

# First Citizens BancShares, Inc.

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Fourth Quarter 2022

Earnings Conference Call

January 26, 2023



# Agenda

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# Important Notices

## Forward Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans and future performance of First Citizens BancShares, Inc. (“BancShares”). Words such as “anticipates,” “believes,” “estimates,” “expects,” “predicts,” “forecasts,” “intends,” “plans,” “projects,” “targets,” “designed,” “could,” “may,” “should,” “will,” “potential,” “continue,” “aims” or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on BancShares’ current expectations and assumptions regarding BancShares’ business, the economy, and other future conditions.

Because forward-looking statements relate to future results and occurrences, they are subject to inherent risks, uncertainties, changes in circumstances and other risk factors that are difficult to predict. Many possible events or factors could affect BancShares’ future financial results and performance and could cause the actual results, performance or achievements of BancShares to differ materially from any anticipated results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, general competitive, economic, political, geopolitical events (including the military conflict between Russia and Ukraine) and market conditions, the impacts of the global COVID-19 pandemic on BancShares’ business and customers, the financial success or changing conditions or strategies of BancShares’ customers or vendors, fluctuations in interest rates, actions of government regulators, including the recent and projected interest rate hikes by the Board of Governors of the Federal Reserve Board (the “Federal Reserve”), the potential impact of decisions by the Federal Reserve on BancShares’ capital plans, adverse developments with respect to U.S. or global economic conditions, including the significant turbulence in the capital or financial markets, the impact of the current inflationary environment, the impact of implementation and compliance with current or proposed laws, regulations and regulatory interpretations, the availability of capital and personnel, the timing and authorization of any future repurchases of our Class A common under potential share repurchase programs and the failure to realize the anticipated benefits of BancShares’ previous acquisition transaction(s), including the recently completed transaction with CIT Group Inc. (“CIT”), which acquisition risks include (1) disruption from the transaction, or recently completed mergers, with customer, supplier or employee relationships, (2) the possibility that the amount of the costs, fees, expenses and charges related to the transaction may be greater than anticipated, including as a result of unexpected or unknown factors, events or liabilities, (3) reputational risk and the reaction of the parties’ customers to the transaction, (4) the risk that the cost savings and any revenue synergies from the transaction may not be realized or take longer than anticipated to be realized, and (5) difficulties experienced in the integration of the businesses.

Except to the extent required by applicable laws or regulations, BancShares disclaims any obligation to update forward-looking statements or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments. Additional factors which could affect the forward-looking statements can be found in BancShares’ Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and its other filings with the Securities and Exchange Commission (the “SEC”).

## Non-GAAP Measures

Certain measures in this presentation are “Non-GAAP,” meaning they are not presented in accordance with generally accepted accounting principles in the U.S. and also are not codified in U.S. banking regulations currently applicable to BancShares. BancShares believes that Non-GAAP financial measures, when reviewed in conjunction with GAAP financial information, can provide transparency about or an alternative means of assessing its operating results and financial position to its investors, analysts and management. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure.

BancShares completed the acquisition of CIT on January 3, 2022 (the “CIT Merger”). BancShares’ financial information presented for the periods ended December 31, 2022 reflects the acquisition of CIT. Certain 2021 financial information referenced as “Combined” in this presentation reflects the combination of BancShares and CIT for historical periods prior to completion of the CIT Merger. Certain financial results referenced as “Adjusted” in this presentation exclude notable items. The Combined and Adjusted financial measures are Non-GAAP. The Combined (Non-GAAP) financial measures are based on the combined historical information as reported by each company and do not constitute “pro forma” measures prepared and presented in accordance with Article 11 of Regulation S-X. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures.

# 2022 Accomplishments and 2023 Strategic Objectives

Section I



# First Citizens 2022 Accomplishments

2022 was a highly successful year driven by our complementary merger with CIT that positioned us well for continued growth given our diverse products, services and markets.

## Integrated CIT

- Merger integration is substantially complete.
- Focused on capitalizing on opportunities to create positive operating leverage by growing revenues and optimizing operations.
- Achieved ~\$200 million in cost savings in 2022 and expect to recognize the remaining ~\$50 million of targeted cost savings in 2023.

## Distributed capital

- Repurchased 1.5 million Class A common shares for \$1.2 billion during the third and fourth quarters.
- Repurchase estimated to be ~10% accretive to 2023 EPS with TBV earnback period of ~3 years.

## Produced strong operating leverage

- Adjusted pre-provision net revenue was up \$557 million, or by 45.5% over 2021.
- Net interest margin expanded driven by strong loan growth and a higher yield on earning assets.
- Full year operating leverage was 14.7%.
- Our adjusted efficiency ratio declined from 64.3% in 2021 to 56.4% in 2022. Our fourth quarter ratio was 54.1%.

## Focused on our customers

- Loans grew by \$5.6 billion, or 8.5%, driven by solid performance in both the General and Commercial banks.
- Despite a challenging environment for deposits driven by unprecedented quantitative tightening, we experienced modest growth in noninterest-bearing accounts and only a slight decline in total deposits.

## Upheld our risk culture

- Credit quality remains strong despite economic uncertainty.
- Risk management practices continue to evolve to position us to meet the requirements of the large financial institution framework.



Note – Pre-provision net revenue, operating leverage and efficiency ratio are adjusted (Non-GAAP). Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure. Changes between periods are calculated as if BancShares and CIT were combined on January 1, 2021. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 33-35 of the Appendix

# First Citizens 2023 Strategic Objectives



## Grow Core Lines of Business

- Allocate capital and investments to grow lines of business with the highest returns and opportunity.



## Optimize Capital & Core Funding

- Continue to optimize core funding by growing lower cost deposits.
- Use innovation to facilitate growth, expand revenue opportunities and reduce cost of delivery while building a foundation for the future.



## Scale Talent with an Eye Toward the Future

- Attract, retain and develop associates who align with our long-term direction and culture while scaling for continued growth.



## Maintain Positive Operating Leverage

- Identify areas to enhance revenue and control costs beyond merger synergy goals.



## Manage Risk Effectively

- Continue to manage risk within our defined risk appetite.
- Align risk management activities to support our move to the large financial institution framework.



# Fourth Quarter 2022 Financial Results

Section II



# Financial Highlights

	Quarter-to-date						Year-to-date			
	Dec 22		Sep 22		Dec 21		Dec 22		Dec 21	
	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)
<b>EPS</b> <sup>(1)</sup>	\$ 16.67	\$ 20.94	\$ 19.25	\$ 20.77	\$ 12.09	\$ 12.82	\$ 67.40	\$ 77.24	\$ 53.88	\$ 51.88
<b>ROE</b> <sup>(1)</sup>	11.05 %	13.89 %	12.49 %	13.47 %	10.96 %	11.63 %	11.15 %	12.78 %	12.84 %	12.36 %
<b>ROTCE</b> <sup>(1)</sup>	11.70 %	14.71 %	13.17 %	14.20 %	12.00 %	12.72 %	11.78 %	13.50 %	14.12 %	13.60 %
<b>ROA</b> <sup>(2)</sup>	0.93 %	1.15 %	1.16 %	1.24 %	1.20 %	1.09 %	1.01 %	1.15 %	1.33 %	1.10 %
<b>PPNR ROA</b> <sup>(2)</sup>	1.70 %	1.81 %	1.72 %	1.86 %	1.33 %	1.17 %	1.84 %	1.64 %	1.41 %	1.11 %
<b>NIM</b> <sup>(2)</sup>	3.36 %	3.36 %	3.40 %	3.40 %	2.56 %	2.56 %	3.14 %	3.14 %	2.55 %	2.55 %
<b>Net charge-off ratio</b> <sup>(2)</sup>	0.14 %	0.14 %	0.10 %	0.10 %	0.04 %	0.04 %	0.12 %	0.12 %	0.08 %	0.08 %
<b>Efficiency ratio</b> <sup>(2)</sup>	61.74 %	54.08 %	61.91 %	53.32 %	65.40 %	62.51 %	60.50 %	56.40 %	64.43 %	64.34 %

(1) For QTD & YTD December 2021, reported and adjusted (Non-GAAP) ratios for EPS, ROE and ROTCE are for BancShares and do not include CIT results.

(2) For QTD & YTD December 2021, reported and adjusted (Non-GAAP) ratios for ROA, PPNR ROA, NIM, net charge-off ratio and efficiency ratio are presented as if BancShares and CIT were combined during the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported ratios (GAAP), refer to page 35 of the Appendix.



# Quarter-to-Date Earnings Highlights

(\$ in millions)

Reported	QTD			Increase (decrease)			
	4Q22	3Q22	4Q21	3Q22		4Q21	
				\$	%	\$	%
Net interest income	\$ 802	\$ 795	\$ 619	\$ 7	0.9 %	\$ 183	29.6 %
Noninterest income	429	433	464	(4)	(0.9)	(35)	(7.5)
<b>Net revenue</b>	<b>1,231</b>	<b>1,228</b>	<b>1,083</b>	<b>3</b>	<b>0.2</b>	<b>148</b>	<b>13.7</b>
Noninterest expense	760	760	709	0	0.0	51	7.2
<b>Pre-provision net revenue</b>	<b>471</b>	<b>468</b>	<b>374</b>	<b>3</b>	<b>0.6</b>	<b>97</b>	<b>25.9</b>
Provision (benefit) for credit losses	79	60	(78)	19	31.7	157	(201.3)
<b>Income before income taxes</b>	<b>392</b>	<b>408</b>	<b>452</b>	<b>(16)</b>	<b>(3.9)</b>	<b>(60)</b>	<b>(13.3)</b>
Income taxes	135	93	113	42	45.2	22	19.5
<b>Net income</b>	<b>257</b>	<b>315</b>	<b>339</b>	<b>(58)</b>	<b>(18.4)</b>	<b>(82)</b>	<b>(24.2)</b>
Preferred stock dividends	14	12	16	2	16.7	(2)	(12.5)
<b>Net income available to common stockholders</b>	<b>\$ 243</b>	<b>\$ 303</b>	<b>\$ 323</b>	<b>\$ (60)</b>	<b>(19.8)%</b>	<b>\$ (80)</b>	<b>(24.8)%</b>

Adjustment for notable items	4Q22	3Q22	4Q21
Noninterest income	\$ (139)	\$ (145)	\$ (200)
Noninterest expense	(170)	(183)	(157)
Provision for credit losses	—	—	—
Income taxes	(32)	15	(11)

Adjusted (Non-GAAP)	QTD			Increase (decrease)			
	4Q22	3Q22	4Q21	3Q22		4Q21	
				\$	%	\$	%
Net interest income	\$ 802	\$ 795	\$ 619	\$ 7	0.9 %	\$ 183	29.6 %
Noninterest income	290	288	264	2	0.7	26	9.8
<b>Net revenue</b>	<b>1,092</b>	<b>1,083</b>	<b>883</b>	<b>9</b>	<b>0.8</b>	<b>209</b>	<b>23.7</b>
Noninterest expense	590	577	552	13	2.3	38	6.9
<b>Pre-provision net revenue</b>	<b>502</b>	<b>506</b>	<b>331</b>	<b>(4)</b>	<b>(0.8)</b>	<b>171</b>	<b>51.7</b>
Provision (benefit) for credit losses	79	60	(78)	19	31.7	157	(201.3)
<b>Income before income taxes</b>	<b>423</b>	<b>446</b>	<b>409</b>	<b>(23)</b>	<b>(5.2)</b>	<b>14</b>	<b>3.4</b>
Income taxes	103	108	102	(5)	(4.6)	1	1.0
<b>Net income</b>	<b>320</b>	<b>338</b>	<b>307</b>	<b>(18)</b>	<b>(5.3)</b>	<b>13</b>	<b>4.2</b>
Preferred stock dividends	14	12	16	2	16.7	(2)	(12.5)
<b>Net income available to common stockholders</b>	<b>\$ 306</b>	<b>\$ 326</b>	<b>\$ 291</b>	<b>\$ (20)</b>	<b>(6.1)%</b>	<b>\$ 15</b>	<b>5.2 %</b>

## Highlights

**Note:** The commentary below relates to “Reported (GAAP)” income statements.

### 4Q22 vs. 3Q22

- Net interest income increased by \$7 million primarily due to a higher yield on earning assets and loan growth, partially offset by higher funding costs and average balances.
- Noninterest income declined by \$4 million. The change was primarily due to declines in other noninterest income (spread among various accounts), partially offset by higher rental income on operating leases, factoring commissions, service charges on deposit accounts and insurance commissions.
- Noninterest expense was unchanged. Marketing costs related to the Direct Bank increased, but were offset by a net decline in other operating expenses.
- Provision for credit losses increased by \$19 million primarily due to changes in reserves on individually evaluated loans, an increase in net charge-offs, loan growth and deterioration in the economic outlook, partially offset by a change in portfolio mix.
- Income tax expense includes a \$55 million charge related to the strategic surrender of \$1.2 billion in BOLI policies. <sup>(1)</sup>

### 4Q22 vs. 4Q21

- Net interest income increased by \$183 million primarily due to a higher yield on earning assets and loan growth, partially offset by higher funding costs.
- Noninterest income declined by \$35 million primarily due to lower other income (spread among various accounts), lower gains on asset and loan sales, factoring commissions and service charges on deposits, partially offset by higher rental income on operating leases, other fee income and cardholder services income.
- Noninterest expense increased \$51 million primarily due to higher personnel, merger and marketing expenses, partially offset by lower professional fees and FDIC insurance expense.
- Provision for credit losses increased by \$157 million due to a net provision build in 2022 versus a net provision benefit in 2021.



**Note** – Adjusted amounts exclude notable items detailed on page 12. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure. The financial data provided for 2021 is presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 34 of the Appendix.  
<sup>(1)</sup> Page 29 provides additional details on the impacts of the BOLI surrender.

# Quarter-to-Date Earnings Highlights

(\$ in millions)

Reported	QTD			Increase (decrease)			
				3Q22		4Q21	
	4Q22	3Q22	4Q21	\$	%	\$	%
Net interest income	\$ 802	\$ 795	\$ 619	\$ 7	0.9 %	\$ 183	29.6 %
Noninterest income	429	433	464	(4)	(0.9)	(35)	(7.5)
<b>Net revenue</b>	<b>1,231</b>	<b>1,228</b>	<b>1,083</b>	<b>3</b>	<b>0.2</b>	<b>148</b>	<b>13.7</b>
Noninterest expense	760	760	709	0	0.0	51	7.2
<b>Pre-provision net revenue</b>	<b>471</b>	<b>468</b>	<b>374</b>	<b>3</b>	<b>0.6</b>	<b>97</b>	<b>25.9</b>
Provision (benefit) for credit losses	79	60	(78)	19	31.7	157	(201.3)
<b>Income before income taxes</b>	<b>392</b>	<b>408</b>	<b>452</b>	<b>(16)</b>	<b>(3.9)</b>	<b>(60)</b>	<b>(13.3)</b>
Income taxes	135	93	113	42	45.2	22	19.5
<b>Net income</b>	<b>257</b>	<b>315</b>	<b>339</b>	<b>(58)</b>	<b>(18.4)</b>	<b>(82)</b>	<b>(24.2)</b>
Preferred stock dividends	14	12	16	2	16.7	(2)	(12.5)
<b>Net income available to common stockholders</b>	<b>\$ 243</b>	<b>\$ 303</b>	<b>\$ 323</b>	<b>\$ (60)</b>	<b>(19.8)%</b>	<b>\$ (80)</b>	<b>(24.8)%</b>

Adjustment for notable items	4Q22	3Q22	4Q21
Noninterest income	\$ (139)	\$ (145)	\$ (200)
Noninterest expense	(170)	(183)	(157)
Provision for credit losses	—	—	—
Income taxes	(32)	15	(11)

Adjusted (Non-GAAP)	QTD			Increase (decrease)			
				3Q22		4Q21	
	4Q22	3Q22	4Q21	\$	%	\$	%
Net interest income	\$ 802	\$ 795	\$ 619	\$ 7	0.9 %	\$ 183	29.6 %
Noninterest income	290	288	264	2	0.7	26	9.8
<b>Net revenue</b>	<b>1,092</b>	<b>1,083</b>	<b>883</b>	<b>9</b>	<b>0.8</b>	<b>209</b>	<b>23.7</b>
Noninterest expense	590	577	552	13	2.3	38	6.9
<b>Pre-provision net revenue</b>	<b>502</b>	<b>506</b>	<b>331</b>	<b>(4)</b>	<b>(0.8)</b>	<b>171</b>	<b>51.7</b>
Provision (benefit) for credit losses	79	60	(78)	19	31.7	157	(201.3)
<b>Income before income taxes</b>	<b>423</b>	<b>446</b>	<b>409</b>	<b>(23)</b>	<b>(5.2)</b>	<b>14</b>	<b>3.4</b>
Income taxes	103	108	102	(5)	(4.6)	1	1.0
<b>Net income</b>	<b>320</b>	<b>338</b>	<b>307</b>	<b>(18)</b>	<b>(5.3)</b>	<b>13</b>	<b>4.2</b>
Preferred stock dividends	14	12	16	2	16.7	(2)	(12.5)
<b>Net income available to common stockholders</b>	<b>\$ 306</b>	<b>\$ 326</b>	<b>\$ 291</b>	<b>\$ (20)</b>	<b>(6.1)%</b>	<b>\$ 15</b>	<b>5.2 %</b>

## Highlights

**Note:** The commentary below relates to “Adjusted (Non-GAAP)” income statements.

### 4Q22 vs. 3Q22

- Net interest income increased by \$7 million due to the same reasons outlined on the reported slide.
- Noninterest income increased by \$2 million. The increase was primarily due to higher rental income on operating leases, factoring commissions, service charges on deposits and insurance commissions, partially offset by a decline in other noninterest income (spread among various accounts).
- Noninterest expense increased by \$13 million primarily due to a \$6 million increase in marketing costs related to the Direct Bank, with the remainder spread among various accounts.
- Provision for credit losses increased by \$19 million due to the same reasons outlined on the reported slide.

