

Dollars in millions, except per share data

Summary Financial Data & Key Metrics ⁽¹⁾	BancShares 2Q22	BancShares 1Q22	BancShares 2Q21	BancShares YTD22	BancShares YTD21
Key Performance Metrics:					
Diluted earnings per common share (EPS)	\$ 14.86	16.70	15.09	31.48	29.63
Diluted earnings per common share (EPS) - adjusted	16.86	18.95	13.63	35.67	26.99
Book value per common share	609.95	605.48	421.39	609.95	421.39
Tangible book value per common share (TBV)	578.92	574.09	383.19	578.92	383.19
Return on average assets (ROA)	0.95 %	1.00 %	1.13 %	0.97 %	1.14 %
Return on average assets (ROA) - adjusted	1.07 %	1.12 %	1.02 %	1.10 %	1.04 %
Return on average common equity (ROE)	9.87 %	11.18 %	14.64 %	10.51 %	14.67 %
Return on average common equity (ROE) - adjusted	11.19 %	12.67 %	13.23 %	11.91 %	13.37 %
Return on average tangible common equity (ROTCE)	10.40 %	11.83 %	16.14 %	11.11 %	16.21 %
Return on average tangible common equity (ROTCE) - adjusted	11.80 %	13.41 %	14.58 %	12.58 %	14.76 %
Efficiency ratio	57.55 %	61.57 %	64.61 %	59.50 %	63.98 %
Net interest margin (NIM)	3.04 %	2.73 %	2.67 %	2.89 %	2.73 %
Select Balance Sheet Items:					
Total investment securities	\$ 19,136	19,469	10,895	19,136	10,895
Total loans and leases	67,735	65,524	32,690	67,735	32,690
Total operating lease equipment, net	7,971	7,972	—	7,971	—
Total deposits	89,329	91,597	48,410	89,329	48,410
Total borrowings	3,813	2,676	1,225	3,813	1,225
Loan to deposit ratio	75.83 %	71.54 %	67.53 %	75.83 %	67.53 %
Noninterest-bearing deposits to total deposits	29.83 %	28.27 %	43.33 %	29.83 %	43.33 %
Capital Ratios: ⁽²⁾					
Total risk-based capital ratio	14.46 %	14.47 %	14.15 %	14.46 %	14.15 %
Tier 1 risk-based capital ratio	12.37 %	12.39 %	12.13 %	12.37 %	12.13 %
Common equity Tier 1 ratio	11.34 %	11.34 %	11.14 %	11.34 %	11.14 %
Tier 1 leverage capital ratio	9.85 %	9.55 %	7.67 %	9.85 %	7.67 %
Asset Quality:					
Nonaccrual loans to total loans and leases	0.76 %	0.82 %	0.57 %	0.76 %	0.57 %
Allowance for credit losses (ACL) to loans and leases	1.26 %	1.29 %	0.58 %	1.26 %	0.58 %
Net charge-off ratio	0.13 %	0.09 %	0.02 %	0.11 %	0.02 %

⁽¹⁾ The financial information above is BancShares GAAP and Adjusted (non-GAAP) information.

⁽²⁾ Capital ratios for the current quarter are preliminary pending completion of quarterly regulatory filings.

