First Citizens BancShares, Inc.

Third Quarter 2022

Earnings Conference Call

October 27, 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, including the significant turbulence in the capital or financial markets, the impact of the current inflationary environment, the impact of implementation and compliance with current or proposed laws, regulations and regulatory interpretations, the availability of capital and personnel, and the failure to realize the anticipated benefits of BancShares’ previous acquisition transaction(s), including the recently completed transaction with CIT Group Inc. (“CIT”), which acquisition risks include (1) disruption from the transaction, or recently completed mergers, with customer, supplier or employee relationships, (2) the possibility that the amount of the costs, fees, expenses and charges related to the transaction may be greater than anticipated, including as a result of unexpected or unknown factors, events or liabilities, (3) reputational risk and the reaction of the parties’ customers to the transaction, (4) the risk that the cost savings and any revenue synergies from the transaction may not be realized or take longer than anticipated to be realized, and (5) difficulties experienced in the integration of the businesses.

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

Non-GAAP Measures

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

BancShares completed the acquisition of CIT on January 3, 2022 (the “CIT Merger”). BancShares’ financial information presented for the periods ended March 31, 2022, June 30, 2022 and September 30, 2022 reflects the acquisition of CIT. Certain 2021 financial information referenced as “Combined” in this presentation reflects the combination of BancShares and CIT for historical periods prior to completion of the CIT Merger. Certain financial results referenced as “Adjusted” in this presentation exclude notable items. The Combined and Adjusted financial measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures.

Third Quarter 2022 Overview

Section I



Key Take-Aways - Third Quarter 2022

1. **Will complete the repurchase of 1.5 million Class A common shares during 4Q22,** closing out the Share Repurchase Plan approved in July 2022.

2. Continued focus on merger optimization efforts. Expect to **achieve $250 million cost savings goal** and come in **slightly below merger cost estimate**.

3. **Pre-provision net revenue momentum continued** driven primarily by net interest income growth.

4. **Net interest margin widened** over the second quarter due to **higher interest rates and low actual beta through the end of 3Q22**.

5. **Efficiency ratio improved** closer to target set out at the merger date.

6. **Provision build during the quarter** due to deterioration in CECL macroeconomic forecasts and loan growth.

7. **Credit quality remains in good shape** with credit metrics remaining resilient despite heightened macroeconomic risks.

8. **Loan growth was strong** in the general and commercial bank.

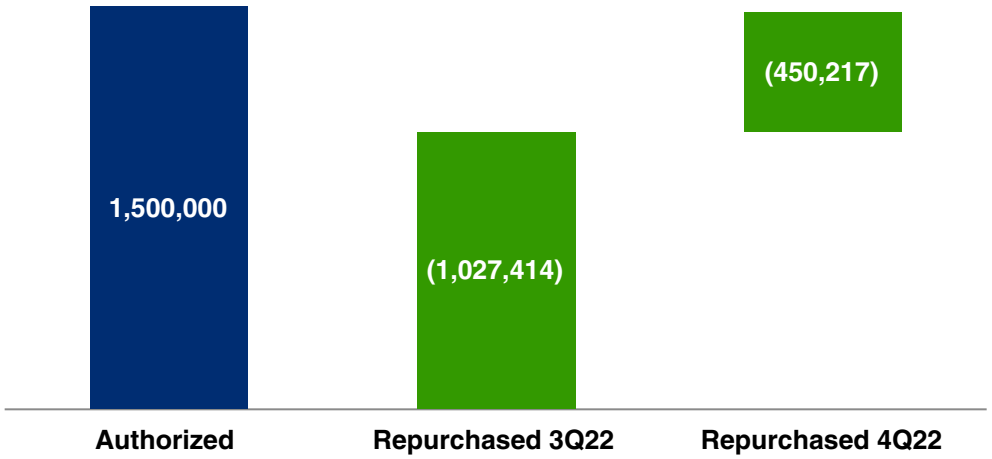
9. **Deposits declined but at a slower pace** than in 2Q22.

10. **The 2Q22 and 3Q22 declines in deposits were replaced by increased borrowings** to fund strong loan growth.

Share Repurchase Plan Update

Announced the plan to repurchase 1.5 million shares in July 2022.

We have completed 98.5% of the Repurchase Plan as of October 25, 2022.



Repurchase Summary (through 10/25/22)			
Month	**Shares**	**Average Price**	**Total Cost (*in millions*)**
August 2022	487,284	$ 820.11	$ 399.6
September 2022	540,130	819.53	442.7
October 2022	450,217	842.32	379.3
Total	**1,477,631**	**$ 826.66**	**$ 1,221.6**

Highlights

- **FCB has repurchased 9.85% of Class A common shares and 9.23% of total common shares as of October 25, 2022.**
- CET1 ratio down 98 bps since the prior quarter, primarily due to the share repurchase and RWA growth, only partially offset by earnings (11.35% at 2Q22 to 10.37% at 3Q22).
- The estimated total cost of repurchases is $1.2 billion, and the TBV earn back period is approximately 3 years.
- Repurchase estimated to be approximately 10% accretive to EPS in 2023.

Third Quarter 2022 Financial Results

Section II



First Citizens BancShares

Financial Highlights

	Quarter-to-date						Year-to-date			
	Sep 22		Jun 22		Sep 21		Sep 22		Sep 21	
	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)
EPS [1]	**$ 19.25**	**$ 20.77**	$ 14.86	$ 16.86	$ 12.17	$ 12.04	$ 50.70	$ 56.41	$ 41.79	$ 39.03
ROE [1]	**12.49 %**	**13.47 %**	9.87 %	11.19 %	11.29 %	11.18 %	11.18 %	12.44 %	13.50 %	12.61 %
ROTCE [1]	**13.17 %**	**14.20 %**	10.40 %	11.80 %	12.39 %	12.27 %	11.80 %	13.13 %	14.88 %	13.89 %
ROA [2]	**1.16 %**	**1.24 %**	0.95 %	1.07 %	1.07 %	0.98 %	1.03 %	1.15 %	1.38 %	1.11 %
PPNR ROA [2]	**1.72 %**	**1.86 %**	1.41 %	1.56 %	1.14 %	1.01 %	1.89 %	1.58 %	1.44 %	1.09 %
NIM [2]	**3.40 %**	**3.40 %**	3.04 %	3.04 %	2.53 %	2.53 %	3.06 %	3.06 %	2.56 %	2.56 %
Net charge-off ratio [2]	**0.10 %**	**0.10 %**	0.13 %	0.13 %	0.04 %	0.04 %	0.11 %	0.11 %	0.09 %	0.09 %

(1) For QTD & YTD September 2021, reported and adjusted (Non-GAAP) ratios for EPS, ROE and ROTCE are for BancShares and do not include CIT results.
(2) For QTD & YTD September 2021, reported and adjusted (Non-GAAP) ratios for ROA, PPNR ROA, NIM and net charge-off ratio are presented as if BancShares and CIT were combined during the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported ratios (GAAP), refer to page 33 of the Appendix.

Note – Adjusted ratios account for certain notable items outlined on page 11.

Quarter-to-Date Earnings Highlights

($ in millions)

Reported	QTD			Increase (decrease) 2Q22		Increase (decrease) 3Q21	
	3Q22	2Q22	3Q21	$	%	$	%
Net interest income	$ 795	$ 700	$ 604	$ 95	13.6 %	$ 191	31.6 %
Noninterest income	433	424	432	9	2.1	1	0.2
Net revenue	**1,228**	**1,124**	**1,036**	104	9.3	192	18.5
Noninterest expense	760	745	716	15	2.0	44	6.1
Pre-provision net revenue	**468**	**379**	**320**	89	23.5	148	46.3
Provision (benefit) for credit losses	60	42	(70)	18	42.9	130	(185.7)
Income before income taxes	**408**	**337**	**390**	71	21.1	18	4.6
Income taxes	93	82	90	11	13.4	3	3.3
Net income	**315**	**255**	**300**	**60**	**23.5**	**15**	**5.0**
Preferred stock dividends	12	17	8	(5)	(29.4)	4	50.0
Net income available to common stockholders	**$ 303**	**$ 238**	**$ 292**	**$ 65**	**27.3 %**	**$ 11**	**3.8 %**

Adjustment for notable items	3Q22	2Q22	3Q21
Noninterest income	$ (145)	$ (141)	$ (191)
Noninterest expense	(183)	(179)	(153)
Provision for credit losses	—	—	—
Income taxes	15	6	(8)

Adjusted (Non-GAAP)	QTD			Increase (decrease) 2Q22		Increase (decrease) 3Q21	
	3Q22	2Q22	3Q21	$	%	$	%
Net interest income	$ 795	$ 700	$ 604	$ 95	13.6 %	$ 191	31.6 %
Noninterest income	288	283	241	5	1.8	47	19.5
Net revenue	**1,083**	**983**	**845**	100	10.2	238	28.2
Noninterest expense	577	566	563	11	1.9	14	2.5
Pre-provision net revenue	**506**	**417**	**282**	89	21.3	224	79.4
Provision (benefit) for credit losses	60	42	(70)	18	42.9	130	(185.7)
Income before income taxes	**446**	**375**	**352**	71	18.9	94	26.7
Income taxes	108	88	82	20	22.7	26	31.7
Net income	**338**	**287**	**270**	**51**	**17.8**	**68**	**25.2**
Preferred stock dividends	12	17	8	(5)	(29.4)	4	50.0
Net income available to common stockholders	**$ 326**	**$ 270**	**$ 262**	**$ 56**	**20.7 %**	**$ 64**	**24.4 %**

Highlights

- **Note:** The commentary below relates to the "Adjusted" income statements.

3Q22 vs. 2Q22

- Net interest income increased by $95 million primarily due to loan growth and higher yield on loans, partially offset by higher funding costs.
- Noninterest income increased by $5 million. The increase was primarily due to higher capital markets fees, rental income on operating leases, net and other operating income, partially offset by lower service charges on deposit accounts.
- Noninterest expense increased by $11 million primarily due to higher personnel costs and higher marketing expenses due to digital bank marketing efforts, partially offset by lower FDIC insurance expense and professional fees.
- Provision for credit losses increased by $18 million primarily due to deterioration in CECL macroeconomic forecasts and loan growth, partially offset by improved credit quality and portfolio mix.

3Q22 vs. 3Q21

- Net interest income increased by $191 million primarily due to an increase in interest income driven by a higher yield on earning assets.
- Noninterest income increased by $47 million primarily due to higher rental income on operating leases, net, capital markets fees, wealth management income and other operating income, partially offset by lower service charges on deposits, merchant income and factoring commissions.
- Noninterest expense increased $14 million due to marketing, equipment expense, third-party processing fees and other operating expenses, partially offset by lower FDIC insurance expense and professional fees.
- Provision for credit losses increased by $130 million due to a net provision build in 2022 versus a net provision benefit in 2021.

Note – The financial data provided for 2021 is presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 32 of the Appendix. Notable Items are detailed on page 11.

Year-to-Date Earnings Highlights

($ in millions)

Reported	YTD Sept 2022	YTD Sept 2021	Increase (decrease) YTD 21 - YTD 22 $	Increase (decrease) YTD 21 - YTD 22 %
Net interest income	$ 2,144	$ 1,822	$ 322	17.7 %
Noninterest income	1,707	1,477	230	15.6
Net revenue	**3,851**	**3,299**	**552**	**16.7**
Noninterest expense	2,315	2,115	200	9.5
Pre-provision net revenue	**1,536**	**1,184**	**352**	**29.7**
Provision (benefit) for credit losses	566	(294)	860	(292.5)
Income before income taxes	**970**	**1,478**	(508)	(34.4)
Income taxes	129	348	(219)	(62.9)
Net income	**841**	**1,130**	**(289)**	**(25.6)**
Preferred stock dividends	36	32	4	12.5
Net income available to common stockholders	**$ 805**	**$ 1,098**	**$ (293)**	**(26.7)%**

Adjustment for notable items	YTD Sept 22	YTD Sept 21
Noninterest income	$ (856)	$ (745)
Noninterest expense	(600)	(455)
Provision for credit losses	(513)	—
Income taxes	167	(68)

Adjusted (Non-GAAP)	YTD Sept 2022	YTD Sept 2021	Increase (decrease) YTD 21 - YTD 22 $	Increase (decrease) YTD 21 - YTD 22 %
Net interest income	$ 2,144	$ 1,822	$ 322	17.7 %
Noninterest income	851	732	119	16.3
Net revenue	**2,995**	**2,554**	**441**	**17.3**
Noninterest expense	1,715	1,660	55	3.3
Pre-provision net revenue	**1,280**	**894**	**386**	**43.2**
Provision (benefit) for credit losses	53	(294)	347	(118.0)
Income before income taxes	**1,227**	**1,188**	**39**	**3.3**
Income taxes	296	280	16	5.7
Net income	**931**	**908**	**23**	**2.5**
Preferred stock dividends	36	32	4	12.5
Net income available to common stockholders	**$ 895**	**$ 876**	**$ 19**	**2.2 %**

Highlights

- **Note:** The commentary below relates to the "Adjusted" income statements.

YTD 22 vs. YTD 21

- Net interest income increased by $322 million primarily due to higher loan and investment yields, loan growth and lower funding costs, partially offset by lower accretion income and SBA-PPP interest and fee income.
- Noninterest income increased by $119 million primarily due to higher rental income on operating leases, net, increases in wealth management and card income and higher capital markets fees.
- Noninterest expense increased by $55 million due primarily to higher personnel costs and other operating expenses, as well as higher direct bank marketing costs, partially offset by reductions in FDIC insurance expense and professional fees.
- Provision for credit loss increased $347 million due to a net provision build in 2022 driven primarily by deterioration in CECL macroeconomic forecasts and loan growth, versus a net provision benefit in 2021.

Note – The financial data provided for 2021 is presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 32 of the Appendix. Notable Items are detailed on page 11.

Notable Items

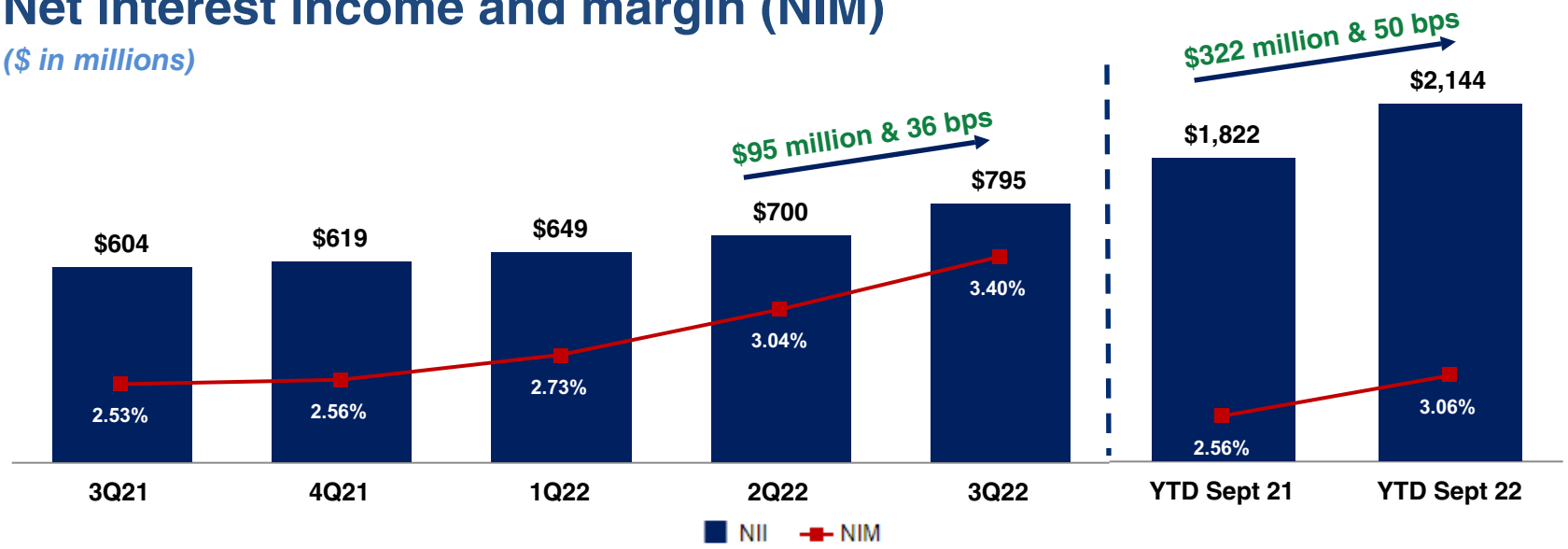
($ in millions)