### 4Q22 vs. 4Q21

- Net interest income increased by \$183 million due to the same reasons outlined on the reported slide.
- Noninterest income increased by \$26 million primarily due to higher rental income on operating leases, other fee income and cardholder services income, partially offset by lower factoring commissions and service charges on deposits.
- Noninterest expense increased \$38 million primarily due to higher personnel and marketing expenses, partially offset by lower FDIC insurance expense and professional fees.
- Provision for credit losses increased by \$157 million due to the same reasons outlined on the reported slide.



# Year-to-Date Earnings Highlights

(\$ in millions)

Reported	YTD Dec		Increase (decrease)	
	2022	2021	vs. YTD 21	
			\$	%
Net interest income	\$ 2,946	\$ 2,441	\$ 505	20.7 %
Noninterest income	2,136	1,940	196	10.1
<b>Net revenue</b>	<b>5,082</b>	<b>4,381</b>	<b>701</b>	<b>16.0</b>
Noninterest expense	3,075	2,823	252	8.9
<b>Pre-provision net revenue</b>	<b>2,007</b>	<b>1,558</b>	<b>449</b>	<b>28.8</b>
Provision (benefit) for credit losses	645	(373)	1,018	(272.9)
<b>Income before income taxes</b>	<b>1,362</b>	<b>1,931</b>	<b>(569)</b>	<b>(29.5)</b>
Income taxes	264	461	(197)	(42.7)
<b>Net income</b>	<b>1,098</b>	<b>1,470</b>	<b>(372)</b>	<b>(25.3)</b>
Preferred stock dividends	50	48	2	4.2
<b>Net income available to common stockholders</b>	<b>\$ 1,048</b>	<b>\$ 1,422</b>	<b>\$ (374)</b>	<b>(26.3)%</b>

Adjustment for notable items	YTD Dec 22	YTD Dec 21
Noninterest income	\$ (995)	\$ (944)
Noninterest expense	(770)	(611)
Provision for credit losses	(513)	—
Income taxes	135	(79)

Adjusted (Non-GAAP)	YTD Dec		Increase (decrease)	
	2022	2021	vs. YTD 21	
			\$	%
Net interest income	\$ 2,946	\$ 2,441	\$ 505	20.7 %
Noninterest income	1,141	996	145	14.6
<b>Net revenue</b>	<b>4,087</b>	<b>3,437</b>	<b>650</b>	<b>18.9</b>
Noninterest expense	2,305	2,212	93	4.2
<b>Pre-provision net revenue</b>	<b>1,782</b>	<b>1,225</b>	<b>557</b>	<b>45.5</b>
Provision (benefit) for credit losses	132	(373)	505	(135.4)
<b>Income before income taxes</b>	<b>1,650</b>	<b>1,598</b>	<b>52</b>	<b>3.3</b>
Income taxes	399	382	17	4.5
<b>Net income</b>	<b>1,251</b>	<b>1,216</b>	<b>35</b>	<b>2.9</b>
Preferred stock dividends	50	48	2	4.2
<b>Net income available to common stockholders</b>	<b>\$ 1,201</b>	<b>\$ 1,168</b>	<b>\$ 33</b>	<b>2.8 %</b>

## Highlights

**Note:** The commentary below relates to “Reported (GAAP)” income statements.

### YTD 22 vs. YTD 21

- Net interest income increased by \$505 million primarily due to a higher yield on earning assets, loan growth and lower borrowings costs, partially offset by higher deposit costs, lower SBA-PPP interest and fee income and lower accretion income.
- Noninterest income increased by \$196 million primarily due to higher rental income on operating leases, card income, other fee income and wealth management fees. Other changes included a \$431 million bargain purchase gain, partially offset by lower gains on asset and loan sales and lower other income.
- Noninterest expense increased by \$252 million due to higher merger expenses, personnel costs, marketing costs associated with the Direct Bank and third-party processing fees, partially offset by lower intangible asset amortization, FDIC insurance expense and professional fees.
- Provision for credit loss, adjusted for the Day 2 CECL provision of \$513 million, increased by \$505 million due to a net provision build in 2022 driven primarily by deterioration in CECL macroeconomic forecasts and loan growth, versus a net provision benefit in 2021.

**Note:** The commentary below relates to “Adjusted (Non-GAAP)” income statements.

### YTD 22 vs. YTD 21

- Noninterest income increased by \$145 million primarily due to higher rental income on operating leases, other fee income, wealth management fees and card income.
- Noninterest expense increased by \$93 million due to higher personnel costs, marketing costs associated with the Direct Bank and third-party processing fees, partially offset by lower FDIC insurance expense and professional fees.



# Notable Items <sup>(1)</sup>

(\$ in millions, except per share data)

	BancShares 4Q22	BancShares 3Q22	Combined 4Q21	BancShares YTD 22	Combined YTD 21
Rental income on operating lease equipment <sup>(2)</sup>	\$ (135)	\$ (139)	\$ (140)	\$ (534)	\$ (550)
Realized gain on sale of investment securities available for sale, net	—	—	—	—	(147)
Fair value adjustment on marketable equity securities, net	(2)	2	(7)	3	(38)
Gain on sale of leasing equipment, net	(2)	(2)	(26)	(15)	(104)
Gain on acquisition	—	—	—	(431)	—
Gain on extinguishment of debt	—	(1)	—	(7)	—
Other noninterest income <sup>(3)</sup>	—	(5)	(27)	(11)	(105)
<b>Impact on adjusted noninterest income</b>	<b>\$ (139)</b>	<b>\$ (145)</b>	<b>\$ (200)</b>	<b>\$ (995)</b>	<b>\$ (944)</b>
Depreciation on operating lease equipment <sup>(2)</sup>	\$ (88)	\$ (87)	\$ (88)	\$ (345)	\$ (341)
Maintenance and other operating lease expenses <sup>(2)</sup>	(47)	(52)	(52)	(189)	(209)
Salaries and benefits	—	—	6	—	14
Merger-related expenses	(29)	(33)	(12)	(231)	(37)
Intangible asset amortization	(6)	(5)	(11)	(23)	(45)
Other noninterest expense <sup>(4)</sup>	—	(6)	—	18	7
<b>Impact on adjusted noninterest expense</b>	<b>\$ (170)</b>	<b>\$ (183)</b>	<b>\$ (157)</b>	<b>\$ (770)</b>	<b>\$ (611)</b>
CECL Day 2 provision and reserve for unfunded commitments	—	—	—	(513)	—
<b>Provision for credit losses - total adjustments</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (513)</b>	<b>\$ —</b>
<b>Impact on adjusted pre-tax income</b>	<b>\$ 31</b>	<b>\$ 38</b>	<b>\$ (43)</b>	<b>\$ 288</b>	<b>\$ (333)</b>
Income tax impact <sup>(5)(6)</sup>	(32)	15	(11)	135	(79)
<b>Impact on adjusted net income</b>	<b>\$ 63</b>	<b>\$ 23</b>	<b>\$ (32)</b>	<b>\$ 153</b>	<b>\$ (254)</b>
<b>Impact on adjusted diluted EPS</b>	<b>\$ 4.27</b>	<b>\$ 1.52</b>	<b>N/A <sup>(7)</sup></b>	<b>\$ 9.84</b>	<b>N/A <sup>(7)</sup></b>

(1) Notable items include income and expense for infrequent transactions and certain recurring items (typically noncash) that Management believes should be excluded from adjusted measures (non-GAAP) to enhance understanding of operations and comparability to historical periods. Management utilizes both GAAP and adjusted measures (non-GAAP) to analyze the Company's performance. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measures.

(2) Depreciation and maintenance and other operating lease expenses are reclassified from noninterest expense to a reduction of rental income on operating lease equipment. There is no net impact to earnings for this notable item as adjusted noninterest income and expense are reduced by the same amount. Adjusted rental income on operating lease equipment (non-GAAP) is net of depreciation and maintenance expense for operating lease equipment. Management believes this measure enhances comparability to banking peers, primarily due to the extent of our rail and other equipment rental activities. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure.

(3) Primarily includes the following: 3Q22- contract settlement with a rail customer; YTD22- contract settlement with rail customer and gain on sale of other assets; 2021 periods- legacy CIT notables related to the non-GAAP Combined results of operations.

(4) Primarily includes the following: 3Q22- impairment of a bank owned facility; YTD22- impairment of a bank owned facility and termination of two post retirement benefit plans; 2021 periods- legacy CIT notables related to the non-GAAP Combined results of operations.

(5) Includes \$55 million of tax expense related to the early surrender of BOLI policies. During 4Q22, management decided to early surrender \$1.2 billion of BOLI policies. This triggered a taxable gain of \$160 million and resulted in tax expense of \$55 million.

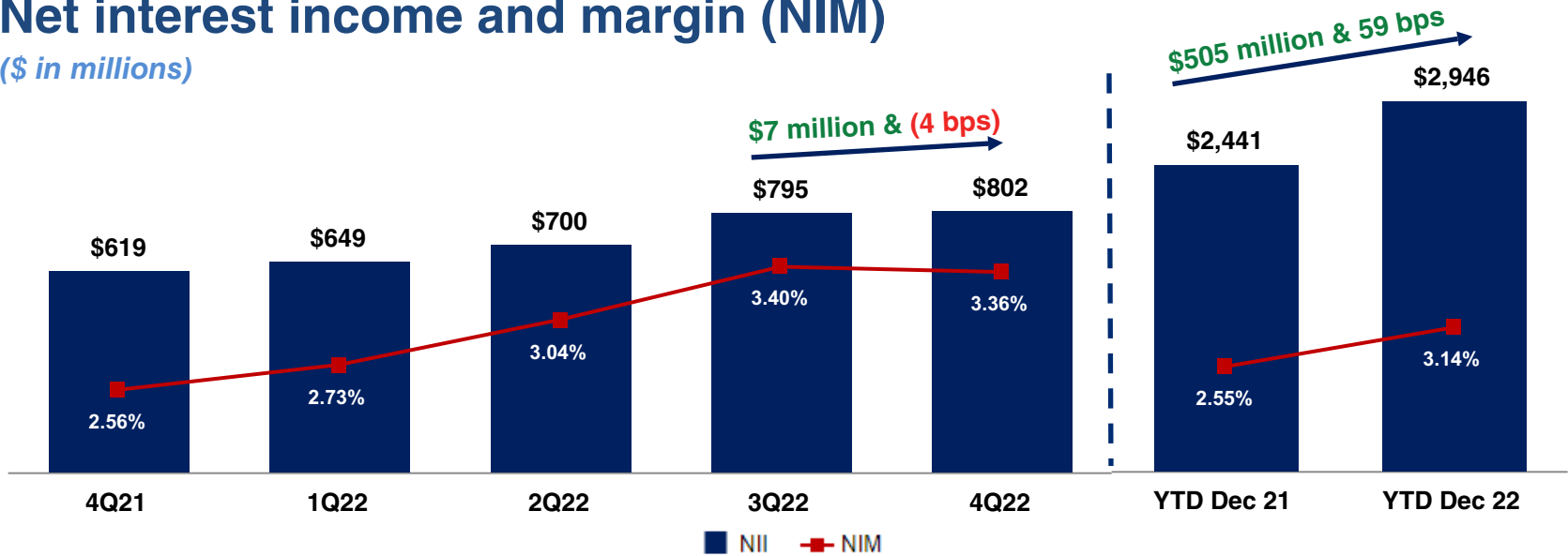
(6) For the non-GAAP Combined periods of 2021, a blended tax rate was applied to each period to arrive at the adjusted net income. For 2022 periods the income tax impact includes tax discrete items and changes in the estimated annualized effective tax rate.

(7) The non-GAAP Combined EPS impact for 2021 periods is not shown given different share totals for each legacy institution.



# Net interest income and margin (NIM)

(\$ in millions)



## Highlights

### 4Q22 vs 3Q22

**Net interest income increased by \$7 million** due to a \$134 million increase in interest income, partially offset by a \$127 million increase in interest expense. The change in net interest income was primarily due to the following:

- \$107 million increase in interest income on loans due to a higher yield and growth,
- \$25 million increase in interest income on overnight investments due to a higher yield; partially offset by,
- \$98 million increase in interest expense on deposits due to a higher rate paid and average balance, and
- \$29 million increase in borrowing costs due to a higher rate and an increase in average balance.

**NIM declined 4 basis points** from 3.40% to 3.36% due to a 53 basis points increase in the cost of funding earning assets, only partially offset by a 49 basis points increase in the yield on earnings assets. See the following page for a rollforward of NIM between 3Q22 and 4Q22.

### 4Q22 vs 4Q21

**Net interest income increased by \$183 million** due to a \$307 million increase in interest income, partially offset by a \$124 million increase in interest expense. The change in net interest income was primarily due to the following:

- \$224 million increase in interest income on loans due to a higher yield and growth, partially offset by lower SBA-PPP interest and fee income,
- \$51 million increase in interest income on overnight investments due to a higher yield, despite a lower average balance,
- \$32 million increase in interest income on investment securities due to a higher yield and average balance; partially offset by,
- \$123 million increase in interest expense on deposits due to a higher rate paid.

**NIM expanded** from 2.56% to 3.36%. See the following page for a rollforward of NIM between 4Q21 and 4Q22.

### YTD December 2022 vs YTD December 2021

**Net interest income increased by \$505 million** due to a \$483 million increase in interest income and a \$22 million decrease in interest expense. The change in net interest income was primarily due to the following:

- \$256 million increase on interest income on loans due to a higher yield and growth offset by lower SBA-PPP interest and fee income and lower accretion income,
- \$138 million increase in interest income on investment securities due to higher yield and average balance,
- \$118 million decline in interest expense on borrowings due to a lower rate and average balance,
- \$89 million increase in interest income on overnight investments due to a higher yield despite a lower average balance; partially offset by a
- \$96 million increase in interest expense on deposits due to a higher rate paid.