Dollars in millions, except share and per share data

Income Statement (unaudited) ⁽¹⁾	BancShares 2Q22	BancShares 1Q22	BancShares 2Q21	BancShares YTD22	BancShares YTD21
INTEREST INCOME					
Interest and fees on loans	\$ 655	621	324	1,276	647
Interest on investment securities	89	83	36	172	66
Interest on deposits at banks	13	6	2	19	4
Total interest income	757	710	362	1,467	717
INTEREST EXPENSE					
Deposits	42	39	8	81	17
Borrowings	15	22	8	37	14
Total interest expense	57	61	16	118	31
Net interest income	700	649	346	1,349	686
Provision (benefit) for credit losses	42	464	(20)	506	(31)
Net interest income after provision for credit losses	658	185	366	843	717
NONINTEREST INCOME					
Rental income on operating leases	213	208	—	421	—
Fee income and other service charges	39	35	10	74	21
Wealth management services	37	35	32	72	64
Service charges on deposit accounts	28	28	21	56	43
Factoring commissions	27	27	—	54	—
Cardholder services, net	26	25	22	51	42
Merchant services, net	9	10	8	19	17
Insurance commissions	11	12	4	23	8
Realized gain on sales of investment securities available for sale, net	—	—	16	—	25
Fair value adjustment on marketable equity securities, net	(6)	3	12	(3)	28
Bank-owned life insurance	9	8	—	17	1
Gain on sales of leasing equipment, net	5	6	—	11	—
Gain on acquisition	—	431	—	431	—
Gain on extinguishment of debt	—	6	—	6	—
Other noninterest income	26	16	8	42	21
Total noninterest income	424	850	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	188	693	372
Net occupancy expense	48	49	28	97	58
Equipment expense	54	52	29	106	59
Professional fees	15	16	4	31	8
Third-party processing fees	26	24	14	50	28
FDIC insurance expense	9	12	4	21	7
Marketing	9	8	2	17	4
Merger-related expenses	34	135	6	169	13
Intangible asset amortization	6	6	3	12	6
Other noninterest expense	67	32	22	99	42
Total noninterest expense	745	810	300	1,555	597
Income before income taxes	337	225	199	562	390
Income tax expense (benefit)	82	(46)	46	36	90
Net income	\$ 255	271	153	526	300
Preferred stock dividends	17	7	5	24	9
Net income available to common stockholders	\$ 238	264	148	502	291
Basic earnings per common share	\$ 14.87	16.70	15.09	31.52	29.63
Diluted earnings per common share	\$ 14.86	16.70	15.09	31.48	29.63
Weighted average common shares outstanding (basic)	16,023,613	15,779,153	9,816,405	15,918,978	9,816,405
Weighted average common shares outstanding (diluted)	16,035,090	15,779,153	9,816,405	15,937,826	9,816,405

⁽¹⁾ The financial information above is BancShares GAAP information.

Dollars in millions

Balance Sheet (unaudited) ⁽¹⁾	BancShares 2Q22	BancShares 1Q22	BancShares 2Q21
ASSETS			
Cash and due from banks	\$ 583	523	395
Interest-earning deposits at banks	6,476	9,285	7,871
Securities purchased under agreements to resell	—	—	—
Investment in marketable equity securities	94	100	119
Investment securities available for sale	9,210	9,295	7,381
Investment securities held to maturity	9,832	10,074	3,395
Assets held for sale	38	83	108
Loans and leases	67,735	65,524	32,690
Allowance for credit losses	(850)	(848)	(189)
Loans and leases, net of allowance for credit losses	66,885	64,676	32,501
Operating lease equipment, net	7,971	7,972	—
Premises and equipment, net	1,415	1,431	1,238
Bank-owned life insurance	1,334	1,326	115
Goodwill	346	346	350
Other intangible assets	150	156	25
Other assets	3,339	3,330	1,677
Total assets	\$ 107,673	108,597	55,175
LIABILITIES			
Deposits			
Noninterest-bearing	\$ 26,645	25,898	20,974
Interest-bearing	62,684	65,699	27,436
Total deposits	89,329	91,597	48,410
Credit balances of factoring clients	1,070	1,150	—
Securities sold under customer repurchase agreements	646	616	693
Federal Home Loan Bank borrowings	1,785	639	647
Senior unsecured borrowings	892	895	—
Subordinated debt	1,055	1,058	497
Other borrowings	81	84	81
Other liabilities	2,173	1,988	370
Total liabilities	\$ 97,031	98,027	50,698
STOCKHOLDERS' EQUITY			
Preferred stock	881	881	340
Common Stock:			
Class A	15	15	9
Class B	1	1	1
Additional paid in capital	5,345	5,344	—
Retained earnings	4,865	4,634	4,149
Accumulated other comprehensive (loss)	(465)	(305)	(22)
Total stockholders' equity	10,642	10,570	4,477
Total liabilities and stockholders' equity	\$ 107,673	108,597	55,175

⁽¹⁾ The financial information above is BancShares GAAP information.

