# First Citizens BancShares, Inc.

**Fourth Quarter 2023**

**Earnings Conference Call**

**January 26, 2024**

# Agenda


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# Important Notices

**Forward Looking Statements**
This presentation 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, asset quality, future performance and other strategic goals of First Citizens BancShares, Inc. ("BancShares" or “First Citizens”). 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 conflicts in Ukraine, Israel and the Gaza Strip) and market conditions, including changes in competitive pressures among financial institutions and the impacts related to or resulting from recent bank failures and other volatility, the financial success or changing conditions or strategies of BancShares’ vendors or clients, including changes in demand for deposits, loans and other financial services, fluctuations in interest rates, changes in the quality or composition of BancShares’ loan or investment portfolio, actions of government regulators, including the recent interest rate hikes by the Board of Governors of the Federal Reserve Board (the “Federal Reserve”), changes to estimates of future costs and benefits of actions taken by BancShares, BancShares’ ability to maintain adequate sources of funding and liquidity, 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, including potential increased regulatory requirements, limitations, and costs, such as FDIC special assessment and the interagency proposed rule on regulatory capital, along with the risk that such laws, regulations and regulatory interpretations may change, the availability of capital and personnel, and the failure to realize the anticipated benefits of BancShares’ previous acquisition transactions, including the previously completed FDIC-assisted transaction with Silicon Valley Bridge Bank, N.A. (“SVB acquisition”) and the previously completed transaction with CIT Group Inc. (“CIT”), which acquisition risks include (1) disruption from the transactions with client, supplier or employee relationships, (2) the possibility that the amount of the costs, fees, expenses and charges related to the transactions may be greater than anticipated, including as a result of unexpected or unknown factors, events or liabilities or increased regulatory compliance obligations or oversight, (3) reputational risk and the reaction of the parties’ clients to the transactions, (4) the risk that the cost savings and any revenue synergies from the transactions may not be realized or take longer than anticipated to be realized, (5) difficulties experienced in completing the integration of the businesses, (6) the ability to retain clients following the transactions and (7) adjustments to BancShares’ estimated purchase accounting impacts of the SVB acquisition.

The statements herein speak only as of the date of this presentation and, 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, 2022, and in BancShares’ subsequent quarterly reports on Form 10-Q and its other filings with the Securities and Exchange Commission (the “SEC”). Readers should not place undue reliance on any forward-looking statements and are encouraged to review BancShares’ annual Report on Form 10-K and its other filings with the SEC for a more complete discussion of risks and other factors that could affect any forward-looking statement.

**Non-GAAP Measures**
Certain measures in this presentation are “Non-GAAP,” meaning they are numerical measures of BancShares’ financial performance, financial position or cash flows and are not presented in accordance with generally accepted accounting principles in the U.S. because they exclude or include amounts so as to be different than the most direct comparable measures calculated and presented in accordance with GAAP in BancShares’ statements of income, balance sheets or statements of cash flows 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.

Certain financial results referenced as “Adjusted” in this presentation exclude notable items. The Adjusted financial measures are Non-GAAP. Refer to Section V of this presentation for a reconciliation of Non-GAAP financial measures to the most directly comparable GAAP measure.

**Reclassifications**
In certain instances, amounts reported in prior period consolidated financial statements have been reclassified to conform to the current financial statement presentation. Such reclassifications had no effect on previously reported stockholders’ equity or net income.

The methodologies that we use to allocate items among our segments are dynamic and may be updated periodically to reflect enhanced expense base allocation drivers, changes in the risk profile of a segment or changes in our organizational structure. Accordingly, financial results may be revised periodically to reflect these enhancements.

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# Fourth Quarter Overview & Strategic Priorities

## Section I

# Fourth Quarter 2023 Snapshot

**First Citizens continued to deliver strong performance demonstrating the benefits that increased scale and diversified offerings bring to the franchise.**

## Key Accomplishments:

- **Solid financial results** driven by **strong NIM** and an **adjusted efficiency ratio [1] of 48%.**
- **Experienced strong loan growth** in the General and Commercial Bank.
- **Continued stabilization in the SVB franchise** with loan and deposit balances ahead of forecast.
- **Capital and liquidity positions** remained strong.
- **Strengthened our leadership and governance** with the appointment of a **new board member** and the **expansion of our executive leadership team** with the addition of a **new Chief Information and Operations Officer,** both of which were effective in January 2024.

## Financial Highlights:

**Adjusted EPS [1]**

**$46.58**

**Adjusted ROE / ROA [1]**

**13.53% / 1.28%**

**NIM**

**3.86%**

**Adjusted Efficiency Ratio [1]**

**48.00%**

**CET1 Ratio**

**13.36%**



**(1)** Non-GAAP metric. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.

# Strategic Priorities

## First Citizens Strategic Priorities

**Risk Management**

### Client-Focused Business Model

- Maximize growth opportunities in our core lines of business and optimize funding by growing core deposits.
- Deliver specialized business solutions across all business lines and channels.
- Remain a key partner to the innovation economy.