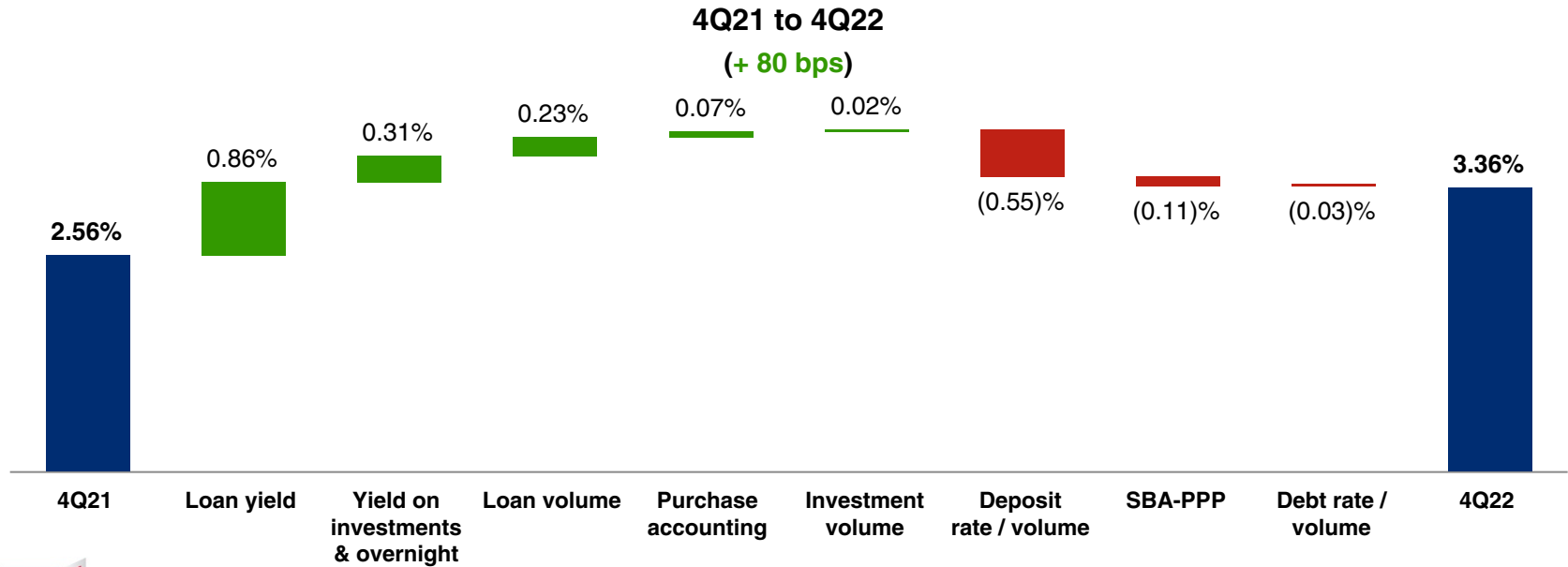
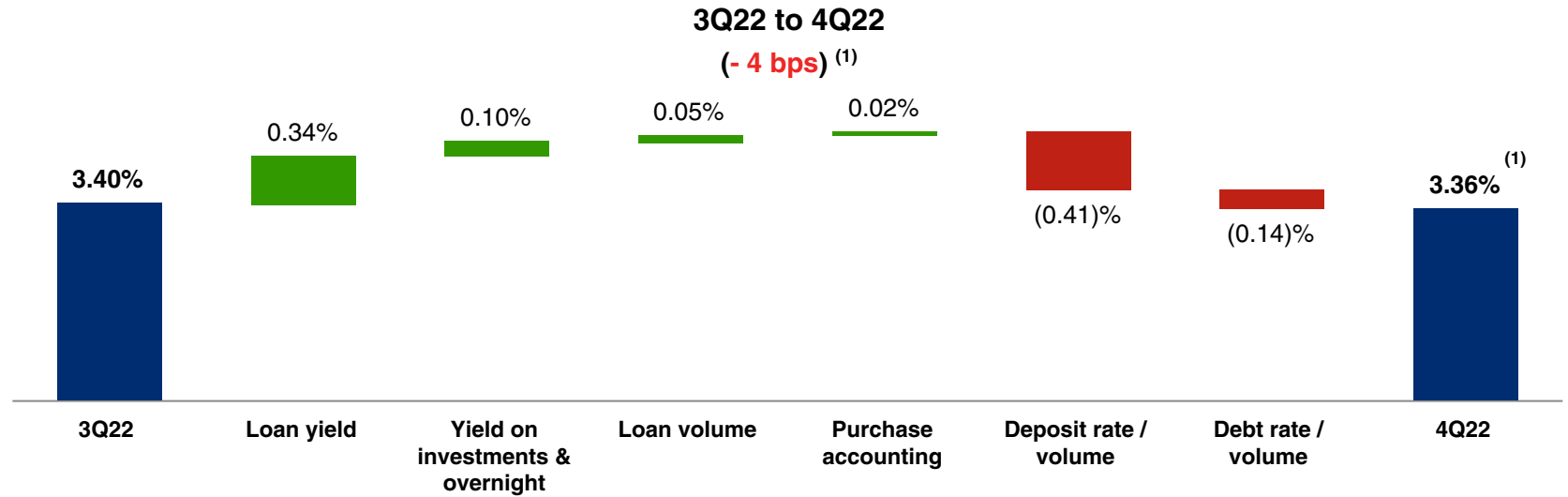
**NIM expanded** from 2.55% to 3.14%.



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**Note** – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 33-35 of the Appendix. The primary drivers of the changes in net interest income are included above and a rollforward of NIM is on the following page.

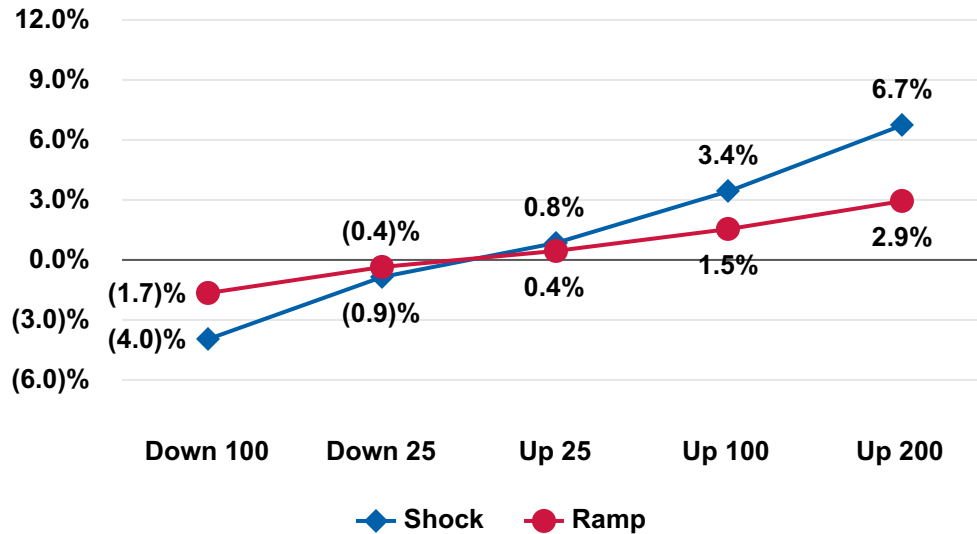
# NIM Rollforward



(1) The share repurchase plan had a 4 bps negative impact on NIM in the fourth quarter.  
**Note** – The financial ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported ratios, refer to page 35 of the Appendix.

# Net interest income and margin rate sensitivity

## 4Q22 Interest Rate Sensitivity



### Highlights

- BancShares continues to have an asset sensitive interest rate risk profile.
- The projected increase in net interest income over the next 12 months is 3.4% for an immediate 100 bps parallel shift (shock) in the yield curve and 1.5% for a gradual shift (ramp) of 100 bps.
- Asset sensitivity is largely driven by the composition of the balance sheet, primarily due to floating rate loans and cash, as well as a strong core deposit base with modest betas.
- Deposit betas are modeled at approximately 25%.
- Approximately 45% of our loans are floating indexed primarily to 1-month LIBOR, 3-month LIBOR, Prime and SOFR.
- The duration of our investment portfolio is ~4.3 years and helps to mitigate earnings risk in a down rate environment.

### Illustrative impacts to NII & NIM <sup>(1)</sup>

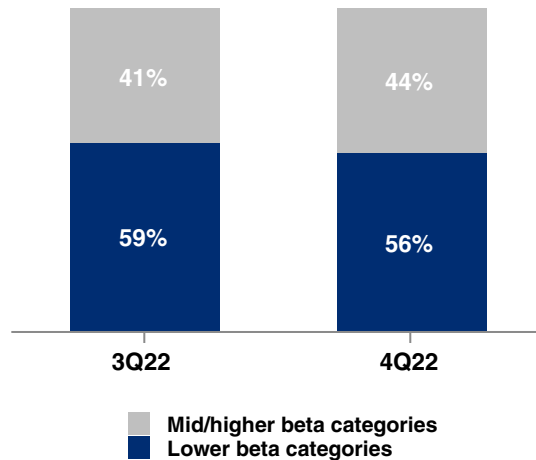
(\$ in millions)	1Q23		2Q23		3Q23		4Q23	
	NII	NIM	NII	NIM	NII	NIM	NII	NIM
+100 bps shock	\$ 19	0.08 %	\$ 30	0.13 %	\$ 29	0.13 %	\$ 31	0.13 %
+100 bps ramp	\$ 1	— %	\$ 8	0.03 %	\$ 15	0.06 %	\$ 23	0.10 %
-100 bps ramp	\$ (1)	— %	\$ (8)	(0.03)%	\$ (17)	(0.07)%	\$ (29)	(0.12)%
-100 bps shock	\$ (23)	(0.10)%	\$ (33)	(0.14)%	\$ (35)	(0.15)%	\$ (38)	(0.16)%



# Deposit Betas

## Deposit Beta Performance and Estimates

	4Q22 - Actual	1Q23 - Estimated
<b>Cumulative Fed Funds increase</b>	425 bps	475 bps
<b>Fed Funds target range (quarter end)</b>	4.25 to 4.50%	4.75 to 5.00%
<b>Cumulative deposit beta</b>	14%	22%

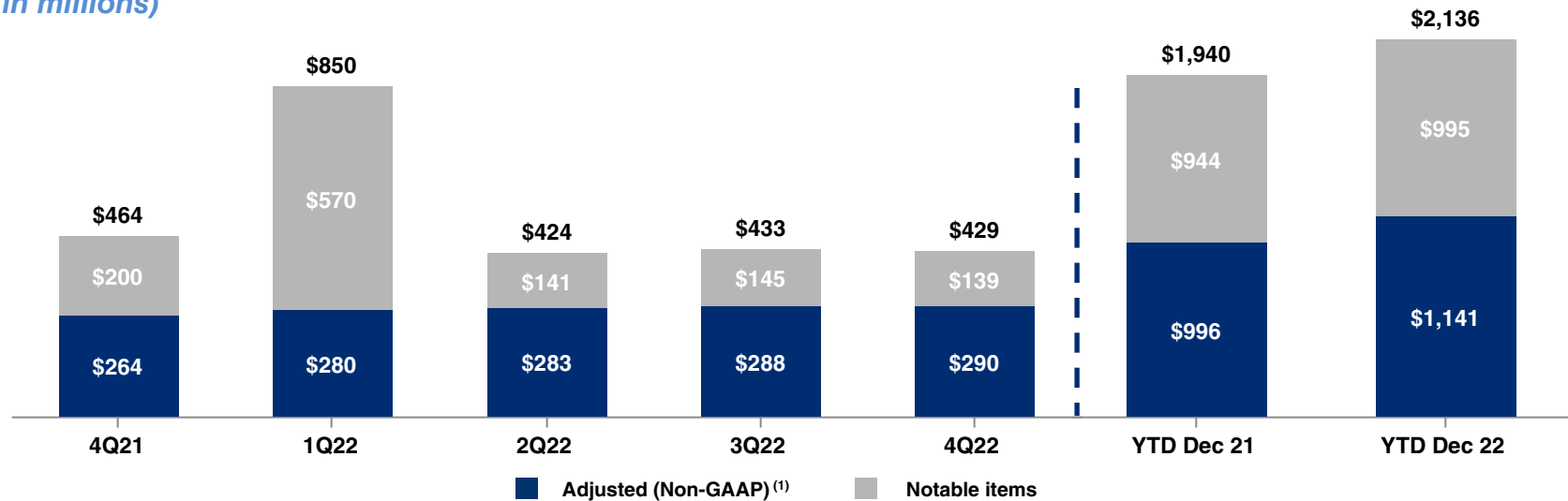


## Highlights

- Expect 1Q23 cumulative deposit beta to increase 8% over the current quarter.
- We expect full cycle deposit beta to be approximately 25%.
- **Mid/higher beta categories:**
  - 30% + beta on Direct Bank money market, savings and time deposit accounts.
  - 10 to 30% beta on branch network money market accounts and time deposits.
- **Lower beta categories:**
  - 0 to 10% beta on total noninterest bearing deposits, branch network, checking with interest and savings accounts.

# Noninterest income

(\$ in millions)



## Highlights

### 4Q22 vs 3Q22

**Noninterest income decreased \$4 million.** Significant components of the change were:

- Rental income on operating leases increased \$5 million driven by continued improvement in utilization and a higher lease rate. Depreciation and maintenance expense on operating lease equipment declined \$4 million resulting in an increase in adjusted rental income of \$9 million.
- Fee income generating lines of business increased \$8 million (service charges on deposit accounts, factoring and insurance commissions, card services, and fee income and other service charges).
- More than offset by a \$17 million decrease in other noninterest income spread among various accounts, including a prior quarter \$5 million contract settlement.

### 4Q22 vs 4Q21

**Noninterest income decreased \$35 million.** Significant components of the change were:

- Gains on loan and asset sales declined \$52 million.
- Factoring commissions declined \$7 million due to the elimination of COVID related surcharges.
- Service charges on deposit accounts declined \$4 million due to the elimination of certain NSF/OD fees in 2022.
- Other noninterest income declined \$3 million spread among various accounts.
- Partially offset by a \$20 million increase in rental income on operating leases due to the same reasons as the linked quarter. A \$5 million decline in depreciation and maintenance expense on operating lease equipment resulting in an increase in adjusted rental income of \$25 million.
- Fee income and other service charges increased \$6 million, primarily due to higher capital markets and portfolio servicing fees while cardholder services income increased by \$5 million driven by increased volume.

### YTD22 vs YTD21

**Noninterest income increased \$196 million.** Significant components of the change were:

- Rental income on operating leases increased \$91 million due to the same reasons as in the linked quarter. Expenses on operating lease equipment declined \$16 million resulting in a \$107 million increase in adjusted rental income.
- Cardholder services income, net increased \$15 million due to higher volume and fee income and other service charges increased \$14 million, primarily due to higher capital markets and portfolio servicing fees.
- Wealth management services increased \$13 million due to increased brokerage transactions and higher assets under management.
- Other noninterest income increased \$63 million spread among various line items, including a \$431 million bargain purchase gain, partially offset by a \$147 million decline in investment gains and a \$188 million decline in gains on asset and loan sales.



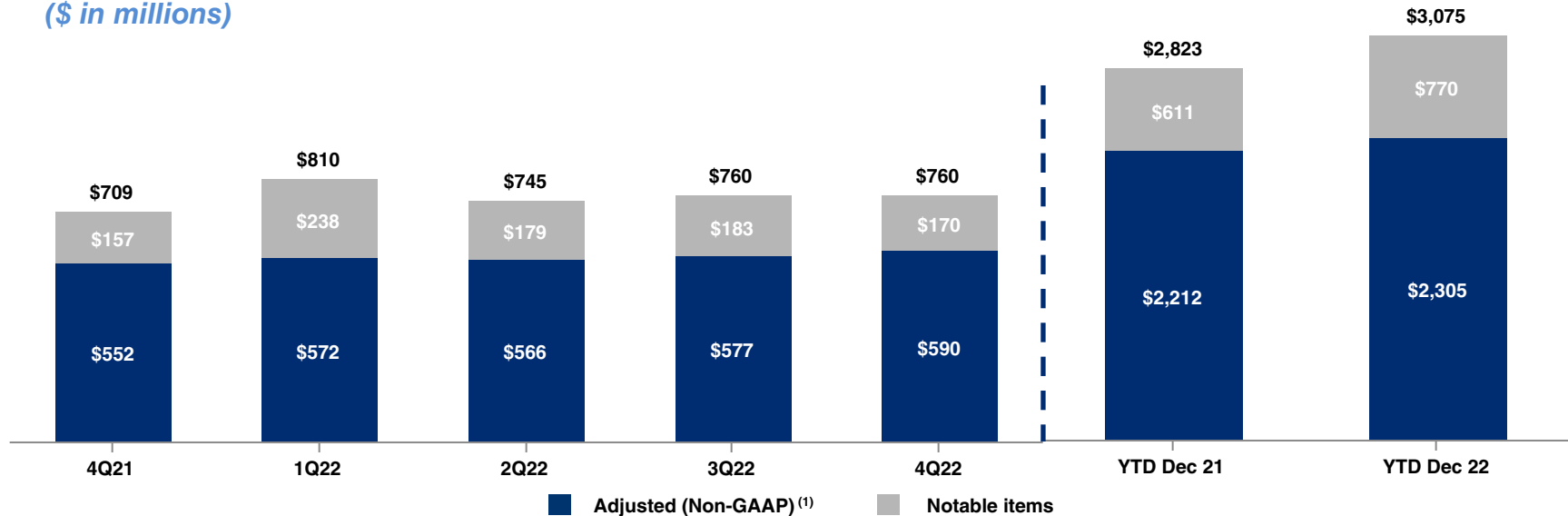
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**Note** – The financial data provided on this slide is presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 34 of the Appendix.

(1) Adjusted noninterest income is Non-GAAP and excludes notable items as detailed on page 12.

# Noninterest expense

(\$ in millions)



## Highlights

### 4Q22 vs 3Q22

**Noninterest expense was unchanged for the quarter.**

Significant components within noninterest expense changed as follows:

- Marketing costs increased \$6 million due to higher expenses in the Direct Bank.
- Net occupancy expense increased \$3 million primarily due to increased repairs and utilities costs.
- Maintenance and depreciation expenses on operating leases declined \$4 million.
- Merger-related expenses declined \$4 million.
- Other noninterest expenses declined \$1 million spread among various accounts.

**Efficiency ratio** declined slightly from 61.91% to 61.74%.

**Adjusted efficiency ratio** increased modestly from 53.32% to 54.08%.

### 4Q22 vs 4Q21

**Noninterest expense increased \$51 million.** Significant components of the change were:

- Salaries and benefits expense increased \$26 million, primarily due to net staff additions, wage increases and revenue-based incentives.
- Merger-related expenses increased \$17 million.
- Marketing costs increased \$13 million for the same reason as the linked quarter increase.
- Other operating expenses were up \$13 million spread among various line items;
- Partially offset by a \$7 million decline in professional fees, a \$6 million reduction in FDIC insurance premiums, and a \$5 million decline in maintenance and depreciation expenses on operating leases.

**Efficiency ratio** improved from 65.40% to 61.74%. **Adjusted efficiency ratio** improved from 62.51% to 54.08% as adjusted net revenue grew 24% and adjusted noninterest expense grew 7%.

### YTD22 vs YTD21

**Noninterest expense increased \$252 million.** Significant components of the change were:

- Merger-related expenses increased \$194 million.
- Salaries and benefits expense increased \$53 million as a result of merger-related costs, wage increases, revenue-based incentives and temporary personnel costs, partially offset by net staff reductions.
- Marketing costs increased \$23 million due to the same reasons as the quarterly increases.
- Third-party processing expenses increased \$14 million and other operating expenses increased \$14 million;
- Partially offset by an \$18 million reduction in FDIC insurance premiums, a \$16 million decline in expenses on operating leases, and a \$12 million reduction in professional fees.

