

First Citizens BancShares, Inc.

Second Quarter 2022

Earnings Conference Call

July 28, 2022



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, 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, 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”).

The information presented for the periods ended March 31, 2022 and June 30, 2022 is consolidated. Bancshares acquired CIT on January 3, 2022. The information for prior periods, unless otherwise noted, represents combined information for BancShares and CIT.

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. The Non-GAAP measures presented in this presentation are reconciled to the most comparable GAAP measure, in the Non-GAAP reconciliation table(s) appearing in the Appendix.

Merger Integration Update

Section I



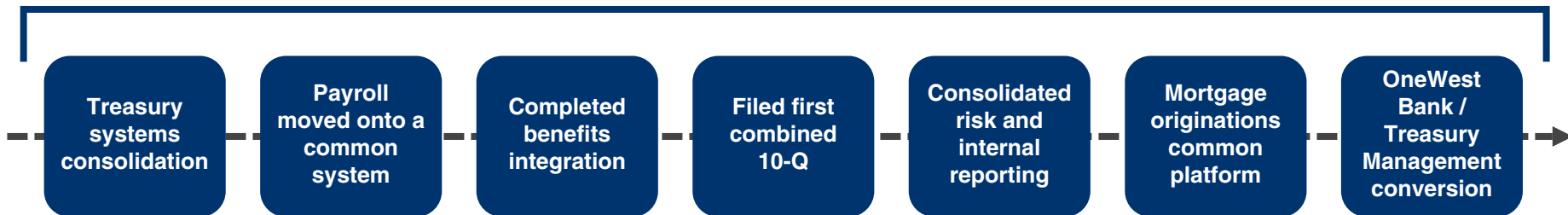
Merger Integration is Substantially Complete

We are committed to successful execution of our integration plan to deliver a timely and smooth transition for our customers and associates.

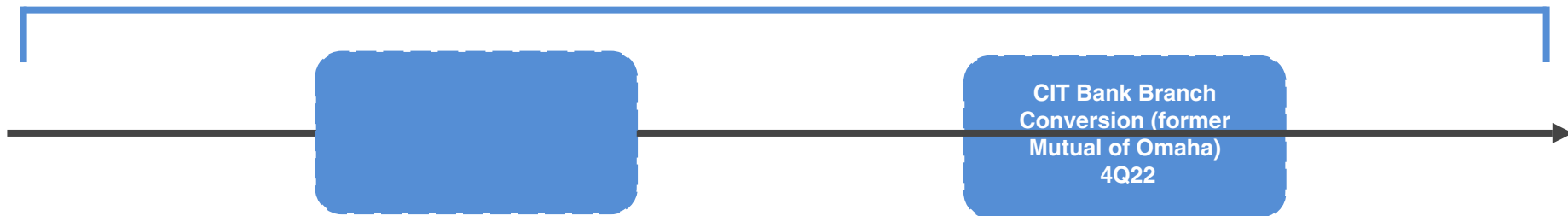
Update

- We completed a number of key milestones including the recent OneWest Bank / Treasury Management Services systems conversion.
- Merger integration is substantially complete.
- We will continue to prioritize optimization efforts in 2023.

Progress since legal close....



Upcoming milestones....



Focus on Achieving Cost Saves

Included in Run-Rate

~\$170 MM

Run-rate in 2Q22
(68% of target)

2022

~\$200 MM

Run-rate by 4Q22
(80% of target)

2023

~\$250 MM

Run-rate by 4Q23
(100% of target)

On track to achieve estimated costs saves of ~\$250 million

- **Reduced personnel expense by \$120 million** and **project an additional \$30 million reduction by the end of 2023.**
- **Achieved over \$60 million in non-personnel savings** resulting from reductions in FDIC insurance, professional fees and third-party expenses.
- Continue to focus on other operational efficiencies which we **project will result in an additional \$30 million in non-personnel cost reductions** by the end of 2023.
- **Identified over \$10 million in occupancy expense savings** which will be realized by the end of 2023.



Commercial Bank and Rail

Focused on leveraging the combined company's expertise and capabilities to serve our customers.

Commercial Finance

- Talent retention and continuity of leadership in the businesses sets the team up for current and future growth.
- Demand remains strong with pipelines well above 2021 levels.
- Retail sectors are performing well as we integrate Commercial Services (factoring) in the new footprint.

Business Capital (Leasing)

- Originations and portfolio performance remain stellar and current asset levels are near record highs.
- Sizeable opportunity exists to better serve the branch network.

Real Estate Finance

- Lending environment remains competitive but originations remain strong.
- Remain focused on maintaining underwriting and risk rigor in current economic cycle.

Rail

- Utilization improved to 96.2% in 2Q22 and repricing was favorable at 114% of the expiring rate.
- While there are no recessionary indications apparent in the portfolio currently, we continue to watch the market closely.

Commercial Bank Segment Credit Update

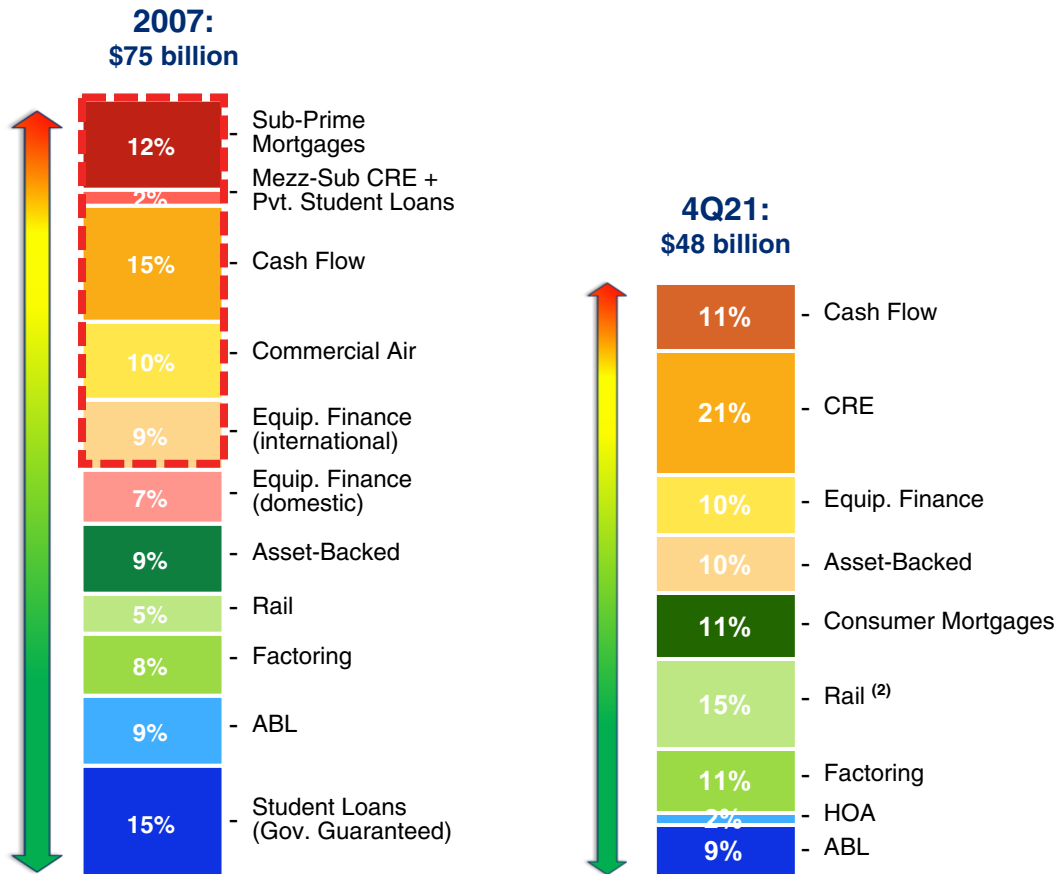
Section II



Commercial Bank Credit Profile

Prior to merger consummation in 1Q22, the portfolio was significantly de-risked – a process which began in 2007.

Product Type by Exposure ⁽¹⁾



Higher Risk Portfolios Sold or Reduced

- Sold Alt-A/Sub-Prime Consumer Mortgages
- Liquidated Mezzanine and Subordinated CRE Loans
- Transitioned Cash Flow loan portfolio:
 - 11% of total exposure, down from 15%
 - \$5.4 B of exposure, down from over \$12 B
 - Rebalanced with less cyclical industries
- Reduced asset and liquidity risk with the sale of Commercial Air (operating lease business), including the off-balance sheet order book
- Sold all International Equipment Finance portfolios
- Exited Franchise Finance portfolio
- Sold Aviation Lending portfolio (loans against aircraft leased to commercial airlines)
- Rebalanced Healthcare toward more real estate secured vs cash flow (enterprise value dependent)

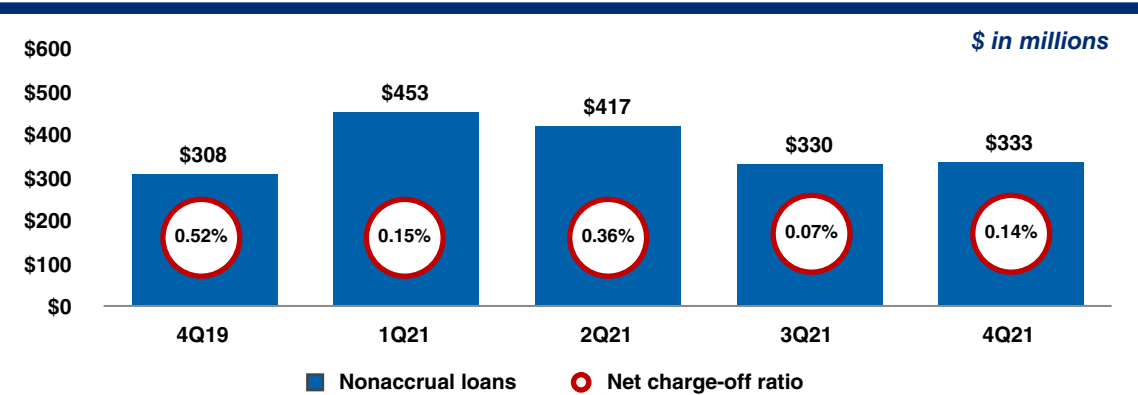
(1) These totals represent gross loans and leases, including unfunded commitments, for legacy CIT prior to the merger.

(2) Rail is currently a separate business segment and Rail operating leases constitutes ~7% of total assets as of 2Q22.

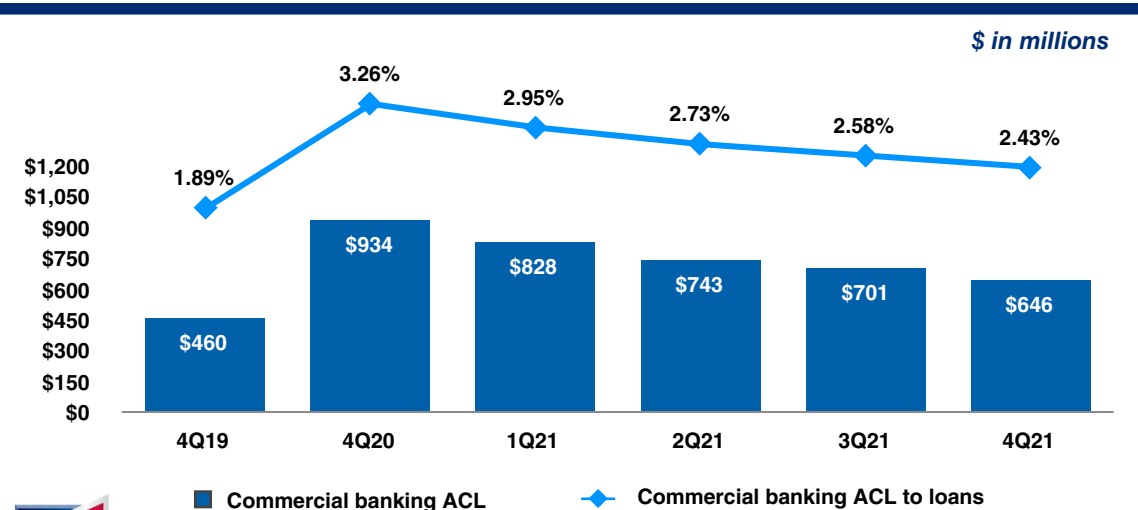
Commercial Bank Portfolio Successfully Weathered the Pandemic

The strong risk culture and credit risk discipline established after 2007 enabled the credit portfolio to weather the stress introduced during the initial phase of the COVID-19 pandemic.

Nonaccrual loans & net charge-offs (NCO) ⁽¹⁾



Allowance for loan losses (ACL) ⁽¹⁾



Highlights

- Maintained strong risk culture and robust credit underwriting standards.
- Disciplined approach in the face of competitive market conditions.
- Focused on strong structures and collateral values that aligned to our expertise.
- Portfolio management rigor provided early warning to minimize losses.
- Risk profile of new originations was better than existing performing portfolio.



(1) These totals represent legacy CIT commercial banking prior to the merger and exclude the aviation lending portfolio that was moved to held for sale.

Combined Credit Risk Appetite

The company has a moderate credit risk appetite.

Outstandings ⁽¹⁾

- Legacy First Citizens: 49%
- Legacy CIT: 51%

Exposure ⁽¹⁾

- Legacy First Citizens: 54%
- Legacy CIT: 46%

76% High - Moderate



86% Moderate - Low



(1) Credit metrics are as of 12/31/2021.

Second Quarter 2022 Financial Results

Section III



Key Take-Aways - Second Quarter Financial Performance

1

Share repurchase plan for repurchase of up to 1,500,000 shares approved by the Board on July 26th.

5

Provision build during the quarter due to changes in CECL macroeconomic forecasts and loan growth.

2

Strong growth in pre-provision net revenue driven by net interest and noninterest income growth and good expense control.

6

Credit remains in good shape with credit quality metrics continuing to show well.

3

Net interest margin expanded and we expect continued expansion in the second half of the year.

7

Loan growth was strong in the branch network and commercial bank, exceeding our expectations.

4

Efficiency ratio improved due to strong core net revenue growth and recognition of merger cost savings.

8

Deposits declined primarily due to run-off of higher cost acquired deposits. **Noninterest bearing deposits continued to grow.**

Financial Highlights

	Quarter-to-date						Year-to-date			
	Jun 22		Mar 22		Jun 21		Jun 22		Jun 21	
	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)
EPS ⁽¹⁾	\$ 14.86	\$ 16.86	\$ 16.70	\$ 18.95	\$ 15.09	\$ 13.63	\$ 31.48	\$ 35.67	\$ 29.63	\$ 26.99
ROE ⁽¹⁾	9.87 %	11.19 %	11.18 %	12.67 %	14.64 %	13.23 %	10.51 %	11.91 %	14.67 %	13.37 %
ROTCE ⁽¹⁾	10.40 %	11.80 %	11.83 %	13.41 %	16.14 %	14.58 %	11.11 %	12.58 %	16.21 %	14.76 %
ROA ⁽¹⁾	0.95 %	1.07 %	1.00 %	1.12 %	1.13 %	1.02 %	0.97 %	1.10 %	1.14 %	1.04 %
NIM ⁽²⁾	3.04 %	3.04 %	2.73 %	2.73 %	2.56 %	2.56 %	2.89 %	2.89 %	2.58 %	2.58 %
Net charge-off ratio ⁽²⁾	0.13 %	0.13 %	0.09 %	0.09 %	0.16 %	0.16 %	0.11 %	0.11 %	0.12 %	0.12 %

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

⁽²⁾ For QTD & YTD June 2021, reported (non-GAAP) and adjusted (non-GAAP) ratios for NIM and net charge-off ratio are presented as if legacy BancShares and legacy CIT were combined during the historical periods. For the legacy BancShares 2021 reported ratios, refer to page 38 of the Appendix.