### Talent & Culture

- Attract, retain and develop associates who align with our long-term direction and culture while scaling for continued growth.
- Continue to build a leading culture based on behaviors that demonstrate our shared values, regardless of the legacy organization.

### Operational Efficiency

- Execute on SVB integration to optimize revenue and deliver integration synergies, while retaining and growing client base.
- Remain focused on balance sheet management to optimize our long-term liquidity position through core deposit growth.

### Regulatory Readiness

- Support regulatory readiness and successfully implement enhanced regulatory requirements.
- Continue to enhance program to support compliance and position the Bank for future growth.

# Continued Progress on SVB Integration Initiatives

## Integration Priorities

- **Maintain & grow market position as an important partner in the innovation economy**
- **Continue to build trust with client base & defend against competition**
- **Retain key talent and optimize the workforce to drive revenue growth**
- **Maintain sound risk management practices**

## Key Activities

| Stabilization | Strategic Assessment | Integration | Regulatory Readiness (Large Bank Program) |
|---|---|---|---|
| COMPLETE | COMPLETE | IN PROGRESS | IN PROGRESS |
| • Conducted robust client outreach program to stabilize deposits.<br>• Established leadership team at SVB and set initial strategic priorities.<br>• Stabilized key talent and began workforce optimization. | • Completed initial round of business unit strategic assessments.<br>• Established key integration initiatives.<br>• Completed initial strategic planning cycle as a combined company. | • Developed integration roadmap and expect the majority of integration efforts to be completed in 2024.<br>• On track to complete legacy SVB Private conversion in 1Q24.<br>• Continue to make progress on cost saving initiatives. | • Completed first full year of monitoring and examination under the large bank regulatory framework.<br>• Expect continued investment to support regulatory readiness as we are committed to meeting regulatory expectations. |

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# Fourth Quarter 2023 Financial Results

## Section II

# 4Q23 Financial Results - Takeaways

1. Achieved solid adjusted **EPS, ROE and ROA results in line with our forecast.**

2. While **net interest margin declined during the quarter as anticipated, PPNR exceeded expectations** on favorable net revenue and expenses in line with forecast.

3. **Credit cost normalization continued** with the net charge-off ratio flat with the previous quarter. The **reserve build** was driven primarily by mild credit quality deterioration in the commercial portfolio.

4. **Loan growth was strong** in the General and Commercial Bank.

5. **Client outreach efforts** continue to be successful as **SVB deposit balances remained relatively stable and exceeded our expectations.**

6. Continued **low levels of private equity / venture capital activity remained a headwind for loan and deposit growth** in the SVB segment.

7. Maintained **strong capital and liquidity positions.**

8. Continued to **build-out and execute on new regulatory capabilities** that position us to meet the **requirements of the large financial institutions' framework.**

# Financial Highlights

| | 4Q23 | | 3Q23 | | 4Q22 | |
|---|---|---|---|---|---|---|
| | Reported | Adjusted (Non-GAAP) | Reported | Adjusted (Non-GAAP) | Reported | Adjusted (Non-GAAP) |
| **EPS** | **$ 34.33** | **$ 46.58** | $ 50.67 | $ 55.92 | $ 16.67 | $ 20.94 |
| **ROE** | **9.97 %** | **13.53 %** | 15.20 % | 16.77 % | 11.05 % | 13.89 % |
| **ROTCE** | **10.32** | **14.00** | 15.76 | 17.39 | 11.70 | 14.71 |
| **ROA** | **0.95** | **1.28** | 1.41 | 1.55 | 0.93 | 1.15 |
| **PPNR ROA** | **1.78** | **2.27** | 2.23 | 2.48 | 1.70 | 1.81 |
| **NIM** | **3.86** | **3.86** | 4.07 | 4.07 | 3.39 | 3.39 |
| **Net charge-off ratio** | **0.53** | **0.53** | 0.53 | 0.53 | 0.14 | 0.14 |
| **Efficiency ratio** | **60.80** | **48.00** | 54.34 | 46.04 | 61.74 | 54.08 |