	3Q22	2Q22	3Q21	YTD 22	YTD 21
Rental income on operating leases	$ (139)	$ (136)	$ (136)	$ (399)	$ (410)
Realized gain on sale of investment securities available for sale, net	—	—	(14)	—	(147)
Fair value adjustment on marketable equity securities, net	2	6	(3)	5	(31)
Gain on sale of leasing equipment, net	(2)	(5)	(21)	(13)	(78)
Gain on acquisition	—	—	—	(431)	—
Gain on extinguishment of debt	(1)	—	—	(7)	—
Other noninterest income	(5)	(6)	(17)	(11)	(79)
Total noninterest income	**$ (145)**	**$ (141)**	**$ (191)**	**$ (856)**	**$ (745)**
Depreciation on operating lease equipment	$ (87)	$ (89)	$ (85)	$ (257)	$ (253)
Maintenance and other operating lease expenses	(52)	(47)	(51)	(142)	(157)
Salaries and benefits	—	—	—	—	8
Merger-related expenses	(33)	(34)	(7)	(202)	(25)
Intangible asset amortization	(5)	(6)	(11)	(17)	(34)
Other noninterest expense	(6)	(3)	1	18	6
Total noninterest expense	**$ (183)**	**$ (179)**	**$ (153)**	**$ (600)**	**$ (455)**
CECL Day 2 provision and reserve for unfunded commitments	—	—	—	(513)	—
Provision for credit losses - total adjustments	**$ —**	**$ —**	**$ —**	**$ (513)**	**$ —**
Impact of notable items on pre-tax income	**$ 38**	**$ 38**	**$ (38)**	**$ 257**	**$ (290)**
Income tax impact [(1)]	$ 15	$ 6	$ (8)	$ 167	$ (68)
Impact of notable items on net income	**$ 23**	**$ 32**	**$ (30)**	**$ 90**	**$ (222)**
Impact of notable items on EPS	**$ 1.52**	**$ 2.00**	**N/A [(2)]**	**$ 5.71**	**N/A [(2)]**

Note – QTD September 2021 and YTD September 2021 are presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP measures. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. Adjustments are shown pre-tax.
(1) For 2021, a blended tax rate was applied to each period to arrive at the adjusted net income. Includes the impact of tax discrete items and changes in the estimated annualized effective tax rate.
(2) 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

3Q22 vs 2Q22

Net interest income increased by $95 million due to a $149 million increase in interest income partially offset by a $54 million increase in interest expense. NIM expanded from 3.04% to 3.40%. The change in net interest income was primarily due to the following:

- $130 million increase in interest income on loans due to a higher yield and loan growth,
- $18 million increase in interest income on overnight investments due to a higher yield; partially offset by,
- $36 million increase in interest expense on deposits due to higher rates paid, and
- $18 million increase in borrowing costs due to additional FHLB advances and higher rates.

3Q22 vs 3Q21

Net interest income increased by $191 million due to a $184 million increase in interest income and a $7 million decrease in interest expense. NIM expanded from 2.53% to 3.40%. The change in net interest income was primarily due to the following:

- $123 million increase in interest income on loans due to a higher yield and loan growth, partially offset by lower purchase accounting accretion and SBA-PPP interest and fee income,
- $36 million increase in interest income on investment securities due to a higher yield and portfolio growth,
- $29 million decline in interest expense on borrowings due to lower yields, and
- $25 million increase in interest income on overnight investments due to a higher yield, partially offset by a
- $22 million increase in interest expense on deposits due to higher rates paid.

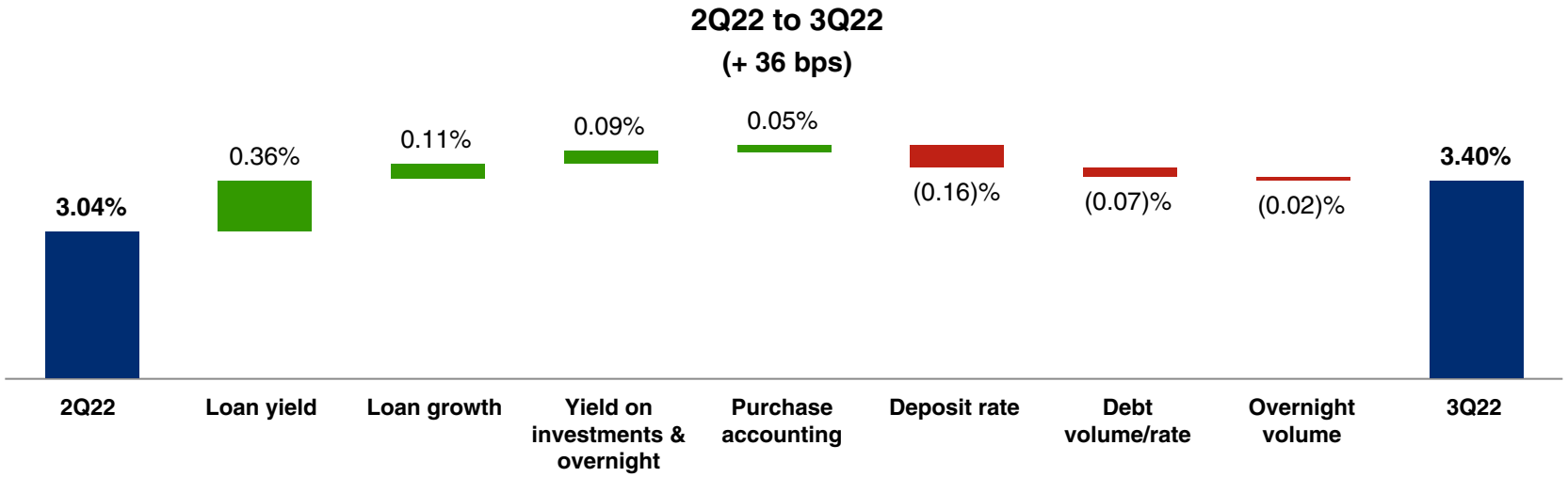
YTD September 2022 vs YTD September 2021

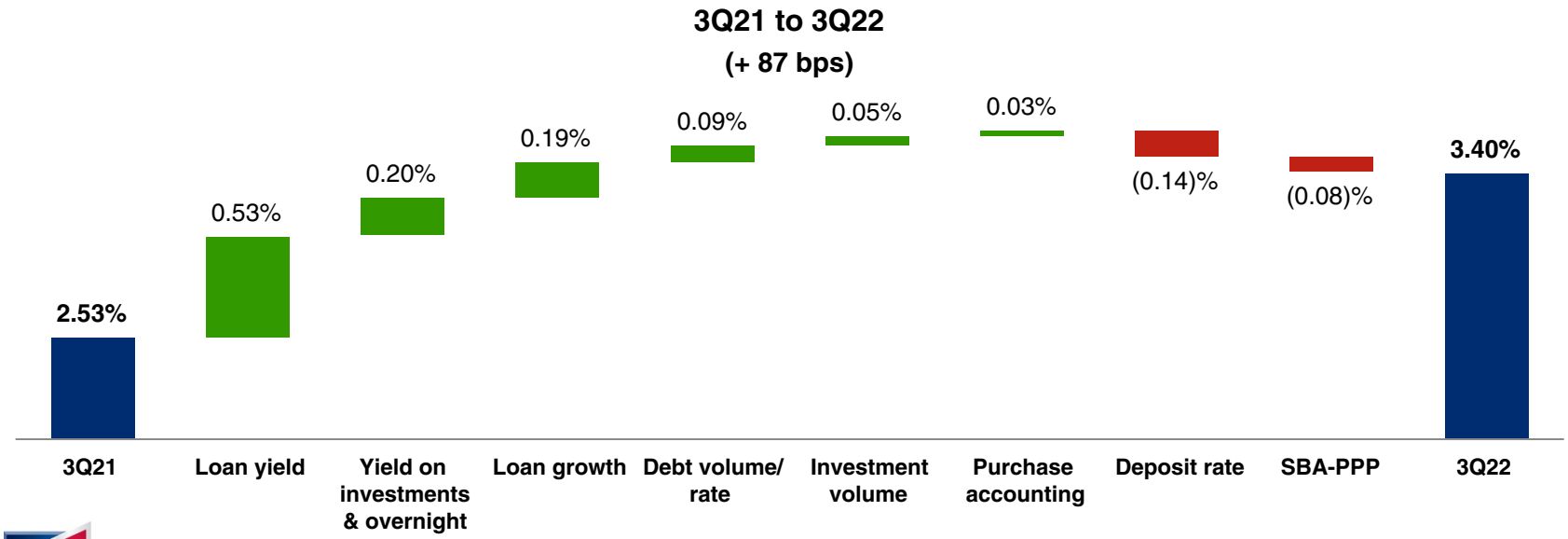
Net interest income increased by $322 million due to a $176 million increase in interest income and a $146 million decrease in interest expense. NIM expanded from 2.56% to 3.06%. The change in net interest income was primarily due to the following:

- $119 million decline in interest expense on borrowings due to a lower rate paid,
- $106 million increase in interest income on investment securities due to higher yields and portfolio growth,
- $27 million decline in interest expense on deposits due to lower balances and the impact of purchase accounting on deposit rates,
- $38 million increase in interest income on overnight investments due to a higher yield, and
- $32 million increase on interest income on loans due to an increase in loan yield, partially offset by lower balances and lower purchase accounting accretion and SBA-PPP interest and fee income.

Note – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 32-33 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

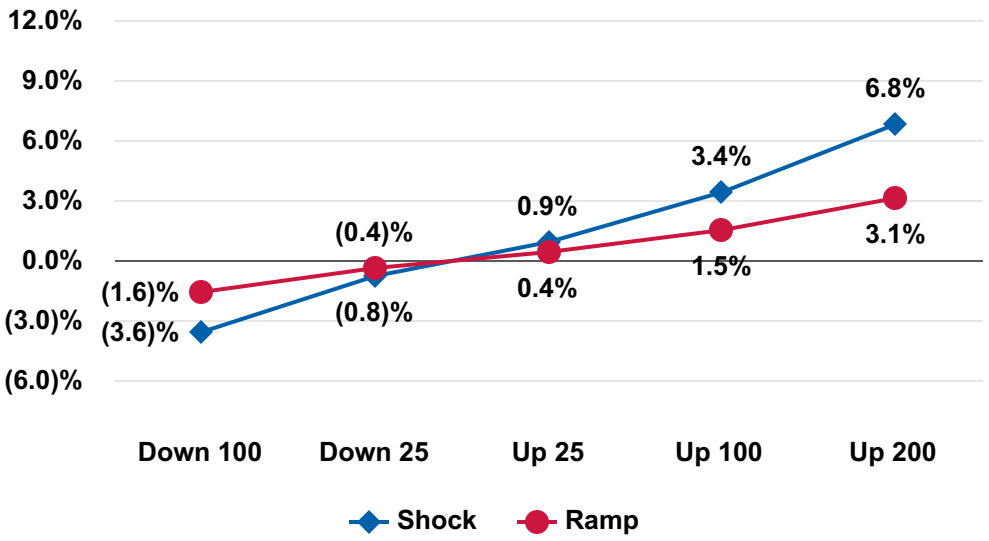




Note – The financial ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported ratios, refer to page 33 of the Appendix.

Net interest income and margin rate sensitivity

3Q22 Interest Rate Sensitivity



Illustrative impacts to NII & NIM [1]								
	4Q22		1Q23		2Q23		3Q23	
($ in millions)	NII	NIM	NII	NIM	NII	NIM	NII	NIM
+100 bps shock	$ 19	0.08 %	$ 32	0.14 %	$ 33	0.14 %	$ 33	0.14 %
+100 bps ramp	$ 1	0.01 %	$ 9	0.04 %	$ 17	0.07 %	$ 25	0.11 %
-100 bps ramp	$ (1)	(0.01)%	$ (9)	(0.04)%	$ (17)	(0.07)%	$ (26)	(0.11)%
-100 bps shock	$ (18)	(0.08)%	$ (32)	(0.14)%	$ (35)	(0.15)%	$ (37)	(0.16)%

Highlights

- BancShares continues to have an asset sensitive interest rate risk profile.
- The projected increase in net interest income over the next 12 months is 3.4% for an immediate 100 bps parallel shift (shock) in the yield curve and 1.5% for a gradual shift (ramp) of 100 bps.
- Asset sensitivity is largely driven by the composition of the balance sheet, primarily due to floating rate loans and cash, as well as a strong core deposit base with modest betas.
- We expect full cycle deposit beta to be approximately 25%.
- Approximately 45% of our loans are floating indexed primarily to 1-month LIBOR, 3-month LIBOR, Prime and SOFR.
- The duration of our investment portfolio is 4.5 years, and helps to mitigate earnings risk in a down rate environment.

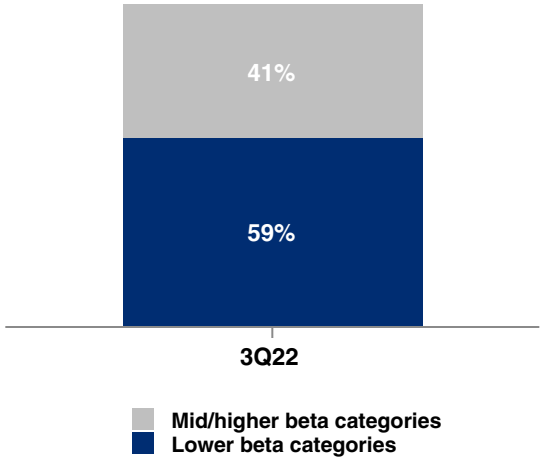
Note – The above information is an illustrative example of changes in net interest income and net interest margin using a static balance sheet and forward swap curves in place as of the end of September. Actual results may differ from above.

(1) Impacts to NII and NIM may change due to actual results being different than modeled expectations.

Deposit Betas

Deposit Beta Performance and Estimates

	3Q22 - Actual	4Q22 - Estimated
Cumulative Fed Funds increase	300 bps	425 bps
Fed Funds target range (quarter end)	3.00 to 3.25%	4.25 to 4.50%
Quarterly deposit beta	11%	34%
Cumulative deposit beta	6%	14%

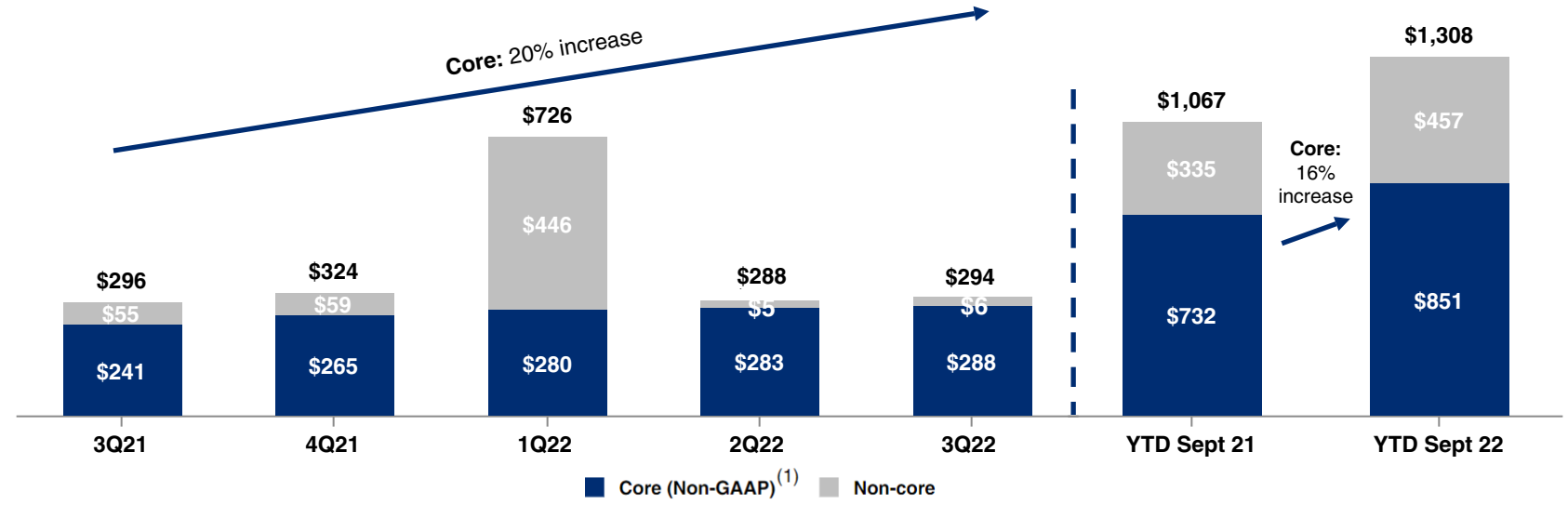


Highlights

- Expect 4Q22 quarterly deposit beta to accelerate to 34%, + 8% on a cumulative basis.
- We expect full cycle deposit beta to be approximately 25%.
- **Mid/higher beta categories:**
  - 30% + beta on Direct Bank money market, savings and time deposit accounts.
  - 10 to 30% beta on branch network money market accounts and time deposits.
- **Lower beta categories:**
  - 0 to 10% beta on total non-interest bearing deposits, branch network, checking with interest and savings accounts.