Quarter-to-Date Earnings Highlights

(\$ in millions)

Reported	QTD			Increase (decrease)			
				1Q22		2Q21	
	2Q22	1Q22	2Q21	\$	%	\$	%
Net interest income	\$ 700	\$ 649	\$ 612	\$ 51	7.9 %	\$ 88	14.4%
Noninterest income	424	850	483	(426)	(50.1)	(59)	(12.2)
Net revenue	1,124	1,499	1,095	(375)	(25.0)	29	2.6
Noninterest expense	745	810	691	(65)	(8.0)	54	7.8
Pre-provision net revenue	379	689	404	(310)	(45.0)	(25)	(6.2)
Provision (benefit) for credit losses	42	464	(94)	(422)	(90.9)	136	(144.7)
Income before income taxes	337	225	498	112	49.8	(161)	(32.3)
Income taxes	82	(46)	118	128	(278.3)	(36)	(30.5)
Net income	255	271	380	(16)	(5.9)	(125)	(32.9)
Preferred stock dividends	17	7	17	10	142.9	—	—
Net income available to common stockholders	\$ 238	\$ 264	\$ 363	\$ (26)	(9.8)%	\$ (125)	(34.4)%

Adjustment for notable items	2Q22	1Q22	2Q21
Noninterest income	\$ (141)	\$ (570)	\$ (237)
Noninterest expense	(179)	(238)	(136)
Provision for credit losses	—	(513)	—
Income taxes	6	146	(24)

Adjusted (non-GAAP)	QTD			Increase (decrease)			
				1Q22		2Q21	
	2Q22	1Q22	2Q21	\$	%	\$	%
Net interest income	\$ 700	\$ 649	\$ 612	\$ 51	7.9 %	\$ 88	14.4 %
Noninterest income	283	280	246	3	1.1	37	15.0
Net revenue	983	929	858	54	5.8	125	14.6
Noninterest expense	566	572	555	(6)	(1.0)	11	2.0
Pre-provision net revenue	417	357	303	60	16.8	114	37.6
Provision (benefit) for credit losses	42	(49)	(94)	91	(185.7)	136	(144.7)
Income before income taxes	375	406	397	(31)	(7.6)	(22)	(5.5)
Income taxes	88	100	94	(12)	(12.0)	(6)	(6.4)
Net income	287	306	303	(19)	(6.2)	(16)	(0.1)
Preferred stock dividends	17	7	17	10	142.9	—	—
Net income available to common stockholders	\$ 270	\$ 299	\$ 286	\$ (29)	(9.7)%	\$ (16)	(5.6)%

Highlights

- **Note:** The commentary below relates to the “Adjusted” income statement.

2Q22 vs. 1Q22

- Net interest income increased by \$51 million primarily due to higher yields on earnings assets, loan growth, and lower borrowing costs, partially offset by higher deposit costs.
- Noninterest income increased by \$3 million. The increase was primarily due to higher capital markets and wealth management revenue, partially offset by a decline in rental income on operating leases, net.
- Noninterest expense decreased by \$6 million primarily due to a decline in personnel expense.
- Provision for credit losses increased by \$91 million primarily due to changes in CECL macroeconomic forecasts and loan growth.

2Q22 vs. 2Q21

- Net interest income increased by \$88 million primarily due to lower borrowings and an increase in interest income driven by higher yields on investment securities, offset by a decline in accretion income on acquired loans and lower SBA-PPP income.
- Noninterest income increased by \$37 million primarily due to higher rental income on operating leases, net and increases in wealth management income, service charges on deposits and card income.
- Noninterest expense increased \$11 million due to higher personnel costs, increased occupancy and equipment expense and higher third-party processing fees, partially offset by declines in professional fees and FDIC insurance expense.



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Note – The financial data provided for 2021 is presented as if legacy BancShares and legacy CIT were combined for the historical periods. For the legacy BancShares 2021 reported data, refer to page 37 of the Appendix. Totals may not foot due to rounding. Notable Items are detailed on page 17.

Year-to-Date Earnings Highlights

(\$ in millions)

Reported	YTD		Increase (decrease)	
	2022	2021	YTD 21 - YTD 22	
			\$	%
Net interest income	\$ 1,349	\$ 1,218	\$ 131	10.8%
Noninterest income	1,274	1,045	229	21.9
Net revenue	2,623	2,263	360	15.9
Noninterest expense	1,555	1,399	156	11.2
Pre-provision net revenue	1,068	864	204	23.6
Provision (benefit) for credit losses	506	(224)	730	(325.9)
Income before income taxes	562	1,088	(526)	(48.3)
Income taxes	36	258	(222)	(86.0)
Net income	526	830	(304)	(36.6)
Preferred stock dividends	24	24	—	—
Net income available to common stockholders	\$ 502	\$ 806	\$ (304)	(37.7)%

Adjustment for notable items	YTD 22	YTD 21
Noninterest income	\$ (711)	\$ (554)
Noninterest expense	(417)	(302)
Provision for credit losses	(513)	—
Income taxes	152	(60)

Adjusted (non-GAAP)	YTD		Increase (decrease)	
	2022	2021	YTD 21 - YTD 22	
			\$	%
Net interest income	\$ 1,349	\$ 1,218	\$ 131	10.8%
Noninterest income	563	491	72	14.7
Net revenue	1,912	1,709	203	11.9
Noninterest expense	1,138	1,097	41	3.7
Pre-provision net revenue	774	612	162	26.5
Provision (benefit) for credit losses	(7)	(224)	217	(96.9)
Income before income taxes	781	836	(55)	(6.6)
Income taxes	188	198	(10)	(5.1)
Net income	593	638	(45)	(7.1)
Preferred stock dividends	24	24	—	—
Net income available to common stockholders	\$ 569	\$ 614	\$ (45)	(7.3)%

Highlights

- **Note:** The commentary below relates to the “Adjusted” income statement.

YTD 22 vs. YTD 21

- Net interest income increased by \$131 million primarily due to a reduction in borrowings, lower deposit rates and by higher loan yields (ex-PAA and SBA-PPP income), partially offset by lower accretion income on acquired loans and SBA-PPP interest and fee income.
- Noninterest income increased by \$72 million primarily due to increase in rental income on operating leases, net, higher service charges on deposit accounts and increases in wealth management and card income.
- Noninterest expense increased by \$41 million due primarily to higher personnel costs and other operating expenses.
- Net provision benefit declined \$217 million due to a smaller net benefit in the current period driven primarily by changes in CECL macroeconomic forecasts and loan growth.



Notable Items

(\$ in millions)

	2Q22	1Q22	2Q21	YTD 22	YTD 21
Rental income on operating leases, net	\$ (136)	\$ (124)	\$ (137)	\$ (260)	\$ (274)
Realized gain on sales of investment securities available for sale, net	—	—	(19)	—	(133)
Fair value adjustment on marketable equity securities, net	6	(3)	(12)	3	(28)
Gain on sales of leasing equipment, net	(5)	(6)	(29)	(11)	(57)
Gain on acquisition	—	(431)	—	(431)	—
Gain on extinguishment of debt	—	(6)	—	(6)	—
Gain on sales of legacy consumer mortgage loans	—	—	(33)	—	(56)
Gain on other loan and asset sales	(6)	—	(8)	(6)	(8)
Noninterest income - total adjustments	\$ (141)	\$ (570)	\$ (238)	\$ (711)	\$ (555)
Depreciation on operating lease equipment	\$ (89)	\$ (81)	\$ (83)	\$ (170)	\$ (168)
Maintenance and other operating lease equipment expense	(47)	(43)	(54)	(90)	(106)
Merger-related expenses	(34)	(135)	(6)	(169)	(18)
Intangible asset amortization	(6)	(6)	(11)	(12)	(23)
Employee benefits-related expense	—	27	8	27	8
Other noninterest expense ⁽¹⁾	(3)	—	10	(3)	5
Noninterest expense - total adjustments	\$ (179)	\$ (238)	\$ (136)	\$ (417)	\$ (302)
CECL Day 2 provision and reserve for unfunded commitments	—	(513)	—	(513)	—
Provision for credit losses - total adjustments	\$ —	\$ (513)	\$ —	\$ (513)	\$ —
Impact of notable items on pre-tax income	\$ 38	\$ 181	\$ (102)	\$ 219	\$ (253)
Income tax impact ⁽²⁾	\$ 6	\$ 146	\$ (24)	\$ 152	\$ (60)
Impact of notable items on net income	\$ 32	\$ 35	\$ (78)	\$ 67	\$ (193)
Impact of notable items on EPS	\$ 2.00	\$ 2.25	N/A ⁽³⁾	\$ 4.19	N/A ⁽³⁾

Note – QTD June 2021 and YTD June 2021 are presented as if legacy BancShares and legacy CIT were combined for the historical periods. Adjustments are shown pre-tax. Totals may not foot due to rounding.

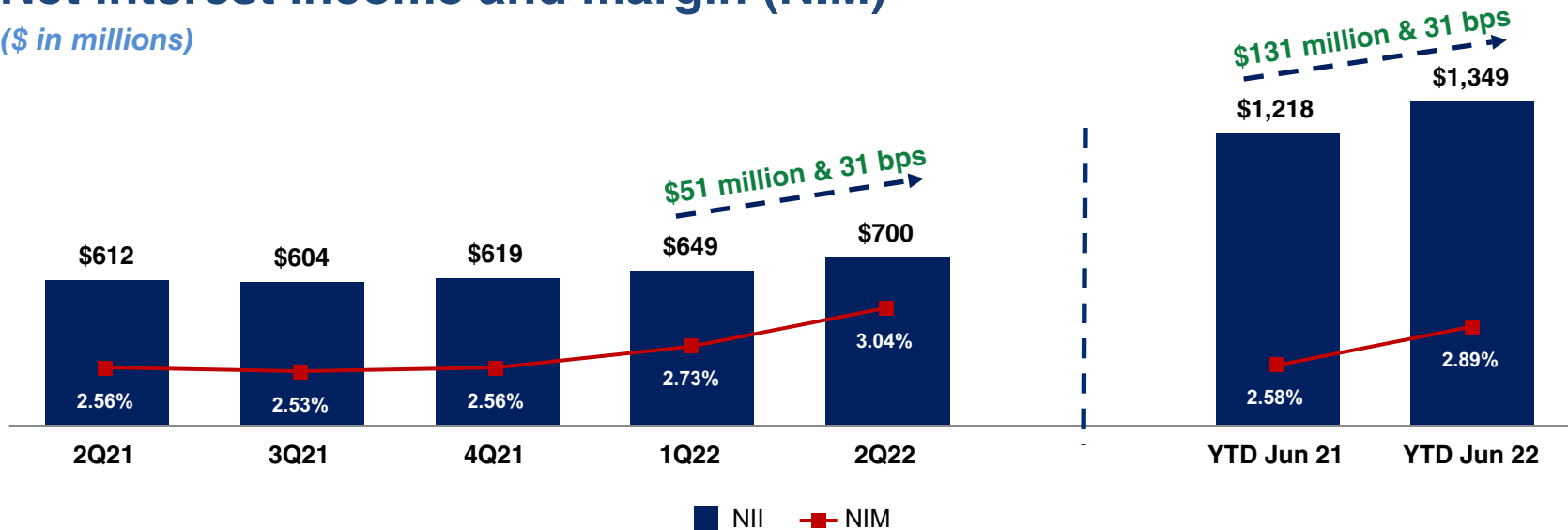
(1) In 2021, other expense includes a reserve release related to the prior sale of certain mortgage loans and the establishment of a litigation reserve.

(2) A blended tax rate was applied to each period to arrive at the adjusted net income.

(3) The EPS impact for prior quarters is not shown given different share totals for each legacy institution.

Net interest income and margin (NIM)

(\$ in millions)



Highlights

2Q22 vs 1Q22

- Net interest income increased by \$51 million due to a \$47 million increase in interest income and a \$4 million decrease in interest expense. NIM expanded from 2.73% to 3.04%.
 - \$34 million increase in interest income on loans due to increased yields and balances,
 - \$13 million increase in interest income on investment securities and overnight investments due to higher yields,
 - \$7 million decline in interest expense due to the debt redemption, partially offset by
 - \$4 million increase in interest expense on deposits due to higher rates.

2Q22 vs 2Q21

- Net interest income increased by \$88 million due to a \$64 million decrease in interest expense and a \$24 million increase in interest income. NIM expanded from 2.56% to 3.04%.
 - \$47 million decline in interest expense on borrowings due to the debt redemption in 1Q22,
 - \$38 million increase in interest income on investment securities due to higher yields, a larger portfolio and the impact of purchase accounting adjustments (PAA),
 - \$18 million decline in deposit expense due to lower rates and PAA,
 - \$11 million increase in interest income on overnight investments due to higher rates, partially offset by
 - \$25 million decline in interest income on loans due to lower PAA, lower SBA-PPP income and lower loan balances, partially offset by higher loan yields ex-PAA and SBA-PPP income.

YTD June 2022 vs YTD June 2021

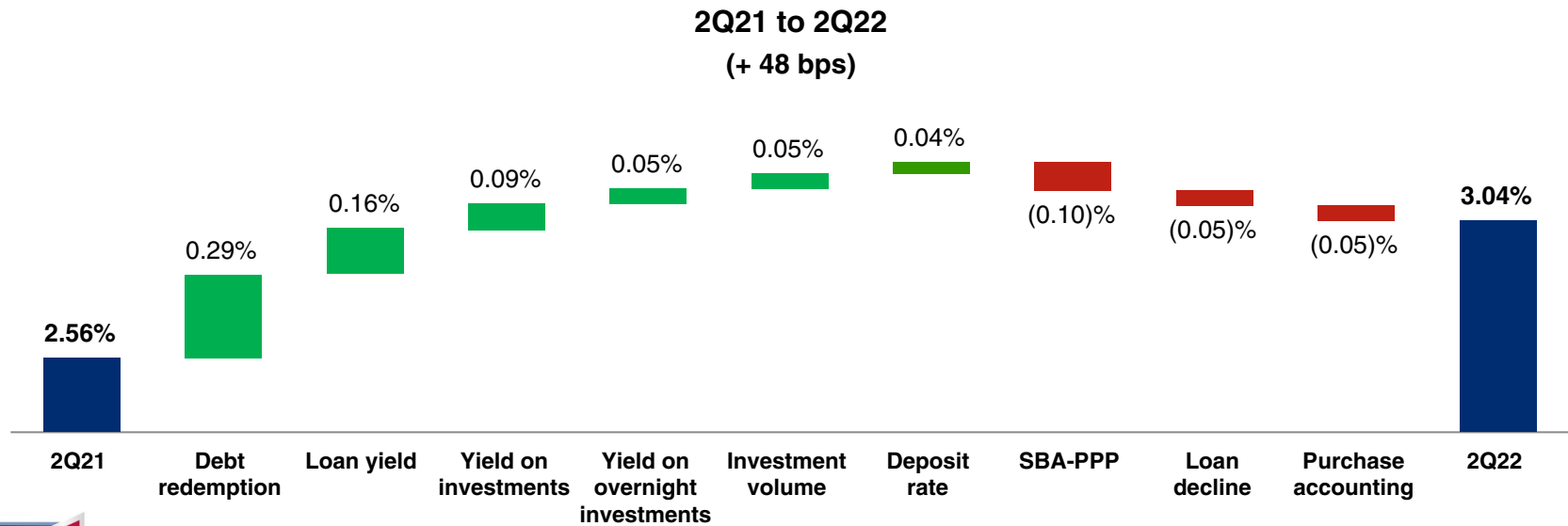
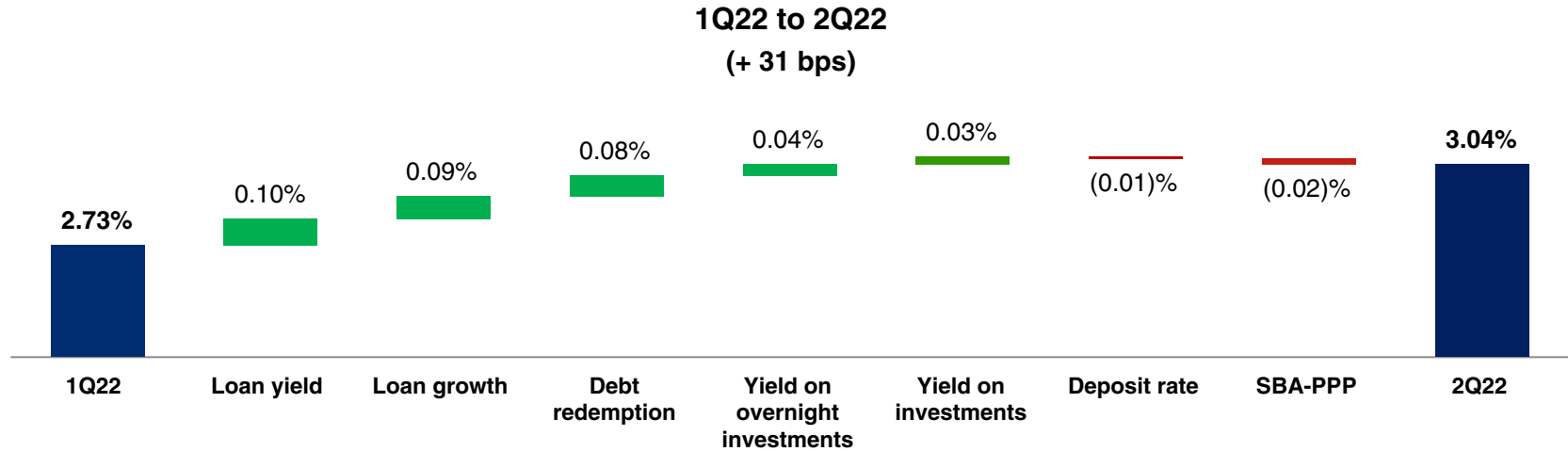
- Net interest income increased by \$131 million due to a \$139 million decrease in interest expense, partially offset by an \$8 million decline in interest income. NIM expanded from 2.58% to 2.89%.
 - \$89 million decline in interest income on borrowings due to the debt redemption,
 - \$70 million increase in interest income on investment securities due to higher yields, a larger portfolio and PAA,
 - \$49 million decline in interest expense on deposits due to lower rates and PAA,
 - \$13 million increase in interest on overnight investments due to higher yields, partially offset by,
 - \$91 million decline in interest income on loans due to lower PAA, lower SBA-PPP income and lower loan balances, partially offset by higher loan yields ex-PAA and SBA-PPP income.