**Efficiency ratio** improved from 64.43% to 60.50%. **Adjusted efficiency ratio** improved from 64.34% to 56.40% as adjusted net revenue grew 19% and adjusted noninterest expense grew 4%.



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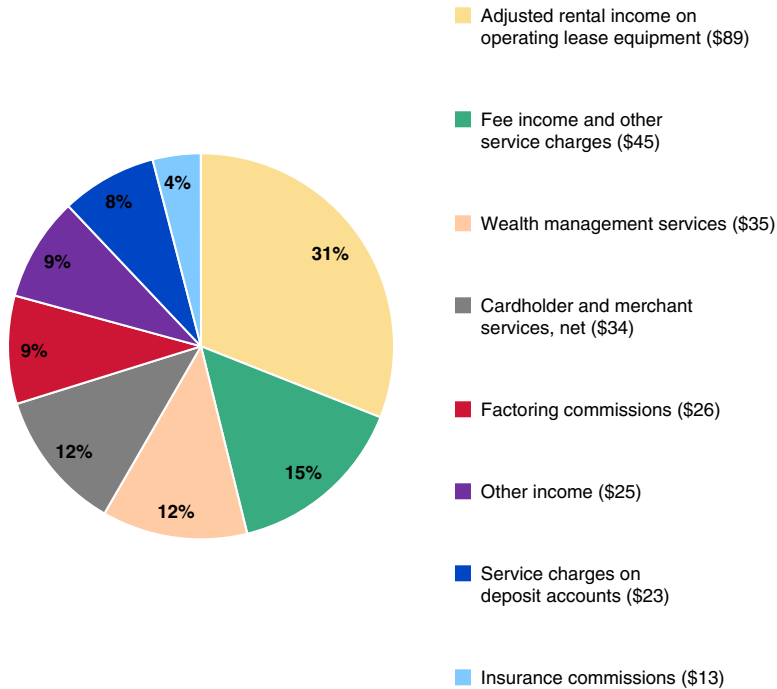
**Note** – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 34-35 of the Appendix.

(1) Adjusted noninterest expense is Non-GAAP and excludes notable items as detailed on page 12.

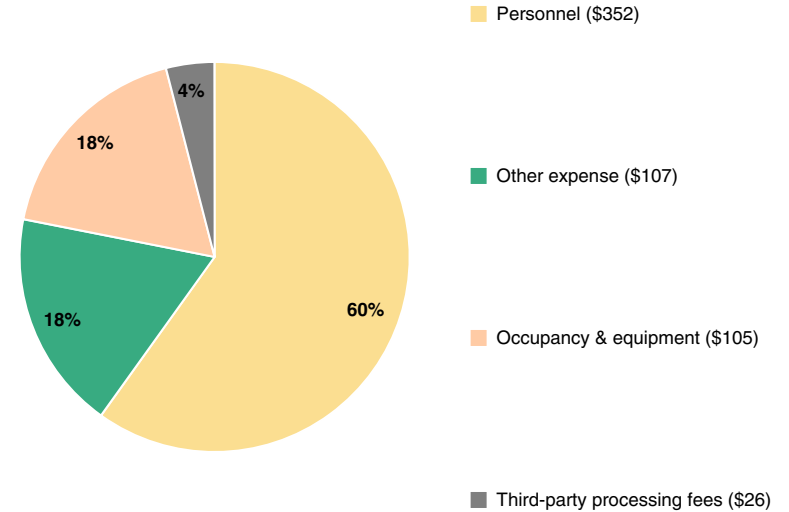
# 4Q22 Noninterest income and expense composition

(\$ in millions)

## Adjusted noninterest income (Non-GAAP)



## Adjusted noninterest expense (Non-GAAP)



# Balance Sheet Highlights

(\$ in millions, except per share data)

SELECT BALANCES <sup>(1)</sup>	4Q22	3Q22	4Q21	Increase (decrease)			
				4Q22 vs 3Q22 <sup>(4)</sup>		4Q22 vs 4Q21 <sup>(4)</sup>	
				\$	%	\$	%
Interest-earning deposits at banks	\$ 5,025	\$ 6,172	\$ 11,989	\$ (1,147)	(73.8)%	\$ (6,964)	(58.1)%
Investment securities	19,369	18,841	19,707	528	11.1	(338)	(1.7)
Loans and leases	70,781	69,790	65,211	991	5.6	5,570	8.5
Operating lease equipment, net <sup>(2)</sup>	8,156	7,984	8,024	172	8.6	132	1.6
Deposits	89,408	87,553	90,777	1,855	8.4	(1,369)	(1.5)
Borrowings	6,645	8,343	6,035	(1,698)	(80.7)	610	10.1
Tangible common stockholders' equity (non-GAAP)	8,295	8,461	9,709	(166)	(7.7)	(1,414)	(14.6)
Common stockholders' equity	8,781	8,952	10,176	(171)	(7.6)	(1,395)	(13.7)
Total stockholders' equity	9,662	9,833	11,041	(171)	(6.9)	(1,379)	(12.5)

KEY METRICS	4Q22	3Q22	4Q21	Increase (decrease)	
				4Q22 vs 3Q22	4Q22 vs 4Q21
Common equity Tier 1 (CET1) capital ratio <sup>(3)</sup>	10.08 %	10.37 %	11.50 %	(0.29)%	(1.42)%
Book value per common share <sup>(3)</sup>	\$ 605.36	\$ 597.75	\$ 447.95	\$ 7.61	\$ 157.41
Tangible book value per common share (non-GAAP) <sup>(3)</sup>	\$ 571.89	\$ 564.97	\$ 410.74	\$ 6.92	\$ 161.15
Tangible capital to tangible assets <sup>(1)</sup>	7.62 %	7.78 %	8.74 %	(0.16)%	(1.12)%
Loan to deposit ratio <sup>(1)</sup>	79.17 %	79.71 %	71.84 %	(0.54)%	7.33 %
ACL to total loans and leases <sup>(1)</sup>	1.30 %	1.26 %	1.37 %	0.04 %	(0.07)%
Noninterest bearing deposits to total deposits <sup>(1)</sup>	27.87 %	30.37 %	27.20 %	(2.50)%	0.67 %

(1) The financial data and ratios provided are presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 33 - 35 of the Appendix.

(2) Operating lease equipment, net includes \$7.4 billion of rail assets.

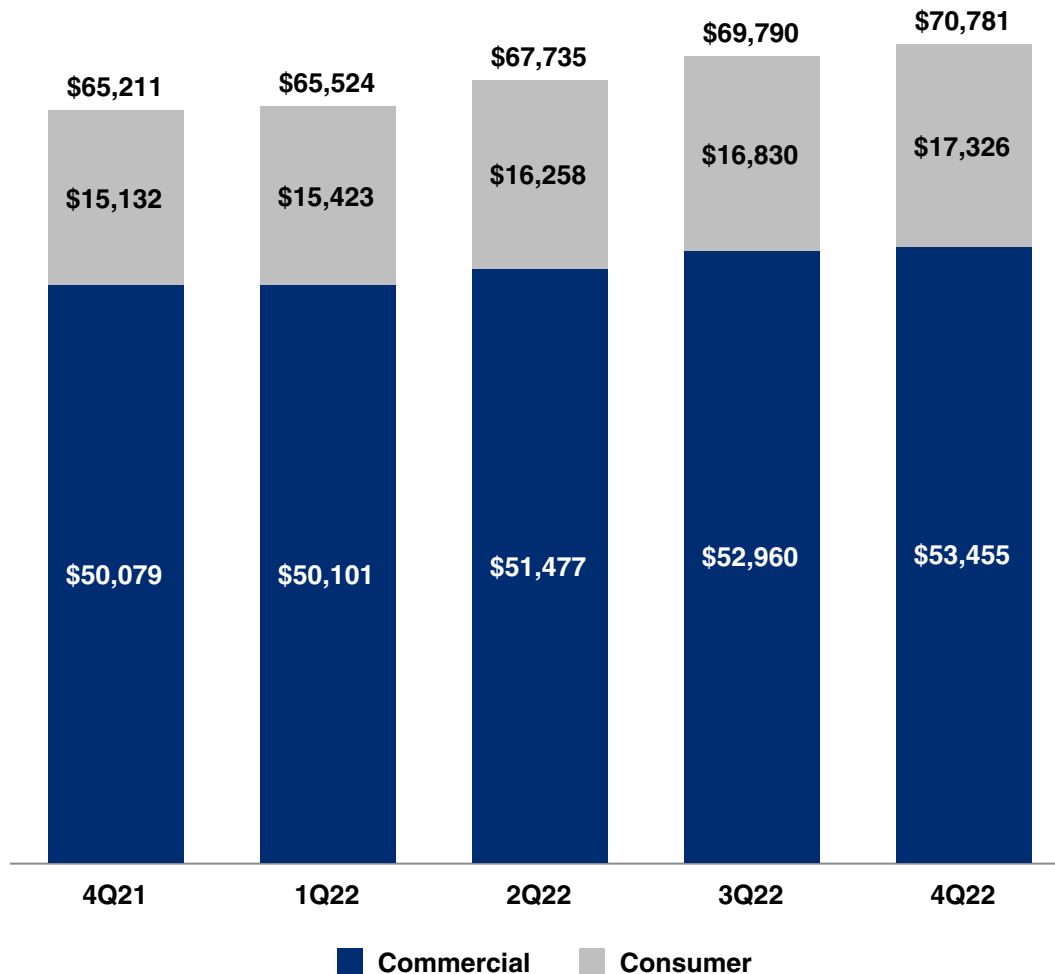
(3) 4Q21 ratios for CET1, book value per common share and tangible book value per common share are BancShares and do not include legacy CIT balances.

(4) Percent change is annualized and is calculated using unrounded numbers.



# Loans and Leases HFI

(\$ in millions)



## Highlights

### 4Q22 vs 3Q22

- Loans grew \$1.0 billion, or by 5.6% on an annualized basis.
- Growth was driven primarily by our branch network, Mortgage and Business Capital, partially offset by declines in Commercial Services and Real Estate Finance.
- The primary drivers of the growth by loan type were residential mortgage loans, owner occupied commercial mortgage loans and non-owner occupied commercial mortgage loans.

### 4Q22 vs 4Q21

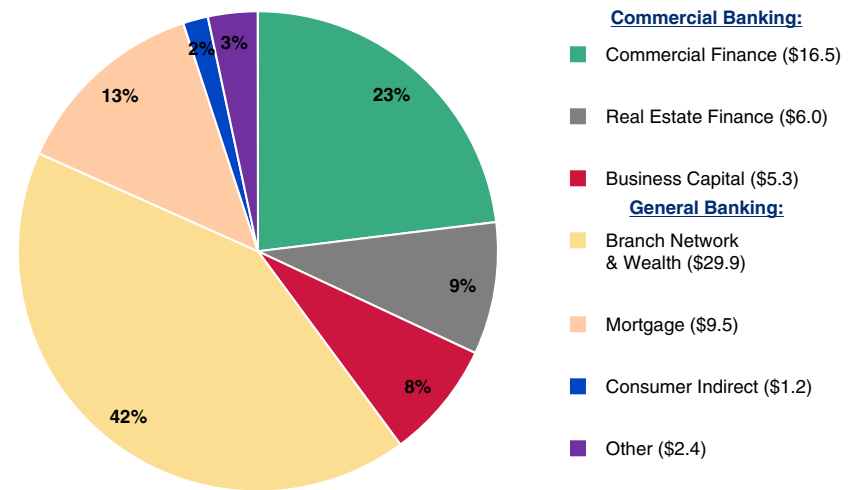
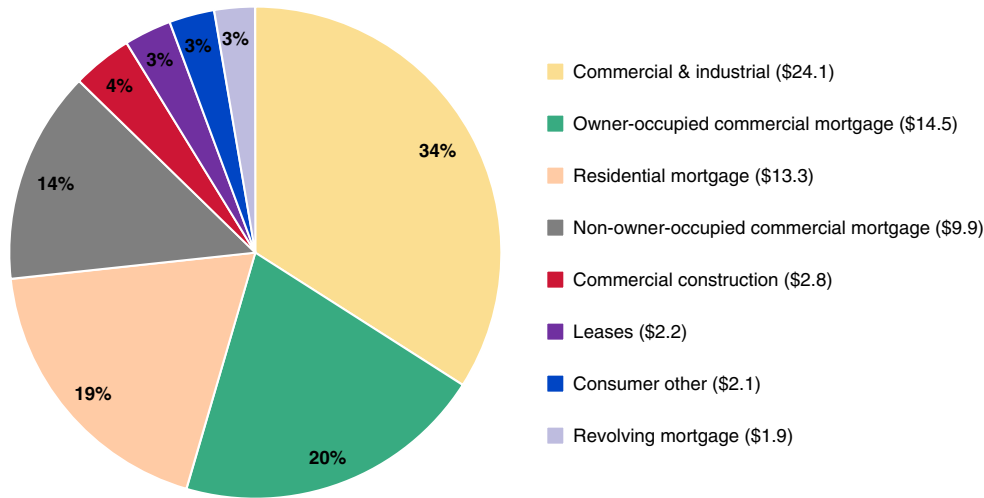
- Loans grew \$5.6 billion, or by 8.5%.
- Growth was driven primarily by our branch network, Commercial Finance and Mortgage, partially offset by declines in Real Estate Finance.
- The primary drivers of the growth by loan type were residential mortgage loans, commercial & industrial, owner occupied commercial mortgage loans and non-owner occupied commercial mortgage loans.

# 4Q22 Loans and Leases HFI Composition

(\$ in billions)

Type

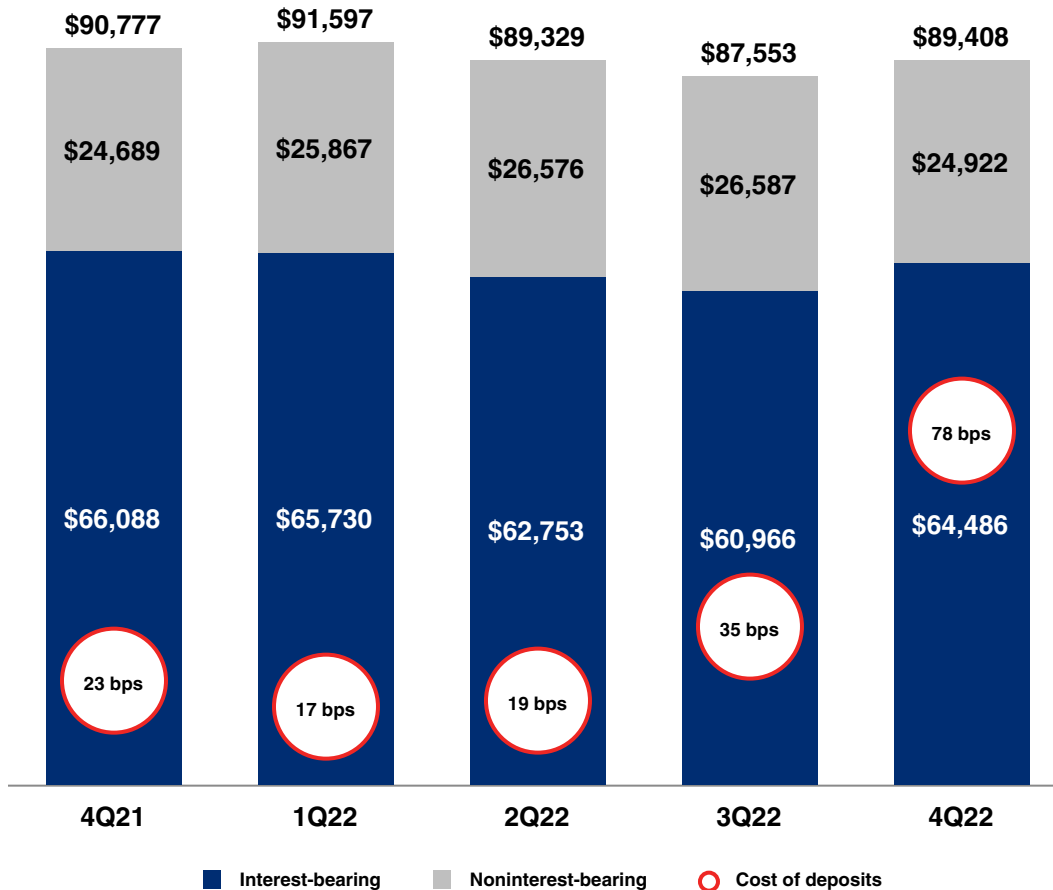
Segment



**Note** – Rail assets / operating leases are not included in the loan totals. The Commercial Banking segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

# Deposits

(\$ in millions)



## Highlights

### 4Q22 vs. 3Q22

- Total deposits increased \$1.9 billion, or by 8.4% on an annualized basis.
- Interest-bearing deposits increased \$3.5 billion, primarily due to a \$2.3 billion increase in time deposits and a \$1.9 billion increase in savings accounts, partially offset by a \$0.8 billion decrease in money market deposits.
- Noninterest-bearing deposits declined \$1.7 billion driven by a reduction in commercial deposit balances.