Noninterest income

($ in millions)



Highlights

3Q22 vs 2Q22

Core noninterest income increased $5 million. Significant components of the change were:

- Fee income and other service charges increased $5 million primarily due to higher capital markets fees.
- Rental income on operating leases, net increased $3 million as top-line revenue growth matched the growth in maintenance expenses and depreciation expense was lower in 3Q22.
- Other noninterest income increased $12 million spread among various line items;
- Partially offset by a $7 million decrease in service charges on deposit accounts due to the changes to our OD/NSF fees that went live in July 2022 and a $3 million decline in factoring commissions.

Non-core noninterest income increased $1 million.

3Q22 vs 3Q21

Core noninterest income increased $47 million. Significant components of the change were:

- Rental income on operating leases, net, increased $30 million primarily due to higher gross revenue driven by increased utilization and higher lease rates.
- Fee income and other service charges increased $7 million primarily due to higher capital markets fees and other noninterest income increased $14 million spread among various line items;
- Partially offset by a $5 million decrease in service charges on deposit accounts and a $4 million decline in factoring commissions.

Non-core noninterest income decreased $49 million. Significant components of the change were:

- $19 million decline in gain on sale of leasing equipment.
- $19 million decline in gain on sale of investment securities and fair market value adjustments on marketable equity securities.

YTD September 2022 vs YTD September 2021

Core noninterest income increased $119 million. Significant components of the change were:

- Rental income on operating leases, net, increased $82 million due to higher gross revenue driven by increased utilization and higher lease rates.
- Wealth management services increased $11 million due to increased annuity sales and higher assets under management.
- Fee income and other service charges increased $8 million primarily due to higher capital markets fees.
- Cardholder services income, net increased $10 million due to higher volumes.

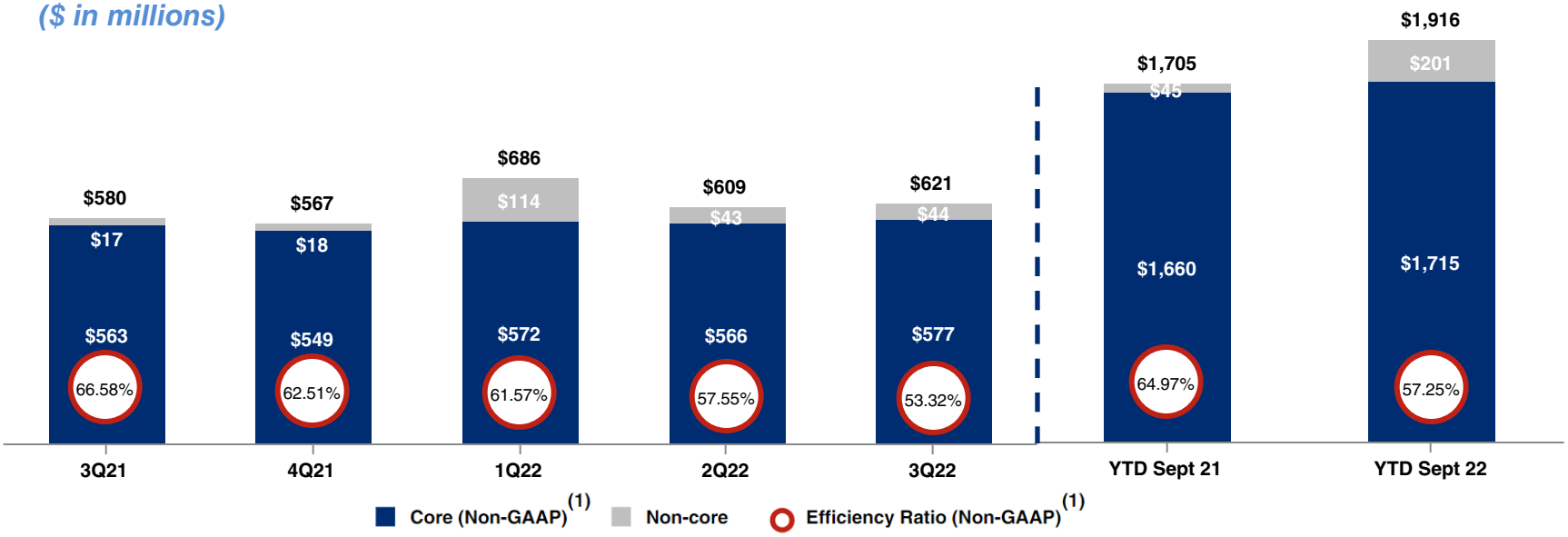
Non-core noninterest income increased $122 million due primarily to the $431 million preliminary bargain purchase gain as a result of the CIT acquisition in the first quarter of 2022, partially offset by declines in gain on sale of investment securities, loans and operating lease equipment.

Note – The financial data provided on this slide is presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 32 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 11.

Noninterest expense

($ in millions)



Highlights

3Q22 vs 2Q22

Core noninterest expense increased $11 million. Significant components of the change were:

- Personnel costs increased $10 million as a result of net staff additions, wage increases and higher temporary employee costs.
- Marketing costs increased $6 million due to higher expenses in the Direct Bank;
- Partially offset by a $4 million reduction in FDIC insurance premiums and a $2 million decline in professional fees.

Non-core noninterest expense increased $1 million.

Efficiency ratio improved from 57.55% to 53.32% as core net revenue grew by 10% and core noninterest expense declined by 2%.

3Q22 vs 3Q21

Core noninterest expense increased $14 million. Significant components of the change were:

- Marketing costs increased $6 million for the same reason as the linked quarter increase.
- Occupancy and equipment expense, professional fees and third-party processing fees increased $4 million each and other operating expenses were up $8 million spread among various line items;
- Partially offset by a $7 million reduction in FDIC insurance premiums and a $6 million decline in professional fees.

Non-core noninterest expense increased $27 million driven primarily by a $26 million increase in merger-related expenses.

Efficiency ratio improved from 66.58% to 53.32% due to 28% core net revenue growth versus 3% core noninterest expense growth.

YTD September 2022 vs YTD September 2021

Core noninterest expense increased $55 million. Significant components of the change were:

- Personnel costs increased $19 million as a result of merit increases and higher temporary employee costs, partially offset by net staff reductions.
- Third-party processing expenses increased $11 million, marketing expenses increased $10 million and other operating expenses increased $22 million;
- Partially offset by a $12 million reduction in FDIC insurance premiums.

Non-core noninterest expense increased $156 million driven primarily by a $177 million increase in merger-related expenses; partially offset by a $17 million reduction in intangible asset amortization.

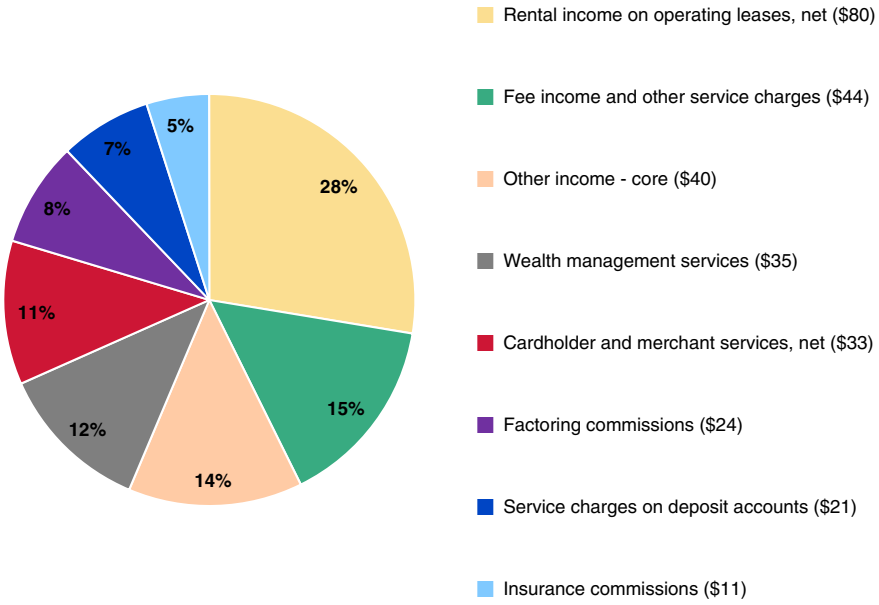
Efficiency ratio improved from 64.97% to 57.25% due to 17% core net revenue growth versus 3% core noninterest expense growth.

Note – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 32-33 of the Appendix.
(1) Core noninterest expense does not include depreciation and maintenance expense on operating leases, as well as adjustments for notable items as detailed on page 11.

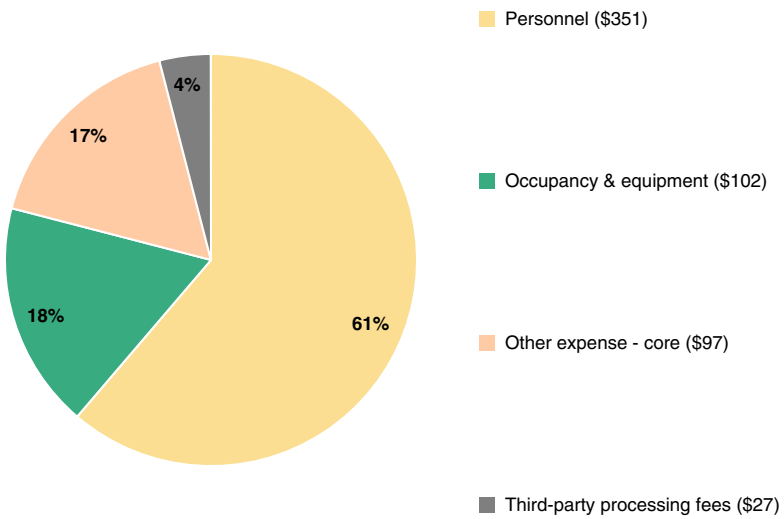
3Q22 Noninterest income and expense composition

($ 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 11. Core noninterest expense does not include depreciation and maintenance expense on operating leases, as well as adjustments for notable items as detailed on page 11.

Balance Sheet Highlights

($ in millions, expect per share data)

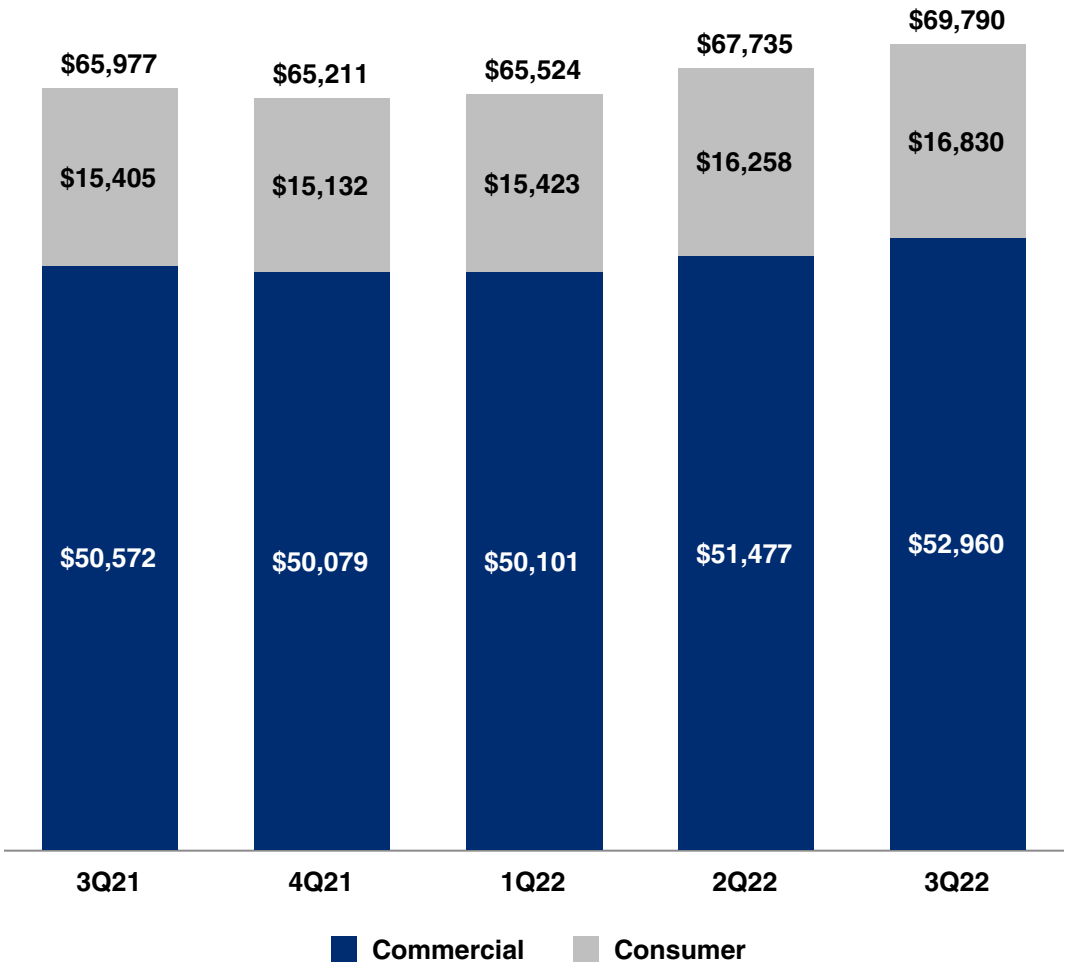
SELECT BALANCES [1]	3Q22	2Q22	3Q21	Increase (decrease) 3Q22 vs 2Q22 $	3Q22 vs 2Q22 %	3Q22 vs 3Q21 $	3Q22 vs 3Q21 %
Interest-earning deposits at banks	$ 6,172	$ 6,476	$ 14,304	$ (304)	(18.6)%	$ (8,132)	(56.8)%
Investment securities	18,841	19,136	16,438	(295)	(6.1)	2,403	14.6
Loans and leases	69,790	67,735	65,977	2,055	12.0	3,813	5.8
Operating lease equipment, net [2]	7,984	7,971	7,937	13	0.6	47	0.6
Deposits	87,553	89,329	90,320	(1,776)	(7.9)	(2,767)	(3.1)
Borrowings	8,343	4,459	6,131	3,884	345.7	2,212	36.1
Tangible common stockholders' equity (non-GAAP)	8,461	9,265	9,410	(804)	(34.4)	(949)	(10.1)
Common stockholders' equity	8,952	9,761	9,892	(809)	(32.9)	(940)	(9.5)
Total stockholders' equity	$ 9,833	$ 10,642	$ 10,757	$ (809)	(30.1)%	$ (924)	(8.6)%

KEY METRICS	3Q22	2Q22	3Q21	Increase (decrease) 3Q22 vs 2Q22	3Q22 vs 3Q21
Common equity Tier 1 (CET1) capital ratio [3]	10.37 %	11.35 %	11.34 %	(0.98)%	(0.97)%
Book value per common share [3]	$ 597.75	$ 609.95	$ 432.07	$ (12.20)	$ 165.68
Tangible book value per common share (non-GAAP) [3]	$ 564.97	$ 578.92	$ 394.15	$ (13.95)	$ 170.82
Tangible capital to tangible assets [1]	7.78 %	8.64 %	8.49 %	(0.86)%	(0.71)%
Loan to deposit ratio [1]	79.71 %	75.83 %	73.05 %	3.88 %	6.66 %
ACL to total loans and leases [1]	1.26 %	1.26 %	1.48 %	— %	(0.22)%
Noninterest bearing deposits to total deposits [1]	30.37 %	29.75 %	27.58 %	0.62 %	2.79 %

(1) The financial data and ratios provided are presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 31 - 33 of the Appendix.
(2) Operating lease equipment, net includes $7.2 billion of rail assets.
(3) 3Q21 ratios for CET1, book value per common share and tangible book value per common share are BancShares and do not include CIT balances.