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Note – The financial data and ratios provided on this slide are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical periods. For the legacy BancShares 2021 reported data and ratios, refer to pages 37-38 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.

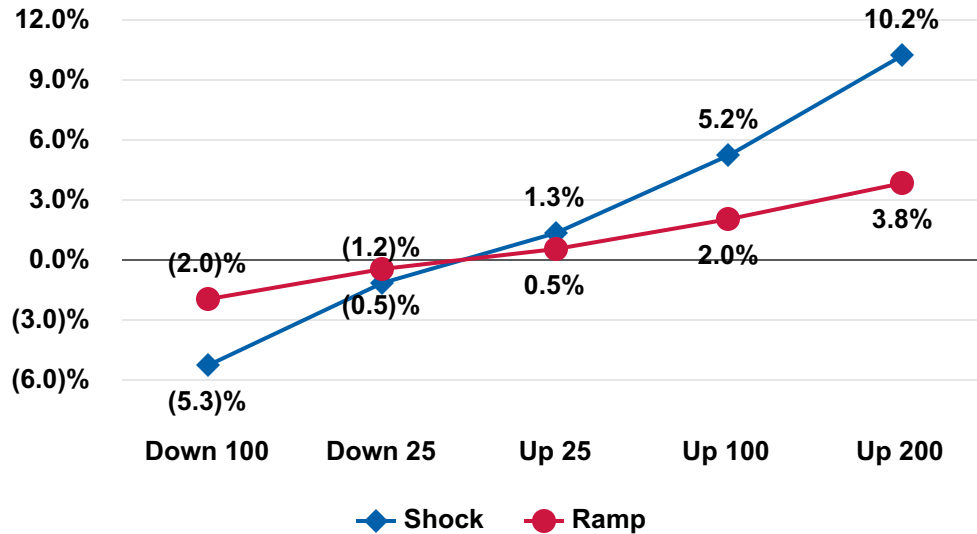
NIM Rollforward



Note – The financial ratios provided on this slide are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical periods. For the legacy BancShares 2021 reported ratios, refer to page 38 of the Appendix.

Net interest income and margin rate sensitivity

2Q22 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 5.2% for an immediate 100 bps parallel shift (shock) in the yield curve and 2.0% 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 and at 20% - 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 ~4.6 years, and helps to mitigate earnings risk in a down rate environment.

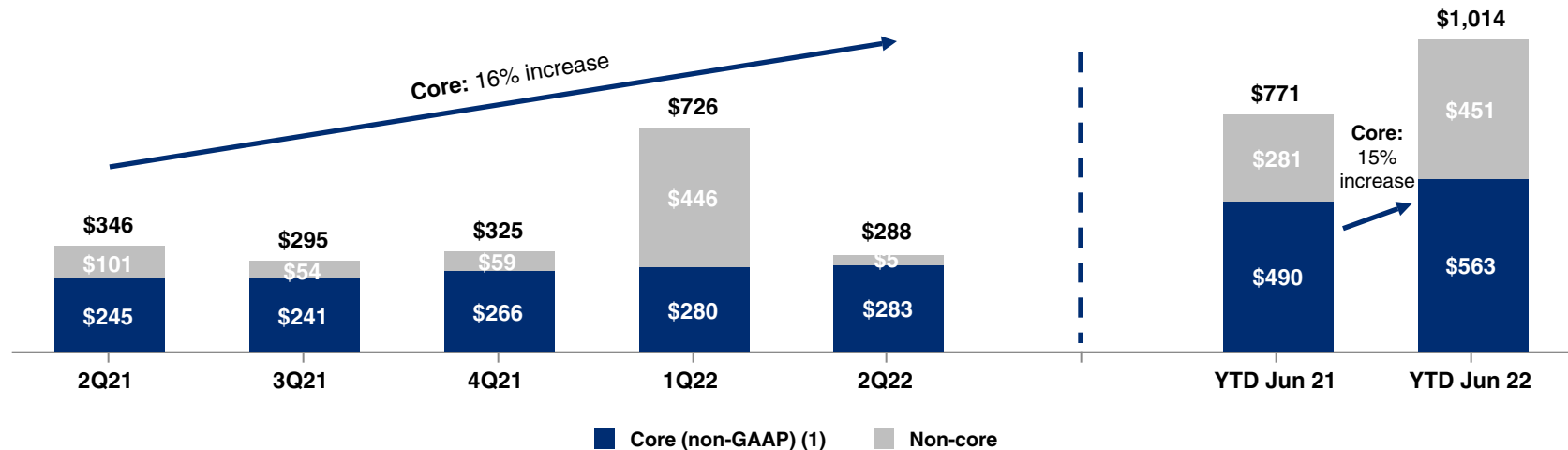
Illustrative impacts to NII & NIM⁽¹⁾

(\$ in millions)	3Q22		4Q22		1Q23		2Q23	
	NII	NIM	NII	NIM	NII	NIM	NII	NIM
+100 bps shock	\$ 32	0.14 %	\$ 41	0.17 %	\$ 42	0.18 %	\$ 45	0.19 %
+100 bps ramp	\$ 2	0.01 %	\$ 11	0.05 %	\$ 20	0.09 %	\$ 30	0.13 %
-100 bps ramp	\$ (34)	(0.14)%	\$ (42)	(0.18)%	\$ (44)	(0.19)%	\$ (47)	(0.20)%



Noninterest income

(\$ in millions)



Highlights

2Q22 vs 1Q22

- **Core noninterest income increased \$3 million.** Significant components of the change were:
 - Fee income and other service charges increased \$5 million primarily due to higher capital markets fees and wealth management income increased \$2 million;
 - Partially offset by a decrease in rental income on operating leases, net due to higher depreciation and maintenance expense.
- **Non-core noninterest income decreased \$441 million** due primarily to the \$431 million preliminary bargain purchase gain as a result of the CIT acquisition in the first quarter.

2Q22 vs 2Q21

- **Core noninterest income increased \$37 million.** Significant components of the change were:
 - Rental income on operating leases, net, increased \$26 million primarily due to higher gross revenue driven by increased utilization and higher lease rates.
 - Service charges on deposits increased \$5 million due to higher overdraft and NSF fees and higher commercial service charges.
 - Wealth management income increased \$5 million due to increased annuity sales and higher assets under management.
- **Non-core noninterest income decreased \$96 million.** Significant components of the change included:
 - \$33 million decline in gains on leasing equipment.
 - \$25 million decline in realized gain on sale of investments and fair market value adjustments on equity securities.

YTD June 2022 vs YTD June 2021

- **Core noninterest income increased \$72 million.** Significant components of the change were:
 - Rental income on operating leases, net, increased \$53 million due to higher gross revenue driven by increased utilization and higher lease rates.
 - Service charges on deposit accounts increased \$11 million due to higher overdraft and NSF fees and higher commercial service charges.
 - Wealth management services increased \$8 million due to increased annuity sales and higher assets under management.
 - Cardholder services income increased \$8 million due to higher volumes.
- **Non-core noninterest income increased \$170 million** due primarily to the \$431 million preliminary bargain purchase gain as a result of the CIT acquisition in the first quarter of 2022, partially offset by declines in gains on investments, loans and other assets.



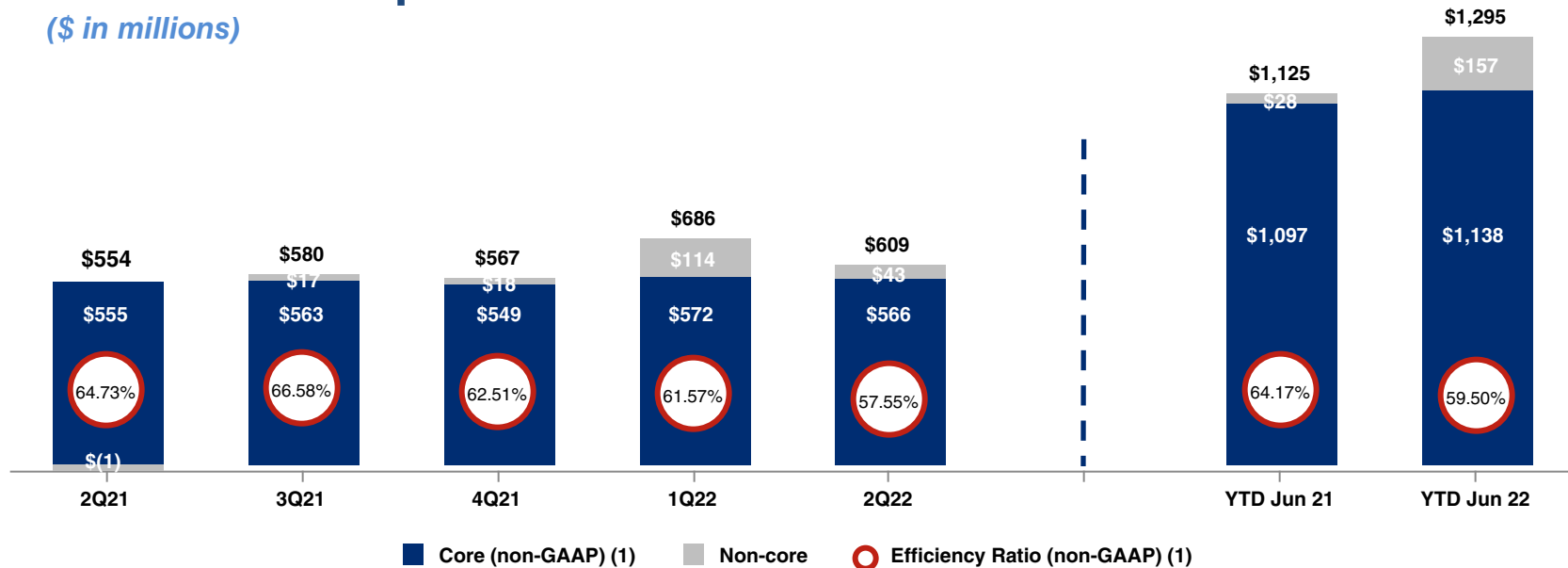
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Note – The financial data provided on this slide is presented as if legacy BancShares and legacy CIT were combined for the 2021 historical periods. For the legacy BancShares 2021 reported data, refer to page 37 of the Appendix.

(1) Core noninterest income is non-GAAP and includes rental income on operating leases, net of depreciation and maintenance expense as well as adjustments for notable items as detailed on page 17.

Noninterest expense

(\$ in millions)



Highlights

2Q22 vs 1Q22

- **Core noninterest expense declined \$6 million.** Significant components of the change were:
 - Personnel costs declined \$11 million as a result of lower benefit expenses, lower incentive compensation and higher deferred loan origination costs, partially offset by higher salary expense due to annual merit and net staff additions.
- **Non-core noninterest expense declined \$71 million.** Significant components of the change were:
 - Merger-related expenses declined \$101 million, partially offset by a \$27 million reversal of expense related to legacy retiree benefit plans in 1Q22.
- **Efficiency ratio** improved from 61.57% to 57.55% as core net revenue grew by 6% and core noninterest expense declined by 1%.

2Q22 vs 2Q21

- **Core noninterest expense increased \$11 million.** Significant components of the change were:
 - Occupancy and equipment expense increased \$5 million and third-party processing fees increased \$4 million.
 - Personnel costs increased \$3 million due to higher salaries expense as a result of merit increases, partially offset by net staff reductions and lower benefit costs.
- **Non-core noninterest expense increased \$44 million.** Significant components of the change were:
 - Merger-related expenses increased \$28 million and other expenses increased \$13 million due to reserve releases in 2Q21.
- **Efficiency ratio** improved from 64.73% to 57.55% due to 15% core net revenue growth versus 2% core noninterest expense growth.

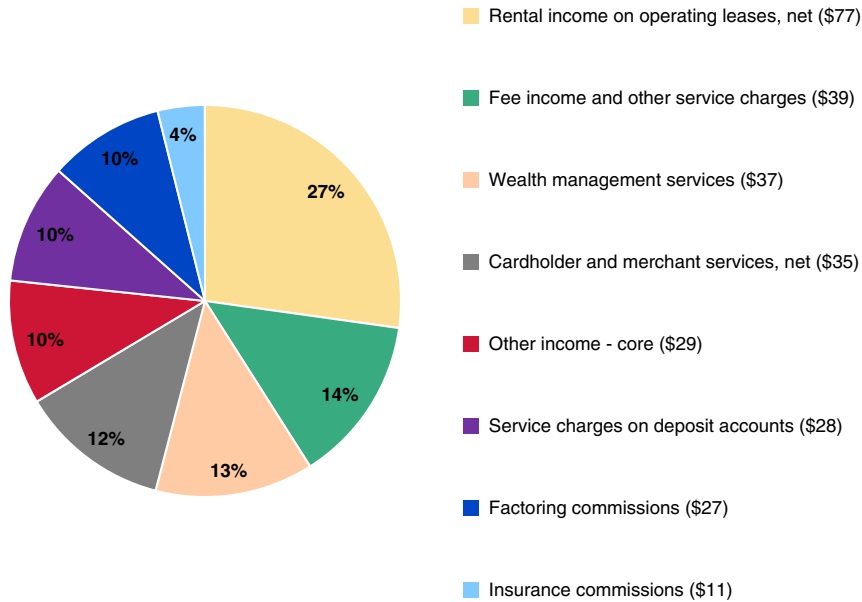
YTD22 vs YTD21

- **Core noninterest expense increased \$41 million.** Significant components of the change were:
 - Personnel costs increased \$15 million as a result of merit increases, higher incentive compensation and increased benefits expense, partially offset by net staff reductions.
 - Third-party processing expenses increased \$7 million, occupancy and equipment expense increased \$5 million and marketing expense increased \$4 million.
- **Non-core noninterest expense increased \$129 million.** Significant components of the change were:
 - Merger-related expenses increased \$151 million, partially offset by a \$27 million reversal of expense related to legacy retiree benefit plans.
- **Efficiency ratio** improved from 64.17% to 59.50% due to 12% core net revenue growth versus 4% core noninterest expense growth.