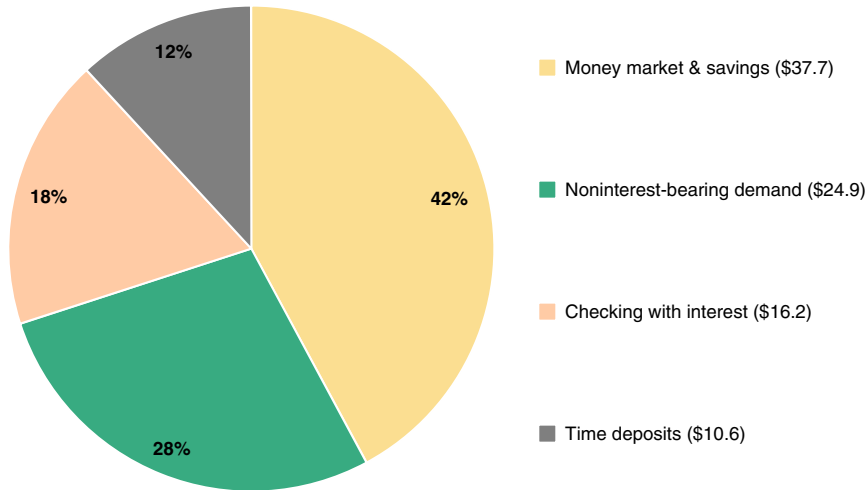
### 4Q22 vs. 4Q21

- Total deposits decreased \$1.4 billion, or by 1.5%.
- Interest-bearing deposits decreased \$1.6 billion, primarily driven by decreases of \$4.9 billion in money market deposits, partially offset by a \$2.8 billion increase in savings accounts and a \$0.6 billion increase in time deposits.
- The reduction in money market accounts was primarily concentrated in acquired higher cost Direct Bank accounts and acquired branches.
- Noninterest-bearing deposits increased by \$0.2 billion.

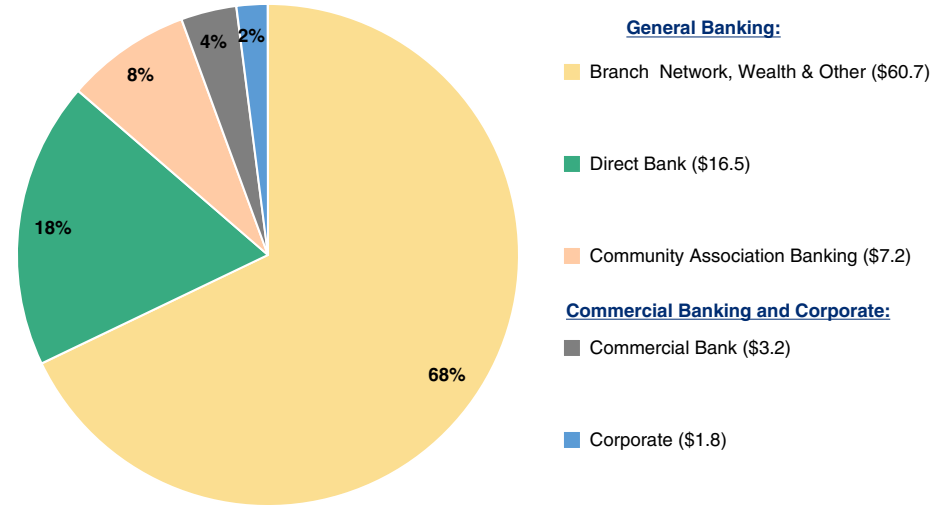
# 4Q22 Deposit Composition

(\$ in billions)

Type



Segment



**General Banking:**

Branch Network, Wealth & Other (\$60.7)

Direct Bank (\$16.5)

Community Association Banking (\$7.2)

**Commercial Banking and Corporate:**

Commercial Bank (\$3.2)

Corporate (\$1.8)



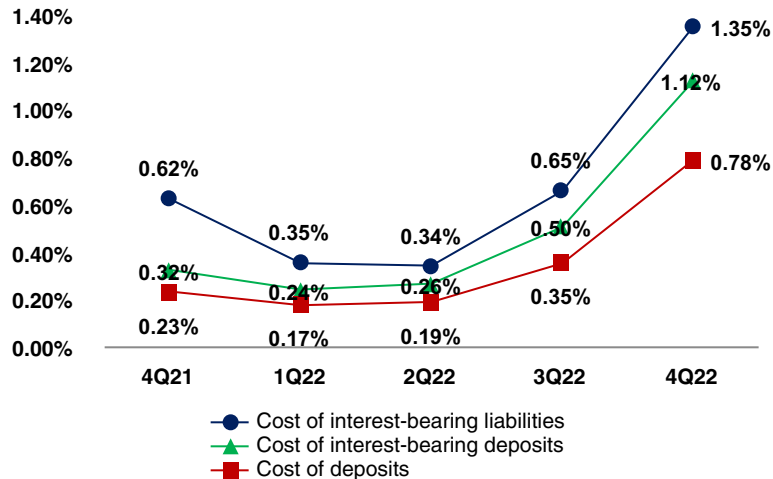
**Note** – The Commercial Banking segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

# Funding Mix

(\$ in millions)

	QTD										Change	
	4Q22		3Q22		2Q22		1Q22		4Q21		Linked Quarter	Prior Year Quarter
Total deposits	\$ 89,408	93.1 %	\$ 87,553	91.3 %	\$ 89,329	95.2 %	\$ 91,597	96.5 %	\$ 90,777	93.8 %	\$ 1,855	\$ (1,369)
Securities sold under customer repurchase agreements	436	0.5	578	0.6	646	0.7	616	0.6	589	0.6	(142)	(153)
Federal Home Loan Bank borrowings	4,250	4.3	5,800	6.0	1,785	1.9	639	0.7	645	0.7	(1,550)	3,605
Senior unsecured borrowings	885	0.9	888	0.9	892	1.0	895	1.0	3,742	3.8	(3)	(2,857)
Subordinated debt	1,049	1.1	1,052	1.1	1,055	1.1	1,058	1.1	973	1.0	(3)	76
Other borrowings	25	0.1	25	0.1	81	0.1	84	0.1	86	0.1	0	(61)
<b>Total deposits and borrowed funds</b>	<b>\$ 96,053</b>	<b>100 %</b>	<b>\$ 95,896</b>	<b>100 %</b>	<b>\$ 93,788</b>	<b>100 %</b>	<b>\$ 94,889</b>	<b>100 %</b>	<b>\$ 96,812</b>	<b>100 %</b>	<b>\$ 157</b>	<b>\$ (759)</b>

## Cost of funds



## Additional sources of liquidity

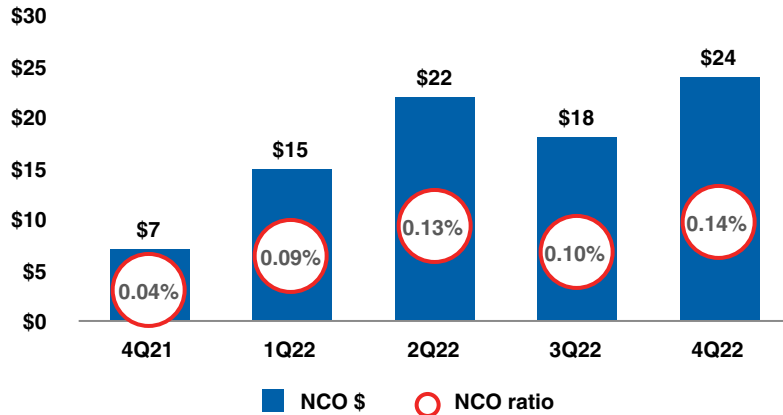
Categories	\$ in millions
FHLB	\$ 9,218
FRB	4,203
Line of credit	100
<b>Total</b>	<b>\$ 13,521</b>



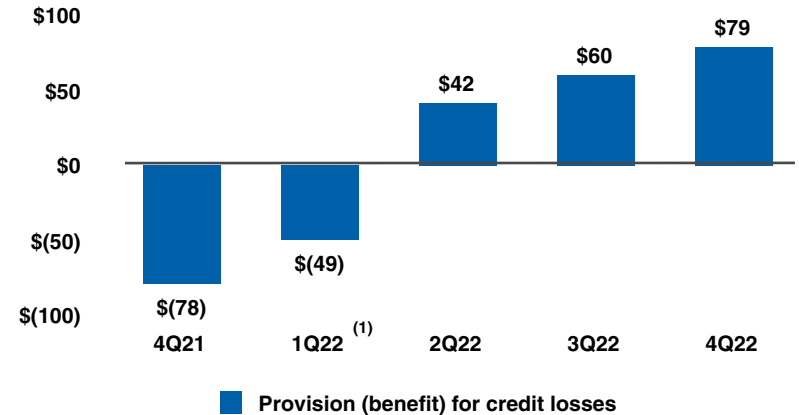
# ACL and Credit Quality Trends

(\$ in millions)

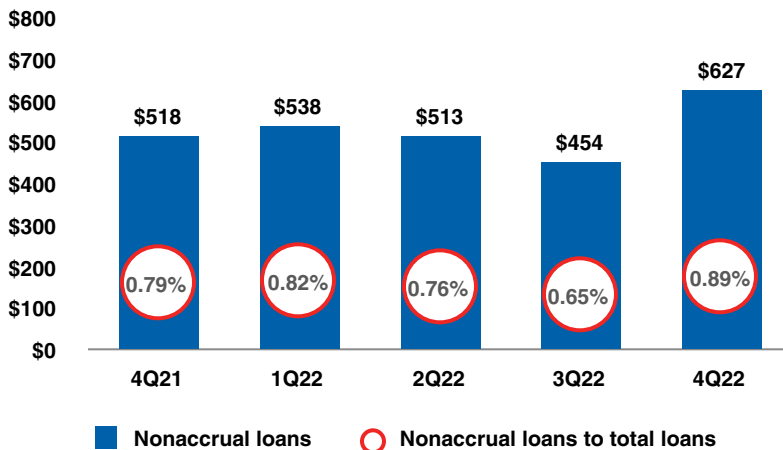
## Net charge-offs (NCO) & NCO ratio



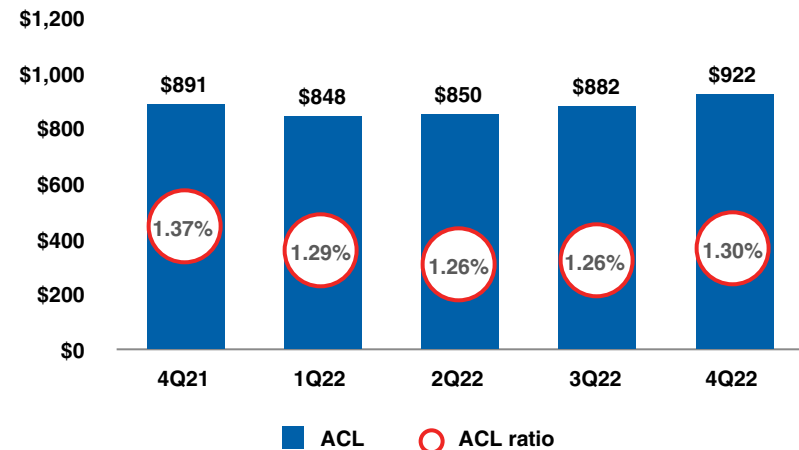
## Provision (benefit) for credit losses



## Nonaccrual loans / total loans & leases HFI



## ACL & ACL ratio



**Note** – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares reported data and ratios, refer to pages 33-35 of the Appendix.  
 (1) Excludes \$513 million of CECL Day 2 provision expense.

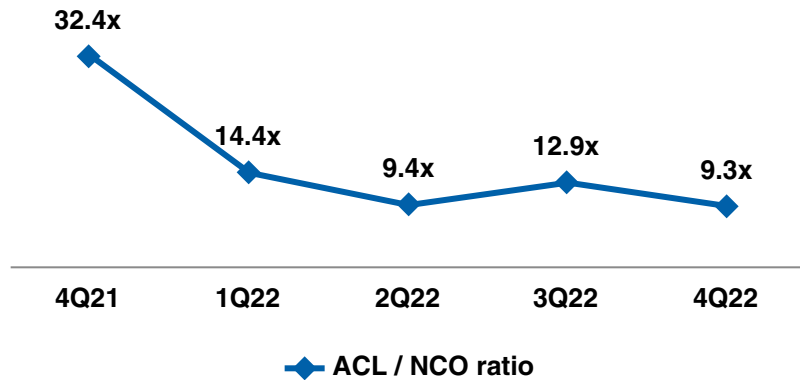
forever first

# Allowance for credit losses (ACL)

(\$ in millions)



## ACL / Net charge-offs



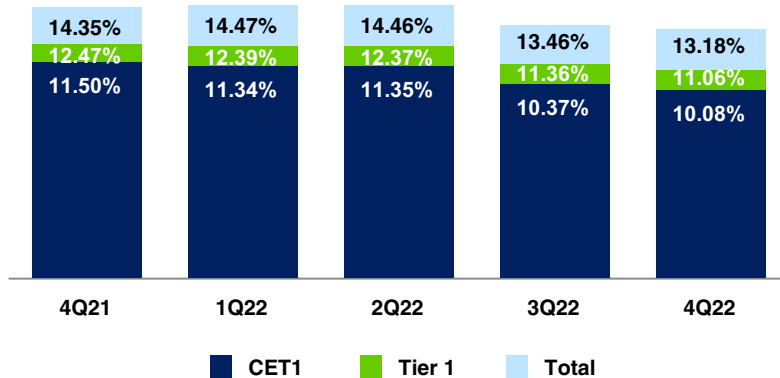
## Highlights

### 4Q22 vs 3Q22

- Total ACL increased \$40 million compared to the linked quarter.
- Factors contributing to the increase in the ACL were an increase in specific reserves on individually evaluated loans, portfolio growth and deterioration in the CECL macroeconomic outlook.
- These were partially offset by a decline related to portfolio mix due to a shift to portfolios with lower reserve rates.
- The ACL provided 9.3 times coverage of annualized quarterly net charge-offs.

# Capital

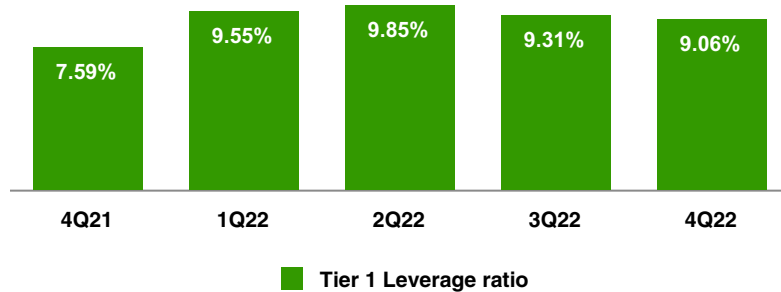
## Risk-based capital ratios



## Capital ratio rollforward

	Risk-Based Capital			Tier 1 Leverage
	Total	Tier 1	CET1	
<b>December 31, 2021</b>	<b>14.35%</b>	<b>12.47%</b>	<b>11.50%</b>	<b>7.59%</b>
CIT acquisition - net	(0.04)%	(0.26)%	(0.36)%	1.50%
<b>Pro forma combined - January 3, 2022</b>	<b>14.31%</b>	<b>12.21%</b>	<b>11.14%</b>	<b>9.09%</b>
Net income	1.23%	1.23%	1.23%	0.97%
Common dividends	(0.04)%	(0.04)%	(0.04)%	(0.04)%
Preferred dividends	(0.06)%	(0.06)%	(0.06)%	(0.05)%
Stock repurchases	(1.43)%	(1.43)%	(1.43)%	(1.15)%
Risk-weighted/average assets	(0.99)%	(0.84)%	(0.77)%	0.09%
SBA-PPP decline	0.00%	0.00%	0.00%	0.13%
Other	0.16%	(0.01)%	0.01%	0.02%
<b>December 31, 2022</b>	<b>13.18%</b>	<b>11.06%</b>	<b>10.08%</b>	<b>9.06%</b>
Change since 4Q21	(1.17)%	(1.41)%	(1.42)%	1.47%

## Tier 1 Leverage ratio



## Tangible book value per share (Non-GAAP)



# BOLI Early Surrender

## Summary

- Liquidity feature of BOLI provides option to early surrender the policies back to the insurance carrier
- Surrendering the policies triggers a taxable event (\$55 million charge)<sup>(1)</sup>

## Benefits

- Material benefit to balance sheet liquidity on day one
- Capital accretive on day one
- Earnings accretive after day one
- Cumulative earnings earnback approximately 2 years

# Financial Outlook

Section III



# Key Earnings Estimate Assumptions

Metric	4Q22	1Q23 - Projected	FY23 - Projected
Loans and leases	\$70.8 billion	Flat to low-single digit % annualized growth	Mid-single digit % annualized growth
Deposits	\$89.4 billion	High-single digit % annualized growth	Mid-single digit % annualized growth
Interest rates		50 bps increase in FFR in 1Q23 (ending FF effective rate of 4.75% - 5.00%)	FFR to peak at 5.00% - 5.25%, with 50 bps of cuts in 2H23
Net interest income	\$802 million	Flat to slightly low-single digit % decline; margin stable	Mid-teens % growth YoY; margin stable to moderately increasing
Net charge-off ratio (annualized/annual)	14 bps	15 - 25 bps	20 - 30 bps
Adjusted noninterest income <sup>(1)</sup>	\$290 million	Flat to low-single digit % decline	Flat to low-single digit % growth
Adjusted noninterest expense <sup>(2)</sup>	\$590 million	Mid-single digit % growth	Mid-single digit % growth
Effective tax rate	35%	24.5% - 25%	24.5% - 25%

(1) Adjusted noninterest income includes net rental income on operating lease assets (net of depreciation and maintenance) and excludes fair value adjustments on marketable equity securities, realized gains/losses on sales of AFS securities, realized gains/losses on sales of leasing equipment and legacy consumer loans, realized gains/losses on extinguishment of debt and acquisition accounting gains.