Loans and Leases HFI

($ in millions)



Highlights

3Q22 vs 2Q22

- Loans grew $2.1 billion, or by 12.0% on an annualized basis.
- Growth was driven primarily by our branch network, Commercial Finance, Business Capital and Mortgage.
- The primary drivers of the growth by loan type were commercial & industrial, non-owner-occupied commercial mortgage and residential mortgage loans.

3Q22 vs 3Q21

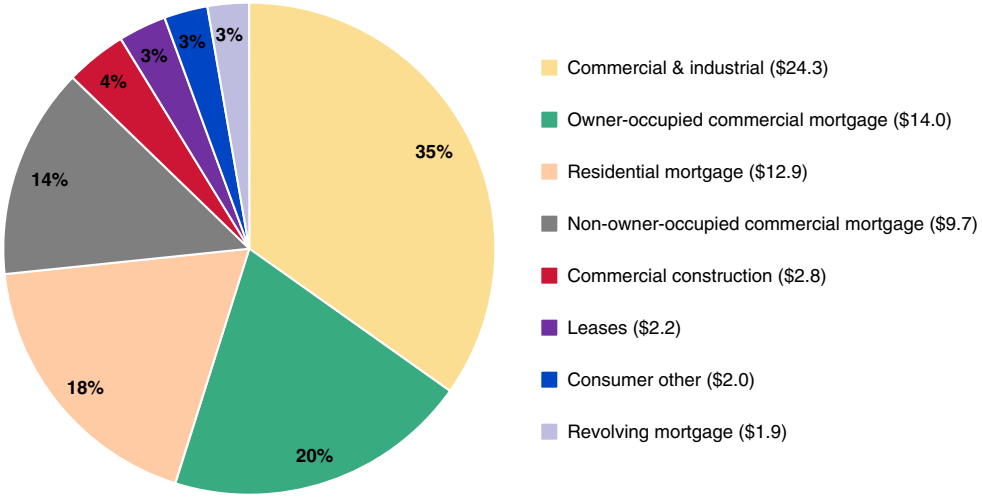
- Loans grew $3.8 billion, or by 5.8%. Loans excluding the impact of purchase accounting and SBA-PPP increased $4.7 billion, or by 6.8%.
- Growth was due to the same factors above for the linked quarter.
- The primary drivers of the growth by loan type were commercial & industrial, residential mortgage and owner-occupied commercial mortgage loans.

Note – The financial data provided on this slide is presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to page 31 of the Appendix. Rail assets / operating leases are not included in the loan totals.

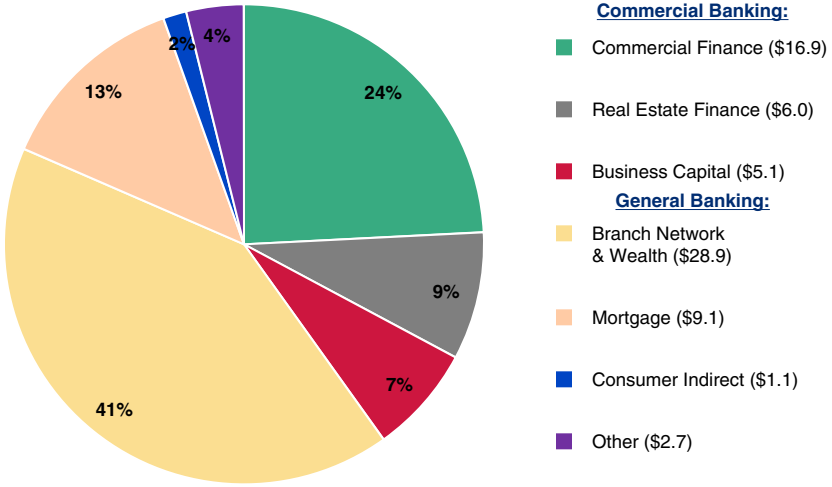
3Q22 Loans and Leases HFI Composition

($ in billions)

Type



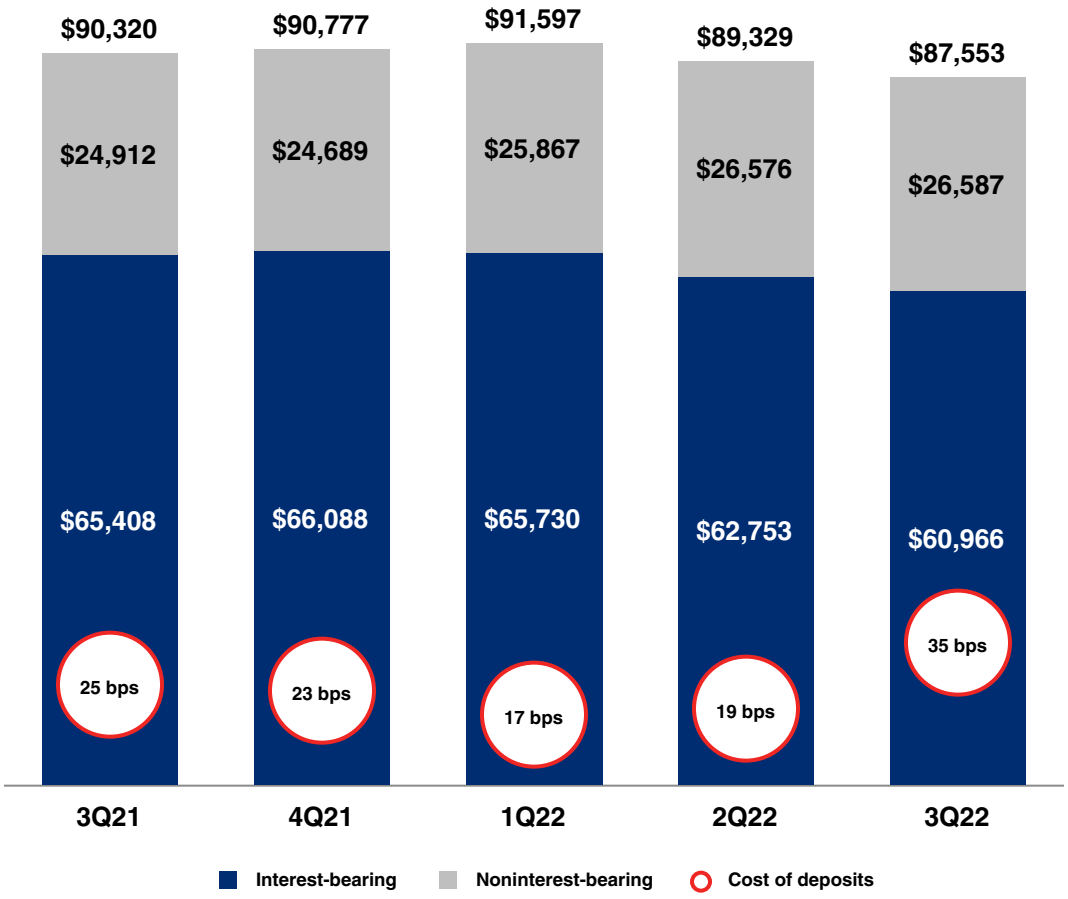
Segment



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

3Q22 vs. 2Q22

- Total deposits decreased $1.8 billion, or by 7.9% on an annualized basis.
- Interest-bearing deposits decreased $1.8 billion, primarily due to a $2.9 billion decline in money market deposits, partially offset by a $1.4 billion increase in savings accounts.
- The reduction in total interest-bearing deposits was primarily concentrated in acquired branches and Commercial Banking, partially offset by growth in the Direct Bank.

3Q22 vs. 3Q21

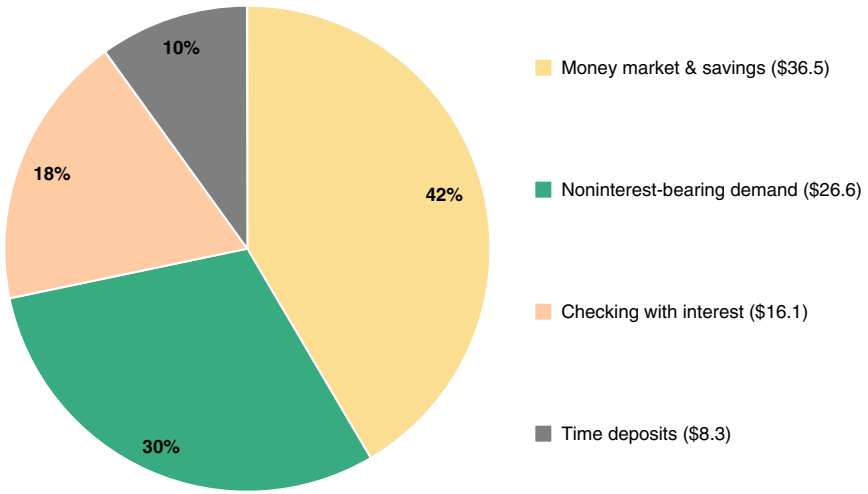
- Total deposits decreased $2.8 billion, or by 3.1%.
- Interest-bearing deposits decreased $4.4 billion, primarily driven by decreases of $3.9 billion and $2.1 billion in money market deposits and time deposits, respectively; partially offset by a $966 million increase in checking with interest accounts and a $566 million increase in savings accounts.
- The reduction in interest-bearing deposits was primarily concentrated in acquired higher cost Direct Bank accounts and acquired branches, partially offset by growth in the legacy branch network and Community Association Banking.
- Noninterest-bearing deposits increased by $1.7 billion.

Note – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to pages 31 - 33 of the Appendix.

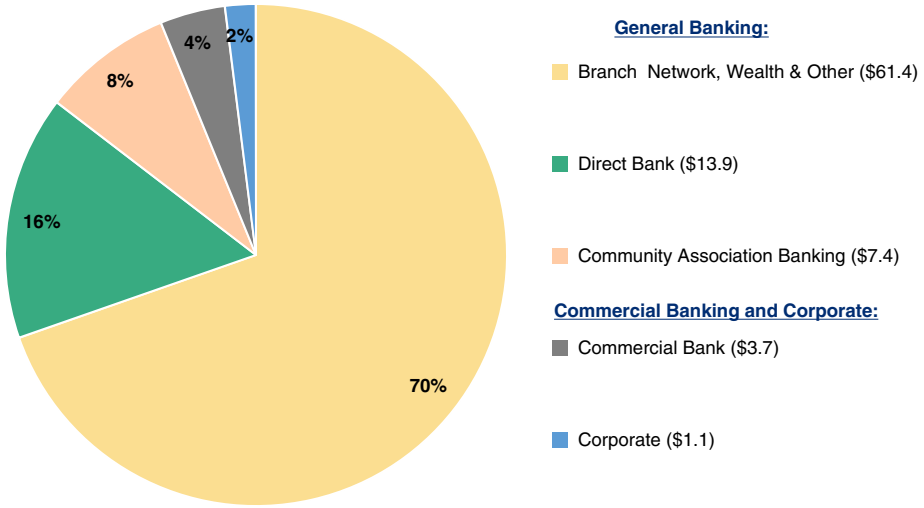
3Q22 Deposit Composition

($ in billions)

Type



Segment



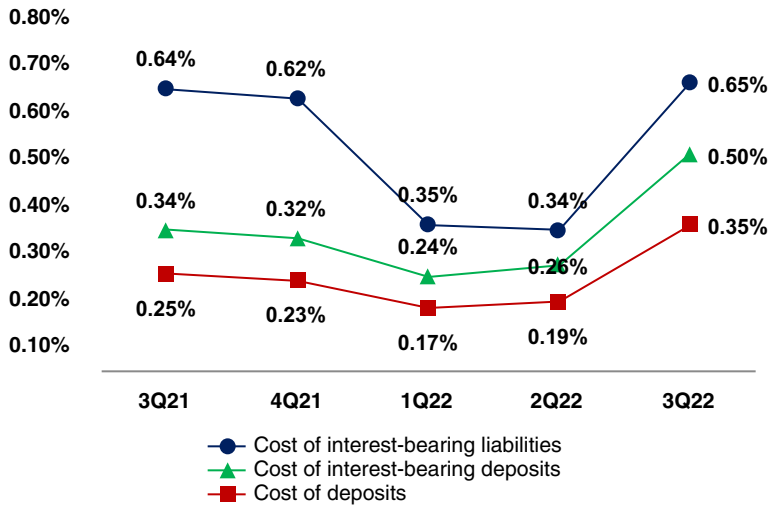
Note – The Commercial Banking segment includes Commercial Finance, Real Estate Finance and Business Capital. The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

Funding Mix

($ in millions)

	QTD										Change	
	3Q22		2Q22		1Q22		4Q21		3Q21		Linked Quarter	Prior Year Quarter
Total deposits	$ 87,553	91.3 %	$ 89,329	95.2 %	$ 91,597	96.5 %	$ 90,777	93.8 %	$ 90,320	93.6 %	$ (1,776)	$ (2,767)
Securities sold under customer repurchase agreements	578	0.6	646	0.7	616	0.6	589	0.6	664	0.7	(68)	(86)
Federal Home Loan Bank borrowings	5,800	6.0	1,785	1.9	639	0.7	645	0.7	646	0.7	4,015	5,154
Senior unsecured borrowings	888	0.9	892	1.0	895	1.0	3,742	3.8	3,740	3.9	(4)	(2,852)
Subordinated debt	1,052	1.1	1,055	1.1	1,058	1.1	973	1.0	993	1.0	(3)	59
Other borrowings	25	0.1	81	0.1	84	0.1	86	0.1	88	0.1	(56)	(63)
Total deposits and borrowed funds	**$ 95,896**	**100 %**	**$ 93,788**	**100 %**	**$ 94,889**	**100 %**	**$ 96,812**	**100 %**	**$ 96,451**	**100 %**	**$ 2,108**	**$ (555)**

Cost of funds



Additional sources of liquidity

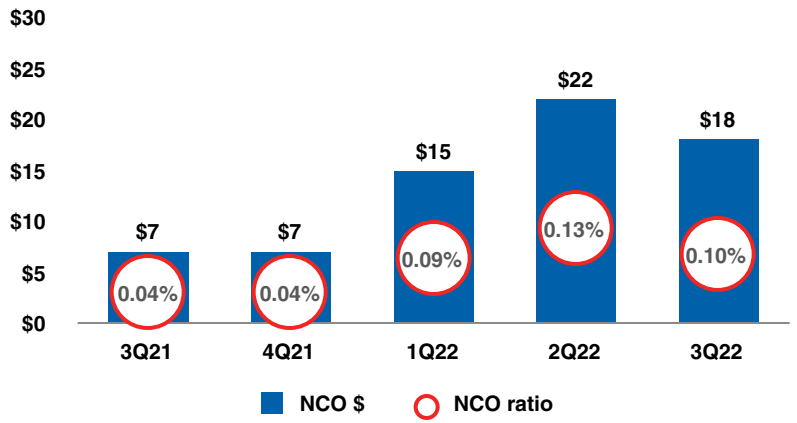
Categories	$ in millions
FHLB	$ 7,140
FRB	4,464
Line of credit	100
Total	**$ 11,704**

Note – The financial data and ratios provided on this slide are presented as if BancShares and CIT were combined for the historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data, refer to pages 31-33 of the Appendix. Totals may not foot due to rounding.