Dollars in millions, except per share data

Summary Financial Data & Key Metrics		BancShares 2Q22	BancShares 1Q22	Combined ⁽¹⁾ 2Q21	BancShares YTD22	Combined ⁽¹⁾ YTD21
Key Performance Metrics:						
Diluted earnings per common share (EPS)	\$	14.86	16.70	15.09	31.48	29.63
Diluted earnings per common share (EPS) - adjusted		16.86	18.95	13.63	35.67	26.99
Book value per common share		609.95	605.48	421.39	609.95	421.39
Tangible book value per common share (TBV)		578.92	574.09	383.19	578.92	383.19
Return on average assets (ROA)		0.95 %	1.00 %	1.13 %	0.97 %	1.14 %
Return on average assets (ROA) - adjusted		1.07 %	1.12 %	1.02 %	1.10 %	1.04 %
Return on average common equity (ROE)		9.87 %	11.18 %	14.64 %	10.51 %	14.67 %
Return on average common equity (ROE) - adjusted		11.19 %	12.67 %	13.23 %	11.91 %	13.37 %
Return on average tangible common equity (ROTCE)		10.40 %	11.83 %	16.14 %	11.11 %	16.21 %
Return on average tangible common equity (ROTCE) - adjusted		11.80 %	13.41 %	14.58 %	12.58 %	14.76 %
Efficiency ratio		57.55 %	61.57 %	64.73 %	59.50 %	64.17 %
Net interest margin (NIM)		3.04 %	2.73 %	2.56 %	2.89 %	2.58 %
Select Balance Sheet Items:						
Total investment securities	\$	19,136	19,469	16,129	19,136	16,129
Total loans and leases		67,735	65,524	66,401	67,735	66,401
Total operating lease equipment, net		7,971	7,972	7,782	7,971	7,782
Total deposits		89,329	91,597	89,696	89,329	89,696
Total borrowings		3,813	2,676	5,469	3,813	5,469
Loan to deposit ratio		75.83 %	71.54 %	74.03 %	75.83 %	74.03 %
Noninterest-bearing deposits to total deposits		29.83 %	28.27 %	27.32 %	29.83 %	27.32 %
Capital Ratios: ⁽²⁾						
Total risk-based capital ratio		14.46 %	14.47 %	14.15 %	14.46 %	14.15 %
Tier 1 risk-based capital ratio		12.37 %	12.39 %	12.13 %	12.37 %	12.13 %
Common equity Tier 1 ratio		11.34 %	11.34 %	11.14 %	11.34 %	11.14 %
Tier 1 leverage capital ratio		9.85 %	9.55 %	7.67 %	9.85 %	7.67 %
Asset Quality:						
Nonaccrual loans to total loans and leases		0.76 %	0.82 %	1.11 %	0.76 %	1.11 %
Allowance for credit losses (ACL) to loans and leases		1.26 %	1.29 %	1.57 %	1.26 %	1.57 %
Net charge-off ratio		0.13 %	0.09 %	0.16 %	0.11 %	0.12 %

⁽¹⁾ EPS, book value per common shares, TBV per common share, ROA, ROE, ROTCE and all capital ratios for the quarter-to-date and year-to-date periods ending June 30, 2021 are based on historical BancShares financial information, which excludes CIT.

⁽²⁾ Capital ratios for the current quarter are preliminary pending completion of quarterly regulatory filings.

Dollars in millions, except share and per share data

Income Statement (unaudited)	BancShares 2Q22	BancShares 1Q22	Combined ⁽¹⁾ 2Q21	BancShares YTD22	Combined ⁽¹⁾ YTD21
INTEREST INCOME					
Interest and fees on loans	\$ 655	621	680	1,276	1,367
Interest on investment securities	89	83	51	172	102
Interest on deposits at banks	13	6	2	19	6
Total interest income	757	710	733	1,467	1,475
INTEREST EXPENSE					
Deposits	42	39	59	81	130
Borrowings	15	22	62	37	127
Total interest expense	57	61	121	118	257
Net interest income	700	649	612	1,349	1,218
Provision (benefit) for credit losses	42	464	(94)	506	(224)
Net interest income after provision for credit losses	658	185	706	843	1,442
NONINTEREST INCOME					
Rental income on operating leases	213	208	188	421	383
Fee income and other service charges	39	35	39	74	73
Wealth management services	37	35	32	72	64
Service charges on deposit accounts	28	28	23	56	46
Factoring commissions	27	27	27	54	51
Cardholder services, net	26	25	23	51	43
Merchant services, net	9	10	9	19	18
Insurance commissions	11	12	10	23	19
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
Bank-owned life insurance	9	8	9	17	18
Gain on sales of leasing equipment, net	5	6	29	11	57
Gain on acquisition	—	431	—	431	—
Gain on extinguishment of debt	—	6	—	6	—
Other noninterest income	26	16	63	42	112
Total noninterest income	424	850	483	1,274	1,045
NONINTEREST EXPENSE					
Depreciation on operating lease equipment	89	81	83	170	168
Maintenance and other operating lease expenses	47	43	54	90	106
Salaries and benefits	341	352	330	693	670
Net occupancy expense	48	49	46	97	94
Equipment expense	54	52	51	106	104
Professional fees	15	16	19	31	30
Third-party processing fees	26	24	22	50	43
FDIC insurance expense	9	12	13	21	26
Marketing	9	8	8	17	13
Merger-related expenses	34	135	6	169	18
Intangible asset amortization	6	6	11	12	23
Other noninterest expense	67	32	48	99	104
Total noninterest expense	745	810	691	1,555	1,399
Income before income taxes	337	225	498	562	1,088
Income tax expense (benefit)	82	(46)	118	36	258
Net income	\$ 255	271	380	526	830
Preferred stock dividends	17	7	17	24	24
Net income available to common stockholders	\$ 238	264	363	502	806