(2) Adjusted noninterest expense excludes depreciation and maintenance on operating lease assets, merger-related expenses and amortization of intangibles.



# Appendix

## Section IV



# BancShares Balance Sheets (unaudited)

(\$ in millions)

	4Q22	3Q22	2Q22	1Q22	4Q21
	BancShares	BancShares	BancShares	BancShares	BancShares
<b>ASSETS</b>					
Cash and due from banks	\$ 518	\$ 481	\$ 583	\$ 523	\$ 338
Interest-earning deposits at banks	5,025	6,172	6,476	9,285	9,115
Investment in marketable equity securities	95	92	94	100	98
Investment securities available for sale	8,995	9,088	9,210	9,295	9,203
Investment securities held to maturity	10,279	9,661	9,832	10,074	3,809
Assets held for sale	60	21	38	83	99
Loans and leases	70,781	69,790	67,735	65,524	32,372
Allowance for credit losses	(922)	(882)	(850)	(848)	(178)
<b>Loans and leases, net of allowance for credit losses</b>	<b>69,859</b>	<b>68,908</b>	<b>66,885</b>	<b>64,676</b>	<b>32,194</b>
Operating lease equipment, net	8,156	7,984	7,971	7,972	—
Premises and equipment, net	1,456	1,410	1,415	1,431	1,233
Goodwill	346	346	346	346	346
Other intangible assets	140	145	150	156	19
Other assets	4,369	5,002	4,673	4,656	1,855
<b>Total assets</b>	<b>\$ 109,298</b>	<b>\$ 109,310</b>	<b>\$ 107,673</b>	<b>\$ 108,597</b>	<b>\$ 58,309</b>
<b>LIABILITIES</b>					
Deposits:					
Noninterest-bearing	\$ 24,922	\$ 26,587	\$ 26,576	\$ 25,867	\$ 21,405
Interest-bearing	64,486	60,966	62,753	65,730	30,001
<b>Total deposits</b>	<b>89,408</b>	<b>87,553</b>	<b>89,329</b>	<b>91,597</b>	<b>51,406</b>
Credit balances of factoring clients	995	1,147	1,070	1,150	—
Short-term borrowings	2,186	3,128	646	616	589
Long-term borrowings	4,459	5,215	3,813	2,676	1,195
Total borrowings	6,645	8,343	4,459	3,292	1,784
Other liabilities	2,588	2,434	2,173	1,988	381
<b>Total liabilities</b>	<b>99,636</b>	<b>99,477</b>	<b>97,031</b>	<b>98,027</b>	<b>53,571</b>
<b>STOCKHOLDERS' EQUITY</b>					
Preferred stock	881	881	881	881	340
Common stock	15	15	16	16	10
Additional paid in capital	4,109	4,506	5,345	5,344	—
Retained earnings	5,392	5,160	4,865	4,634	4,378
Accumulated other comprehensive (loss) income	(735)	(729)	(465)	(305)	10
<b>Total stockholders' equity</b>	<b>9,662</b>	<b>9,833</b>	<b>10,642</b>	<b>10,570</b>	<b>4,738</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 109,298</b>	<b>\$ 109,310</b>	<b>\$ 107,673</b>	<b>\$ 108,597</b>	<b>\$ 58,309</b>

# BancShares Income Statements (unaudited)

(\$ in millions)

	4Q22	3Q22	2Q22	1Q22	4Q21	YTD22	YTD21
	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares
<b>INTEREST INCOME</b>							
Interest and fees on loans	\$ 892	\$ 785	\$ 655	\$ 621	\$ 328	\$ 2,953	\$ 1,295
Interest on investment securities	92	90	89	83	39	354	145
Interest on deposits at banks	56	31	13	6	4	106	11
<b>Total interest income</b>	<b>1,040</b>	<b>906</b>	<b>757</b>	<b>710</b>	<b>371</b>	<b>3,413</b>	<b>1,451</b>
<b>INTEREST EXPENSE</b>							
Deposits	176	78	42	39	8	335	33
Borrowings	62	33	15	22	6	132	28
<b>Total interest expense</b>	<b>238</b>	<b>111</b>	<b>57</b>	<b>61</b>	<b>14</b>	<b>467</b>	<b>61</b>
<b>Net interest income</b>	<b>802</b>	<b>795</b>	<b>700</b>	<b>649</b>	<b>357</b>	<b>2,946</b>	<b>1,390</b>
Provision (benefit) for credit losses	79	60	42	464	(5)	645	(37)
<b>Net interest income after provision for credit losses</b>	<b>723</b>	<b>735</b>	<b>658</b>	<b>185</b>	<b>362</b>	<b>2,301</b>	<b>1,427</b>
<b>NONINTEREST INCOME</b>							
Rental income on operating lease equipment	224	219	213	208	—	864	—
Fee income and other service charges	45	44	39	35	11	163	42
Wealth management services	35	35	37	35	33	142	129
Service charges on deposit accounts	23	21	28	28	26	100	95
Factoring commissions	26	24	27	27	—	104	—
Cardholder services, net	26	25	26	25	22	102	87
Merchant services, net	8	8	9	10	7	35	33
Insurance commissions	13	11	11	12	4	47	16
Realized gain on sale of investment securities available for sale, net	—	—	—	—	—	—	33
Fair value adjustment on marketable equity securities, net	2	(2)	(6)	3	3	(3)	34
Bank-owned life insurance	7	8	9	8	1	32	3
Gain on sale of leasing equipment, net	2	2	5	6	—	15	—
Gain on acquisition	—	—	—	431	—	431	—
Gain on extinguishment of debt	—	1	—	6	—	7	—
Other noninterest income	18	37	26	16	7	97	36
<b>Total noninterest income</b>	<b>429</b>	<b>433</b>	<b>424</b>	<b>850</b>	<b>114</b>	<b>2,136</b>	<b>508</b>
<b>NONINTEREST EXPENSE</b>							
Depreciation on operating lease equipment	88	87	89	81	—	345	—
Maintenance and other operating lease expenses	47	52	47	43	—	189	—
Salaries and benefits	352	351	341	352	193	1,396	759
Net occupancy expense	50	47	48	49	30	194	117
Equipment expense	55	55	54	52	30	216	119
Professional fees	13	13	15	16	7	57	20
Third-party processing fees	26	27	26	24	16	103	60
FDIC insurance expense	5	5	9	12	4	31	14
Marketing	21	15	9	8	3	53	10
Merger-related expenses	29	33	34	135	9	231	29
Intangible asset amortization	6	5	6	6	3	23	12
Other noninterest expense	68	70	67	32	28	237	94
<b>Total noninterest expense</b>	<b>760</b>	<b>760</b>	<b>745</b>	<b>810</b>	<b>323</b>	<b>3,075</b>	<b>1,234</b>
<b>Income before income taxes</b>	<b>392</b>	<b>408</b>	<b>337</b>	<b>225</b>	<b>153</b>	<b>1,362</b>	<b>701</b>
Income tax (benefit) expense	135	93	82	(46)	30	264	154
<b>Net income</b>	<b>\$ 257</b>	<b>\$ 315</b>	<b>\$ 255</b>	<b>\$ 271</b>	<b>\$ 123</b>	<b>\$ 1,098</b>	<b>\$ 547</b>
<b>Preferred stock dividends</b>	<b>\$ 14</b>	<b>\$ 12</b>	<b>\$ 17</b>	<b>\$ 7</b>	<b>\$ 4</b>	<b>\$ 50</b>	<b>\$ 18</b>
<b>Net income available to common stockholders</b>	<b>\$ 243</b>	<b>\$ 303</b>	<b>\$ 238</b>	<b>\$ 264</b>	<b>\$ 119</b>	<b>\$ 1,048</b>	<b>\$ 529</b>

# BancShares Financial Ratios (unaudited) <sup>(1)</sup>

	4Q21	YTD21
	BancShares	BancShares
ROA	0.84 %	1.00 %
PPNR ROA	1.01 %	1.21 %
NIM	2.58 %	2.66 %
Net charge-off ratio	(0.01)%	0.03 %
Efficiency ratio	66.31 %	65.11 %
Tangible capital to tangible assets <sup>(2)</sup>	6.96 %	6.96 %
Loan to deposits ratio <sup>(2)</sup>	62.97 %	62.97 %
ACL to total loans and leases <sup>(2)</sup>	0.55 %	0.55 %
Noninterest bearing deposits to total deposits <sup>(2)</sup>	41.64 %	41.64 %
Cost of deposits <sup>(2)</sup>	0.06 %	0.07 %
Cost of interest bearing deposits <sup>(2)</sup>	0.11 %	0.12 %
Cost of interest bearing liabilities <sup>(2)</sup>	0.19 %	0.21 %
Nonaccrual loans to total loans and leases <sup>(2)</sup>	0.37 %	0.37 %
ACL / Net charge-offs <sup>(2)</sup>	NM	19.9 x



(1) The above table includes ratios for legacy BancShares 2021 historical period. Within the presentation, these ratios are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical period.

(2) Ratios are not provided for periods not included in the presentation.

# Noninterest income

(\$ in millions)

	Quarter-to-date				4Q22 Change vs	
	4Q22	3Q22	2Q22	1Q22	3Q22	
	BancShares	BancShares	BancShares	BancShares	\$	%
Rental income on operating lease equipment	\$ 224	\$ 219	\$ 213	\$ 208	\$ 5	2.4 %
Fee income and other service charges	45	44	39	35	1	4.6
Wealth management services	35	35	37	35	—	0.5
Service charges on deposit accounts	23	21	28	28	2	12.7
Factoring commissions	26	24	27	27	2	5.2
Cardholder services, net	26	25	26	25	1	3.0
Merchant services, net	8	8	9	10	—	(0.1)
Insurance commissions	13	11	11	12	2	8.9
Fair value adjustment on marketable equity securities, net	2	(2)	(6)	3	4	(179.5)
Bank-owned life insurance	7	8	9	8	(1)	(14.9)
Gain on sale of leasing equipment, net	2	2	5	6	—	25.1
Gain on acquisition	—	—	—	431	—	—
Gain on extinguishment of debt	—	1	—	6	(1)	(126.0)
Other noninterest income	18	37	26	16	(19)	(50.9)
<b>Total noninterest income - GAAP</b>	<b>\$ 429</b>	<b>\$ 433</b>	<b>\$ 424</b>	<b>\$ 850</b>	<b>\$ (4)</b>	<b>(0.8)%</b>
Depreciation on operating lease equipment	\$ (88)	\$ (87)	\$ (89)	\$ (81)	\$ (1)	1.1 %
Maintenance and other operating lease expenses	(47)	(52)	(47)	(43)	5	(9.6)
Fair value adjustment on marketable equity securities, net	(2)	2	6	(3)	(4)	(200.0)
Gain on sale of leasing equipment, net	(2)	(2)	(5)	(6)	—	—
Gain on acquisition	—	—	—	(431)	—	—
Gain on extinguishment of debt	—	(1)	—	(6)	1	(100.0)
Other noninterest income	—	(5)	(6)	—	5	(100.0)%
<b>Total notable items</b>	<b>\$ (139)</b>	<b>\$ (145)</b>	<b>\$ (141)</b>	<b>\$ (570)</b>	<b>\$ 6</b>	<b>(4.1)%</b>
Rental income on operating lease equipment	\$ 89	\$ 80	\$ 77	\$ 84	\$ 9	2.4 %
Fee income and other service charges	45	44	39	35	1	4.6
Wealth management services	35	35	37	35	—	0.5
Service charges on deposit accounts	23	21	28	28	2	12.7
Factoring commissions	26	24	27	27	2	5.2
Cardholder services, net	26	25	26	25	1	3.0
Merchant services, net	8	8	9	10	—	(0.1)
Insurance commissions	13	11	11	12	2	8.9
Bank-owned life insurance	7	8	9	8	(1)	(14.9)
Other noninterest income	18	32	20	16	(14)	(42.7)%
<b>Total noninterest income - adjusted</b>	<b>\$ 290</b>	<b>\$ 288</b>	<b>\$ 283</b>	<b>\$ 280</b>	<b>\$ 2</b>	<b>(0.5)%</b>

# Noninterest expense

(\$ in millions)

	Quarter-to-date				4Q22 Change vs	
	4Q22	3Q22	2Q22	1Q22	3Q22	
	BancShares	BancShares	BancShares	BancShares	\$	%
Depreciation on operating lease equipment	\$ 88	\$ 87	\$ 89	\$ 81	\$ 1	1.3 %
Maintenance and other operating lease expenses	47	52	47	43	(5)	(8.7)
Salaries and benefits	352	351	341	352	1	0.6
Net occupancy expense	50	47	48	49	3	4.4
Equipment expense	55	55	54	52	—	1.0
Professional fees	13	13	15	16	—	3.1
Third-party processing fees	26	27	26	24	(1)	(1.0)
FDIC insurance expense	5	5	9	12	—	(6.1)
Marketing	21	15	9	8	6	45.3
Merger-related expenses	29	33	34	135	(4)	(11.6)
Intangible asset amortization	6	5	6	6	1	(2.9)
Other noninterest expense	68	70	67	32	(2)	(4.7)
<b>Total noninterest expense - GAAP</b>	<b>\$ 760</b>	<b>\$ 760</b>	<b>\$ 745</b>	<b>\$ 810</b>	<b>\$ —</b>	<b>0.1 %</b>
Depreciation on operating lease equipment	\$ (88)	\$ (87)	\$ (89)	\$ (81)	\$ (1)	1.1 %
Maintenance and other operating lease expenses	(47)	(52)	(47)	(43)	5	(9.6)
Merger-related expenses	(29)	(33)	(34)	(135)	4	(12.1)
Intangible asset amortization	(6)	(5)	(6)	(6)	(1)	20.0
Other noninterest expense	—	(6)	(3)	27	6	(100.0)
<b>Total notable items</b>	<b>\$ (170)</b>	<b>\$ (183)</b>	<b>\$ (179)</b>	<b>\$ (238)</b>	<b>\$ 13</b>	<b>(7.1)%</b>
Salaries and benefits	\$ 352	\$ 351	\$ 341	\$ 352	\$ 1	0.6 %
Net occupancy expense	50	47	48	49	3	4.4
Equipment expense	55	55	54	52	—	1.0
Professional fees	13	13	15	16	—	3.1
Third-party processing fees	26	27	26	24	(1)	(1.0)
FDIC insurance expense	5	5	9	12	—	(6.1)
Marketing	21	15	9	8	6	45.3
Other noninterest expense	68	64	64	59	4	2.7
<b>Total noninterest expense - adjusted</b>	<b>\$ 590</b>	<b>\$ 577</b>	<b>\$ 566</b>	<b>\$ 572</b>	<b>\$ 13</b>	<b>1.3 %</b>



# Debt Securities Overview

(\$ in millions)	4Q22 <sup>(1)</sup>			
	Carrying Value <sup>(2)</sup>	% of Portfolio	Yield <sup>(3)</sup>	Duration (Years)
<b>AFS Portfolio</b>				
U.S. Treasury	\$ 1,898	10 %	1.08 %	2.0
Government agency	162	1	3.51	0.4
Commerical mortgage-backed securities	1,604	8	2.92	2.3
Residential mortgage-backed securities	4,795	25	2.05	4.8
Corporate bonds	536	3	5.74	2.1
<b>Total AFS portfolio</b>	<b>\$ 8,995</b>	<b>47 %</b>	<b>2.25 %</b>	<b>3.5</b>
<b>HTM portfolio</b>				
U.S. Treasury	\$ 474	2 %	1.37 %	4.3
Government agency	1,548	8	1.50	4.2
Commerical mortgage-backed securities	3,355	17	1.76	3.3
Residential mortgage-backed securities	4,605	24	1.74	6.6
Other investments	297	2	1.56	5.9
<b>Total HTM portfolio</b>	<b>\$ 10,279</b>	<b>53 %</b>	<b>1.69 %</b>	<b>5.0</b>
<b>Grand total</b>	<b>\$ 19,724</b>	<b>100 %</b>	<b>1.95 %</b>	<b>4.3</b>

(1) Includes the debt securities portfolio; excludes marketable equity securities.

(2) Carrying value represents fair value for AFS and amortized cost for HTM portfolios.

(3) Yield represents actual accounting yield recognized during the quarter.