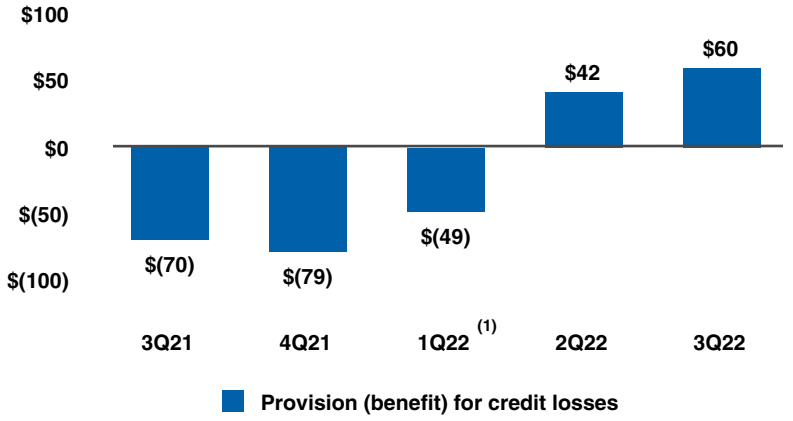
ACL and Credit Quality Trends

($ in millions)

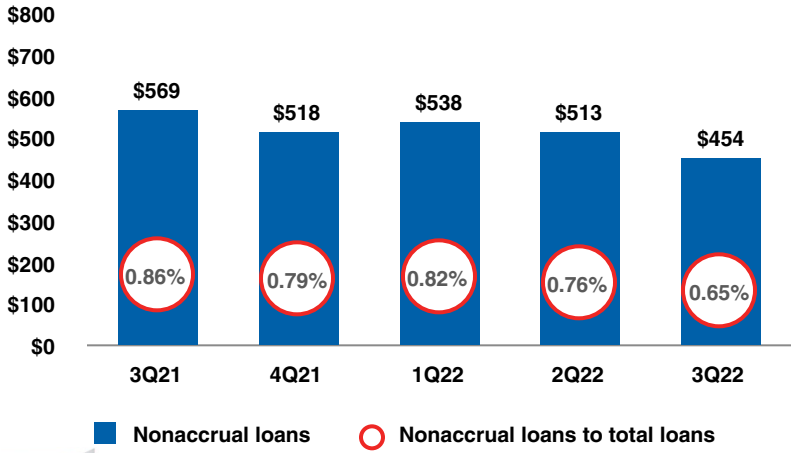
Net charge-offs (NCO) & NCO ratio



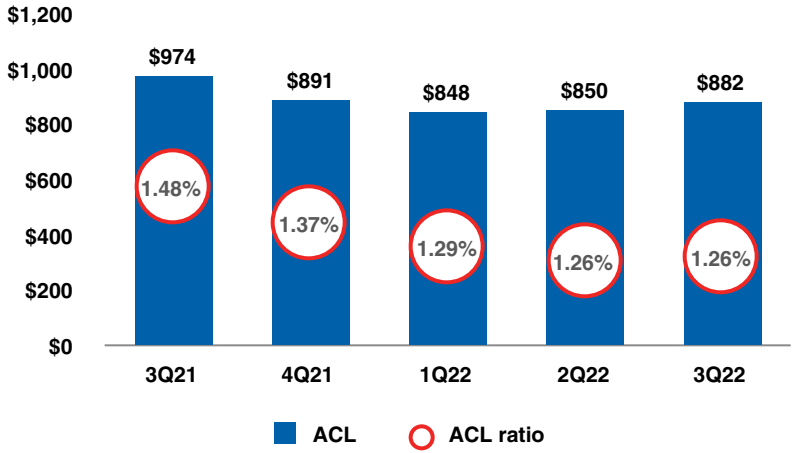
Provision (benefit) for credit losses



Nonaccrual loans / total loans & leases HFI



ACL & ACL ratio



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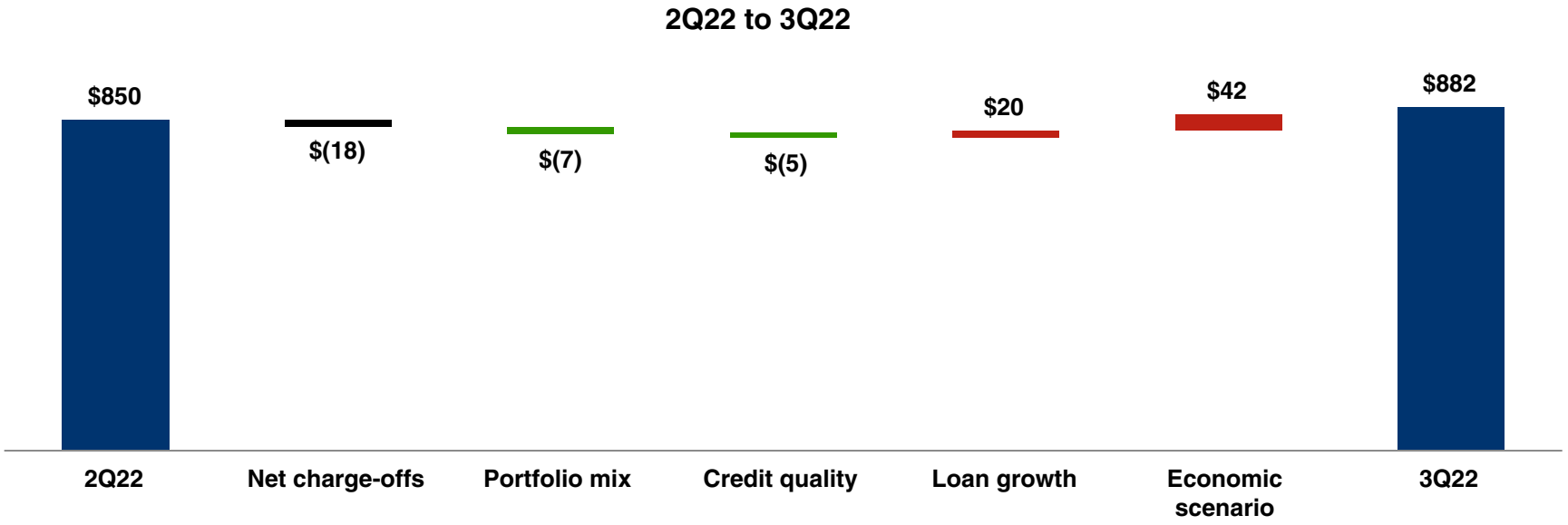
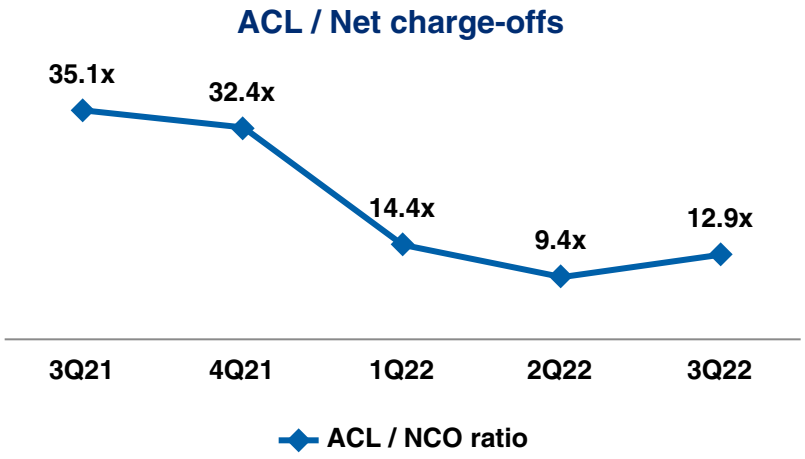
(1) Excludes $513 million of Day 2 provision expenses.

Allowance for credit losses (ACL)

($ in millions)





Highlights

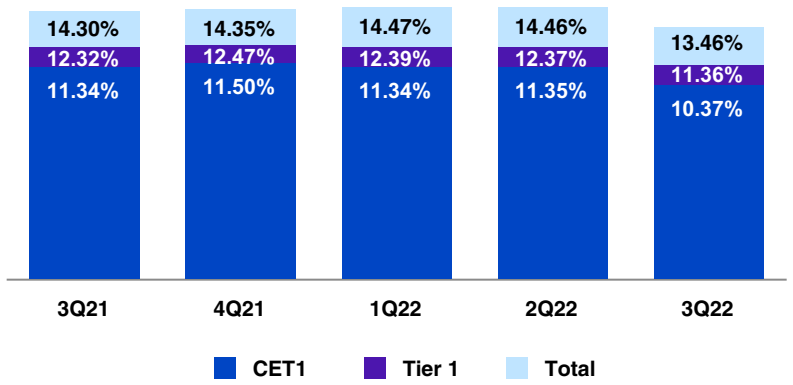
3Q22 vs 2Q22

- Total ACL increased $32 million compared to the linked quarter.
- We saw declines in the ACL from continued strong credit quality and 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 12.9 times coverage of annualized quarterly net charge-offs.

Note – The financial ratios provided on this slide are presented as if BancShares and CIT were combined for the 2021 historical periods. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures. For the BancShares 2021 reported data and ratios, refer to pages 31-33 of the Appendix.

Capital

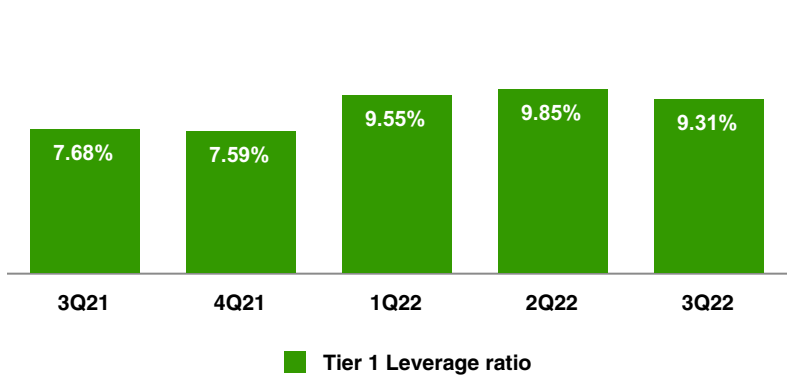
Risk-based capital ratios



Capital ratio rollforward

	Risk-Based Capital			Tier 1
	Total	Tier 1	CET1	Leverage
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	0.94%	0.94%	0.94%	0.73%
Common dividends	(0.03)%	(0.03)%	(0.03)%	(0.03)%
Preferred dividends	(0.04)%	(0.04)%	(0.04)%	(0.04)%
Stock repurchase plan	(0.98)%	(0.98)%	(0.98)%	(0.78)%
Risk-weighted/average assets	(0.85)%	(0.72)%	(0.66)%	0.22%
SBA-PPP decline	0.00%	0.00%	0.00%	0.10%
Other	0.11%	(0.02)%	0.00%	0.02%
September 30, 2022	**13.46%**	**11.36%**	**10.37%**	**9.31%**
Change since 4Q21	**(0.89)%**	**(1.11)%**	**(1.13)%**	**1.72%**

Tier 1 Leverage ratio



Tangible book value per share (Non-GAAP)



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

Financial Outlook

Section III



Key Earnings Estimate Assumptions

Metric	3Q22 - Adjusted baseline	4Q22 - Projected	FY22 - Projected	FY23 - Projected
Loans	**$69.8 billion**	Mid to high-single digit % annualized growth	$70.5 - $71.0 billion	Mid-single digit % annualized growth
Deposits	**$87.5 billion**	Mid-single digit % annualized growth	$88.5 - $90.0 billion	Low to mid-single digit % annualized growth
Interest rates		Expect 125 bps increase in FFR in 4Q (ending FF effective rate of 4.25% - 4.50%)		FFR to remain elevated at 4.25% - 4.50%, without further rate moves
Net charge-off ratio (annualized/annual)	**10 bps**	15 - 25 bps	11 - 15 bps	20 - 30 bps
Net interest income	**$795 million**	Low-single digit % growth, margin stable to slightly increasing	$2.95 - $2.97 billion	Mid-teens % growth YoY; margin stable to slightly increasing
Noninterest income (1)	**$288 million**	Mid-single digit % decline due mainly to elevated 3Q on Capital Markets and other fees	$1.13 - $1.15 billion	Low-single digit % growth
Noninterest expense (2)	**$577 million**	Flat to low-single digit % growth to 3Q 2022	$2.29 - $2.30 billion	Low to mid-single digit % growth
Effective tax rate (3)	**24%**	24% - 25%	24% - 25%	24% - 25%
Earnings per share (Reported)	**$19.25**	$18 - $20 per share	$68 - $70 per share	$93 - $98 per share
Earnings per share (Adjusted)	**$20.77**	$21 - $23 per share	$77 - $79 per share	$95 - $100 per share

(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.

Note - Management does not provide a reconciliation for forward-looking non-GAAP financial measures where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the occurrence and the financial impact of various items that have not yet occurred, are out of BancShares' control, or cannot be reasonably predicted. For the same reasons, management is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Appendix

Section IV



BancShares Balance Sheets (unaudited)

($ in millions)

	3Q22 BancShares	2Q22 BancShares	1Q22 BancShares	4Q21 BancShares	3Q21 BancShares
ASSETS					
Cash and due from banks	$ 481	$ 583	$ 523	$ 338	$ 337
Interest-earning deposits at banks	6,172	6,476	9,285	9,115	9,875
Investments in marketable equity securities	92	94	100	98	123
Investment securities available for sale	9,088	9,210	9,295	9,203	7,371
Investment securities held to maturity	9,661	9,832	10,074	3,809	3,381
Assets held for sale	21	38	83	99	98
Loans and leases	69,790	67,735	65,524	32,372	32,516
Allowance for credit losses	(882)	(850)	(848)	(178)	(183)
Loans and leases, net of allowance for credit losses	**68,908**	**66,885**	**64,676**	**32,194**	**32,333**
Operating lease equipment, net	7,984	7,971	7,972	—	—
Premises and equipment, net	1,410	1,415	1,431	1,233	1,231
Bank-owned life insurance	1,342	1,334	1,326	116	116
Goodwill	346	346	346	346	350
Other intangible assets	145	150	156	19	22
Other assets	3,660	3,339	3,330	1,739	1,665
Total assets	**$ 109,310**	**$ 107,673**	**$ 108,597**	**$ 58,309**	**$ 56,902**
LIABILITIES					
Deposits:					
Noninterest-bearing	$ 26,587	$ 26,576	$ 25,867	$ 21,405	$ 21,514
Interest-bearing	60,966	62,753	65,730	30,001	28,551
Total deposits	**87,553**	**89,329**	**91,597**	**51,406**	**50,065**
Credit balances of factoring clients	1,147	1,070	1,150	—	—
Short-term borrowings	3,128	646	616	589	664
Long-term borrowings	5,215	3,813	2,676	1,195	1,219
Total borrowings	8,343	4,459	3,292	1,784	1,883
Other liabilities	2,434	2,173	1,988	381	372
Total liabilities	**99,477**	**97,031**	**98,027**	**53,571**	**52,320**
STOCKHOLDERS' EQUITY					
Preferred stock	881	881	881	340	340
Common stock	15	16	16	10	10
Additional paid in capital	4,506	5,345	5,344	—	—
Retained earnings	5,160	4,865	4,634	4,378	4,264
Accumulated other comprehensive (loss) income	(729)	(465)	(305)	10	(32)
Total stockholders' equity	**9,833**	**10,642**	**10,570**	**4,738**	**4,582**
Total liabilities and stockholders' equity	**$ 109,310**	**$ 107,673**	**$ 108,597**	**$ 58,309**	**$ 56,902**

BancShares Income Statements (unaudited)

($ in millions)