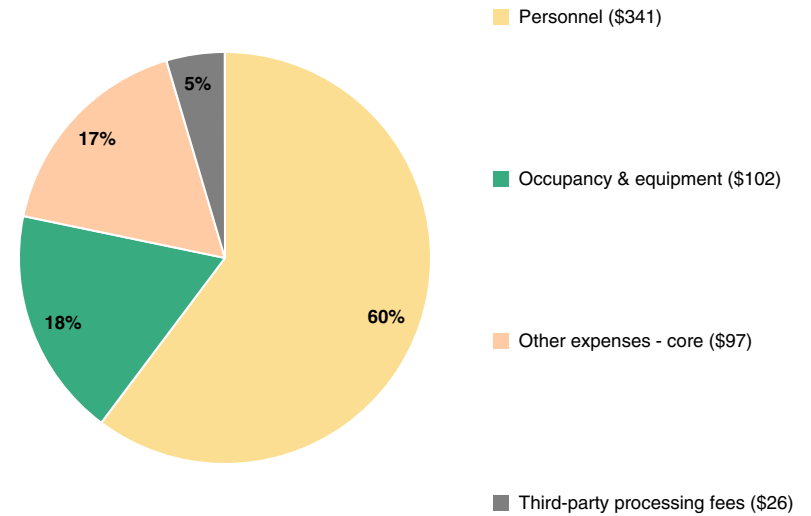
2Q22 Noninterest income and expense composition

(\$ in millions)

Core noninterest income (non-GAAP)



Core noninterest expense (non-GAAP)



Note - Core noninterest income is non-GAAP and includes rental income on operating leases, net of depreciation and maintenance expense as well as adjustments for notable items as detailed on page 17. Core noninterest expense does not include depreciation and maintenance expense on operating leases, as well as adjustments for notable items as detailed on page 17.

Balance Sheet Highlights

(\$ in millions, expect per share data)

Select balances ⁽¹⁾	2Q22	1Q22	2Q21	Increase (decrease)			
				2Q22 vs 1Q22		2Q22 vs 2Q21	
				\$	%	\$	%
Interest-earning deposits at banks	\$ 6,476	\$ 9,285	\$ 13,006	\$ (2,809)	(30.3)%	\$ (6,530)	(50.2)%
Investment securities	19,136	19,469	16,129	(333)	(1.7)%	3,007	18.6 %
Loans and leases	67,735	65,524	66,401	2,211	3.4 %	1,334	2.0 %
Operating lease equipment, net ⁽²⁾	7,971	7,972	7,782	(1)	— %	189	2.4 %
Deposits	89,329	91,597	89,696	(2,268)	(2.5)%	(367)	(0.4)%
Borrowings	3,813	2,676	5,469	1,137	42.5 %	(1,656)	(30.3)%
Tangible common stockholders' equity (non-GAAP)	9,265	9,187	9,155	78	0.8 %	110	1.2 %
Common stockholders' equity	9,761	9,689	9,648	72	0.7 %	113	1.2 %
Total stockholders' equity	10,642	10,570	10,513	72	0.7 %	129	1.2 %

Key metrics	2Q22	1Q22	2Q21	Increase (decrease)	
				2Q22 vs 1Q22	2Q22 vs 2Q21
Common equity Tier 1 (CET1) capital ratio ⁽³⁾	11.34 %	11.34 %	11.14 %	— %	0.20 %
Book value per common share ⁽³⁾	\$ 609.95	\$ 605.48	\$ 421.39	\$ 4.46	\$ 188.56
Tangible book value per common share (non-GAAP) ⁽³⁾	\$ 578.92	\$ 574.09	\$ 383.19	\$ 4.84	\$ 195.74
Tangible capital to tangible assets ⁽¹⁾	8.64 %	8.50 %	8.37 %	0.14 %	0.28 %
Loan to deposit ratio ⁽¹⁾	75.83 %	71.54 %	74.03 %	4.29 %	1.80 %
ACL to total loans and leases ⁽¹⁾	1.26 %	1.29 %	1.57 %	(0.04)%	(0.31)%
Noninterest bearing deposits to total deposits ⁽¹⁾	29.83 %	28.27 %	27.32 %	1.55 %	2.51 %

⁽¹⁾ The financial data and ratios provided are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical periods. For the legacy BancShares 2021 reported data and ratios, refer to pages 36 and 38 of the Appendix.

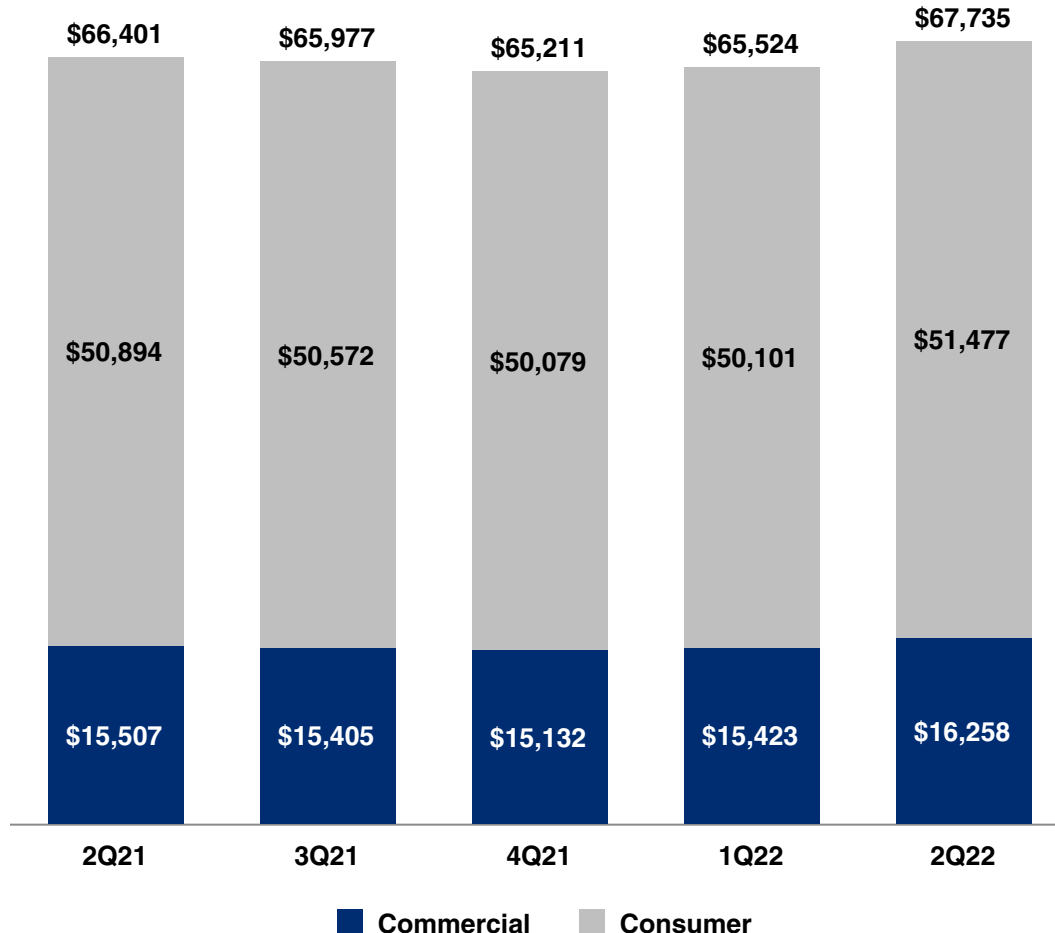
⁽²⁾ Operating lease equipment, net includes \$7.2 billion of rail assets.

⁽³⁾ 2Q21 ratios for CET1, book value per common share and tangible book value per common share are legacy BancShares and do not include legacy CIT balances.



Loans and Leases HFI

(\$ in millions)



Highlights

2Q22 vs 1Q22

- Loans increased \$2.2 billion from \$65.5 billion to \$67.7 billion or by 13.5% on an annualized basis. Excluding SBA-PPP loans, loans increased by 14.3% on an annualized basis.
- The increase was due primarily to loan growth in our branch network, industry verticals, middle market banking and residential mortgage.
- The primary drivers of the increase by loan type were commercial & industrial loans and residential mortgage loans.

2Q22 vs 2Q21

- Loans increased \$1.3 billion from \$66.4 billion to \$67.7 billion or by 2.0%. Loans excluding the impact of purchase accounting and SBA-PPP increased \$2.8 billion from \$64.7 billion to \$67.5 billion or by 4.3%.
- The increase was consistent with the explanation for the linked quarter.
- The primary drivers of the increase by loan type were commercial & industrial loans, residential mortgage loans and owner-occupied commercial real estate loans.



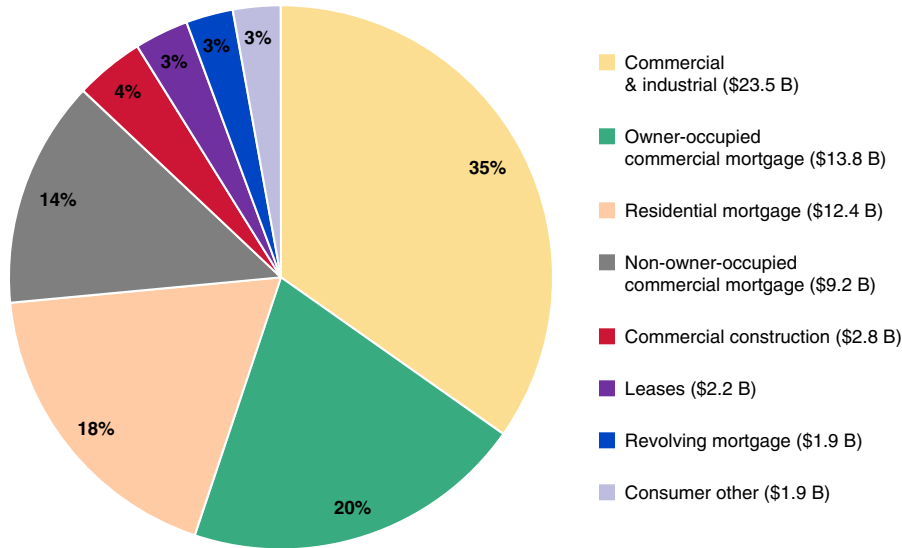
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Note – The financial data provided on this slide is presented as if legacy BancShares and legacy CIT were combined for the historical periods. For the legacy BancShares 2021 reported data, refer to page 36 of the Appendix. Rail assets / operating leases are not included in the loan totals. The Commercial Bank segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Bank segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

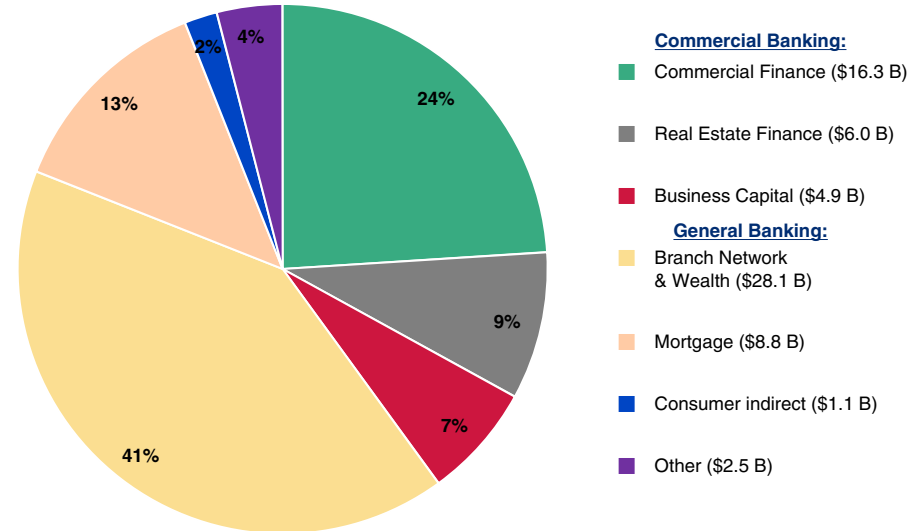
2Q22 Loans and Leases HFI Composition

(\$ in billions)

Type



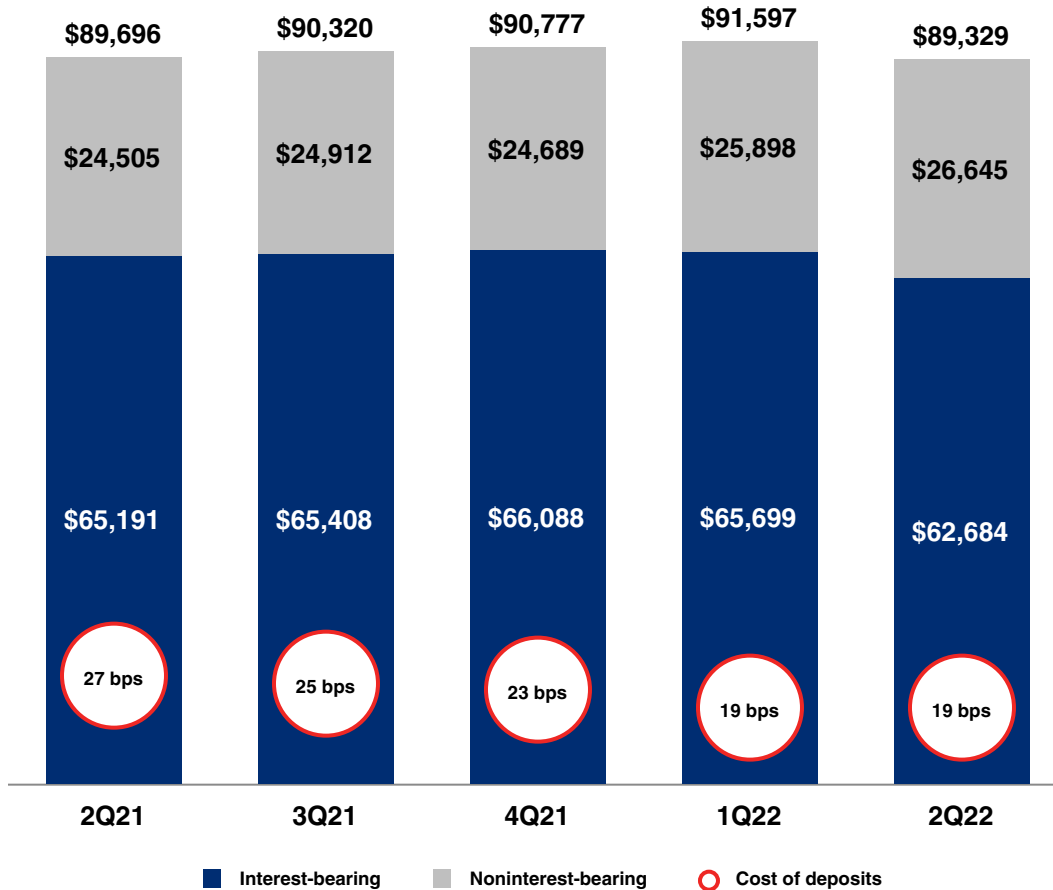
Segment



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

2Q22 vs. 1Q22

- Total deposits were \$89.3 billion, a decrease of \$2.3 billion or 9.9% on an annualized basis.
- Noninterest-bearing deposits increased \$747 million.
- Interest-bearing deposits decreased \$3.0 billion, primarily due to \$1.6 billion and \$861 million declines in money market deposits and time deposits, respectively.
- The reduction in interest-bearing deposits was primarily concentrated in acquired higher cost Direct Bank accounts and legacy OneWest Bank branches, partially offset by growth in the branch network.