⁽¹⁾ Combined financial information for the three and six month periods ending June 30, 2021 reflect historical BancShares and CIT information on a combined basis. Please see “Income Statement - Combined June 30, 2021” below for a reconciliation of these amounts to the most comparable GAAP amounts for such periods.

Dollars in millions, except share and per share data

Notable Items ⁽¹⁾	BancShares 2Q22	BancShares 1Q22	Combined ⁽²⁾ 2Q21	BancShares YTD22	Combined ⁽²⁾ YTD21
NONINTEREST INCOME					
Rental income on operating leases, net ⁽²⁾	\$ (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)
NONINTEREST EXPENSE					
Depreciation on operating lease equipment ⁽³⁾	(89)	(81)	(83)	(170)	(168)
Maintenance and other operating lease equipment expense ⁽³⁾	(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 ⁽⁴⁾	—	27	8	27	8
Other noninterest expense ⁽⁵⁾	(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	6	146	(24)	152	(60)
Impact of notable items on net income	\$ 32	35	(78)	67	(193)
Impact of notable items on basic and diluted EPS	2.00	2.25	N/A	4.19	N/A

⁽¹⁾ The notable items above reconcile the GAAP items (with the exception of quarter-to-date and year-to-date periods ending June 30, 2021 which reflect the historical results of BancShares and CIT on a combined basis) to the non-GAAP items.

⁽²⁾ Combined financial information for the three and six month periods ending June 30, 2021 reflect historical BancShares and CIT information on a combined basis. The combined financial information is non-GAAP.

⁽³⁾ Rental income on operating leases is net of depreciation and maintenance expense.

⁽⁴⁾ A portion of the adjustment for employee benefits-related expenses is included in salaries and benefits and the remainder is included in other noninterest expense.

⁽⁵⁾ In 2021, other expense includes a reserve release related to the prior sale of certain mortgage loans and the establishment of a litigation reserve.

Dollars in millions, except share and per share data

Condensed Income Statement (unaudited) - Adjusted for Notable Items ⁽¹⁾	BancShares 2Q22	BancShares 1Q22	Combined ⁽²⁾ 2Q21	BancShares YTD22	Combined ⁽²⁾ YTD21
Interest income	\$ 757	710	733	1,467	1,475
Interest expense	57	61	121	118	257
Net interest income	700	649	612	1,349	1,218
Provision (benefit) for credit losses	42	(49)	(94)	(7)	(224)
Net interest income after provision for credit losses	658	698	706	1,356	1,442
Noninterest income	283	280	246	563	491
Noninterest expense	566	572	555	1,138	1,097
Income before income taxes	375	406	397	781	836
Income tax expense	88	100	94	188	198
Net income	\$ 287	306	303	593	638
Preferred stock dividends	17	7	17	24	24
Net income available to common stockholders	\$ 270	299	286	569	614
Basic earnings per common share ⁽³⁾	\$ 16.87	18.95	13.63	35.71	26.99
Diluted earnings per common share ⁽³⁾	\$ 16.86	18.95	13.63	35.67	26.99
Weighted average common shares outstanding (basic) ⁽³⁾	16,023,613	15,779,153	9,816,405	15,918,978	9,816,405
Weighted average common shares outstanding (diluted) ⁽³⁾	16,035,090	15,779,153	9,816,405	15,937,826	9,816,405

⁽¹⁾ The GAAP income statements are included previously in these materials. The adjusted income statements above reflect non-GAAP items (including core adjusted noninterest income and expense) as the impacts of the notable items are excluded. The notable items included previously in this release reconcile the GAAP items (with the exception of quarter-to-date and year-to-date periods ending June 30, 2021 which reflect the historical results of BancShares and CIT on a combined basis) to the non-GAAP items.