	3Q22 BancShares	2Q22 BancShares	1Q22 BancShares	4Q21 BancShares	3Q21 BancShares	YTD22 BancShares	YTD21 BancShares
INTEREST INCOME							
Interest and fees on loans	$ 785	$ 655	$ 621	$ 328	$ 320	$ 2,061	$ 967
Interest on investment securities	90	89	83	39	40	262	106
Interest on deposits at banks	31	13	6	4	3	50	7
Total interest income	**906**	**757**	**710**	**371**	**363**	**2,373**	**1,080**
INTEREST EXPENSE							
Deposits	78	42	39	8	8	159	25
Borrowings	33	15	22	6	8	70	22
Total interest expense	111	57	61	14	16	229	47
Net interest income	**795**	**700**	**649**	**357**	**347**	**2,144**	**1,033**
Provision (benefit) for credit losses	60	42	464	(5)	(1)	566	(32)
Net interest income after provision for credit losses	**735**	**658**	**185**	**362**	**348**	**1,578**	**1,065**
NONINTEREST INCOME							
Rental income on operating leases	219	213	208	—	—	640	—
Fee income and other service charges	44	39	35	11	10	118	31
Wealth management services	35	37	35	33	32	107	96
Service charges on deposit accounts	21	28	28	26	26	77	69
Factoring commissions	24	27	27	—	—	78	—
Cardholder services, net	25	26	25	22	23	76	65
Merchant services, net	8	9	10	7	9	27	26
Insurance commissions	11	11	12	4	4	34	12
Realized gain on sale of investment securities available for sale, net	—	—	—	—	8	—	33
Fair value adjustment on marketable equity securities, net	(2)	(6)	3	3	3	(5)	31
Bank-owned life insurance	8	9	8	1	1	25	2
Gain on sale of leasing equipment, net	2	5	6	—	—	13	—
Gain on acquisition	—	—	431	—	—	431	—
Gain on extinguishment of debt	1	—	6	—	—	7	—
Other noninterest income	37	26	16	7	8	79	29
Total noninterest income	**433**	**424**	**850**	**114**	**124**	**1,707**	**394**
NONINTEREST EXPENSE							
Depreciation on operating lease equipment	87	89	81	—	—	257	—
Maintenance and other operating lease expenses	52	47	43	—	—	142	—
Salaries and benefits	351	341	352	193	194	1,044	566
Net occupancy expense	47	48	49	30	29	144	87
Equipment expense	55	54	52	30	30	161	89
Professional fees	13	15	16	7	5	44	13
Third-party processing fees	27	26	24	16	16	77	44
FDIC insurance expense	5	9	12	4	3	26	10
Marketing	15	9	8	3	3	32	7
Merger-related expenses	33	34	135	9	7	202	20
Intangible asset amortization	5	6	6	3	3	17	9
Other noninterest expense	70	67	32	28	24	169	66
Total noninterest expense	**760**	**745**	**810**	**323**	**314**	**2,315**	**911**
Income before income taxes	**408**	**337**	**225**	**153**	**158**	**970**	**548**
Income tax (benefit) expense	93	82	(46)	30	34	129	124
Net income	**$ 315**	**$ 255**	**$ 271**	**$ 123**	**$ 124**	**$ 841**	**$ 424**
Preferred stock dividends	**$ 12**	**$ 17**	**$ 7**	**$ 5**	**$ 5**	**$ 36**	**$ 14**
Net income available to common stockholders	**$ 303**	**$ 238**	**$ 264**	**$ 118**	**$ 119**	**$ 805**	**$ 410**

BancShares Financial Ratios (unaudited) (1)

	4Q21	3Q21	YTD21
	BancShares	BancShares	BancShares
ROA	0.84 %	0.88 %	1.05 %
PPNR ROA	1.01 %	1.11 %	1.28 %
NIM	2.58 %	2.61 %	2.69 %
Net charge-off ratio	(0.01)%	0.06 %	0.04 %
Efficiency ratio	66.31 %	66.09 %	64.69 %
Tangible capital to tangible assets (2)		6.84 %	
Loan to deposits ratio (2)		64.95 %	
ACL to total loans and leases (2)	0.55 %	0.56 %	
Noninterest bearing deposits to total deposits (2)		42.97 %	
Cost of deposits (2)	0.06 %	0.07 %	
Cost of interest bearing deposits (2)	0.11 %	0.12 %	
Cost of interest bearing liabilities (2)	0.19 %	0.20 %	
Nonaccrual loans to total loans and leases (2)	0.37 %	0.50 %	
ACL / Net charge-offs (2)	NM	9.7 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.

BancShares and Combined Balance Sheets (unaudited)

($ in millions)

	3Q22	2Q22	1Q22	4Q21	3Q21
	BancShares	BancShares	BancShares	Combined	Combined
Assets					
Cash and due from banks	$ 481	$ 583	$ 523	$ 479	$ 507
Interest-earning deposits at banks	6,172	6,476	9,285	11,989	14,304
Securities purchased under agreements to resell	—	—	—	—	100
Investments in marketable equity securities	92	94	100	98	123
Investment securities available for sale	9,088	9,210	9,295	15,797	12,932
Investment securities held to maturity	9,661	9,832	10,074	3,812	3,383
Assets held for sale	21	38	83	152	194
Loans and leases	69,790	67,735	65,524	65,211	65,977
Allowance for credit losses	(882)	(850)	(848)	(891)	(974)
Loans and leases, net of allowance for credit losses	**68,908**	**66,885**	**64,676**	**$ 64,320**	**$ 65,003**
Operating lease equipment, net	7,984	7,971	7,972	8,024	7,937
Premises and equipment, net	1,410	1,415	1,431	1,402	1,407
Bank-owned life insurance	1,342	1,334	1,326	1,318	1,309
Goodwill	346	346	346	346	350
Other intangible assets	145	150	156	121	132
Other assets	3,660	3,339	3,330	3,691	3,641
Total assets	**$ 109,310**	**$ 107,673**	**$ 108,597**	**$ 111,549**	**$ 111,322**
Liabilities					
Deposits:					
Noninterest-bearing	$ 26,587	$ 26,576	$ 25,867	$ 24,689	$ 24,912
Interest-bearing	60,966	62,753	65,730	66,088	65,408
Total deposits	**87,553**	**89,329**	**91,597**	**90,777**	**90,320**
Credit balances of factoring clients	1,147	1,070	1,150	1,533	1,557
Short-term borrowings	3,128	646	616	589	664
Long-term borrowings	5,215	3,813	2,676	5,446	5,467
Total borrowings	8,343	4,459	3,292	6,035	6,131
Other liabilities	2,434	2,173	$ 1,988	2,163	2,557
Total liabilities	**$ 99,477**	**$ 97,031**	**$ 98,027**	**100,508**	**100,565**
Stockholders' equity					
Preferred stock	881	881	$ 881	865	865
Total common stock	15	16	16	12	12
Additional paid in capital	4,506	5,345	5,344	3,760	3,758
Retained earnings	5,160	4,865	4,634	6,558	6,275
Accumulated other comprehensive (loss) income	(729)	(465)	(305)	(154)	(153)
Total stockholders' equity	**9,833**	**10,642**	**10,570**	**11,041**	**10,757**
Total liabilities and stockholders' equity	**$ 109,310**	**$ 107,673**	**$ 108,597**	**111,549**	**111,322**

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. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures

BancShares and Combined Income Statements - QTD (unaudited)

($ in millions)

	3Q22 BancShares	2Q22 BancShares	1Q22 BancShares	4Q21 Combined	3Q21 Combined
INTEREST INCOME					
Interest and fees on loans	$ 785	$ 655	$ 621	$ 668	$ 662
Interest on investment securities	90	89	83	60	54
Interest on deposits at banks	31	13	6	5	6
Total interest income	**906**	**757**	**710**	**733**	**722**
INTEREST EXPENSE					
Deposits	78	42	39	53	56
Borrowings	33	15	22	61	62
Total interest expense	**111**	**57**	**61**	**114**	**118**
Net interest income	**795**	**700**	**649**	**619**	**604**
Provision (benefit) for credit losses	60	42	464	(79)	(70)
Net interest income after provision for credit losses	**735**	**658**	**185**	**698**	**674**
NONINTEREST INCOME					
Rental income on operating leases	219	213	208	204	186
Fee income and other service charges	44	39	35	39	37
Wealth management services	35	37	35	33	32
Service charges on deposit accounts	21	28	28	27	26
Factoring commissions	24	27	27	33	28
Cardholder services, net	25	26	25	21	23
Merchant services, net	8	9	10	7	8
Insurance commissions	11	11	12	10	10
Realized gain on sale of investment securities available for sale, net	—	—	—	—	14
Fair value adjustment on marketable equity securities, net	(2)	(6)	3	7	3
Bank-owned life insurance	8	9	8	9	9
Gain on sale of leasing equipment, net	2	5	6	26	21
Gain on acquisition	—	—	431	—	—
Gain on extinguishment of debt	1	—	6	—	—
Other noninterest income	37	26	16	48	35
Total noninterest income	**433**	**424**	**850**	**464**	**432**
NONINTEREST EXPENSE					
Depreciation on operating lease equipment	87	89	81	88	85
Maintenance and other operating lease expenses	52	47	43	52	51
Salaries and benefits	351	341	352	326	347
Net occupancy expense	47	48	49	48	46
Equipment expense	55	54	52	52	51
Professional fees	13	15	16	20	19
Third-party processing fees	27	26	24	23	23
FDIC insurance expense	5	9	12	11	12
Marketing	15	9	8	8	9
Merger-related expenses	33	34	135	12	7
Intangible asset amortization	5	6	6	11	11
Other noninterest expense	70	67	32	56	55
Total noninterest expense	**760**	**745**	**810**	**707**	**716**
Income before income taxes	**408**	**337**	**225**	**455**	**390**
Income tax (benefit) expense	93	82	(46)	113	90
Net income	**315**	**255**	**271**	**342**	**300**
Preferred stock dividends	**12**	**17**	**7**	**17**	**8**
Net income available to common stockholders	**303**	**238**	**264**	**325**	**292**

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. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures

BancShares and Combined Income Statements - YTD (unaudited)

($ in millions)

	YTD 22 BancShares	YTD 21 Combined
INTEREST INCOME		
Interest and fees on loans	$ 2,061	$ 2,029
Interest on investment securities	262	156
Interest on deposits at banks	50	12
Total interest income	**2,373**	**2,197**
INTEREST EXPENSE		
Deposits	159	186
Borrowings	70	189
Total interest expense	**229**	**375**
Net interest income	**2,144**	**1,822**
Provision (benefit) for credit losses	566	(294)
Net interest income after provision for credit losses	**1,578**	**2,116**
NONINTEREST INCOME		
Rental income on operating leases	640	569
Fee income and other service charges	118	110
Wealth management services	107	96
Service charges on deposit accounts	77	72
Factoring commissions	78	79
Cardholder services, net	76	66
Merchant services, net	27	26
Insurance commissions	34	29
Realized gain on sale of investment securities available for sale, net	—	147
Fair value adjustment on marketable equity securities, net	(5)	31
Bank-owned life insurance	25	27
Gain on sale of leasing equipment, net	13	78
Gain on acquisition	431	—
Gain on extinguishment of debt	7	—
Other noninterest income	79	147
Total noninterest income	**1,707**	**1,477**
NONINTEREST EXPENSE		
Depreciation on operating lease equipment	257	253
Maintenance and other operating lease expenses	142	157
Salaries and benefits	1,044	1,017
Net occupancy expense	144	140
Equipment expense	161	155
Professional fees	44	49
Third-party processing fees	77	66
FDIC insurance expense	26	38
Marketing	32	22
Merger-related expenses	202	25
Intangible asset amortization	17	34
Other noninterest expense	**169**	**159**
Total noninterest expense	**2,315**	**2,115**
Income before income taxes	**970**	**1,478**
Income tax (benefit) expense	129	348
Net income	**841**	**1,130**
Preferred stock dividends	**36**	**32**
Net income available to common stockholders	**805**	**1,098**

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. The Combined measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of the Combined (Non-GAAP) to BancShares (GAAP) measures

Noninterest income

($ in millions)

	Quarter-to-date					3Q22 Change vs			
						2Q22		3Q21	
	3Q22	2Q22	1Q22	4Q21	3Q21	$	%	$	%
	BancShares	BancShares	BancShares	Combined	Combined				
Rental income on operating leases	$ 219	$ 213	$ 208	$ 204	$ 186	$ 6	2.7 %	$ 33	17.6 %
Fee income and other service charges	44	39	35	39	37	5	9.4	7	17.5
Wealth management services	35	37	35	33	32	(2)	(5.1)	3	9.4
Service charges on deposit accounts	21	28	28	27	26	(7)	(28.9)	(5)	(21.7)
Factoring commissions	24	27	27	33	28	(3)	(9.2)	(4)	(12.8)
Cardholder services, net	25	26	25	21	23	(1)	(4.1)	2	7.4
Merchant services, net	8	9	10	7	8	(1)	(1.6)	—	(0.6)
Insurance commissions	11	11	12	10	10	—	3.6	1	18.4
Realized gain on sale of investment securities available for sale, net	—	—	—	—	14	—	(100.0)	(14)	(100.0)
Fair value adjustment on marketable equity securities, net	(2)	(6)	3	7	3	4	(60.0)	(5)	(173.0)
Bank-owned life insurance	8	9	8	9	9	(1)	(1.4)	(1)	(6.4)
Gain on sale of leasing equipment, net	2	5	6	26	21	(3)	(66.7)	(19)	(92.4)
Gain on acquisition	—	—	431	—	—	—	—	—	—
Gain on extinguishment of debt	1	—	6	—	—	1	100.0	1	100.0
Other noninterest income	37	26	16	48	35	11	39.2 %	2	4999.5 %
Total noninterest income - GAAP	**$ 433**	**$ 424**	**$ 850**	**$ 464**	**$ 432**	**$ 9**	**1.7 %**	**$ 1**	**— %**
Depreciation on operating lease equipment	$ (87)	$ (89)	$ (81)	$ (88)	$ (85)	$ 2	(2.2)%	$ (2)	2.4 %
Maintenance and other operating lease expenses	(52)	(47)	(43)	(52)	(51)	(5)	10.6	(1)	2.0
Realized gain on sale of investment securities available for sale, net	—	—	—	—	(14)	—	—	14	(100.0)
Fair value adjustment on marketable equity securities, net	2	6	(3)	(7)	(3)	(4)	(66.7)	5	(166.7)
Gain on sale of leasing equipment, net	(2)	(5)	(6)	(26)	(21)	3	(60.0)	19	(90.5)
Gain on acquisition	—	—	(431)	—	—	—	—	—	—
Gain on extinguishment of debt	(1)	—	(6)	—	—	(1)	100.0	(1)	100.0
Other noninterest income	(5)	(6)	—	(26)	(17)	1	(16.7)%	12	(70.6)%
Total notable items	**$ (145)**	**$ (141)**	**$ (570)**	**$ (199)**	**$ (191)**	**$ (286)**	**202.8 %**	**$ 46**	**(24.1)%**
Rental income on operating leases	$ 80	$ 77	$ 84	$ 64	$ 50	$ 3	4.0 %	$ 30	58.0 %
Fee income and other service charges	44	39	35	39	37	5	9.4	7	17.5
Wealth management services	35	37	35	33	32	(2)	(5.1)	3	9.4
Service charges on deposit accounts	21	28	28	27	26	(7)	(28.9)	(5)	(21.7)
Factoring commissions	24	27	27	33	28	(3)	(9.2)	(4)	(12.8)
Cardholder services, net	25	26	25	21	23	(1)	(4.1)	2	7.4
Merchant services, net	8	9	10	7	8	(1)	(1.6)	—	(0.6)
Insurance commissions	11	11	12	10	10	—	3.6	1	18.4
Bank-owned life insurance	8	9	8	9	9	(1)	(1.4)	(1)	(6.4)
Other noninterest income	32	20	16	22	18	12	53.2 %	14	131.6 %
Total noninterest income - adjusted or core	**$ 288**	**$ 283**	**$ 280**	**$ 265**	**$ 241**	**$ 5**	**1.6 %**	**$ 47**	**12.7 %**

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 11 and above.

Noninterest expense

($ in millions)

	Quarter-to-date					3Q22 Change vs			
						2Q22		3Q21	
	3Q22	2Q22	1Q22	4Q21	3Q21	$	%	$	%
	BancShares	BancShares	BancShares	Combined	Combined				
Depreciation on operating lease equipment	$ 87	$ 89	$ 81	$ 88	$ 85	$ (2)	(2.4)%	$ 2	2.2 %
Maintenance and other operating lease expenses	52	47	43	52	51	5	10.0	1	3.1
Salaries and benefits	351	341	352	326	347	10	2.8	4	0.9
Net occupancy expense	47	48	49	48	46	(1)	(2.5)	1	0.7
Equipment expense	55	54	52	52	51	1	1.9	4	7.2
Professional fees	13	15	16	20	19	(2)	(21.2)	(6)	(33.6)
Third-party processing fees	27	26	24	23	23	1	4.7	4	16.4
FDIC insurance expense	5	9	12	11	12	(4)	(48.6)	(7)	(59.7)
Marketing	15	9	8	8	9	6	59.7	6	68.6
Merger-related expenses	33	34	135	12	7	(1)	(5.5)	26	361.5
Intangible asset amortization	5	6	6	11	11	(1)	(7.1)	(6)	(49.7)
Other noninterest expense	70	67	32	56	55	3	6.6	15	27.9
Total noninterest expense - GAAP	**$ 760**	**$ 745**	**$ 810**	**$ 707**	**$ 716**	**$ 15**	**1.7 %**	**$ 44**	**5.9 %**
Depreciation on operating lease equipment	$ (87)	$ (89)	$ (81)	$ (88)	$ (85)	$ 2	(2.2)%	$ (2)	2.4 %
Maintenance and other operating lease expenses	(52)	(47)	(43)	(52)	(51)	(5)	10.6	(1)	2.0
Salaries and benefits	—	—	—	6	—	—	—	—	—
Merger-related expenses	(33)	(34)	(135)	(12)	(7)	1	(2.9)	(26)	371.4
Intangible asset amortization	(5)	(6)	(6)	(11)	(11)	1	(16.7)	6	(54.5)
Other noninterest expense	(6)	(3)	27	(1)	1	(3)	100.0	(7)	(700.0)
Total notable items	**$ (183)**	**$ (179)**	**$ (238)**	**$ (158)**	**$ (153)**	**$ (4)**	**2.2 %**	**$ (30)**	**19.6 %**
Salaries and benefits	$ 351	$ 341	$ 352	$ 332	$ 347	$ 10	2.8 %	$ 4	0.9 %
Net occupancy expense	47	48	49	48	46	(1)	(2.5)	1	0.7
Equipment expense	55	54	52	52	51	1	1.9	4	7.2
Professional fees	13	15	16	20	19	(2)	(21.2)	(6)	(33.6)
Third-party processing fees	27	26	24	23	23	1	4.7	4	16.4
FDIC insurance expense	5	9	12	11	12	(4)	(48.6)	(7)	(59.7)
Marketing	15	9	8	8	9	6	59.7	6	68.6
Other noninterest expense	64	64	59	55	56	—	4.2	8	18.7
Total nontinterest expense - adjusted or core	**$ 577**	**$ 566**	**$ 572**	**$ 549**	**$ 563**	**$ 11**	**1.9 %**	**$ 14**	**2.4 %**

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 11 and above.