# Average Balances and Yields

(\$ in millions)

	Change vs.														
	4Q22			3Q22			4Q21			3Q22			4Q21		
	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate
Loans and leases <sup>(1)</sup>	\$ 69,290	\$ 892	5.09%	\$ 67,733	\$ 785	4.58%	\$ 63,962	\$ 668	4.13%	\$ 1,557	\$ 107	0.51 %	\$ 5,328	\$ 224	0.96 %
Investment securities	18,876	92	1.95	19,119	90	1.88	17,618	60	1.34	(243)	2	0.07	1,258	32	0.61
Interest-earning deposits at banks	6,193	56	3.60	5,685	31	2.17	14,481	5	0.14	508	25	1.43	(8,288)	51	3.46
<b>Total interest-earning assets <sup>(1)</sup></b>	<b>\$ 94,359</b>	<b>\$ 1,040</b>	<b>4.36%</b>	<b>\$ 92,537</b>	<b>\$ 906</b>	<b>3.87%</b>	<b>\$ 96,061</b>	<b>\$ 733</b>	<b>3.01%</b>	<b>\$ 1,822</b>	<b>\$ 134</b>	<b>0.49 %</b>	<b>\$ (1,702)</b>	<b>\$ 307</b>	<b>1.35 %</b>
Interest-bearing deposits	\$ 62,532	\$ 176	1.12%	\$ 61,545	\$ 78	0.50%	\$ 65,354	\$ 53	0.32%	\$ 987	\$ 98	0.62 %	\$ (2,822)	\$ 123	0.80 %
Securities sold under customer repurchase agreements	514	—	0.27	617	1	0.16	650	1	0.16	(103)	(1)	0.11	(136)	(1)	0.11
Other short-term borrowings	2,080	20	3.72	1,188	8	2.57	—	—	—	892	12	1.15	2,080	20	3.72
Long-term borrowings	4,800	42	3.42	3,803	24	2.59	5,467	60	4.40	997	18	0.83	(667)	(18)	(0.98)
Total borrowings	\$ 7,394	\$ 62	3.28%	\$ 5,608	\$ 33	2.32%	\$ 6,117	\$ 61	3.94%	\$ 1,786	\$ 29	0.96 %	\$ 1,277	\$ 1	(0.66)%
<b>Total interest-bearing liabilities</b>	<b>\$ 69,926</b>	<b>\$ 238</b>	<b>1.35%</b>	<b>\$ 67,153</b>	<b>\$ 111</b>	<b>0.65%</b>	<b>\$ 71,471</b>	<b>\$ 114</b>	<b>0.62%</b>	<b>\$ 2,773</b>	<b>\$ 127</b>	<b>0.70 %</b>	<b>\$ 67,153</b>	<b>\$ 124</b>	<b>0.73 %</b>
<b>Net interest income</b>	<b>\$ 802</b>			<b>\$ 795</b>			<b>\$ 619</b>			<b>\$ 7</b>			<b>\$ 183</b>		
<b>Net interest spread <sup>(1)</sup></b>	<b>3.01%</b>			<b>3.22%</b>			<b>2.39%</b>			<b>-0.21 %</b>			<b>0.62 %</b>		
<b>Net interest margin <sup>(1)</sup></b>	<b>3.36%</b>			<b>3.40%</b>			<b>2.56%</b>			<b>-0.04 %</b>			<b>0.80 %</b>		

	Change vs.								
	YTD22			YTD21			YTD21		
	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate
Loans and leases <sup>(1)</sup>	\$ 66,634	\$ 2,953	4.41%	\$ 65,639	\$ 2,697	4.09%	\$ 995	\$ 256	0.32 %
Investment securities	19,166	354	1.85	16,110	216	1.32	3,056	138	0.53
Interest-earning deposits at banks	7,726	106	1.38	13,246	17	0.13	(5,520)	89	1.25
<b>Total interest-earning assets <sup>(1)</sup></b>	<b>\$ 93,526</b>	<b>\$ 3,413</b>	<b>3.63%</b>	<b>\$ 94,995</b>	<b>\$ 2,930</b>	<b>3.07%</b>	<b>\$ (1,469)</b>	<b>\$ 483</b>	<b>0.56 %</b>
Interest-bearing deposits	\$ 63,598	\$ 335	0.53%	\$ 65,295	\$ 239	0.37%	\$ (1,697)	\$ 96	0.16 %
Securities sold under customer repurchase	590	1	0.19	660	1	0.20	(70)	—	(0.01)
Other short-term borrowings	824	28	3.30	—	—	—	824	28	3.30
Long-term borrowings	3,882	103	2.64	5,915	249	4.15	(2,033)	(146)	(1.51)
Total borrowings	\$ 5,296	\$ 132	2.47%	\$ 6,575	\$ 250	3.75%	\$ (1,279)	\$ (118)	(1.28)%
<b>Total interest-bearing liabilities</b>	<b>\$ 68,894</b>	<b>\$ 467</b>	<b>0.68%</b>	<b>\$ 71,870</b>	<b>\$ 489</b>	<b>0.68%</b>	<b>\$ (2,976)</b>	<b>\$ (22)</b>	<b>— %</b>
<b>Net interest income</b>	<b>\$ 2,946</b>			<b>\$ 2,441</b>			<b>\$ 505</b>		
<b>Net interest spread <sup>(1)</sup></b>	<b>2.95%</b>			<b>2.39%</b>			<b>0.56 %</b>		
<b>Net interest margin <sup>(1)</sup></b>	<b>3.14%</b>			<b>2.55%</b>			<b>0.59 %</b>		



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**Note** – The financial data and/or ratios provided on this page are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical period. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures

(1) The balance and rate presented is calculated net of average credit balances of factoring clients.

# Commercial Banking Segment

## Highlights

<i>(Actual balances; \$ in millions)</i>	<u>4Q22</u>	<u>3Q22</u>
<b>Income Statement</b>		
Net interest income	\$ 244	\$ 230
Noninterest income	141	133
<b>Net revenue</b>	<b>385</b>	<b>363</b>
Noninterest expenses	188	186
<b>Pre-provision net revenue</b>	<b>197</b>	<b>177</b>
Provision (benefit) for credit losses	59	58
<b>Segment income before taxes</b>	<b>138</b>	<b>119</b>
Income taxes	39	25
<b>Segment net income</b>	<b>\$ 99</b>	<b>\$ 94</b>
<b>Balance Sheet</b>		
Loans and leases	\$ 27,782	\$ 28,023
Deposits	3,225	3,682
Factoring volume	6,497	6,801

- The Commercial Banking segment saw a slight decline in loan balances as Commercial Services (factoring) balances declined \$448 million compared to the linked quarter due to seasonal declines from the third quarter high mark. This decline was partially offset by Business Capital which increased loans \$193 million (15% annualized).
- Commercial Services (factoring) volume totaled \$6.5 billion, which was a decrease of approximately \$300 million from the prior quarter as a result of seasonal changes and slowed customer orders resulting from the macroeconomic environment.
- Business Capital had another strong quarter of growth. Outlook remains solid, but we expect flattening compared to the prior year given macroeconomic factors and sustained inflation.
- Credit quality does not show any meaningful signs of deterioration outside of a few pockets in Business Capital and Real Estate Finance. Total net charge-offs increased to 32 bps, up from 24 bps in the third quarter.

# General Banking Segment

<i>(Actual balances; \$ in millions)</i>	<u>4Q22</u>	<u>3Q22</u>
<b>Income Statement</b>		
Net interest income	\$ 546	\$ 495
Noninterest income	111	118
<b>Net revenue</b>	<b>657</b>	<b>613</b>
Noninterest expenses	360	410
<b>Pre-provision net revenue</b>	<b>297</b>	<b>203</b>
Provision (benefit) for credit losses	15	2
<b>Segment income before taxes</b>	<b>282</b>	<b>201</b>
Income taxes	70	55
<b>Segment net income</b>	<b>\$ 212</b>	<b>\$ 146</b>
<b>Balance Sheet</b>		
Loans and leases	\$ 42,921	\$ 41,693
Deposits	84,361	82,730
<b>Other Key Metrics</b>		
Number of branches	550	559
Wealth management assets under management (\$B)	\$ 34.2	\$ 31.8
Card volume	4,131	4,001
Merchant volume	1,640	1,728

## Highlights

- The General Banking segment had strong loan growth over the prior quarter (15% annualized) driven primarily by business & commercial loan growth in the branch network and growth in Mortgage due to both strong loan production and slowing prepay speeds on existing balances.
- Deposits increased by \$1.7 billion compared to the third quarter, primarily driven by increases in the Direct Bank (\$2.5 billion, 72% annualized).
- Net interest income increased \$52 million, or by 10%, compared to the linked quarter due to positive loan growth in the quarter and increases to funding credit in the deposit portfolios.
- Credit quality remains strong, with no apparent stresses on the portfolio.
- We continue to place an emphasis on strengthening digital capabilities and refining our branch network to ensure sales strategies align with client preferences regarding channel selection and declines in transactional activity.



# Rail Segment

(Actual balances ; \$ in millions)	4Q22	3Q22
<b>Income Statement</b>		
Rental income on operating lease equipment	\$ 168	\$ 165
Depreciation on operating lease equipment	45	44
Maintenance and other operating lease expenses	47	52
<b>Adjusted rental income on operating lease equipment</b>	<b>76</b>	<b>69</b>
Interest expense, net	23	20
Noninterest income	(5)	6
Noninterest expense	15	15
<b>Segment income before income taxes</b>	<b>33</b>	<b>40</b>
Provision for income taxes	9	10
<b>Segment net income</b>	<b>\$ 24</b>	<b>\$ 30</b>
<b>Balance Sheet</b>		
Operating lease equipment, net	\$ 7,433	\$ 7,248
<b>Other Key Metrics</b>		
Railcars and locomotives	119,169	118,515
Utilization	97.7 %	96.2 %
Average age of cars in years	15	14
Renewal rate to previous rate	130 %	105 %

## Highlights

- Fleet utilization increased to 97.7% in the fourth quarter from 96.2% in the linked quarter. Utilization represents the highest level since 4Q18.
- In the fourth quarter, the renewal re-pricing rate was 130% of the prior rate driven by broad-based strength across the portfolio.
- Net revenue on operating leases increased by \$6 million due to higher rental income and lower maintenance plus depreciation expenses.
- Short-term outlook continues to be positive but is mixed across commodity markets. Overall, any further improvement in conditions will likely be limited and/or uneven as velocity improves and/or economic softness seeps into the carload markets.
- The Rail portfolio is driven by the industrial sector business cycle, and financial performance generally lags the economic cycle.

# Purchase accounting marks

(\$ in millions)

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
<b>Loans and leases <sup>(1)</sup></b>					
Beginning balance - unamortized fair value mark	\$ (131)	\$ (146)	\$ (145)	\$ (40)	\$ (65)
Additions - Merger with CIT Group Inc.	—	—	—	(388)	—
PCD "gross up"	—	—	—	284	—
Accretion	13	15	(1)	(1)	25
<b>Ending balance</b>	<b>\$ (118)</b>	<b>\$ (131)</b>	<b>\$ (146)</b>	<b>\$ (145)</b>	<b>\$ (40)</b>
<b>Core deposits and other intangibles</b>					
Beginning balance	\$ 145	\$ 150	\$ 156	\$ 19	\$ 31
Additions - Merger with CIT Group Inc.	—	—	—	143	—
Amortization	(5)	(5)	(6)	(6)	(12)
<b>Ending balance</b>	<b>\$ 140</b>	<b>\$ 145</b>	<b>\$ 150</b>	<b>\$ 156</b>	<b>\$ 19</b>
<b>Deposits <sup>(2)</sup></b>					
Beginning balance - unamortized fair value mark	\$ (41)	\$ (49)	\$ (57)	\$ (2)	\$ (4)
Additions - Merger with CIT Group Inc.	—	—	—	(66)	—
Amortization	7	8	8	11	2
<b>Ending balance</b>	<b>\$ (34)</b>	<b>\$ (41)</b>	<b>\$ (49)</b>	<b>\$ (57)</b>	<b>\$ (2)</b>
<b>Borrowings <sup>(2)</sup></b>					
Beginning balance - unamortized fair value mark	\$ (93)	\$ (100)	\$ (107)	\$ 2	\$ 4
Additions - Merger with CIT Group Inc.	—	—	—	(258)	—
Amortization	7	7	7	21	(2)
Adjustments <sup>(3)</sup>	—	—	—	128	—
<b>Ending balance</b>	<b>\$ (86)</b>	<b>\$ (93)</b>	<b>\$ (100)</b>	<b>\$ (107)</b>	<b>\$ 2</b>

**Note** – The balances above include the impact of the merger with CIT as well as other acquisitions prior to December 31, 2021. The summary only includes select information and is not intended to represent all purchase accounting adjustments.

(1) Purchase accounting marks on loans and leases is comprised of credit, interest and liquidity components, and are generally recognized using the level-yield or straight-line method over the remaining life of the receivable or in full in the event of prepayment.

(2) Purchase accounting marks on deposits and borrowings represent interest rate marks and are recognized using the level-yield method over the remaining term of the liability.

(3) On February 24, 2022, approximately \$3.0 billion in legacy CIT debt was redeemed.

# Credit Ratings

	S&P	Moody's
First Citizens BancShares, Inc.	BBB	Baa2
First-Citizens Bank & Trust Company	BBB+	Baa2
Outlook	Negative	Stable

## Rating agency focus

- Solid business profile, strong franchise and diversified business model.
- Historically conservative risk appetite with low credit losses over time.
- Solid balance sheet, including healthy liquidity and capitalization.
- BancShares' ownership structure allows the company to prioritize longer-term strategic objectives over short-term performance.
- Successful integration of CIT merger remains a key focus.
- Successful execution will be key to ensuring funding, risk and profitability profiles remain strong.

# Non-GAAP Reconciliations

Section V



# Combined Balance Sheets (unaudited)

(\$ in millions)

	4Q21		
	BancShares (GAAP)	CIT	Combined (Non-GAAP)
<b>Assets</b>			
Cash and due from banks	\$ 338	\$ 141	\$ 479
Interest-earning deposits at banks	9,115	2,874	11,989
Securities purchased under agreements to resell	—	—	—
Investment in marketable equity securities	98	—	98
Investment securities available for sale	9,203	6,594	15,797
Investment securities held to maturity	3,809	3	3,812
Assets held for sale	99	53	152
Loans and leases	32,372	32,839	65,211
Allowance for credit losses	(178)	(713)	(891)
<b>Loans and leases, net of allowance for credit losses</b>	<b>\$ 32,194</b>	<b>\$ 32,126</b>	<b>\$ 64,320</b>
Operating lease equipment, net	—	8,024	8,024
Premises and equipment, net	1,233	169	1,402
Goodwill	346	—	346
Other intangible assets	177	368	545
Other assets	1,855	3,154	5,009
<b>Total assets</b>	<b>\$ 58,309</b>	<b>\$ 53,240</b>	<b>\$ 111,549</b>
<b>Liabilities</b>			
Deposits:			
Noninterest-bearing	\$ 21,405	\$ 3,284	\$ 24,689
Interest-bearing	30,001	36,087	66,088
<b>Total deposits</b>	<b>51,406</b>	<b>39,371</b>	<b>90,777</b>
Credit balances of factoring clients	—	1,533	1,533
Short-term borrowings	589	—	589
Long-term borrowings	1,195	4,251	5,446
Total borrowings	1,784	4,251	6,035
Other liabilities	381	1,782	2,163
<b>Total liabilities</b>	<b>53,571</b>	<b>46,937</b>	<b>100,508</b>
<b>Stockholders' equity</b>			
Preferred stock	340	525	865
Total common stock	10	2	12
Additional paid in capital	—	3,760	3,760
Retained earnings	4,378	2,180	6,558
Accumulated other comprehensive (loss) income	10	(164)	(154)
<b>Total stockholders' equity</b>	<b>4,738</b>	<b>6,303</b>	<b>11,041</b>
<b>Total liabilities and stockholders' equity</b>	<b>58,309</b>	<b>53,240</b>	<b>111,549</b>



**Note** – The balance sheet for periods in 2021 reflects the historical balance sheets of BancShares and CIT on a combined basis to facilitate more meaningful comparisons to historical periods prior to the CIT Merger.