⁽²⁾ Combined financial information for the three and six month periods ending June 30, 2021 reflect historical BancShares and CIT information on a combined basis. The combined financial information is non-GAAP. Please see "Income Statement - Combined June 30, 2021" below for a reconciliation of these amounts to the most comparable GAAP amounts for such periods.

⁽³⁾ Per share and share data for the three and six month periods ending June 30, 2021 reflect historical BancShares financial information, which excludes CIT.

Dollars in millions

Balance Sheet (unaudited)	BancShares 2Q22	BancShares 1Q22	Combined ⁽¹⁾ 2Q21
ASSETS			
Cash and due from banks	\$ 583	523	542
Interest-earning deposits at banks	6,476	9,285	13,006
Securities purchased under agreements to resell	—	—	150
Investment in marketable equity securities	94	100	119
Investment securities available for sale	9,210	9,295	12,463
Investment securities held to maturity	9,832	10,074	3,397
Assets held for sale	38	83	159
Loans and leases	67,735	65,524	66,401
Allowance for credit losses	(850)	(848)	(1,040)
Loans and leases, net of allowance for credit losses	66,885	64,676	65,361
Operating lease equipment, net	7,971	7,972	7,782
Premises and equipment, net	1,415	1,431	1,423
Bank-owned life insurance	1,334	1,326	1,301
Goodwill	346	346	350
Other intangible assets	150	156	143
Other assets	3,339	3,330	3,683
Total assets	\$ 107,673	108,597	109,879
LIABILITIES			
Deposits			
Noninterest-bearing	\$ 26,645	25,898	24,505
Interest-bearing	62,684	65,699	65,191
Total deposits	89,329	91,597	89,696
Credit balances of factoring clients	1,070	1,150	1,531
Securities sold under customer repurchase agreements	646	616	693
Federal Home Loan Bank borrowings	1,785	639	647
Senior unsecured borrowings	892	895	3,739
Subordinated debt	1,055	1,058	992
Other borrowings	81	84	91
Other liabilities	2,173	1,988	1,977
Total liabilities	\$ 97,031	98,027	99,366
STOCKHOLDERS' EQUITY			
Preferred stock	881	881	865
Common Stock:			2
Class A	15	15	9
Class B	1	1	1
Additional paid in capital	5,345	5,344	3,751
Retained earnings	4,865	4,634	6,023
Accumulated other comprehensive (loss)	(465)	(305)	(138)
Total stockholders' equity	10,642	10,570	10,513
Total liabilities and stockholders' equity	\$ 107,673	108,597	109,879

⁽¹⁾ Combined financial information as of June 30, 2021 reflect historical BancShares and CIT information on a combined basis. The combined financial information is non-GAAP. Please see "Balance Sheet - Combined as of June 30, 2021" below for a reconciliation of these amounts to the most comparable GAAP amounts.

Dollars in millions

Loans & Leases by Class (end of period)	BancShares 2Q22	BancShares 1Q22	Combined 2Q21
Loans & Leases by Class			
Commercial			
Commercial construction	\$ 2,783	2,633	2,649
Owner-occupied commercial mortgages	13,795	13,553	13,121
Non-owner-occupied commercial mortgages	9,167	9,293	9,948
Commercial and industrial	23,554	22,402	22,752
Leases	2,178	2,220	2,424
Total commercial	\$ 51,477	50,101	50,894
Consumer			
Residential mortgage	\$ 12,441	11,711	11,635
Revolving mortgage	1,893	1,840	1,981
Consumer auto	1,338	1,320	1,288
Consumer other	586	552	604
Total consumer	\$ 16,258	15,423	15,507
Total loans and leases	\$ 67,735	65,524	66,401
Less: Allowance for credit losses	(850)	848	(1,040)
Total loans and leases, net of allowance for credit losses	\$ 66,885	64,676	65,361

Deposits by Type (end of period)	BancShares 2Q22	BancShares 1Q22	Combined 2Q21
Demand	\$ 26,645	25,898	\$ 24,505
Checking with interest	16,285	16,702	14,733
Money market	24,699	26,249	25,239
Savings	13,319	13,506	14,334
Time	8,381	9,242	10,885
Total deposits	\$ 89,329	91,597	\$ 89,696