Debt Securities Overview

($ in millions)	3Q22 (1) Carrying Value (2)	% of Portfolio	Yield (3)	Duration (Years)
AFS Portfolio				
U.S. Treasury	$ 1,900	10 %	1.04 %	2.3
Government agency	173	1	2.93	0.4
Commerical mortgage-backed securities	1,673	9	2.56	2.4
Residential mortgage-backed securities	4,784	26	1.86	5.0
Corporate bonds	558	2	5.51	2.2
Total AFS portfolio	**$ 9,088**	**48 %**	**2.06 %**	**3.7**
HTM portfolio				
U.S. Treasury	$ 473	3 %	1.39 %	4.5
Government agency	1,546	8	1.49	4.5
Commerical mortgage-backed securities	2,835	15	1.81	3.6
Residential mortgage-backed securities	4,510	24	1.75	6.9
Other investments	297	2	1.54	6.1
Total HTM portfolio	**$ 9,661**	**52 %**	**1.71 %**	**5.4**
Grand total	**$ 18,749**	**100 %**	**1.88 %**	**4.5**

(1) Includes the debt securities portfolio; excludes marketable equity securities.
(2) Carrying value represents fair value for AFS and amortized cost for HTM portfolios.
(3) Yield represents actual accounting yield recognized during the quarter.

Average Balances and Yields

($ in millions)

	3Q22			2Q22			3Q21			Change vs. 2Q22			Change vs. 3Q21		
	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate
Loans and leases [1]	$ 67,733	$ 785	4.58%	$ 65,298	$ 655	4.01%	$ 64,576	$ 662	4.04%	$ 2,435	$ 130	0.57 %	$ 3,157	$ 123	0.54 %
Investment securities	19,119	90	1.88	19,185	89	1.85	15,695	54	1.36	(66)	1	0.03	3,424	36	0.52 %
Interest-earning deposits at banks	5,685	31	2.17	7,629	13	0.72	14,376	6	0.15	(1,944)	18	1.45	(8,691)	25	2.02 %
Total interest-earning assets [1]	**92,537**	**906**	**3.87**	**92,112**	**757**	**3.28**	**94,647**	**722**	**3.01**	**425**	**149**	**0.59**	**(2,110)**	**184**	**0.86**
Interest-bearing deposits	61,545	78	0.50	64,070	42	0.26	65,220	56	0.34	(2,525)	36	0.24	(3,675)	22	0.16 %
Securities sold under customer repurchase agreements	617	1	0.16	627	—	0.16	672	—	0.21	(10)	1	—	(55)	1	(0.05)%
Other short-term borrowings	1,188	8	2.57	—	—	—	—	—	—	1,188	8	2.57	1,188	8	2.57 %
Long-term borrowings	3,803	24	2.59	2,420	15	2.43	5,467	62	4.40	1,383	9	0.16	(1,664)	(38)	(1.81)%
Total borrowings	5,608	33	2.32	3,047	15	1.96	6,139	62	3.94	2,561	18	0.36	(531)	(29)	(1.62)%
Total interest-bearing liabilities	**$ 67,153**	**$ 111**	**0.65%**	**$ 67,117**	**$ 57**	**0.34%**	**$ 71,359**	**$ 118**	**0.64%**	**$ 36**	**$ 54**	**0.31 %**	**$ 67,117**	**$ (7)**	**0.01 %**
Net interest income		**$ 795**			**$ 700**			**$ 604**			**$ 95**			**$ 191**	
Net interest spread [1]			**3.22%**			**2.94%**			**2.37%**			**0.28 %**			**0.85 %**
Net interest margin [1]			**3.40%**			**3.04%**			**2.53%**			**0.36 %**			**0.87 %**

	YTD22			YTD21			Change vs. YTD21		
	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate	Avg. Balance	Income / Expense	Yield / Rate
Loans and leases [1]	$ 65,739	$ 2,061	4.17%	$ 66,202	$ 2,029	4.07%	$ (463)	$ 32	0.10 %
Investment securities	19,264	262	1.81	15,602	156	1.32	3,662	106	0.49
Interest-earning deposits at banks	8,242	50	0.81	12,829	12	0.12	(4,587)	38	0.69
Total interest-earning assets [1]	**93,245**	**2,373**	**3.39**	**94,633**	**2,197**	**3.08**	**(1,388)**	**176**	**0.31**
Interest-bearing deposits	63,956	159	0.33	65,276	186	0.38	(1,320)	(27)	(0.05)
Securities sold under customer repurchase	615	1	0.16	664	1	0.21	(49)	—	(0.05)
Other short-term borrowings	400	8	2.57	—	—	—	400	8	2.57
Long-term borrowings	3,574	61	2.29	6,068	188	4.08	(2,494)	(127)	(1.79)
Total borrowings	4,589	70	2.03	6,732	189	3.70	(2,143)	(119)	(1.67)
Total interest-bearing liabilities	**$ 68,545**	**$ 229**	**0.45%**	**$ 72,008**	**$ 375**	**0.69%**	**$ (3,463)**	**$ (146)**	**(0.24)%**
Net interest income		**$ 2,144**			**$ 1,822**			**$ 322**	
Net interest spread [1]			**2.94%**			**2.39%**			**0.55 %**
Net interest margin [1]			**3.06%**			**2.56%**			**0.50 %**

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

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

Commercial Banking Segment

(Actual balances; $ in millions)	3Q22	2Q22
Income Statement		
Net interest income	$ 230	$ 203
Noninterest income	133	129
Net revenue	**363**	**332**
Noninterest expenses	186	180
Pre-provision net revenue	**177**	**152**
Provision (benefit) for credit losses	58	35
Segment income before taxes	119	117
Income taxes	25	24
Segment net income	**$ 94**	**$ 93**
Balance Sheet		
Loans and leases	$ 28,023	$ 27,220
Deposits	3,682	4,449
Factoring volume	6,801	6,387

Highlights

- The Commercial Banking segment had strong loan growth during the third quarter as balances increased $803 million or 11.7% annualized. This increase was driven primarily by robust growth in Commercial Finance (7.1% annualized) and Business Capital (18.3% annualized).
- Within Commercial Finance, growth was concentrated in our Industry Verticals including Tech, Media & Telecom and Healthcare. The forward-looking pipelines continue to be strong in the Industry Verticals.
- Business Capital had another strong quarter of growth, driven by $819 million in new originations in the quarter, which was the largest originations quarter on record. Outlook remains strong with submittals, approvals, approval rates and bookings all continuing to show improvement against prior year.
- Commercial Services (factoring) had a strong quarter with factoring volume totaling $6.8 billion, which was up over the prior quarter as a result of seasonal increases.
- Credit quality continues to be strong, as overall net charge-offs declined to 25 bps in the Commercial Banking Segment on the quarter, down from 37 bps in the prior quarter.

Note – The Commercial Banking segment includes Commercial Finance, Real Estate Finance and Business Capital.

General Banking Segment

(Actual balances; $ in millions)	3Q22	2Q22
Income Statement		
Net interest income	$ 495	$ 468
Noninterest income	118	126
Net revenue	**613**	**594**
Noninterest expenses	410	391
Pre-provision net revenue	**203**	**203**
Provision (benefit) for credit losses	2	7
Segment income before taxes	201	196
Income taxes	55	40
Segment net income	**$ 146**	**$ 156**
Balance Sheet		
Loans and leases	$ 41,693	$ 40,444
Deposits	82,730	83,535
Other Key Metrics		
Number of branches	559	585
Wealth management assets under management ($B)	$ 31.8	$ 31.7
Card volume	4,001	3,988
Merchant volume	1,728	1,757

Highlights

- The General Banking segment had strong loan growth over the prior quarter (12.2% annualized) driven primarily by business & commercial loan growth in the branch network and growth in Mortgage portfolio from slowing prepay speeds on balance sheet production.
- Our continued focus on relationship banking in our branch network contributed to $223 million of noninterest bearing deposit growth in the General Banking segment during the third quarter (3.7% annualized).
- While interest bearing deposits declined this quarter, the pace of this decline improved as interest bearing deposits in the General Banking segment declined $1.0 billion this quarter compared to $2.9 billion in the second quarter. This reduction was primarily concentrated in acquired branches, partially offset by growth in the Direct Bank.
- Credit quality remains strong, with no apparent stresses on the portfolio.
- We continue to place an emphasis on strengthening digital capabilities and refining our branch network to ensure sales strategies align with client preferences regarding channel selection and declines in transactional activity.

Note – The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Direct Bank, Community Association Banking and Other General Banking.

Rail Segment

(Actual balances ; $ in millions)	3Q22	2Q22
Income Statement		
Rental income on operating leases	$ 165	$ 160
Depreciation on operating lease equipment	44	47
Maintenance and other operating lease expenses	52	47
Net revenue on operating leases	**69**	**66**
Interest expense, net	20	18
Noninterest income	6	—
Noninterest expense	15	16
Segment income before income taxes	40	32
Provision for income taxes	10	8
Segment net income	**$ 30**	**$ 24**
Balance Sheet		
Operating lease equipment, net	$ 7,248	$ 7,247
Other Key Metrics		
Railcars and locomotives	118,515	119,546
Utilization	96.2 %	96.2 %
Average age of cars in years	14	14
Renewal rate to previous rate	105 %	114 %

Highlights

- Fleet utilization remained flat at 96.2% in 3Q22 compared to the linked quarter but up 5.0% from the prior year quarter. Utilization remains at the highest level since 2Q19.
- In 3Q22, the renewal re-pricing rate was 105% of the prior rate driven by broad-based strength across the freight car markets.
- Net revenue on operating leases increased by $3 million due to higher rental income and lower deprecation, partially offset by higher maintenance expense.
- Short-term outlook continues to be positive but mixed across commodity markets with freight cars continuing to outperform tanks. The expiration profiles of leases (approximately 25-30% expiring per year) helps mitigate recessionary headwinds.
- Rail portfolio is driven by the industrial sector business cycle and financial performance generally lags the economic cycle.

Preliminary purchase accounting marks

($ in millions)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Loans and leases [1]				
Beginning balance - unamortized fair value	$ (146)	$ (145)	$ (40)	$ (65)
Additions - Merger with CIT Group Inc.	—	—	(388)	—
PCD “gross up”	—	—	284	—
Accretion	15	(1)	(1)	25
Ending balance	**$ (131)**	**$ (146)**	**$ (145)**	**$ (40)**
Core deposits and other intangibles				
Beginning balance	$ 150	$ 156	$ 19	$ 31
Additions - Merger with CIT Group Inc.	—	—	143	—
Amortization	(5)	(6)	(6)	(12)
Ending balance	**$ 145**	**$ 150**	**$ 156**	**$ 19**
Deposits [2]				
Beginning balance - unamortized fair value	$ (49)	$ (57)	$ (2)	$ (4)
Additions - Merger with CIT Group Inc.	—	—	(66)	—
Amortization	8	8	11	2
Ending balance	**$ (41)**	**$ (49)**	**$ (57)**	**$ (2)**
Borrowings [2]				
Beginning balance - unamortized fair value	$ (100)	$ (107)	$ 2	$ 4
Additions - Merger with CIT Group Inc.	—	—	(258)	—
Amortization	7	7	21	(2)
Adjustments [3]	—	—	128	—
Ending balance	**$ (93)**	**$ (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 provides 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+	Baa2	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 a key focus.
- Successful execution will be key to ensuring funding, risk and profitability profiles remain strong.

Note – Credit ratings were last updated on the following dates: S&P - 3/25/2022, Moody's - 8/2/2022, and Fitch - 3/29/2022

Non-GAAP Reconciliations

Section V



Combined Balance Sheets (unaudited)

($ in millions)

	4Q21			3Q21		
	BancShares (GAAP)	CIT	Combined (Non-GAAP)	BancShares (GAAP)	CIT	Combined (Non-GAAP)
Assets						
Cash and due from banks	$ 338	$ 141	$ 479	$ 337	$ 170	$ 507
Interest-earning deposits at banks	9,115	2,874	11,989	9,875	$ 4,429	14,304
Securities purchased under agreements to resell	—	—	—	—	$ 100	100
Investments in marketable equity securities	98	—	98	123	$ —	123
Investment securities available for sale	9,203	6,594	15,797	7,371	$ 5,561	12,932
Investment securities held to maturity	3,809	3	3,812	3,381	$ 2	3,383
Assets held for sale	99	53	152	98	96	194
Loans and leases	32,372	32,839	65,211	32,516	33,461	65,977
Allowance for credit losses	(178)	(713)	(891)	(183)	(791)	(974)
Loans and leases, net of allowance for credit losses	**$ 32,194**	**$ 32,126**	**$ 64,320**	**$ 32,333**	**$ 32,670**	**$ 65,003**
Operating lease equipment, net	—	8,024	8,024	—	7,937	7,937
Premises and equipment, net	1,233	169	1,402	1,231	176	1,407
Bank-owned life insurance	116	1,202	1,318	116	1,193	1,309
Goodwill	346	—	346	350	—	350
Other intangible assets	19	102	121	22	110	132
Other assets	1,739	1,952	3,691	1,665	1,976	3,641
Total assets	**$ 58,309**	**$ 53,240**	**$ 111,549**	**$ 56,902**	**$ 54,420**	**$ 111,322**
Liabilities						
Deposits:						
Noninterest-bearing	$ 21,405	$ 3,284	$ 24,689	$ 21,514	$ 3,398	$ 24,912
Interest-bearing	30,001	36,087	66,088	28,551	36,857	65,408
Total deposits	**51,406**	**39,371**	**90,777**	**50,065**	**40,255**	**90,320**
Credit balances of factoring clients	—	1,533	1,533	—	1,557	1,557
Short-term borrowings	589	—	589	664	—	664
Long-term borrowings	1,195	4,251	5,446	1,219	4,248	5,467
Total borrowings	1,784	4,251	6,035	1,883	4,248	6,131
Other liabilities	381	1,782	2,163	372	2,185	2,557
Total liabilities	**53,571**	**46,937**	**100,508**	**52,320**	**48,245**	**100,565**
Stockholders' equity						
Preferred stock	340	525	865	340	525	865
Total common stock	10	2	12	10	2	12
Additional paid in capital	—	3,760	3,760	—	3,758	3,758
Retained earnings	4,378	2,180	6,558	4,264	2,011	6,275
Accumulated other comprehensive (loss) income	10	(164)	(154)	(32)	(121)	(153)
Total stockholders' equity	**4,738**	**6,303**	**11,041**	**4,582**	**6,175**	**10,757**
Total liabilities and stockholders' equity	**58,309**	**53,240**	**111,549**	**56,902**	**54,420**	**111,322**

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.