2Q22 vs. 2Q21

- Total deposits decreased \$367 million or by 0.4%.
- Noninterest-bearing deposits increased \$2.1 billion.
- Interest-bearing deposits decreased \$2.5 billion, primarily driven by decreases in time deposits and savings accounts, partially offset by increases in checking accounts with interest.
- The reduction in interest-bearing deposits was primarily concentrated in acquired higher cost Direct Bank accounts and legacy OneWest Bank branches, partially offset by growth in the branch network and Community Association Banking.



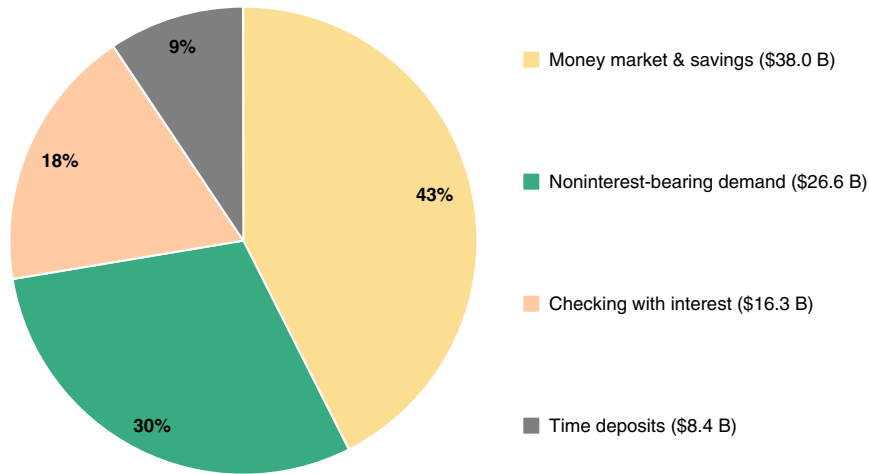
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Note – The financial data and ratios provided on this slide are presented as if legacy BancShares and legacy CIT were combined for the historical periods. For the legacy BancShares 2021 reported data, refer to pages 36 and 38 of the Appendix. The Commercial Bank segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Bank segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

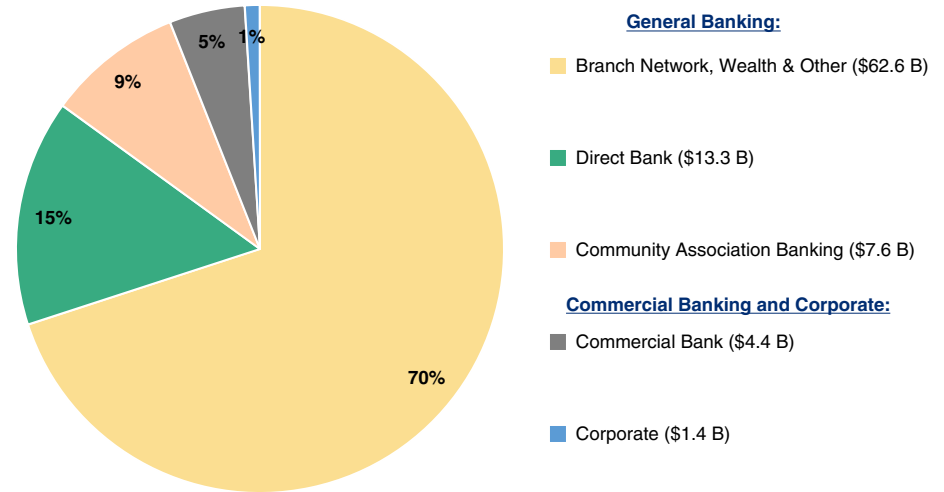
2Q22 Deposit Composition

(\$ in billions)

Type



Segment



General Banking:

Branch Network, Wealth & Other (\$62.6 B)

Direct Bank (\$13.3 B)

Community Association Banking (\$7.6 B)

Commercial Banking and Corporate:

Commercial Bank (\$4.4 B)

Corporate (\$1.4 B)



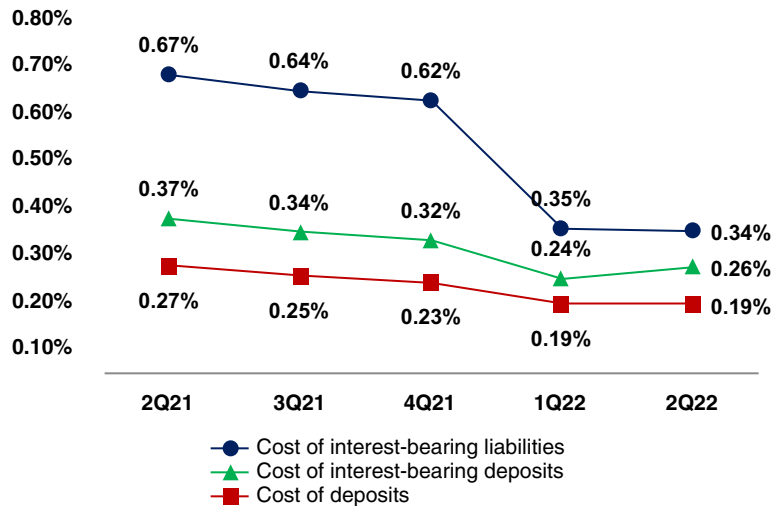
Note – The Commercial Banking segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

Funding Mix

(\$ in millions)

	QTD										Change	
	2Q22		1Q22		4Q21		3Q21		2Q21		Linked Quarter	Prior Year Quarter
Total deposits	\$ 89,329	95.2 %	\$ 91,597	96.5 %	\$ 90,777	93.8 %	\$ 90,320	93.6 %	\$ 89,696	93.6 %	(\$ 2,268)	\$ (367)
Securities sold under customer repurchase agreements	646	0.7	616	0.6	589	0.6	664	0.7	693	0.7	30	(47)
Federal Home Loan Bank borrowings	1,785	1.9	639	0.7	645	0.7	646	0.7	647	0.7	1,146	1,138
Senior unsecured borrowings	892	1.0	895	0.9	3,742	3.9	3,740	3.9	3,739	3.9	(3)	(2,847)
Subordinated debt	1,055	1.1	1,058	1.1	973	1.0	993	1.0	992	1.0	(3)	63
Other borrowings	81	0.1	84	0.1	86	0.1	88	0.1	91	0.1	(3)	(10)
Total deposits and borrowed funds	\$ 93,788	100.0 %	\$ 94,889	100.0 %	\$ 96,812	100.0 %	\$ 96,451	100.0 %	\$ 95,858	100.0 %	(\$ 1,101)	\$ (2,070)

Cost of funds



Additional sources of liquidity

Categories	\$ in millions	
FHLB	\$	11,562
FRB		4,190
Line of Credit		75
Total	\$	15,827



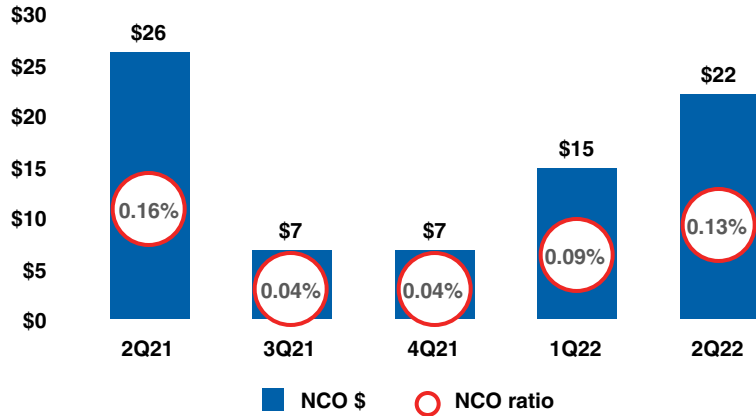
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Note – The financial data and ratios provided on this slide are presented as if legacy BancShares and legacy CIT were combined for the historical periods. For the legacy BancShares 2021 reported data, refer to pages 36 and 38 of the Appendix. Totals may not foot due to rounding.

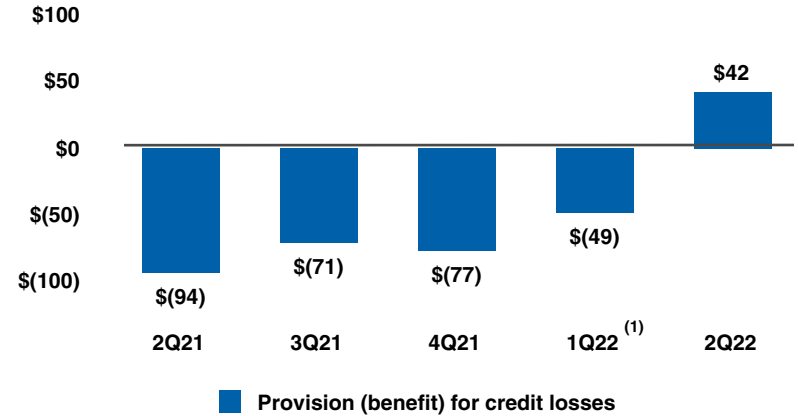
ACL and Credit Quality Trends

(\$ in millions)

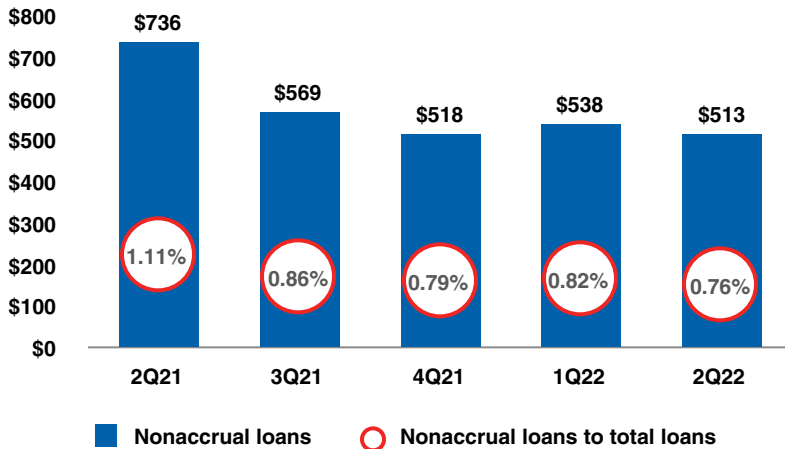
Net charge-offs (NCO) & NCO ratio



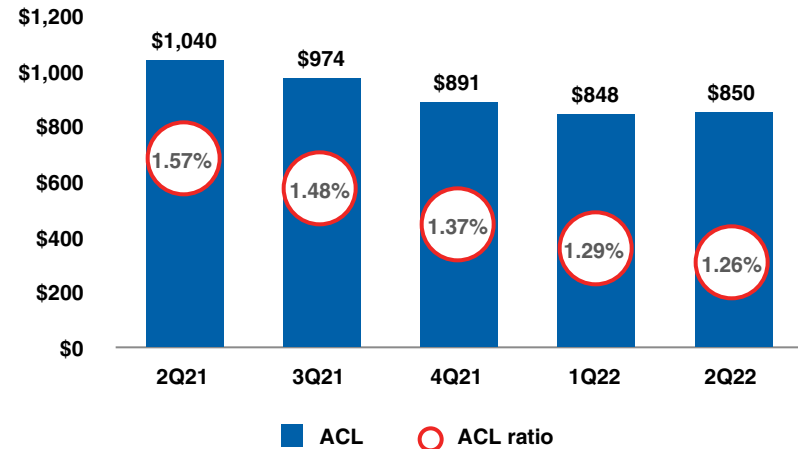
Provision (benefit) for credit losses



Nonaccrual loans / total loans & leases HFI



ACL & ACL ratio



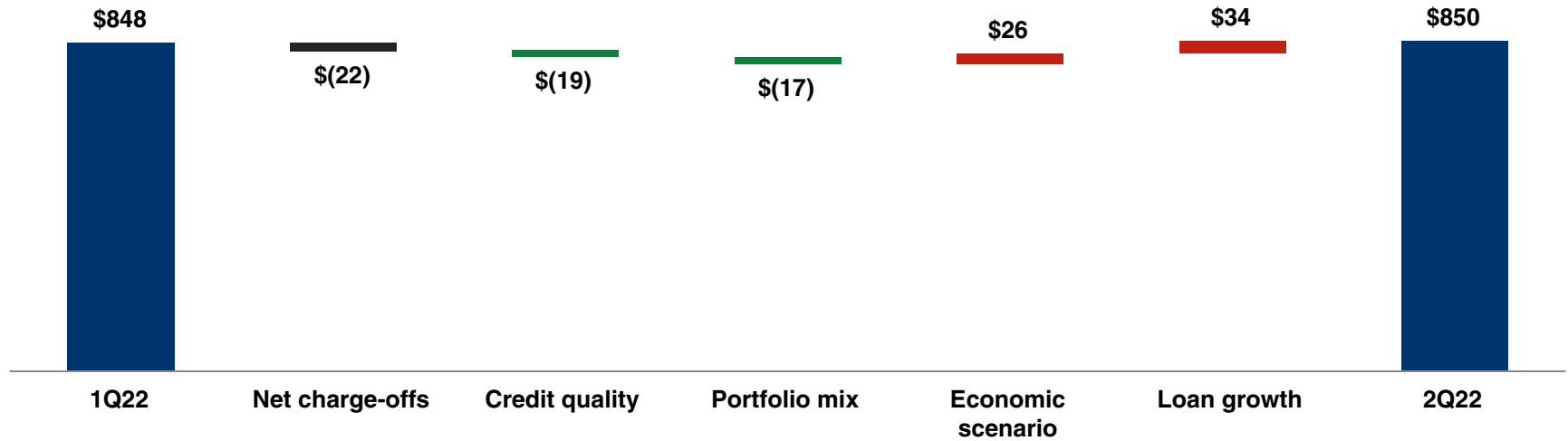
Note – The financial data and ratios provided on this slide are presented as if legacy BancShares and legacy CIT were combined for the 2021 historical periods. For the legacy BancShares reported data and ratios, refer to pages 36-38 of the Appendix.

(1) Excludes \$513 million of Day 2 provision expenses.

Allowance for credit losses (ACL)

(\$ in millions)

1Q22 to 2Q22

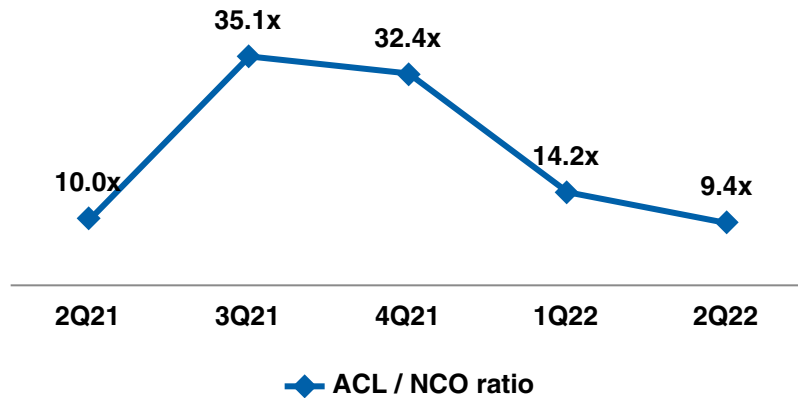


Highlights

2Q22 vs 1Q22

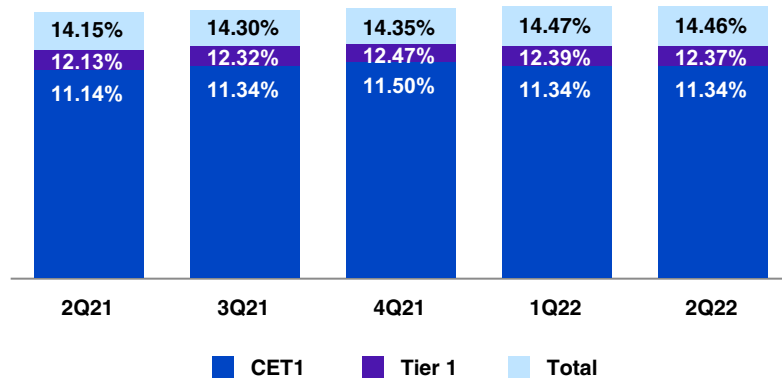
- Total ACL increased \$2 million compared to the linked quarter.
- We saw declines in the ACL from improved credit quality as well as a change in portfolio mix due to loans moving out of portfolios with higher reserve rates.
- Declines in the ACL were offset by portfolio growth and deterioration in the CECL macroeconomic forecasts (GDP, CRE Index, HPI, and interest rates).
- The ACL provided 9.6x times coverage of annualized quarterly net charge-offs.