Dollars in millions

Credit Quality & Allowance	BancShares 2Q22	BancShares 1Q22	Combined 2Q21	BancShares YTD22	Combined YTD21
Nonaccrual loans	\$ 513	538	736	513	736
Ratio of nonaccrual loans to total loans	0.76 %	0.82 %	1.11 %	0.76 %	1.11 %
Charge-offs	\$ (41)	(33)	(55)	(74)	(92)
Recoveries	19	18	29	37	52
Net charge-offs	\$ (22)	(15)	(26)	(37)	(40)
Net charge-off ratio	0.13 %	0.09 %	0.16 %	0.11 %	0.12 %
Allowance for credit losses to loans ratio	1.26 %	1.29 %	1.57 %	1.26 %	1.57 %
Allowance for credit losses - beginning	\$ 848	178	1,153	178	1,288
Initial PCD allowance	(12)	284	—	272	—
Initial Non-PCD allowance	—	454	—	454	—
Provision (benefit) for credit losses	36	(53)	(87)	(17)	(208)
Net charge-offs	(22)	(15)	(26)	(37)	(40)
Allowance for credit losses - ending	\$ 850	848	1,040	850	1,040

Dollars in millions

Average Balance Sheet	BancShares 2Q22			BancShares 1Q22			Combined 2Q21		
	Avg Balance	Income/Expense	Yield/Rate	Avg Balance	Income/Expense	Yield/Rate	Avg Balance	Income/Expense	Yield/Rate
Loans and leases	\$ 65,298	\$ 655	4.01 %	\$ 64,144	\$ 621	3.88 %	\$ 66,393	\$ 680	4.08 %
Investment securities	19,185	89	1.85 %	19,492	83	1.71 %	15,471	51	1.28 %
Interest-earning deposits at banks	7,630	13	0.72 %	11,476	6	0.19 %	13,402	2	0.11 %
Total interest-earning assets	\$ 92,113	\$ 757	3.28%	\$ 95,112	\$ 710	2.99%	\$ 95,266	\$ 733	3.07%
Interest-bearing deposits	\$ 64,070	\$ 42	0.26 %	\$ 66,258	\$ 39	0.24 %	\$ 65,287	\$ 59	0.37 %
Securities sold under customer repurchase agreements	627	—	0.16 %	600	—	0.16 %	677	1	0.21 %
Borrowings	2,419	15	2.43 %	4,506	22	1.95 %	6,060	61	4.03 %
Total interest-bearing liabilities	\$ 67,116	\$ 57	0.34%	\$ 71,364	\$ 61	0.35%	\$ 72,024	\$ 121	0.67%
Net interest income	\$ 700			\$ 649			\$ 612		
Net interest spread	2.94 %			2.64 %			2.39 %		
Net interest margin	3.04%			2.73%			2.56%		

Average Balance Sheet	BancShares YTD22			Combined YTD21		
	Avg Balance	Income/Expense	Yield/Rate	Avg Balance	Income/Expense	Yield/Rate
Loans and leases	\$ 64,724	\$ 1,276	3.96 %	\$ 67,032	\$ 1,367	4.09 %
Investment securities	19,338	172	1.78 %	15,554	102	1.30 %
Interest-earning deposits at banks	9,542	19	0.40 %	11,962	6	0.11 %
Total interest-earning assets	\$ 93,604	\$ 1,467	3.14%	\$ 94,548	\$ 1,475	3.12%
Interest-bearing deposits	\$ 65,158	\$ 81	0.25 %	\$ 65,305	\$ 130	0.40 %
Securities sold under customer repurchase agreements	614	—	0.16 %	659	1	0.21 %
Borrowings	3,457	37	2.12 %	6,373	126	3.94 %
Total interest-bearing liabilities	\$ 69,229	\$ 118	0.34%	\$ 72,337	\$ 257	0.71%
Net interest income	\$ 1,349			\$ 1,218		
Net interest spread	2.80 %			2.41 %		
Net interest margin	2.89%			2.58%		

Dollars in millions, except per share data

Non-GAAP Reconciliations	BancShares 2Q22	BancShares 1Q22	Combined ⁽²⁾ 2Q21	BancShares YTD22	Combined ⁽²⁾ YTD21
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⁾	\$ 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⁾	\$ 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)	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)}	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)}	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	\$ 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 condensed income statements (which reflect non-GAAP results including adjusted noninterest income and expense), and the individual notable items, which reconcile GAAP (with the exception of quarter-to-date and year-to-date periods ending June 30, 2021, which reflect the historical results of BancShares and CIT on a combined basis) to non-GAAP items are included previously in this release. 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. All other information for such periods is based on the combined balance sheets and historical results of BancShares and CIT. See "Balance Sheet - Combined as of June 30, 2021" and "Income Statement - Combined June 30, 2021" below for more information.