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# Combined Income Statements (unaudited)

(\$ in millions)

	4Q21			YTD 12/31/21		
	BancShares (GAAP)	CIT	Combined (Non-GAAP)	BancShares (GAAP)	CIT	Combined (Non-GAAP)
Interest income	371	362	733	1,451	1,479	2,930
Interest expense	14	100	114	61	428	489
<b>Net interest income</b>	<b>357</b>	<b>262</b>	<b>619</b>	<b>1,390</b>	<b>1,051</b>	<b>2,441</b>
Provision (benefit) for credit losses	(5)	(73)	(78)	(37)	(336)	(373)
<b>Net interest income after provision for credit losses</b>	<b>362</b>	<b>335</b>	<b>697</b>	<b>1,427</b>	<b>1,387</b>	<b>2,814</b>
Noninterest income	114	350	464	508	1,432	1,940
Noninterest expense	323	386	709	1,234	1,589	2,823
<b>Income before income taxes</b>	<b>153</b>	<b>299</b>	<b>452</b>	<b>701</b>	<b>1,230</b>	<b>1,931</b>
Income tax (benefit) expense	30	83	113	154	307	461
<b>Net income</b>	<b>123</b>	<b>216</b>	<b>339</b>	<b>547</b>	<b>923</b>	<b>1,470</b>
<b>Preferred stock dividends</b>	<b>4</b>	<b>12</b>	<b>16</b>	<b>18</b>	<b>30</b>	<b>48</b>
<b>Net income available to common stockholders</b>	<b>119</b>	<b>204</b>	<b>323</b>	<b>529</b>	<b>893</b>	<b>1,422</b>



# Notable Items <sup>(1)</sup>

(\$ in millions, except per share data)

	BancShares 4Q22	BancShares 3Q22	Combined 4Q21	BancShares YTD 22	Combined YTD 21
Rental income on operating lease equipment <sup>(2)</sup>	\$ (135)	\$ (139)	\$ (140)	\$ (534)	\$ (550)
Realized gain on sale of investment securities available for sale, net	—	—	—	—	(147)
Fair value adjustment on marketable equity securities, net	(2)	2	(7)	3	(38)
Gain on sale of leasing equipment, net	(2)	(2)	(26)	(15)	(104)
Gain on acquisition	—	—	—	(431)	—
Gain on extinguishment of debt	—	(1)	—	(7)	—
Other noninterest income <sup>(3)</sup>	—	(5)	(27)	(11)	(105)
<b>Impact on adjusted noninterest income</b>	<b>\$ (139)</b>	<b>\$ (145)</b>	<b>\$ (200)</b>	<b>\$ (995)</b>	<b>\$ (944)</b>
Depreciation on operating lease equipment <sup>(2)</sup>	\$ (88)	\$ (87)	\$ (88)	\$ (345)	\$ (341)
Maintenance and other operating lease expenses <sup>(2)</sup>	(47)	(52)	(52)	(189)	(209)
Salaries and benefits	—	—	6	—	14
Merger-related expenses	(29)	(33)	(12)	(231)	(37)
Intangible asset amortization	(6)	(5)	(11)	(23)	(45)
Other noninterest expense <sup>(4)</sup>	—	(6)	—	18	7
<b>Impact on adjusted noninterest expense</b>	<b>\$ (170)</b>	<b>\$ (183)</b>	<b>\$ (157)</b>	<b>\$ (770)</b>	<b>\$ (611)</b>
CECL Day 2 provision and reserve for unfunded commitments	—	—	—	(513)	—
<b>Provision for credit losses - total adjustments</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (513)</b>	<b>\$ —</b>
<b>Impact on adjusted pre-tax income</b>	<b>\$ 31</b>	<b>\$ 38</b>	<b>\$ (43)</b>	<b>\$ 288</b>	<b>\$ (333)</b>
Income tax impact <sup>(5)(6)</sup>	(32)	15	(11)	135	(79)
<b>Impact on adjusted net income</b>	<b>\$ 63</b>	<b>\$ 23</b>	<b>\$ (32)</b>	<b>\$ 153</b>	<b>\$ (254)</b>
<b>Impact on adjusted diluted EPS</b>	<b>\$ 4.27</b>	<b>\$ 1.52</b>	<b>N/A <sup>(7)</sup></b>	<b>\$ 9.84</b>	<b>N/A <sup>(7)</sup></b>

(1) Notable items include income and expense for infrequent transactions and certain recurring items (typically noncash) that Management believes should be excluded from adjusted measures (non-GAAP) to enhance understanding of operations and comparability to historical periods. Management utilizes both GAAP and adjusted measures (non-GAAP) to analyze the Company's performance. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measures.

(2) Depreciation and maintenance and other operating lease expenses are reclassified from noninterest expense to a reduction of rental income on operating lease equipment. There is no net impact to earnings for this notable item as adjusted noninterest income and expense are reduced by the same amount. Adjusted rental income on operating lease equipment (non-GAAP) is net of depreciation and maintenance expense for operating lease equipment. Management believes this measure enhances comparability to banking peers, primarily due to the extent of our rail and other equipment rental activities. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure.

(3) Primarily includes the following: 3Q22- contract settlement with a rail customer; YTD22- contract settlement with rail customer and gain on sale of other assets; 2021 periods- legacy CIT notables related to the non-GAAP Combined results of operations.

(4) Primarily includes the following: 3Q22- impairment of a bank owned facility; YTD22- impairment of a bank owned facility and termination of two post retirement benefit plans; 2021 periods- legacy CIT notables related to the non-GAAP Combined results of operations.

(5) Includes \$55 million of tax expense related to the early surrender of BOLI policies. During 4Q22, management decided to early surrender \$1.2 billion of BOLI policies. This triggered a taxable gain of \$160 million and resulted in tax expense of \$55 million.

(6) For the non-GAAP Combined periods of 2021, a blended tax rate was applied to each period to arrive at the adjusted net income. For 2022 periods the income tax impact includes tax discrete items and changes in the estimated annualized effective tax rate.

(7) The non-GAAP Combined EPS impact for 2021 periods is not shown given different share totals for each legacy institution.

# Non-GAAP Reconciliations (BancShares Metrics)

(\$ in millions, except share and per share data)

Non-GAAP Reconciliations		BancShares	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares
		QTD	QTD	QTD	QTD	QTD	YTD	YTD
		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
<b>Net income and EPS</b>								
Net income (GAAP)	a	\$ 257	315	255	271	123	1,098	547
Preferred stock dividends		14	12	17	7	4	50	18
Net income available to common stockholders (GAAP)	b	243	303	238	264	119	1,048	529
Total notable items, after income tax	c	63	23	32	35	7	153	(20)
Adjusted net income (non-GAAP)	d = (a+c)	320	338	287	306	130	1,251	527
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	\$ 306	326	270	299	126	1,201	509
Weighted average common shares outstanding								
Basic	f	14,590,387	15,711,976	16,023,613	15,779,153	9,816,405	15,531,924	9,816,405
Diluted	g	14,607,426	15,727,993	16,035,090	15,779,153	9,816,405	15,549,944	9,816,405
EPS (GAAP)								
Basic	b/f	\$ 16.69	19.27	14.87	16.70	12.09	67.47	53.88
Diluted	b/g	16.67	19.25	14.86	16.70	12.09	67.40	53.88
Adjusted EPS (non-GAAP)								
Basic	e/f	\$ 20.97	20.79	16.87	18.95	12.82	77.33	51.88
Diluted	e/g	20.94	20.77	16.86	18.95	12.82	77.24	51.88
<b>Noninterest income and expense</b>								
Noninterest income	h	\$ 429	433	424	850	114	2,136	508
Impact of notable items, before income tax		(139)	(145)	(141)	(570)	(3)	(995)	(67)
Adjusted noninterest income	i	\$ 290	288	283	280	111	1,141	441
Noninterest expense	j	\$ 760	760	745	810	323	3,075	1,234
Impact of notable items, before income tax		(170)	(183)	(179)	(238)	(12)	(770)	(41)
Adjusted noninterest expense	k	\$ 590	577	566	572	311	2,305	1,193
Provision (benefit) for credit losses		\$ 79	60	42	464	(5)	645	(37)
Plus: Day 2 provision for credit losses		—	—	—	(513)	—	(513)	—
Adjusted provision (benefit) for credit losses		\$ 79	60	42	(49)	(5)	132	(37)

# Non-GAAP Reconciliations (BancShares Metrics)

(\$ in millions, except share and per share data)

		BancShares	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares
		QTD	QTD	QTD	QTD	QTD	YTD	YTD
Non-GAAP Reconciliations		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
<b>PPNR</b>								
Net income (GAAP)	a	\$ 257	315	255	271	123	1,098	547
Plus:								
Provision (benefit) for credit losses		79	60	42	464	(5)	645	(37)
Income tax expense (benefit)		135	93	82	(46)	30	264	154
PPNR (non-GAAP)	l	\$ 471	468	379	689	148	2,007	664
Plus: total notable items, before income tax		31	38	38	(332)	9	(225)	(26)
Adjusted PPNR (non-GAAP)	m	\$ 502	506	417	358	157	1,782	638
<b>ROA</b>								
Net income (GAAP)	a	\$ 257	315	255	271	123	1,098	547
Annualized net income	n = a annualized	1,020	1,250	1,023	1,099	488	1,098	547
Adjusted net income (non-GAAP)	d	320	338	287	306	130	1,251	527
Annualized adjusted net income	p = d annualized	1,270	1,341	1,151	1,242	516	1,251	527
Average assets	o	109,792	107,987	107,575	110,394	58,116	108,933	54,983
ROA	n/o	0.93 %	1.16 %	0.95 %	1.00 %	0.84 %	1.01 %	1.00 %
Adjusted ROA	p/o	1.15 %	1.24 %	1.07 %	1.12 %	0.89 %	1.15 %	0.96 %
<b>PPNR ROA</b>								
PPNR (non-GAAP)	l	\$ 471	468	379	689	148	2,007	664
Annualized PPNR	q = l annualized	1,868	1,858	1,519	2,796	589	2,007	664
Adjusted PPNR (non-GAAP)	m	502	506	417	358	157	1,782	638
Annualized PPNR	r = m annualized	1,992	2,009	1,672	1,452	622	1,782	638
PPNR ROA	q/o	1.70 %	1.72 %	1.41 %	2.54 %	1.01 %	1.84 %	1.21 %
Adjusted PPNR ROA	r/o	1.81 %	1.86 %	1.56 %	1.31 %	1.08 %	1.64 %	1.16 %

# Non-GAAP Reconciliations (BancShares Metrics)

(\$ in millions, except share and per share data)

		BancShares	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares
		QTD	QTD	QTD	QTD	QTD	YTD	YTD
Non-GAAP Reconciliations		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
<b>ROE and ROTCE</b>								
Annualized net income available to common stockholders	s = b annualized	\$ 964	1,202	955	1,071	472	1,048	529
Annualized adjusted net income available to common stockholders	t = e annualized	\$ 1,214	1,293	1,083	1,214	500	1,201	509
Average stockholders' equity (GAAP)		\$ 9,621	10,499	10,567	10,423	4,633	10,276	4,461
Less: average preferred stock		881	881	881	863	340	878	340
Average common stockholders' equity (non-GAAP)	u	\$ 8,740	9,618	9,686	9,560	4,293	9,398	4,121
Less: average goodwill		346	346	346	346	350	346	350
Less: average other intangible assets		143	148	153	182	21	156	25
Average tangible common equity (non-GAAP)	v	\$ 8,251	9,124	9,186	9,032	3,922	8,896	3,746
ROE	s/u	11.05 %	12.49 %	9.87 %	11.18 %	10.96 %	11.15 %	12.84 %
Adjusted ROE	t/u	13.89 %	13.47 %	11.19 %	12.67 %	11.63 %	12.78 %	12.36 %
ROTCE	s/v	11.70 %	13.17 %	10.40 %	11.83 %	12.00 %	11.78 %	14.12 %
Adjusted ROTCE	t/v	14.71 %	14.20 %	11.80 %	13.41 %	12.72 %	13.50 %	13.60 %
<b>Tangible common equity to tangible assets</b>								
Stockholders' equity (GAAP)	w	\$ 9,662	9,833	10,642	10,570	4,738	9,662	4,738
Less: preferred stock		881	881	881	881	340	881	340
Common equity (non-GAAP)	x	\$ 8,781	8,952	9,761	9,689	4,398	8,781	4,398
Less: goodwill		346	346	346	346	346	346	346
Less: other intangible assets		140	145	150	156	19	140	19
Tangible common equity (non-GAAP)	y	\$ 8,295	8,461	9,265	9,186	4,033	8,295	4,033
Total assets (GAAP)	z	109,298	109,310	107,673	108,597	58,309	109,298	58,309
Tangible assets (non-GAAP)	aa	108,812	108,819	107,177	108,095	57,944	108,812	57,944
Total equity to total assets	w/z	8.84 %	9.00 %	9.88 %	9.73 %	8.13 %	8.84 %	8.13 %
Tangible common equity to tangible assets (non-GAAP)	y/aa	7.62 %	7.78 %	8.64 %	8.50 %	6.96 %	7.62 %	6.96 %

# Non-GAAP Reconciliations (BancShares Metrics)

(\$ in millions, except share and per share data)

		BancShares	BancShares	BancShares	BancShares	BancShares	BancShares	BancShares
		QTD	QTD	QTD	QTD	QTD	YTD	YTD
Non-GAAP Reconciliations		12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	12/31/2022	12/31/2021
<b>Book value and tangible book value per common share</b>								
Common shares outstanding at period end	bb	14,506,200	14,976,127	16,002,385	16,001,508	9,816,405	14,506,200	9,816,405
Book value per share	x/bb	\$ 605.36	597.75	609.95	605.48	447.95	605.36	447.95
Tangible book value per share	y/bb	\$ 571.89	564.97	578.92	574.09	410.74	571.89	410.74
<b>Efficiency ratio</b>								
Net interest income	cc	\$ 802	795	700	649	357	2,946	1,390
Efficiency ratio (GAAP)	j / (h + cc)	61.74 %	61.91 %	66.34 %	53.96 %	68.52 %	60.50 %	64.98 %
Adjusted efficiency ratio (non-GAAP)	k / (i + cc)	54.08 %	53.32 %	57.55 %	61.50 %	66.31 %	56.40 %	65.11 %
<b>Rental income on operating lease equipment</b>								
Rental income on operating lease equipment		\$ 224	219	213	208	—	864	—
Less:								
Depreciation on operating lease equipment		88	87	89	81	—	345	—
Maintenance and other operating lease expenses		47	52	47	43	—	189	—
Adjusted rental income on operating lease equipment		89	80	77	84	—	330	—
<b>Rental income on operating lease equipment: Rail segment</b>								
Rental income on operating lease equipment		\$ 168	165	160	159	—	652	—
Less:								
Depreciation on operating lease equipment		45	44	47	41	—	176	—
Maintenance and other operating lease expenses		47	52	47	43	—	189	—
Adjusted rental income on operating lease equipment		76	69	66	75	—	287	—

# Non-GAAP Reconciliations (Combined Metrics)

(\$ in millions)

			Combined	Combined
			QTD	YTD
Non-GAAP Reconciliations			12/31/2021	12/31/2021
<b>Net income</b>				
Net income (GAAP)	a	\$	339	1,470
Preferred stock dividends			16	48
Net income available to common stockholders (GAAP)	b		323	1,422
Total notable items, after income tax	c		(32)	(254)
Adjusted net income (non-GAAP)	d = (a+c)		307	1,216
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	\$	291	1,168
<b>Noninterest income and expense</b>				
Noninterest income	h		464	1,940
Impact of notable items, before income tax			(200)	(944)
Adjusted noninterest income	i		264	996
Noninterest expense	j		709	2,823
Impact of notable items, before income tax			(157)	(611)
Adjusted noninterest expense	k		552	2,212
Provision (benefit) for credit losses				
Provision (benefit) for credit losses			(78)	(373)
Plus: Day 2 provision for credit losses			—	—
Adjusted provision (benefit) for credit losses			(78)	(373)

# Non-GAAP Reconciliations (Combined Metrics)

(\$ in millions, except share and per share data)

			Combined	Combined
			QTD	YTD
Non-GAAP Reconciliations			12/31/2021	12/31/2021
<b>PPNR</b>				
Net income (GAAP)	a	\$	339	1,470
Plus:				
Provision (benefit) for credit losses			(78)	(373)
Income tax expense (benefit)			113	461
PPNR (non-GAAP)	l	\$	374	1,558
Plus: total notable items, before income tax			(43)	(333)
Adjusted PPNR (non-GAAP)	m	\$	331	1,225
<b>ROA</b>				
Net income (GAAP)	a	\$	339	1,470
Annualized net income	n = a annualized		1,345	1,470
Adjusted net income (non-GAAP)	d		307	1,216
Annualized adjusted net income	p = d annualized		1,218	1,216
Average assets	o		112,076	110,437
ROA	n/o		1.20 %	1.33 %
Adjusted ROA	p/o		1.09 %	1.10 %
<b>PPNR ROA</b>				
PPNR (non-GAAP)	l	\$	374	1,558
Annualized PPNR	q = l annualized		1,484	1,558
Adjusted PPNR (non-GAAP)	m		331	1,225
Annualized PPNR	r = m annualized		1,315	1,225
PPNR ROA	q/o		1.33 %	1.41 %
Adjusted PPNR ROA	r/o		1.17 %	1.11 %

# Non-GAAP Reconciliations (Combined Metrics)

(\$ in millions, except share and per share data)

		Combined	Combined
		QTD	YTD
Non-GAAP Reconciliations		12/31/2021	12/31/2021
<b>Efficiency ratio</b>			
Net interest income	cc	\$ 619	2,441
Efficiency ratio (GAAP)	j / (h + cc)	65.40 %	64.43 %
Adjusted efficiency ratio (non-GAAP)	k / (i + cc)	62.51 %	64.34 %
<b>Rental income on operating lease equipment</b>			
Rental income on operating lease equipment		\$ 204	773
Less:			
Depreciation on operating lease equipment		88	341
Maintenance and other operating lease expenses		52	209
Adjusted rental income on operating lease equipment		64	223