ACL / Net charge-offs



Capital

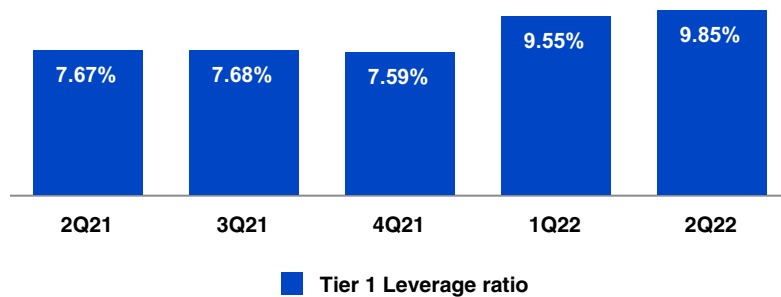
Risk-based capital ratios



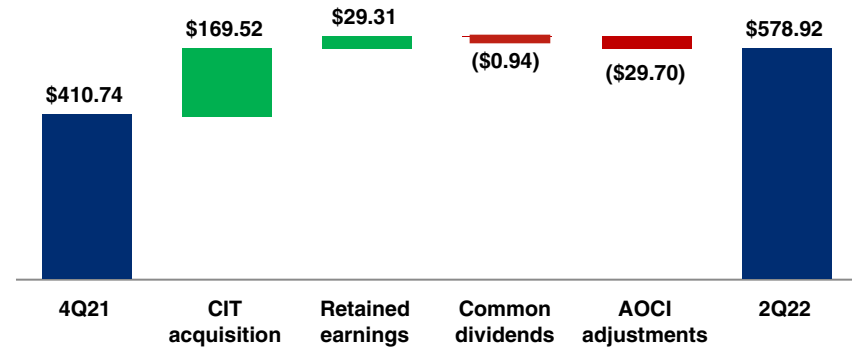
Capital ratio rollforward

	Risk-Based Capital			Tier 1 Leverage
	Total	Tier 1	CET1	
December 31, 2021	14.35%	12.47%	11.50%	7.59%
CIT acquisition - net	(0.04)%	(0.26)%	(0.36)%	1.50%
Pro forma combined January 3, 2022	14.31%	12.21%	11.14%	9.09%
Net income	0.57%	0.57%	0.57%	0.44%
Common dividends	(0.02)%	(0.02)%	(0.02)%	(0.02)%
Preferred dividends	(0.03)%	(0.03)%	(0.03)%	(0.03)%
Change in risk-weighted/average assets	(0.40)%	(0.34)%	(0.32)%	0.29%
SBA-PPP change in assets	0.00%	0.00%	0.00%	0.07%
Other	0.03%	(0.02)%	0.00%	0.01%
June 30, 2022	14.46%	12.37%	11.34%	9.85%
Change since December 31, 2021	0.11%	(0.10)%	(0.16)%	2.26%

Tier 1 Leverage ratio



Tangible book value per share (non-GAAP)



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Note – The financial ratios provided on this slide are legacy BancShares and do not include legacy CIT balances. Capital ratios are preliminary pending completion quarterly regulatory filings.

Financial Outlook

Section IV



Key Earnings Estimate Assumptions

Metric	2Q22 - adjusted baseline	3Q22	FY21 - adjusted baseline	FY22
Loans	\$67.7 billion	Mid-single digit % growth	\$65.2 billion	Mid- to high-single digit % growth
Deposits	\$89.3 billion	Slightly negative % decline	\$90.8 billion	Negative low to mid-single digit % decline
Interest rates		Expectation of 125 bps increase in FFR. Ending rate of 2.75% - 3.00%		FFR to increase to 3.25% - 3.50% as of 12/31/22
Net charge-off ratio (annualized/annual)	13 bps	15 - 25 bps	9 bps	12 - 22 bps
Net interest income	\$700 million	High-single digit % growth	\$2.4 billion	High teens % growth
Noninterest income ⁽¹⁾	\$283 million	Down mid- to high-single % on NSF/OD change, seasonal factoring declines	\$1.0 billion	Upper-single digit % growth
Noninterest expense ⁽²⁾	\$566 million	Flat to slightly positive % growth	\$2.2 billion	Low-single digit % growth
Effective tax rate	24.1% ⁽³⁾	24% - 25% ⁽³⁾	23.9% ⁽⁴⁾	24% - 25% ⁽³⁾

(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.

(3) Estimated annual effective tax rate is 24.1%, excluding discrete items.

(4) The FY21 effective tax rate is a blended rate between legacy CIT and BancShares using prior period reported numbers.

Appendix

Section V



Consolidated Balance Sheets (unaudited)

(\$ in millions)

	2Q22	1Q22	4Q21	3Q21	2Q21
ASSETS					
Cash and due from banks	\$ 583	\$ 523	\$ 338	\$ 337	\$ 395
Interest-earning deposits at banks	6,476	9,285	9,115	9,875	7,871
Securities purchased under agreements to resell	—	—	—	—	—
Investment securities	19,136	19,469	13,110	10,875	10,895
Assets held for sale	38	83	99	98	108
Loans and leases	67,735	65,524	32,372	32,516	32,690
Allowance for credit losses	(850)	(848)	(178)	(183)	(189)
Loans and leases, net of allowance for credit losses	66,885	64,676	32,194	32,333	32,501
Operating lease equipment, net	7,971	7,972	—	—	—
Premises and equipment, net	1,415	1,431	1,233	1,231	1,238
Bank-owned life insurance	1,334	1,326	116	116	115
Goodwill	346	346	346	350	350
Other intangible assets	150	156	19	22	25
Other assets	3,339	3,330	1,739	1,665	1,677
Total assets	\$ 107,673	\$ 108,597	\$ 58,309	\$ 56,902	\$ 55,175
LIABILITIES					
Deposits:					
Noninterest-bearing	\$ 26,645	\$ 25,898	\$ 21,405	\$ 21,514	\$ 20,974
Interest-bearing	62,684	65,699	30,001	28,551	27,436
Total deposits	89,329	91,597	51,406	50,065	48,410
Credit balances of factoring clients	1,070	1,150	—	—	—
Securities sold under customer repurchase agreements	646	616	589	664	693
Total borrowings	3,813	2,676	1,195	1,219	1,225
Other liabilities	2,173	1,988	381	372	370
Total liabilities	97,031	98,027	53,571	52,320	50,698
STOCKHOLDERS' EQUITY					
Preferred stock	881	881	340	340	340
Common stock	16	16	10	10	10
Additional paid in capital	5,345	5,344	—	—	—
Retained earnings	4,865	4,634	4,378	4,264	4,149
Accumulated other comprehensive loss	(465)	(305)	10	(32)	(22)
Total stockholders' equity	10,642	10,570	4,738	4,582	4,477
Total liabilities and stockholders' equity	\$ 107,673	\$ 108,597	\$ 58,309	\$ 56,902	\$ 55,175

Consolidated Income Statements (unaudited)

(\$ in millions)

	2Q22	1Q22	4Q21	3Q21	2Q21	YTD22	YTD21
INTEREST INCOME							
Interest and fees on loans	\$ 655	\$ 621	\$ 328	\$ 320	\$ 324	\$ 1,276	\$ 647
Interest on investment securities	89	83	39	40	36	172	66
Interest on deposits at banks	13	6	4	3	2	19	4
Total interest income	757	710	371	363	362	1,467	717
INTEREST EXPENSE							
Deposits	42	39	8	8	8	81	17
Borrowings	15	22	6	8	8	37	14
Total interest expense	57	61	14	16	16	118	31
Net interest income	700	649	357	347	346	1,349	686
Provision (benefit) for credit losses	42	464	(5)	(1)	(20)	506	(31)
Net interest income after provision	658	185	362	348	366	843	717
NONINTEREST INCOME							
Rental income on operating leases	213	208	—	—	—	421	—
Fee income and other service charges	39	35	11	10	10	74	21
Wealth management services	37	35	33	32	32	72	64
Service charges on deposit accounts	28	28	27	25	21	56	43
Factoring commissions	27	27	—	—	—	54	—
Cardholder services, net	26	25	22	23	22	51	42
Merchant services, net	9	10	7	9	8	19	17
Insurance commissions	11	12	4	4	4	23	8
Bank-owned life insurance	9	8	1	1	—	17	1
Other	25	462	11	19	36	487	74
Total noninterest income	424	850	116	123	133	1,274	270
NONINTEREST EXPENSE							
Depreciation on operating lease equipment	89	81	—	—	—	170	—
Maintenance and other operating lease expenses	47	43	—	—	—	90	—
Salaries and benefits	341	352	193	194	188	693	372
Net occupancy expense	48	49	30	29	28	97	58
Equipment expense	54	52	30	30	29	106	59
Professional fees	15	16	7	5	4	31	8
Third-party processing fees	26	24	16	16	14	50	28
FDIC insurance expense	9	12	4	3	4	21	7
Marketing	9	8	3	3	2	17	4
Merger-related expenses	34	135	9	7	6	169	13
Intangible asset amortization	6	6	3	3	3	12	6
Other noninterest expense	67	32	27	24	22	99	42
Total noninterest expense	745	810	322	314	300	1,555	597
Income before income taxes	337	225	156	157	199	562	390
Income tax expense (benefit)	82	(46)	30	34	46	36	90
Net income	\$ 255	\$ 271	\$ 126	\$ 123	\$ 153	\$ 526	\$ 300
Preferred stock dividends	\$ 17	\$ 7	\$ 5	\$ 5	\$ 5	\$ 24	\$ 9
Net income available to common stockholders	\$ 238	\$ 264	\$ 121	\$ 118	\$ 148	\$ 502	\$ 291

Legacy BancShares Consolidated Financial Ratios (unaudited) ⁽¹⁾

	4Q21	3Q21	2Q21	YTD21
NIM	2.58 %	2.61 %	2.67 %	2.73 %
Net charge-off ratio	(0.01)%	0.06 %	0.02 %	0.03 %
Efficiency ratio	66.31 %	66.09 %	64.61 %	63.98 %
Tangible capital to tangible assets ⁽²⁾			6.86 %	
Loan to deposits ratio ⁽²⁾			67.53 %	
ACL to total loans and leases ⁽²⁾	0.55 %	0.56 %	0.58 %	
Noninterest bearing deposits to total deposits ⁽²⁾			43.33 %	
Cost of deposits ⁽²⁾	0.06 %	0.07 %	0.07 %	
Cost of interest bearing deposits ⁽²⁾	0.11 %	0.12 %	0.13 %	
Cost of interest bearing liabilities ⁽²⁾	0.19 %	0.20 %	0.21 %	
Nonaccrual loans to total loans and leases ⁽²⁾	0.37 %	0.50 %	0.57 %	
ACL / Net charge offs ⁽²⁾	32.6 x	35.3 x	9.9 x	



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

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

Consolidated and Combining Balance Sheets (unaudited)

(\$ in millions)

	2Q22		1Q22		2Q21	
	Reported	Reported	FCB GAAP	CIT GAAP	FCB/CIT Combined	
ASSETS						
Cash and due from banks	\$ 583	\$ 523	\$ 395	\$ 147	\$ 542	
Interest-earning deposits at banks	6,476	9,285	7,871	5,135	13,006	
Securities purchased under agreements to resell	—	—	—	150	150	
Investment securities	19,136	19,469	10,895	5,084	15,979	
Assets held for sale	38	83	108	51	159	
Loans and leases	67,735	65,524	32,690	33,711	66,401	
Allowance for credit losses	(850)	(848)	(189)	(851)	(1,040)	
Loans and leases, net of allowance for credit losses	66,885	64,676	32,501	32,860	65,361	
Operating lease equipment, net	7,971	7,972	—	7,782	7,782	
Premises and equipment, net	1,415	1,431	1,238	185	1,423	
Bank-owned life insurance	1,334	1,326	115	1,186	1,301	
Goodwill	346	346	350	—	350	
Other intangible assets	150	156	25	118	143	
Other assets	3,339	3,330	1,677	2,006	3,683	
Total assets	\$ 107,673	\$ 108,597	\$ 55,175	\$ 54,704	\$ 109,879	
LIABILITIES						
Deposits:						
Noninterest-bearing	\$ 26,645	\$ 25,898	\$ 20,974	\$ 3,531	\$ 24,505	
Interest-bearing	62,684	65,699	27,436	37,755	65,191	
Total deposits	89,329	91,597	48,410	41,286	89,696	
Credit balances of factoring clients	1,070	1,150	—	1,531	1,531	
Securities sold under customer repurchase agreements	646	616	693	—	693	
Total borrowings	3,813	2,676	1,225	4,244	5,469	
Other liabilities	2,173	1,988	370	1,607	1,977	
Total liabilities	97,031	98,027	50,698	48,668	99,366	
STOCKHOLDERS' EQUITY						
Preferred stock	881	881	340	525	865	
Common stock	16	16	10	2	12	
Additional paid in capital	5,345	5,344	—	3,751	3,751	
Retained earnings	4,865	4,634	4,149	1,874	6,023	
Accumulated other comprehensive loss	(465)	(305)	(22)	(116)	(138)	
Total stockholders' equity	10,642	10,570	4,477	6,036	10,513	
Total liabilities and stockholders' equity	\$ 107,673	\$ 108,597	\$ 55,175	\$ 54,704	\$ 109,879	



Consolidated and Combining Balance Sheets (unaudited)

(\$ in millions)

	2Q22		4Q21			3Q21		
	Reported	FCB GAAP	CIT GAAP	FCB/CIT Combined	FCB GAAP	CIT GAAP	FCB/CIT Combined	
ASSETS								
Cash and due from banks	\$ 583	\$ 338	\$ 141	\$ 479	\$ 337	\$ 170	\$ 507	
Interest-earning deposits at banks	6,476	9,115	2,874	11,989	9,875	4,429	14,304	
Securities purchased under agreements to resell	—	—	—	—	—	100	100	
Investment securities	19,136	13,110	6,597	19,707	10,875	5,563	16,438	
Assets held for sale	38	99	53	152	98	96	194	
Loans and leases	67,735	32,372	32,839	65,211	32,516	33,461	65,977	
Allowance for credit losses	(850)	(178)	(713)	(891)	(183)	(791)	(974)	
Loans and leases, net of allowance for credit losses	66,885	32,194	32,126	64,320	32,333	32,670	65,003	
Operating lease equipment, net	7,971	—	8,024	8,024	—	7,937	7,937	
Premises and equipment, net	1,415	1,233	169	1,402	1,231	176	1,407	
Bank-owned life insurance	1,334	116	1,202	1,318	116	1,193	1,309	
Goodwill	346	346	—	346	350	—	350	
Other intangible assets	150	19	102	121	22	110	132	
Other assets	3,339	1,739	1,952	3,691	1,665	1,976	3,641	
Total assets	\$ 107,673	\$ 58,309	\$ 53,240	\$ 111,549	\$ 56,902	\$ 54,420	\$ 111,322	
LIABILITIES								
Deposits:								
Noninterest-bearing	\$ 26,645	\$ 21,405	\$ 3,284	\$ 24,689	\$ 21,514	\$ 3,398	\$ 24,912	
Interest-bearing	62,684	30,001	36,087	66,088	28,551	36,857	65,408	
Total deposits	89,329	51,406	39,371	90,777	50,065	40,255	90,320	
Credit balances of factoring clients	1,070	—	1,533	1,533	—	1,557	1,557	
Securities sold under customer repurchase agreements	646	589	—	589	664	—	664	
Total borrowings	3,813	1,195	4,251	5,446	1,219	4,248	5,467	
Other liabilities	2,173	381	1,782	2,163	372	2,185	2,557	
Total liabilities	97,031	53,571	46,937	100,508	52,320	48,245	100,565	
STOCKHOLDERS' EQUITY								
Preferred stock	881	340	525	865	340	525	865	
Common stock	16	10	2	12	10	2	12	
Additional paid in capital	5,345	—	3,760	3,760	—	3,758	3,758	
Retained earnings	4,865	4,378	2,180	6,558	4,264	2,011	6,275	
Accumulated other comprehensive (loss) income	(465)	10	(164)	(154)	(32)	(121)	(153)	
Total stockholders' equity	10,642	4,738	6,303	11,041	4,582	6,175	10,757	
Total liabilities and stockholders' equity	\$ 107,673	\$ 58,309	\$ 53,240	\$ 111,549	\$ 56,902	\$ 54,420	\$ 111,322	



forever first

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.