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

Dollars in millions, except per share data

Non-GAAP Reconciliations	BancShares 2Q22	BancShares 1Q22	Combined ⁽¹⁾ 2Q21	BancShares YTD22	Combined ⁽¹⁾ YTD21
<u>Pre-tax, pre-provision net revenue</u>					
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
<u>ROTCE</u>					
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 %
<u>TBV per common share</u>					
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
<u>Efficiency Ratio</u>					
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 %
<u>Average Interest-earning Assets and Net Interest Margin</u>					
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 %

⁽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. All other information for such periods is based on the combined balance sheets and historical results of BancShares and CIT. See "Balance Sheet - Combined as of June 30, 2021" and "Income Statement - Combined June 30, 2021" below for more information.

Dollars in millions, except share and per share data

Income Statement- Combined June 30, 2021	BancShares QTD	CIT QTD	Combined QTD ⁽¹⁾	BancShares YTD	CIT YTD	Combined YTD ⁽¹⁾
INTEREST INCOME						
Interest and fees on loans	\$ 324	356	680	647	720	1,367
Interest on investment securities	36	15	51	66	36	102
Interest on deposits at banks	2	—	2	4	2	6
Total interest income	362	371	733	717	758	1,475
INTEREST EXPENSE						
Deposits	8	51	59	17	113	130
Borrowings	8	54	62	14	113	127
Total interest expense	16	105	121	31	226	257
Net interest income	346	266	612	686	532	1,218
Provision (benefit) for credit losses	(20)	(74)	(94)	(31)	(193)	(224)
Net interest income after provision for credit losses	366	340	706	717	725	1,442
NONINTEREST INCOME						
Rental income on operating leases	—	188	188	—	383	383
Fee income and other service charges	10	29	39	21	52	73
Wealth management services	32	—	32	64	—	64
Service charges on deposit accounts	21	2	23	43	3	46
Factoring commissions	—	27	27	—	51	51
Cardholder services, net	22	1	23	42	1	43
Merchant services, net	8	1	9	17	1	18
Insurance commissions	4	6	10	8	11	19
Realized gain on sales of investment securities available for sale, net	16	3	19	25	108	133
Fair value adjustment on marketable equity securities, net	12	—	12	28	—	28
Bank-owned life insurance	—	9	9	1	17	18
Gain on sales of leasing equipment, net	—	29	29	—	57	57
Other noninterest income	8	55	63	21	91	112
Total noninterest income	133	350	483	270	775	1,045
NONINTEREST EXPENSE						
Depreciation on operating lease equipment	—	83	83	—	168	168
Maintenance and other operating lease expenses	—	54	54	—	106	106
Salaries and benefits	188	142	330	372	298	670
Net occupancy expense	28	18	46	58	36	94
Equipment expense	29	22	51	59	45	104
Professional fees	4	15	19	8	22	30
Third-party processing fees	14	8	22	28	15	43
FDIC insurance expense	4	9	13	7	19	26
Marketing	2	6	8	4	9	13
Merger-related expenses	6	—	6	13	5	18
Intangible asset amortization	3	8	11	6	17	23
Other noninterest expense	22	26	48	42	62	104
Total noninterest expense	300	391	691	597	802	1,399
Income before income taxes	199	299	498	390	698	1,088
Income tax expense (benefit)	46	72	118	90	168	258
Net income	\$ 153	227	380	300	530	830
Preferred stock dividends	5	12	17	9	15	24
Net income available to common stockholders	\$ 148	215	363	291	515	806
Basic earnings per common share	\$ 15.09	N/A	N/A	29.63	N/A	N/A
Diluted earnings per common share	\$ 15.09	N/A	N/A	29.63	N/A	N/A
Weighted average common shares outstanding (basic)	9,816,405	N/A	N/A	9,816,405	N/A	N/A
Weighted average common shares outstanding (diluted)	9,816,405	N/A	N/A	9,816,405	N/A	N/A

⁽¹⁾ The income statements for the quarter-to-date and year-to-date periods ending June 30, 2021 reflect the historical results of BancShares and CIT on a combined basis to facilitate more meaningful comparisons to historical periods prior to the CIT Merger. The table reconciles BancShares' historical results (GAAP) to the combined results (non-GAAP). The combined historical information is presented as reported by each company without adjustment for the acquisition method of accounting and is intended for comparative purposes only. Such combined historical information is not necessarily indicative of the results that might have occurred had the CIT Merger taken place as of the beginning of the applicable period presented nor is it indicative of results to be expected in any future period.