Combined Income Statements - QTD (unaudited)

($ in millions)

	4Q21			3Q21		
	BancShares (GAAP)	CIT	Combined (Non-GAAP)	BancShares (GAAP)	CIT	Combined (Non-GAAP)
INTEREST INCOME						
Interest and fees on loans	$ 328	$ 340	$ 668	$ 320	$ 342	$ 662
Interest on investment securities	39	21	60	40	14	54
Interest on deposits at banks	4	1	5	3	3	6
Total interest income	**371**	**362**	**733**	**363**	**359**	**722**
INTEREST EXPENSE						
Deposits	8	45	53	8	48	56
Borrowings	6	55	61	8	54	62
Total interest expense	**14**	**100**	**114**	**16**	**102**	**118**
Net interest income	**357**	**262**	**619**	**347**	**257**	**604**
Provision (benefit) for credit losses	(5)	(74)	(79)	(1)	(69)	(70)
Net interest income after provision for credit losses	**362**	**336**	**698**	**348**	**326**	**674**
NONINTEREST INCOME					—	
Rental income on operating leases	—	204	204	—	186	186
Fee income and other service charges	11	28	39	10	27	37
Wealth management services	33	—	33	32	—	32
Service charges on deposit accounts	26	1	27	26	—	26
Factoring commissions	—	33	33	—	28	28
Cardholder services, net	22	(1)	21	23	—	23
Merchant services, net	7	—	7	9	(1)	8
Insurance commissions	4	6	10	4	6	10
Realized gain on sale of investment securities available for sale, net	—	—	—	8	6	14
Fair value adjustment on marketable equity securities, net	3	4	7	3	—	3
Bank-owned life insurance	1	8	9	1	8	9
Gain on sale of leasing equipment, net	—	26	26	—	21	21
Gain on acquisition	—	—	—	—	—	—
Gain on extinguishment of debt	—	—	—	—	—	—
Other noninterest income	7	41	48	8	27	35
Total noninterest income	**114**	**350**	**464**	**124**	**308**	**432**
NONINTEREST EXPENSE						
Depreciation on operating lease equipment	—	88	88	—	85	85
Maintenance and other operating lease expenses	—	52	52	—	51	51
Salaries and benefits	193	133	326	194	153	347
Net occupancy expense	30	18	48	29	17	46
Equipment expense	30	22	52	30	21	51
Professional fees	7	13	20	5	14	19
Third-party processing fees	16	7	23	16	7	23
FDIC insurance expense	4	7	11	3	9	12
Marketing	3	5	8	3	6	9
Merger-related expenses	9	3	12	7	—	7
Intangible asset amortization	3	8	11	3	8	11
Other noninterest expense	28	28	56	24	31	55
Total noninterest expense	**323**	**384**	**707**	**314**	**402**	**716**
Income before income taxes	**153**	**302**	**455**	**158**	**232**	**390**
Income tax (benefit) expense	30	83	113	34	56	90
Net income	**123**	**219**	**342**	**124**	**176**	**300**
Preferred stock dividends	**5**	**12**	**17**	**5**	**3**	**8**
Net income available to common stockholders	**118**	**207**	**325**	**119**	**173**	**292**

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.

Combined Income Statements - YTD (unaudited)

($ in millions)

	YTD 9/30/21		
	BancShares (GAAP)	CIT	Combined (Non-GAAP)
INTEREST INCOME			
Interest and fees on loans	$ 967	$ 1,062	$ 2,029
Interest on investment securities	106	50	156
Interest on deposits at banks	7	5	12
Total interest income	**1,080**	**1,117**	**2,197**
INTEREST EXPENSE			
Deposits	25	161	186
Borrowings	22	167	189
Total interest expense	**47**	**328**	**375**
Net interest income	**1,033**	**789**	**1,822**
Provision (benefit) for credit losses	(32)	(262)	(294)
Net interest income after provision for credit losses	**1,065**	**1,051**	**2,116**
NONINTEREST INCOME			
Rental income on operating leases	—	569	569
Fee income and other service charges	31	79	110
Wealth management services	96	—	96
Service charges on deposit accounts	69	3	72
Factoring commissions	—	79	79
Cardholder services, net	65	1	66
Merchant services, net	26	—	26
Insurance commissions	12	17	29
Realized gain on sale of investment securities available for sale, net	33	114	147
Fair value adjustment on marketable equity securities, net	31	—	31
Bank-owned life insurance	2	25	27
Gain on sale of leasing equipment, net	—	78	78
Gain on acquisition	—	—	—
Gain on extinguishment of debt	—	—	—
Other noninterest income	29	118	147
Total noninterest income	**394**	**1,083**	**1,477**
NONINTEREST EXPENSE			
Depreciation on operating lease equipment	—	253	253
Maintenance and other operating lease expenses	—	157	157
Salaries and benefits	566	451	1,017
Net occupancy expense	87	53	140
Equipment expense	89	66	155
Professional fees	13	36	49
Third-party processing fees	44	22	66
FDIC insurance expense	10	28	38
Marketing	7	15	22
Merger-related expenses	20	5	25
Intangible asset amortization	9	25	34
Other noninterest expense	**66**	**93**	**159**
Total noninterest expense	**911**	**1,204**	**2,115**
Income before income taxes	**548**	**930**	**1,478**
Income tax (benefit) expense	124	224	348
Net income	**424**	**706**	**1,130**
Preferred stock dividends	**14**	**18**	**32**
Net income available to common stockholders	**410**	**688**	**1,098**

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.

Non-GAAP Reconciliations (BancShares Metrics)

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

Non-GAAP Reconciliations			BancShares QTD 9/30/2022	BancShares QTD 6/30/2022	BancShares QTD 3/31/2022	BancShares QTD 12/31/2021	BancShares QTD 9/30/2021	BancShares YTD 9/30/2022	BancShares YTD 9/30/2021
Net income and EPS									
Net income (GAAP)	a	$	315	255	271	123	124	841	424
Preferred stock dividends			12	17	7	5	5	36	14
Net income available to common stockholders (GAAP)	b		303	238	264	118	119	805	410
Total notable items, after income tax	c		23	32	35	7	(1)	90	(27)
Adjusted net income (non-GAAP)	d = (a+c)		338	287	306	130	123	931	397
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	$	326	270	299	125	118	895	383
Weighted average common shares outstanding									
Basic	f		15,711,976	16,023,613	15,779,153	9,816,405	9,816,405	15,851,385	9,816,405
Diluted	g		15,727,993	16,035,090	15,779,153	9,816,405	9,816,405	15,870,233	9,816,405
EPS (GAAP)									
Basic	b/f	$	19.27	14.87	16.70	12.09	12.17	50.76	41.79
Diluted	b/g		19.25	14.86	16.70	12.09	12.17	50.70	41.79
Adjusted EPS (non-GAAP)									
Basic	e/f	$	20.79	16.87	18.95	12.85	12.04	56.47	39.03
Diluted	e/g		20.77	16.86	18.95	12.85	12.04	56.41	39.03
Noninterest income and expense									
Noninterest income	h	$	433	424	850	114	124	1,707	394
Impact of notable items, before income tax			(145)	(141)	(570)	(3)	(11)	(856)	(64)
Adjusted or core noninterest income	i	$	288	283	280	111	113	851	330
Noninterest expense	j	$	760	745	810	323	314	2,315	911
Impact of notable items, before income tax			(183)	(179)	(238)	(12)	(10)	(600)	(29)
Adjusted or core noninterest expense	k	$	577	566	572	311	304	1,715	882
Provision (benefit) for credit losses		$	60	42	464	(5)	(1)	566	(32)
Plus: Day 2 provision for credit losses			—	—	(513)	—	—	(513)	—
Adjusted provision (benefit) for credit losses		$	60	42	(49)	(5)	(1)	53	(32)

Non-GAAP Reconciliations (BancShares Metrics)

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

Non-GAAP Reconciliations			BancShares QTD 9/30/2022	BancShares QTD 6/30/2022	BancShares QTD 3/31/2022	BancShares QTD 12/31/2021	BancShares QTD 9/30/2021	BancShares YTD 9/30/2022	BancShares YTD 9/30/2021
PPNR									
Net income (GAAP)	a	$	315	255	271	123	124	841	424
Plus:									
Provision (benefit) for credit losses			60	42	464	(5)	(1)	566	(32)
Income tax expense (benefit)			93	82	(46)	30	34	129	124
PPNR (non-GAAP)	l	$	468	379	689	148	157	1,536	516
Plus: total notable items, before income tax			38	38	(332)	9	(1)	(256)	(35)
Adjusted PPNR (non-GAAP)	m	$	506	417	358	157	156	1,280	481
ROA									
Net income (GAAP)	a	$	315	255	271	123	124	841	424
Annualized net income	n = a annualized		1,250	1,023	1,099	488	492	1,124	567
Adjusted net income (non-GAAP)	d		338	287	306	130	123	931	397
Annualized adjusted net income	p = d annualized		1,341	1,151	1,242	516	488	1,245	531
Average assets	o		107,987	107,575	110,394	58,116	55,924	108,643	53,927
ROA	n/o		1.16 %	0.95 %	1.00 %	0.84 %	0.88 %	1.03 %	1.05 %
Adjusted ROA	p/o		1.24 %	1.07 %	1.12 %	0.89 %	0.87 %	1.15 %	0.98 %
PPNR ROA									
PPNR (non-GAAP)	l	$	468	379	689	148	157	1,536	516
Annualized PPNR	q = l annualized		1,858	1,519	2,796	589	623	2,054	690
Adjusted PPNR (non-GAAP)	m		506	417	358	157	156	1,280	481
Annualized PPNR	r = m annualized		2,009	1,672	1,452	622	621	1,712	643
PPNR ROA	q/o		1.72 %	1.41 %	2.54 %	1.01 %	1.11 %	1.89 %	1.28 %
Adjusted PPNR ROA	r/o		1.86 %	1.56 %	1.31 %	1.08 %	1.10 %	1.58 %	1.19 %

Non-GAAP Reconciliations (BancShares Metrics)

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

Non-GAAP Reconciliations			BancShares QTD 9/30/2022	BancShares QTD 6/30/2022	BancShares QTD 3/31/2022	BancShares QTD 12/31/2021	BancShares QTD 9/30/2021	BancShares YTD 9/30/2022	BancShares YTD 9/30/2021
ROE and ROTCE									
Annualized net income available to common shareholders	s = b annualized	$	1,202	955	1,071	468	472	1,076	548
Annualized adjusted net income available to common shareholders	t = e annualized	$	1,293	1,083	1,214	496	468	1,197	512
Average stockholders' equity (GAAP)		$	10,499	10,567	10,423	4,650	4,561	10,497	4,427
Less: average preferred stock			881	881	863	340	340	877	340
Average common stockholders' equity (non-GAAP)	u	$	9,618	9,686	9,560	4,310	4,221	9,620	4,087
Less: average goodwill			346	346	346	350	350	346	350
Less: average other intangible assets			148	153	182	21	24	161	26
Average tangible common equity (non-GAAP)	v	$	9,124	9,186	9,032	3,939	3,847	9,113	3,711
ROE	s/u		12.49 %	9.87 %	11.18 %	10.96 %	11.29 %	11.18 %	13.50 %
Adjusted ROE	t/u		13.47 %	11.19 %	12.67 %	11.66 %	11.18 %	12.44 %	12.61 %
ROTCE	s/v		13.17 %	10.40 %	11.83 %	12.00 %	12.39 %	11.80 %	14.88 %
Adjusted ROTCE	t/v		14.20 %	11.80 %	13.41 %	12.76 %	12.27 %	13.13 %	13.89 %
Tangible common equity to tangible assets									
Stockholders' equity (GAAP)	w	$	9,833	10,642	10,570	4,738	4,582	9,833	4,582
Less: preferred stock			881	881	881	340	340	881	340
Common equity (non-GAAP)	x	$	8,952	9,761	9,689	4,398	4,242	8,952	4,242
Less: goodwill			346	346	346	346	350	346	350
Less: other intangible assets			145	150	156	19	22	145	22
Tangible common equity (non-GAAP)	y	$	8,461	9,265	9,186	4,033	3,870	8,461	3,870
Total assets (GAAP)	z		109,310	107,673	108,597	58,308	56,902	109,310	56,902
Tangible assets (non-GAAP)	aa		108,819	107,177	108,095	57,943	56,530	108,819	56,530
Total equity to total assets	w/z		9.00 %	9.88 %	9.73 %	8.13 %	8.05 %	9.00 %	8.05 %
Tangible common equity to tangible assets (non-GAAP)	y/aa		7.78 %	8.64 %	8.50 %	6.96 %	6.84 %	7.78 %	6.84 %

Non-GAAP Reconciliations (BancShares Metrics)

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

Non-GAAP Reconciliations			BancShares QTD 9/30/2022	BancShares QTD 6/30/2022	BancShares QTD 3/31/2022	BancShares QTD 12/31/2021	BancShares QTD 9/30/2021	BancShares YTD 9/30/2022	BancShares YTD 9/30/2021
Book value and tangible book value per common share									
Common shares outstanding at period end	bb		14,976,127	16,002,385	16,001,508	9,816,405	9,816,405	14,976,127	9,816,405
Book value per share	x/bb	$	597.75	609.95	605.48	447.95	432.07	597.75	432.07
Tangible book value per share	y/bb	$	564.97	578.92	574.09	410.74	394.15	564.97	394.15
Efficiency ratio									
Net interest income	cc	$	795	700	649	357	347	2,144	1,033
Efficiency ratio (GAAP)	j / (h + cc)		61.91 %	66.34 %	53.96 %	68.52 %	66.58 %	60.11 %	63.81 %
Adjusted efficiency ratio (non-GAAP)[1]	k / (i + cc)		53.32 %	57.55 %	61.50 %	66.31 %	66.09 %	57.25 %	64.69 %

Non-GAAP Reconciliations (Combined Metrics)

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

Non-GAAP Reconciliations			Combined QTD 12/31/2021	Combined QTD 9/30/2021	Combined YTD 9/30/2021
Net income and EPS					
Net income (GAAP)	a	$	342	300	1,130
Preferred stock dividends			17	8	32
Net income available to common stockholders (GAAP)	b		325	292	1,098
Total notable items, after income tax	c		(31)	(30)	(222)
Adjusted net income (non-GAAP)	d = (a+c)		311	270	908
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	$	294	262	876
Noninterest income and expense					
Noninterest income	h		464	432	1,477
Impact of notable items, before income tax			(199)	(191)	(745)
Adjusted or core noninterest income	i		265	241	732
Noninterest expense	j		707	716	2,115
Impact of notable items, before income tax			(158)	(153)	(455)
Adjusted or core noninterest expense	k		549	563	1,660
Provision (benefit) for credit losses					
Provision (benefit) for credit losses			(79)	(70)	(294)
Plus: Day 2 provision for credit losses			1	—	—
Adjusted provision (benefit) for credit losses			(78)	(70)	(294)

Non-GAAP Reconciliations (Combined Metrics)

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

Non-GAAP Reconciliations			Combined QTD 12/31/2021	Combined QTD 9/30/2021	Combined YTD 9/30/2021
PPNR					
Net income (GAAP)	a	$	342	300	1,130
Plus:					
Provision (benefit) for credit losses			(79)	(70)	(294)
Income tax expense (benefit)			113	90	348
PPNR (non-GAAP)	l	$	376	320	1,184
Plus: total notable items, before income tax			(42)	(38)	(290)
Adjusted PPNR (non-GAAP)	m	$	334	282	894
ROA					
Net income (GAAP)	a	$	342	300	1,130
Annualized net income	n = a annualized		1,357	1,190	1,511
Adjusted net income (non-GAAP)	d		311	270	908
Annualized adjusted net income	p = d annualized		1,234	1,071	1,214
Average assets	o		112,076	110,556	109,885
ROA	n/o		1.20 %	1.07 %	1.38 %
Adjusted ROA	p/o		1.09 %	0.98 %	1.11 %
PPNR ROA					
PPNR (non-GAAP)	l	$	376	320	1,184
Annualized PPNR	q = l annualized		1,492	1,270	1,583
Adjusted PPNR (non-GAAP)	m		334	282	894
Annualized PPNR	r = m annualized		1,327	1,118	1,196
PPNR ROA	q/o		1.33 %	1.14 %	1.44 %
Adjusted PPNR ROA	r/o		1.17 %	1.01 %	1.09 %

Non-GAAP Reconciliations (Combined Metrics)

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

Non-GAAP Reconciliations			Combined QTD 12/31/2021	Combined QTD 9/30/2021	Combined YTD 9/30/2021
Efficiency ratio					
Net interest income	cc	$	619	604	1,822
Efficiency ratio (GAAP)	j / (h + cc)		65.40 %	69.27 %	64.12 %
Adjusted efficiency ratio (non-GAAP)[1]	k / (i + cc)		62.51 %	66.58 %	64.97 %