Consolidated and Combining Income Statements (unaudited)

(\$ in millions)

	2Q22		1Q22		2Q21		
	Reported		Reported		FCB GAAP	CIT GAAP	FCB/CIT
INTEREST INCOME							
Interest and fees on loans	\$ 655	\$	621	\$	324	\$ 356	\$ 680
Interest on investment securities	89		83		36	15	51
Interest on deposits at banks	13		6		2	—	2
Total interest income	757		710		362	371	733
INTEREST EXPENSE							
Deposits	42		39		8	51	59
Borrowings	15		22		8	54	62
Total interest expense	57		61		16	105	121
Net interest income	700		649		346	266	612
Provision (benefit) for credit losses	42		464		(20)	(74)	(94)
Net interest income after provision	658		185		366	340	706
NONINTEREST INCOME							
Rental income on operating leases	213		208		—	188	188
Fee income and other service charges	39		35		10	29	39
Wealth management services	37		35		32	—	32
Service charges on deposit accounts	28		28		21	2	23
Factoring commissions	27		27		—	27	27
Cardholder services, net	26		25		22	1	23
Merchant services, net	9		10		8	1	9
Insurance commissions	11		12		4	6	10
Bank-owned life insurance	9		8		—	9	9
Other	25		462		36	87	123
Total noninterest income	424		850		133	350	483
NONINTEREST EXPENSE							
Depreciation on operating lease equipment	89		81		—	83	83
Maintenance and other operating lease expenses	47		43		—	54	54
Salaries and benefits	341		352		188	142	330
Net occupancy expense	48		49		28	18	46
Equipment expense	54		52		29	22	51
Professional fees	15		16		4	15	19
Third-party processing fees	26		24		14	8	22
FDIC insurance expense	9		12		4	9	13
Marketing	9		8		2	6	8
Merger-related expenses	34		135		6	—	6
Intangible asset amortization	6		6		3	8	11
Other noninterest expense	67		32		22	26	48
Total noninterest expense	745		810		300	391	691
Income before income taxes	337		225		199	299	498
Income tax expense (benefit)	82		(46)		46	72	118
Net income	\$ 255	\$	271	\$	153	\$ 227	\$ 380
Preferred stock dividends	\$ 17	\$	7	\$	5	\$ 12	\$ 17
Net income available to common stockholders	\$ 238	\$	264	\$	148	\$ 215	\$ 363



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

Consolidated and Combining Income Statements (unaudited)

(\$ in millions)

	2Q22			4Q21			3Q21		
	Reported	FCB GAAP	CIT GAAP	FCB/CIT	FCB GAAP	CIT GAAP	FCB/CIT		
INTEREST INCOME									
Interest and fees on loans	\$ 655	\$ 328	\$ 340	\$ 668	\$ 320	\$ 342	\$ 662		
Interest on investment securities	89	39	21	60	40	14	54		
Interest on deposits at banks	13	4	1	5	3	3	6		
Total interest income	757	371	362	733	363	359	722		
INTEREST EXPENSE									
Deposits	42	8	45	53	8	48	56		
Borrowings	15	6	55	61	8	54	62		
Total interest expense	57	14	100	114	16	102	118		
Net interest income	700	357	262	619	347	257	604		
Provision (benefit) for credit losses	42	(5)	(72)	(77)	(1)	(70)	(71)		
Net interest income after provision	658	362	334	696	348	327	675		
NONINTEREST INCOME									
Rental income on operating leases	213	—	204	204	—	186	186		
Fee income and other service charges	39	11	28	39	10	27	37		
Wealth management services	37	33	—	33	32	—	32		
Service charges on deposit accounts	28	27	—	27	25	1	26		
Factoring commissions	27	—	33	33	—	28	28		
Cardholder services, net	26	22	(1)	21	23	—	23		
Merchant services, net	9	7	—	7	9	(1)	8		
Insurance commissions	11	4	6	10	4	6	10		
Bank-owned life insurance	9	1	8	9	1	8	9		
Other	25	11	70	81	19	54	73		
Total noninterest income	424	116	348	464	123	309	432		
NONINTEREST EXPENSE									
Depreciation on operating lease equipment	89	—	88	88	—	85	85		
Maintenance and other operating lease expenses	47	—	52	52	—	51	51		
Salaries and benefits	341	193	133	326	194	153	347		
Net occupancy expense	48	30	18	48	29	17	46		
Equipment expense	54	30	22	52	30	21	51		
Professional fees	15	7	13	20	5	14	19		
Third-party processing fees	26	16	7	23	16	7	23		
FDIC insurance expense	9	4	7	11	3	9	12		
Marketing	9	3	5	8	3	6	9		
Merger-related expenses	34	9	3	12	7	—	7		
Intangible asset amortization	6	3	8	11	3	8	11		
Other noninterest expense	67	27	29	56	24	31	55		
Total noninterest expense	745	322	385	707	314	402	716		
Income before income taxes	337	156	297	453	157	234	391		
Income tax expense	82	30	83	113	34	56	90		
Net income	\$ 255	\$ 126	\$ 214	\$ 340	\$ 123	\$ 178	\$ 301		
Preferred stock dividends	\$ 17	\$ 5	\$ 12	\$ 17	\$ 5	\$ 3	\$ 8		
Net income available to common stockholders	\$ 238	\$ 121	\$ 202	\$ 323	\$ 118	\$ 175	\$ 293		



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

Consolidated and Combining Income Statements (unaudited)

(\$ in millions)

	YTD 22		YTD 21	
	Reported	FCB GAAP	CIT GAAP	FCB/CIT
INTEREST INCOME				
Interest and fees on loans	\$ 1,276	\$ 647	\$ 720	\$ 1,367
Interest on investment securities	172	66	36	102
Interest on deposits at banks	19	4	2	6
Total interest income	1,467	717	758	1,475
INTEREST EXPENSE				
Deposits	81	17	113	130
Borrowings	37	14	113	127
Total interest expense	118	31	226	257
Net interest income	1,349	686	686	1,218
Provision (benefit) for credit losses	506	(31)	(193)	(224)
Net interest income after provision	843	717	725	1,442
NONINTEREST INCOME				
Rental income on operating leases, net	421	—	383	383
Fee income and other service charges	74	21	52	73
Wealth management services	72	64	—	64
Service charges on deposit accounts	56	43	3	46
Factoring commissions	54	—	51	51
Cardholder services, net	51	42	1	43
Merchant services, net	19	17	1	18
Insurance commissions	23	8	11	19
Bank-owned life insurance	17	1	17	18
Other	487	74	256	330
Total noninterest income	1,274	270	775	1,045
NONINTEREST EXPENSE				
Depreciation on operating lease equipment	170	—	168	168
Maintenance and other operating lease expenses	90	—	106	106
Salaries and benefits	693	372	298	670
Net occupancy expense	97	58	36	94
Equipment expense	106	59	45	104
Professional fees	31	8	22	30
Third-party processing fees	50	28	15	43
FDIC insurance expense	21	7	19	26
Marketing	17	4	9	13
Merger-related expenses	169	13	5	18
Intangible asset amortization	12	6	17	23
Other noninterest expense	99	42	62	104
Total noninterest expense	1,555	597	802	1,399
Income before income taxes	562	390	698	1,088
Income tax expense	36	90	168	258
Net income	\$ 526	\$ 300	\$ 530	\$ 830
Preferred stock dividends	\$ 24	\$ 9	\$ 15	\$ 24
Net income available to common stockholders	\$ 502	\$ 291	\$ 515	\$ 806



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Note – The adjusted income statements for periods in 2021 reflects the historical adjusted income statements of BancShares and CIT on a combined basis to facilitate more meaningful comparisons to historical periods prior to the CIT Merger.

Noninterest income

(\$ in millions)

	Quarter-to-date					2Q22 Change vs			
	2Q22	1Q22	4Q21	3Q21	2Q21	1Q22		2Q21	
	\$		\$	\$	\$	\$	%	\$	%
Rental income on operating leases	\$ 213	\$ 208	\$ 204	\$ 186	\$ 188	\$ 5	2.4 %	\$ 25	13.3 %
Fee income and other service charges	39	35	39	37	39	4	11.4 %	—	— %
Wealth management services	37	35	33	32	32	2	5.7 %	5	15.6 %
Service charges on deposit accounts	28	28	27	26	23	—	— %	5	21.7 %
Factoring commissions	27	27	33	28	27	—	— %	—	— %
Cardholder services, net	26	25	21	23	23	1	4.0 %	3	13.0 %
Merchant services, net	9	10	7	8	9	(1)	(10.0)%	—	— %
Insurance commissions	11	12	10	10	10	(1)	(8.3)%	1	10.0 %
Realized gain on sales of investment securities available for sale, net	—	—	—	14	19	—	— %	(19)	(100.0)%
Fair value adjustment on marketable equity securities, net	(6)	3	7	3	12	(9)	(300.0)%	(18)	(150.0)%
Bank-owned life insurance	9	8	9	9	9	1	12.5 %	—	— %
Gain on sales of leasing equipment, net	5	6	26	21	29	(1)	(16.7)%	(24)	(82.8)%
Gain on acquisition	—	431	—	—	—	(431)	(100.0)%	—	— %
Gain on extinguishment of debt	—	6	—	—	—	(6)	(100.0)%	—	— %
Other noninterest income	26	16	48	35	63	10	62.5 %	(37)	(58.7)%
Total noninterest income - GAAP	\$ 424	\$ 850	\$ 464	\$ 432	\$ 483	\$ (426)	(50.1)%	\$ (59)	(12.2)%
Depreciation on operating lease equipment	\$ (89)	\$ (81)	\$ (88)	\$ (85)	\$ (83)	\$ (8)	9.9 %	\$ (6)	7.2 %
Maintenance and other operating lease expense	(47)	(43)	(52)	(51)	(54)	(4.0)	9.3 %	7.0	(13.0)%
Realized gain on sales of investment securities available for sale, net	—	—	—	(14)	(19)	—	— %	19.0	(100.0)%
Fair value adjustment on marketable equity securities, net	6	(3)	(7)	(3)	(12)	—	— %	—	— %
Gain on sales of leasing equipment, net	(5)	(6)	(26)	(21)	(29)	1.0	(16.7)%	24.0	(82.8)%
Gain on acquisition	—	(431)	—	—	—	431.0	(100.0)%	—	— %
Gain on extinguishment of debt	—	(6)	—	—	—	6.0	(100.0)%	—	— %
Other noninterest income	(6)	—	(26)	(17)	(40)	(6.0)	— %	34.0	(85.0)%
Total notable items	\$ (141)	\$ (570)	\$ (199)	\$ (191)	\$ (237)	\$ (711.0)	124.7 %	\$ 96.0	(40.5)%
Rental income on operating leases, net	\$ 77	\$ 84	\$ 64	\$ 50	\$ 51	\$ (7)	(8.3)%	\$ 26	51.0 %
Fee income and other service charges	39	35	39	37	39	4	11.4 %	—	— %
Wealth management services	37	35	33	32	32	2	5.7 %	5	15.6 %
Service charges on deposit accounts	28	28	27	26	23	—	— %	5	21.7 %
Factoring commissions	27	27	33	28	27	—	— %	—	— %
Cardholder services, net	26	25	21	23	23	1	4.0 %	3	13.0 %
Merchant services, net	9	10	7	8	9	(1)	(10.0)%	—	— %
Insurance commissions	11	12	10	10	10	(1)	(8.3)%	1	10.0 %
Bank-owned life insurance	9	8	9	9	9	1	12.5 %	—	— %
Other noninterest income	20	16	22	18	23	4	25.0 %	(3)	(13.0)%
Total noninterest income - adjusted or core	\$ 283	\$ 280	\$ 265	\$ 241	\$ 246	\$ 3	1.1 %	\$ 37	15.0 %



forever first

Note – Adjusted or core noninterest income includes rental income on operating leases, net of depreciation and maintenance expense as well as adjustments for notable items as detailed on page 17 and above.

Noninterest expense

(\$ in millions)

	Quarter-to-date					2Q22 Change vs			
						1Q22		2Q21	
	2Q22	1Q22	4Q21	3Q21	2Q21	\$	%	\$	%
Depreciation on operating lease equipment	\$ 89	\$ 81	\$ 88	\$ 85	\$ 83	\$ 8	9.9 %	\$ 6	7.2 %
Maintenance and other operating lease expense	47	43	52	51	54	4	9.3 %	(7)	(13.0)%
Salaries and benefits	341	352	326	347	330	(11)	(3.1)%	11	3.3 %
Net occupancy expense	48	49	48	46	46	(1)	(2.0)%	2	4.3 %
Equipment expense	54	52	52	51	51	2	3.8 %	3	5.9 %
Professional fees	15	16	20	19	19	(1)	(6.3)%	(4)	(21.1)%
Third-party processing fees	26	24	23	23	22	2	8.3 %	4	18.2 %
FDIC insurance expense	9	12	11	12	13	(3)	(25.0)%	(4)	(30.8)%
Marketing	9	8	8	9	8	1	12.5 %	1	12.5 %
Merger-related expenses	34	135	12	7	6	(101)	(74.8)%	28	466.7 %
Intangible asset amortization	6	6	11	11	11	—	— %	(5)	(45.5)%
Other noninterest expense	67	32	56	55	48	35	109.4 %	19	39.6 %
Total noninterest expense - GAAP	\$ 745	\$ 810	\$ 707	\$ 716	\$ 691	\$ (65)	(8.0)%	\$ 54	7.8 %
Depreciation on operating lease equipment	\$ (89)	\$ (81)	\$ (88)	\$ (85)	\$ (83)	\$ (8)	9.9 %	\$ (6)	7.2 %
Maintenance and other operating lease expense	(47)	(43)	(52)	(51)	(54)	(4)	9.3 %	7	(13.0)%
Salaries and benefits	—	—	6	—	8	—	— %	(8)	(100.0)%
Merger-related expenses	(34)	(135)	(12)	(7)	(6)	101	(74.8)%	(28)	466.7 %
Intangible asset amortization	(6)	(6)	(11)	(11)	(11)	—	— %	5	(45.5)%
Other noninterest expense	(3)	27	(1)	1	10	(30)	(111.1)%	(13)	(130.0)%
Total notable items	\$ (179)	\$ (238)	\$ (158)	\$ (153)	\$ (136)	\$ 59	(24.8)%	\$ (43)	31.6 %
Salaries and benefits	\$ 341	\$ 352	\$ 332	\$ 347	\$ 338	\$ (11)	(3.1)%	\$ 3	0.9 %
Net occupancy expense	48	49	48	46	46	(1)	(2.0)%	2	4.3 %
Equipment expense	54	52	52	51	51	2	3.8 %	3	5.9 %
Professional fees	15	16	20	19	19	(1)	(6.3)%	(4)	(21.1)%
Third-party processing fees	26	24	23	23	22	2	8.3 %	4	18.2 %
FDIC insurance expense	9	12	11	12	13	(3)	(25.0)%	(4)	(30.8)%
Marketing	9	8	8	9	8	1	12.5 %	1	12.5 %
Other noninterest expense	64	59	55	56	58	5	8.5 %	6	10.3 %
Total nontinterest expense - adjusted or core	\$ 566	\$ 572	\$ 549	\$ 563	\$ 555	\$ (6)	(1.0)%	\$ 11	2.0 %



forever first

Note – Adjusted or core noninterest expense does not include depreciation and maintenance expense on operating leases, as well as adjustments for notable items as detailed on page 17 and above. In 2021, other expense includes a reserve release related to the prior sale of certain mortgage loans and the establishment of a litigation reserve.