Dollars in millions, except share and per share data

Adjusted Income Statement- Combined June 30, 2021	BancShares QTD	CIT QTD	Combined QTD ⁽¹⁾	BancShares YTD	CIT YTD	Combined YTD ⁽¹⁾
Interest income	\$ 362	371	733	717	758	1,475
Interest expense	16	105	121	31	226	257
Net interest income	346	266	612	686	532	1,218
Provision (benefit) for credit losses	(20)	(74)	(94)	(31)	(193)	(224)
Net interest income after provision for credit losses	366	340	706	717	725	1,442
Noninterest income	106	140	246	218	273	491
Noninterest expense	291	264	555	578	519	1,097
Income before income taxes	181	216	397	357	479	836
Income tax expense (benefit)	41	53	94	82	116	198
Net income	\$ 140	163	303	275	363	638
Preferred stock dividends	5	12	17	9	15	24
Net income available to common stockholders	\$ 135	151	286	266	348	614
Basic earnings per common share	\$ 13.63	N/A	N/A	26.99	N/A	N/A
Diluted earnings per common share	\$ 13.63	N/A	N/A	26.99	N/A	N/A
Weighted average common shares outstanding (basic)	9,816,405	N/A	N/A	9,816,405	N/A	N/A
Weighted average common shares outstanding (diluted)	9,816,405	N/A	N/A	9,816,405	N/A	N/A

⁽¹⁾ The adjusted income statements for the quarter-to-date and year-to-date periods ending June 30, 2021 reflect the historical results of BancShares and CIT on a combined basis to facilitate more meaningful comparisons to historical periods prior to the CIT Merger. The table above reconciles BancShares' historical adjusted results to the combined results. The combined historical information is presented as reported by each company without adjustment for the acquisition method of accounting and is intended for comparative purposes only. Such combined historical information is not necessarily indicative of the results that might have occurred had the CIT Merger taken place as of the beginning of the applicable period presented nor is it indicative of results to be expected in any future period.

Dollars in millions

Balance Sheet- Combined as of June 30, 2021	BancShares 2Q21	CIT 2Q21	Combined ⁽¹⁾ 2Q21
ASSETS			
Cash and due from banks	\$ 395	147	542
Interest-earning deposits at banks	7,871	5,135	13,006
Securities purchased under agreements to resell	—	150	150
Investments in marketable equity securities	119	—	119
Investment securities available for sale	7,381	5,082	12,463
Investment securities held to maturity	3,395	2	3,397
Assets held for sale	108	51	159
Loans and leases	32,690	33,711	66,401
Allowance for credit losses	(189)	(851)	(1,040)
Loans and leases, net of allowance for credit losses	32,501	32,860	65,361
Operating lease equipment, net	—	7,782	7,782
Premises and equipment, net	1,238	185	1,423
Bank-owned life insurance	115	1,186	1,301
Goodwill	350	—	350
Other intangible assets	25	118	143
Other assets	1,677	2,006	3,683
Total assets	\$ 55,175	54,704	109,879
LIABILITIES			
Deposits			
Noninterest-bearing	\$ 20,974	3,531	24,505
Interest-bearing	27,436	37,755	65,191
Total deposits	48,410	41,286	89,696
Credit balances of factoring clients	—	1,531	1,531
Securities sold under customer repurchase agreements	693	—	693
Federal Home Loan Bank borrowings	647	—	647
Senior unsecured borrowings	—	3,739	3,739
Subordinated debt	497	495	992
Other borrowings	81	10	91
Other liabilities	370	1,607	1,977
Total liabilities	\$ 50,698	48,668	99,366
STOCKHOLDERS' EQUITY			
Preferred stock	340	525	865
Common Stock:	—	2	2
Class A	9	—	9
Class B	1	—	1
Additional paid in capital	—	3,751	3,751
Retained earnings	4,149	1,874	6,023
Accumulated other comprehensive (loss)	(22)	(116)	(138)
Total stockholders' equity	4,477	6,036	10,513
Total liabilities and stockholders' equity	\$ 55,175	54,704	109,879

⁽¹⁾ The balance sheet as of June 30, 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. The table above reconciles BancShares' historical balance sheet (GAAP) to the combined balance sheet (non-GAAP). The combined historical information is presented as reported by each company without adjustment for the acquisition method of accounting and is intended for comparative purposes only. Such combined historical information is not necessarily indicative of the results that might have occurred had the CIT Merger taken place as of the beginning of the applicable period presented nor is it indicative of results to be expected in any future period.