our future indebtedness may restrict the payment of dividends on the Series A Preferred Stock.*

The shares of Series A Preferred Stock are equity interests in CIT and do not constitute indebtedness of CIT or any of our subsidiaries. As a result, the Series A Preferred Stock will rank junior to all of our and our subsidiaries' existing and future indebtedness and other non-equity claims with respect to assets available to satisfy claims against us, including claims in the event of our liquidation. If we are forced to liquidate our assets to pay our creditors, we may not have sufficient funds to pay amounts due on any or all of the Series A Preferred Stock then outstanding. In the event of any liquidation, dissolution or winding up of CIT, holders of the Series A Preferred Stock will not be entitled to receive the liquidation preference of their shares until we have paid or set aside an amount sufficient to pay in full the liquidation preference of any class or series ranking senior as to rights upon liquidation, dissolution or winding up.

Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the shares of Series A Preferred Stock (1) dividends are payable only if declared by our board of directors or a duly authorized committee of the board, (2) as a corporation, we are subject to restrictions on payments of dividends and any redemption price out of lawfully available funds and (3) as a bank holding company, our ability to declare and pay dividends is subject to the oversight of the Federal Reserve. In addition, the Series A Preferred Stock may be fully subordinate to interests held by the U.S. government in the event of a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the orderly liquidation authority provisions of the Dodd-Frank Act.

As of March 31, 2017, our total consolidated liabilities, including indebtedness, were approximately \$52.9 billion. We may incur additional debt in the future. Our future indebtedness may restrict the payment of dividends on the Series A Preferred Stock. In addition, the terms of the Series A Preferred Stock do not restrict our business or operations, nor do they restrict our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights of the Series A Preferred Stock described under Description of the Series A Preferred Stock Voting Rights in this prospectus supplement.

*Dividends on the Series A Preferred Stock are discretionary and non-cumulative.*

Dividends on the Series A Preferred Stock are discretionary and are not cumulative. Unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock such as the Series A Preferred Stock, dividends are payable only when, as and if authorized and declared by our board of directors or a duly authorized committee of the board. Consequently, if our board of directors or a duly authorized committee of the board does not authorize and declare a dividend for any dividend period, holders of the Series A Preferred Stock will not be entitled to receive any such dividend, and such unpaid dividend will cease to accrue or be payable. We will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for such period if our board of directors or a duly authorized committee of the board has not declared such dividend before the related



dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series A Preferred Stock or any other preferred stock we may issue. If we do not declare and pay dividends on the Series A Preferred Stock, the market price of the shares of Series A Preferred Stock may decline.

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***If we are not paying full dividends on any outstanding parity stock, we will not be able to pay full dividends on Series A Preferred Stock.***

Additionally, when dividends are not paid in full upon the Series A Preferred Stock and any other securities we have issued or may issue that have dividend rights on parity with the Series A Preferred Stock (whether such dividends are cumulative or non-cumulative), all dividends declared upon the Series A Preferred Stock and such dividend parity securities, if any, will be declared pro rata in proportion to the respective amount of the undeclared and unpaid dividends on the Series A Preferred Stock and all parity stock for such dividend period. Therefore, if we are not paying full dividends on any outstanding parity securities, we will not be able to pay full dividends on the Series A Preferred Stock. We may issue additional securities that rank on parity with the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) without the vote or consent of any holders of Series A Preferred Stock. Currently, we have no shares issued and outstanding that have dividend rights on parity with the Series A Preferred Stock.

***We depend on dividends from our subsidiaries for a significant portion of our cash flow, and we may be restricted from paying dividends on or repurchasing our common stock and the Series A Preferred Stock.***

CIT is a legal entity separate and distinct from its subsidiaries, including CIT Bank, and relies on dividends from its subsidiaries for a significant portion of its cash flow. Federal banking laws and regulations limit the amount of dividends that CIT Bank can pay to CIT. In particular, the Federal Reserve, Office of the Comptroller of the Currency ( OCC ) and FDIC have authority to prohibit or to limit the payment of dividends by the banking organizations they supervise, including, for example, the parent company, if in the relevant banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization, or if the bank would not be at least adequately capitalized following the distribution. In addition, bank holding companies, such as CIT, with assets \$50 billion or more must develop and submit to the Federal Reserve for review and non-objection an annual capital plan detailing their plans for capital actions, including the payment of dividends on their common or preferred stock, the repurchase of common stock or the redemption or repurchase of preferred stock. If the Federal Reserve objects to our capital plan, or if we do not satisfy applicable capital requirements, our ability to pay dividends or undertake other capital actions may be restricted. We received a qualitative objection to our initial 2016 capital plan. On October 6, 2016, we announced that we had received a non-objection from the Federal Reserve to our amended capital plan. We submitted our 2017 capital plan in April 2017. There can be no assurance regarding whether the Federal Reserve will object to our current or future capital plans.

***Investors should not expect us to redeem the Series A Preferred Stock when it first becomes redeemable at our option or on any particular date after it becomes redeemable, and our ability to redeem the Series A Preferred Stock will be subject to the prior approval of the Federal Reserve.***

The Series A Preferred Stock is a perpetual equity security, meaning that the Series A Preferred Stock has no maturity date or mandatory redemption date and is not redeemable at the option of the holders of the Series A Preferred Stock. We may redeem the Series A Preferred Stock at our option, subject to regulatory approval, (1) either in whole or in part, from time to time, on any dividend payment date on or after June 15, 2022 or (2) in whole but not in part, within 90 days following a regulatory capital treatment event, as described below under Description of the Series A Preferred Stock Redemption. Any determination we make at any time to propose a redemption of the Series A Preferred Stock will depend upon a number of factors, including our evaluation of our capital position, the composition of our shareholders' equity and general market conditions at that time.

Our right to redeem the Series A Preferred Stock is subject to any limitations established by the Federal Reserve. Under the Federal Reserve's risk-based capital rules applicable to bank holding companies, any redemption of the

Series A Preferred Stock is subject to prior approval of the Federal Reserve. There can be no assurance that the Federal Reserve will approve any redemption of the Series A Preferred Stock that we may propose. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations, although the Federal Reserve may change these factors at any time.

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Accordingly, investors should not expect us to redeem the Series A Preferred Stock when it first becomes redeemable or on any particular date thereafter. If we redeem the Series A Preferred Stock for any reason, you may not be able to reinvest the redemption proceeds you receive in a similar security or in securities bearing similar dividend rates or yields.

***We may be able to redeem the Series A Preferred Stock before June 15, 2022, upon a regulatory capital treatment event.***

In addition to our ability to redeem the Series A Preferred Stock in whole or in part on June 15, 2022, or any dividend payment date thereafter, we may redeem the Series A Preferred Stock in whole but not in part prior to June 15, 2022, upon the occurrence o