Debt Securities Overview

(\$ in millions)	2Q22 ⁽¹⁾			
	Carrying Value ⁽²⁾	% of Portfolio	Yield ⁽³⁾	Duration (Years)
AFS Portfolio				
U.S. Treasury	\$ 1,903	10 %	1.01 %	2.6
Government agency	190	1	3.47	3.1
Commerical mortgage-backed securities	1,527	8	2.65	4.8
Residential mortgage-backed securities	5,019	26	1.75	4.5
Corporate bonds	571	3	5.37	3.6
Total AFS portfolio	\$ 9,210	48 %	1.99 %	4.1
HTM portfolio				
U.S. Treasury	\$ 472	3 %	1.39 %	4.8
Government agency	1,544	8	1.48	5.0
Commerical mortgage-backed securities	2,886	15	1.75	3.8
Residential mortgage-backed securities	4,633	24	1.76	6.0
Other investments	297	2	1.54	6.5
Total HTM portfolio	\$ 9,832	52 %	1.69 %	5.1
Grand total	\$ 19,042	100 %	1.85 %	4.6

(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.

Commercial Banking Segment

Highlights

(Actual balances; \$ in millions)	2Q22	1Q22
Income Statement		
Net interest income	\$ 203	\$ 207
Noninterest income	129	112
Net revenue	332	319
Noninterest expense	179	191
Pre-provision net revenue	153	128
Provision (benefit) for credit losses	35	(34)
Segment income before taxes	118	162
Income taxes	24	41
Segment net income	\$ 94	\$ 121

Balance Sheet		
Loans and leases	\$ 27,220	\$ 26,672
Deposits	4,449	4,687
Factoring volume	6,387	6,443

- The Commercial Banking segment had a strong quarter of loan growth, as robust growth in Commercial Finance (22% annualized) and Business Capital (20% annualized) offset by a decline in Real Estate Finance.
- Within Commercial Finance, growth was concentrated in Middle Market Banking, as well as increases in our Industry Verticals including Tech, Media & Telecom, Corporate Banking, Asset Based Lending, Energy and Healthcare.
- Business Capital continues to have robust loan growth driven by strong construction and infrastructure spending. We expect originations within the Technology and Office Products market to continue at their current pace despite headwinds in lender finance. On the quarter, Business Capital loans outstanding increased by \$234 million, or 20.2% annualized growth over the prior year quarter.
- Commercial Services (factoring) had a strong quarter with factoring volume totaling \$6.4 billion which was \$331 million higher than the prior year quarter.
- Credit quality is not showing any significant signs of stress, and while net charge-offs increased on the quarter, to 37 bps (from 22 bps the prior quarter), they were in line with the prior year quarter of 36 bps.

General Banking Segment

<i>(Actual balances; \$ in millions)</i>	<u>2Q22</u>	<u>1Q22</u>
Income Statement		
Net interest income	\$ 467	\$ 437
Noninterest income	126	123
Net revenue	593	560
Noninterest expense	390	409
Pre-provision net revenue	203	151
Provision (benefit) for credit losses	7	(15)
Segment income before taxes	196	166
Income taxes	40	40
Segment net income	\$ 156	\$ 126

Balance Sheet		
Loans and leases	\$ 40,444	\$ 38,778
Deposits	83,535	85,469

Other Key Metrics		
Number of branches	585	603
Wealth management assets under management	\$ 31,700	\$ 32,200
Card volume	3,988	3,582
Merchant volume	1,757	1,650

Highlights

- The General Banking segment had strong loan growth on both a quarterly and year-to-date basis, with the primary drivers being growth in our branch network and residential mortgages.
- While noninterest bearing deposit growth has continued to be strong, we experienced a decline in total deposits due to high-cost deposit runoff in the Direct Bank and Legacy OneWest branches.
- 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.



Note – The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking. The totals may not foot due to rounding.

Rail Segment

(Actual balances ; \$ in millions)	2Q22		1Q22	
Income Statement				
Rental income on operating leases	\$	160	\$	159
Depreciation on operating lease equipment		47		41
Maintenance and other operating lease expenses		47		43
Net revenue on operating leases		66		75
Interest expense, net		18		19
Noninterest income		—		3
Noninterest expense		16		16
Segment income before taxes		32		43
Income taxes		8		11
Segment net income	\$	24	\$	32

Balance Sheet				
Operating lease equipment, net	\$	7,247	\$	7,251

Other Key Metrics				
Number of rail cars		119,194		121,800
Utilization		96.2 %		95.5 %
Average age of rail cars		14 years		14 years
Renewal rate to current rate		114 %		108 %

Highlights

- Fleet utilization increased to 96.2% in 2Q22, which was up 0.72% compared to the linked quarter, and up 6.20% from the prior year quarter and is at the highest level since 2Q19.
- Net revenue on operating leases declined by \$9 million, due primarily to increased depreciation and maintenance expense.
- In 2Q22, the renewal re-pricing rate was 114% of the prior quarter driven by broad-based strength across the portfolio including plastics, mill gondolas, covered hoppers and boxcars.
- Short-term outlook continues to be positive overall, but is mixed across commodity markets.

Preliminary purchase accounting marks

(\$ in millions)

	June 30, 2022	March 31, 2022	December 31, 2021
Loans and leases ⁽¹⁾			
Beginning balance - unamortized fair value	\$ (145)	\$ (40)	\$ (65)
Additions - Merger with CIT Group Inc.	—	(388)	—
PCD “gross up”	—	284	—
Accretion	(1)	(1)	25
Ending balance	\$ (146)	\$ (145)	\$ (40)
Core deposits and other intangibles			
Beginning balance	\$ 156	\$ 19	\$ 31
Additions - Merger with CIT Group Inc.	—	143	—
Amortization	(6)	(6)	(12)
Ending balance	\$ 150	\$ 156	\$ 19
Deposits ⁽²⁾			
Beginning balance - unamortized fair value	\$ (57)	\$ (2)	\$ (4)
Additions - Merger with CIT Group Inc.	—	(66)	—
Amortization	8	11	2
Ending balance	\$ (49)	\$ (57)	\$ (2)
Borrowings ⁽²⁾			
Beginning balance - unamortized fair value	\$ (107)	\$ 2	\$ 4
Additions - Merger with CIT Group Inc.	—	(258)	—
Amortization	7	21	(2)
Adjustments ⁽³⁾	—	128	—
Ending balance	\$ (100)	\$ (107)	\$ 2

Note – 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. While BancShares believes that the information provided a reasonable basis for estimating fair value, BancShares expects to finalize its analysis of the acquired assets and assumed liabilities within one year of the merger date.

(1) Preliminary 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) Preliminary 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	Fitch
First Citizens BancShares, Inc.	BBB	Baa2	BBB
First-Citizens Bank & Trust Company	BBB+	Baa1	BBB
Outlook	Negative	Stable	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 key focus. Successful execution will be key to ensuring funding, risk and profitability profiles remain strong.

Non-GAAP Reconciliations

(\$ in millions, except per share data)

Non-GAAP Reconciliations	2Q22	1Q22	2Q21(2)	YTD22	YTD21(2)
Reconciliations from GAAP to Adjusted⁽¹⁾					
Net income available to common stockholders (GAAP)	\$ 238	264	363	502	806
Tax-effected notable items	32	35	(77)	67	(192)
Adjusted net income available to common stockholders (non-GAAP)	\$ 270	299	286	569	614
Basic EPS (GAAP)⁽²⁾					
Basic EPS (GAAP) ⁽²⁾	\$ 14.87	16.70	15.09	31.52	29.63
Tax-effected notable items	2.00	2.25	(1.46)	4.19	(2.64)
Basic EPS- adjusted (non-GAAP)⁽²⁾	16.87	18.95	13.63	35.71	26.99
Diluted EPS (GAAP)⁽²⁾					
Diluted EPS (GAAP) ⁽²⁾	\$ 14.86	16.70	15.09	31.48	29.63
Tax-effected notable items	2.00	2.25	(1.46)	4.19	(2.64)
Diluted EPS- adjusted (non-GAAP)⁽²⁾	16.86	18.95	13.63	35.67	26.99
ROA (GAAP)					
ROA (GAAP)	0.95 %	1.00 %	1.13 %	0.97 %	1.14 %
Tax-effected notable items	0.12 %	0.12 %	(0.11)%	0.13 %	(0.10)%
ROA- adjusted (non-GAAP)	1.07 %	1.12 %	1.02 %	1.10 %	1.04 %
ROE (GAAP)⁽²⁾⁽³⁾					
ROE (GAAP) ⁽²⁾⁽³⁾	9.87 %	11.18 %	14.64 %	10.51 %	14.67 %
Tax-effected notable items	1.32 %	1.49 %	(1.41)%	1.40 %	(1.30)%
ROE- adjusted (non-GAAP)⁽²⁾⁽³⁾	11.19 %	12.67 %	13.23 %	11.91 %	13.37 %
ROTCE⁽²⁾⁽³⁾					
ROTCE ⁽²⁾⁽³⁾	10.40 %	11.83 %	16.14 %	11.11 %	16.21 %
Tax-effected notable items	1.40 %	1.58 %	(1.56)%	1.47 %	(1.45)%
ROTCE- adjusted (non-GAAP measure)⁽²⁾⁽³⁾	11.80 %	13.41 %	14.58 %	12.58 %	14.76 %
Provision (benefit) for credit losses					
Provision (benefit) for credit losses	\$ 42	464	(94)	506	(224)
Day 2 provision related to CIT Merger	—	(513)	—	(513)	—
Provision (benefit) for credit losses- adjusted	\$ 42	(49)	(94)	(7)	(224)

(1) The GAAP income statements, adjusted income statements (which reflect non-GAAP results including core noninterest income and expense), and the individual notable items (which reconcile GAAP to non-GAAP results) are included previously in these materials. The notable items in the table above represent the aggregate impacts of all of the notable items.

(2) Basic and diluted EPS, ROE, and ROTCE for the quarter-to-date and year-to-date periods ending June 30, 2021 are based on historical FCB financial information, which excludes CIT.

(3) ROE and ROTCE are calculated based on common equity, which excludes preferred stock.

Non-GAAP Reconciliations

(\$ in millions, except per share data)

Non-GAAP Reconciliations	2Q22	1Q22	2Q21(1)	YTD22	YTD21(1)
Pre-tax, pre-provision net revenue					
Net income (GAAP)	\$ 255	271	380	526	830
Provision (benefit) for credit losses	42	464	(94)	506	(224)
Income tax expense (benefit)	82	(46)	118	36	258
Pre-tax, pre-provision net revenue (PPNR) (non-GAAP)	\$ 379	689	404	1,068	864
ROTCE					
ROE ⁽¹⁾ (GAAP)	9.87 %	11.18 %	14.64 %	10.51 %	14.67 %
Exclusion of goodwill and other intangible assets	0.53 %	0.65 %	1.50 %	0.60 %	1.54 %
ROTCE ⁽¹⁾ (non-GAAP)	10.40 %	11.83 %	16.14 %	11.11 %	16.21 %
TBV per common share					
Book value per common share ⁽¹⁾ (GAAP)	\$ 609.95	605.48	421.39	609.95	421.39
Exclusion of goodwill and other intangible assets	(31.03)	(31.39)	(38.20)	(31.03)	(38.20)
TBV per common share ⁽¹⁾ (non-GAAP)	\$ 578.92	574.09	383.19	578.92	383.19
Efficiency Ratio					
Net interest income (GAAP)	\$ 700	649	612	1,349	1,218
Adjusted noninterest income (non-GAAP)	283	280	246	563	491
Total efficiency revenue	\$ 983	929	858	1,912	1,709
Adjusted noninterest expense (non-GAAP)	\$ 566	572	555	1,138	1,097
Efficiency ratio (non-GAAP)	57.55 %	61.57 %	64.73 %	59.50 %	64.17 %
Average Interest-earning Assets and Net Interest Margin					
Average interest-earning assets (GAAP)	\$ 92,113	95,112	95,266	93,604	94,548
Less: credit balances for factoring clients	1,189	1,160	1,586	1,175	1,607
Adjusted average interest earning assets (non-GAAP)	\$ 90,924	93,952	93,680	92,429	92,941
Net interest margin (non-GAAP)	3.04 %	2.73 %	2.56 %	2.89 %	2.58 %
<small>(1) ROE, ROTCE, book value per common share, and TBV per common share are calculated based on common equity, which excludes preferred stock. ROE, ROTCE, book value per common share, and TBV per common share for the quarter-to-date and year-to-date periods ending June 30, 2021 are based on historical FCB financial information which excludes CIT.</small>					

Non-GAAP Reconciliations

(\$ in millions)

Non-GAAP Reconciliations	2Q22	1Q22	2Q21(2)	YTD22	YTD21(2)
<u>Tangible Capital to Tangible Assets (at period end)</u>					
Stockholders' equity (GAAP)	\$ 10,642	10,570	10,513	10,642	10,513
Less: preferred stock	881	881	865	881	865
Less: Goodwill and intangible assets	496	502	493	496	493
Tangible capital (non-GAAP)	9,265	9,187	9,155	9,265	9,155
Total assets (GAAP)	107,673	108,597	109,879	107,673	109,879
Less: Goodwill and intangible assets	496	502	493	496	493
Tangible assets (non-GAAP)	\$ 107,177	108,095	109,386	107,177	109,386
Tangible capital to tangible assets	8.64 %	8.50 %	8.37 %	8.64 %	8.37 %
<u>Commercial Banking Segment PPNR</u>					
Net income (GAAP)	\$ 94	121	N/A	N/A	N/A
Provision (benefit) for credit losses	35	(34)	N/A	N/A	N/A
Income tax expense (benefit)	24	41	N/A	N/A	N/A
PPNR (non-GAAP)	\$ 153	128	N/A	N/A	N/A
<u>General Banking Segment PPNR</u>					
Net income (GAAP)	\$ 156	126	N/A	N/A	N/A
Provision (benefit) for credit losses	7	(15)	N/A	N/A	N/A
Income tax expense (benefit)	40	40	N/A	N/A	N/A
PPNR (non-GAAP)	\$ 203	151	N/A	N/A	N/A
<u>Rail Segment Net Revenue on Operating Leases</u>					
Net income (GAAP)	\$ 24	32	N/A	N/A	N/A
Plus: Provision for income taxes	7	11	N/A	N/A	N/A
Plus: Other noninterest expense	17	16	N/A	N/A	N/A
Less: Other noninterest income	—	3	N/A	N/A	N/A
Plus: Interest expense, net	18	19	N/A	N/A	N/A
Net revenue on operating leases (non-GAAP)	\$ 66	75	N/A	N/A	N/A