**Note** – Adjusted ratios exclude notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.

# Quarterly Earnings Highlights

*($ in millions)*

| Reported | 4Q23 | 3Q23 | 4Q22 | Increase (decrease) 4Q23 vs. 3Q23 $ | 4Q23 vs. 3Q23 % | 4Q23 vs. 4Q22 $ | 4Q23 vs. 4Q22 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 1,911 | $ 1,990 | $ 802 | $ (79) | (3.9)% | $ 1,109 | 138.4 % |
| Noninterest income | 543 | 615 | 429 | (72) | (11.6) | 114 | 26.7 |
| **Net revenue** | **2,454** | **2,605** | **1,231** | (151) | (5.8) | 1,223 | 99.4 |
| Noninterest expense | 1,492 | 1,416 | 760 | 76 | 5.5 | 732 | 96.4 |
| **Pre-provision net revenue** | **962** | **1,189** | **471** | (227) | (19.1) | 491 | 104.2 |
| Provision for credit losses | 249 | 192 | 79 | 57 | 29.3 | 170 | 217.6 |
| **Income before income taxes** | **713** | **997** | **392** | (284) | (28.4) | 321 | 81.9 |
| Income taxes | 199 | 245 | 135 | (46) | (18.6) | 64 | 47.0 |
| **Net income** | **514** | **752** | **257** | (238) | (31.6) | 257 | 100.3 |
| Preferred stock dividends | 15 | 15 | 14 | — | 0.6 | 1 | 14.5 |
| **Net income available to common stockholders** | **$ 499** | **$ 737** | **$ 243** | $ (238) | (32.2)% | $ 256 | 105.0 % |

| Adjustment for notable items | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|
| Noninterest income | $ (88) | $ (147) | $ (139) |
| Noninterest expense | (357) | (284) | (170) |
| Provision for credit losses | — | 3 | — |
| Income taxes | 90 | 58 | (32) |

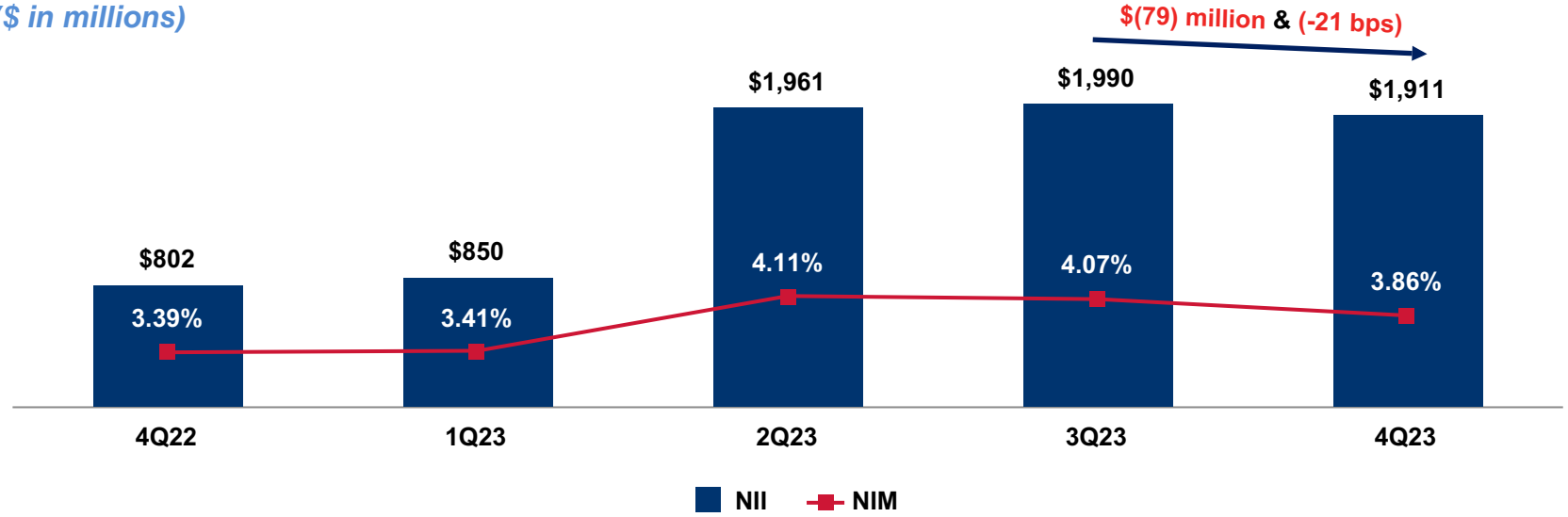
| Adjusted (Non-GAAP) | 4Q23 | 3Q23 | 4Q22 | Increase (decrease) 4Q23 vs. 3Q23 $ | 4Q23 vs. 3Q23 % | 4Q23 vs. 4Q22 $ | 4Q23 vs. 4Q22 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 1,911 | $ 1,990 | $ 802 | $ (79) | (3.9)% | $ 1,109 | 138.4 % |
| Noninterest income | 455 | 468 | 290 | (13) | (2.8) | 165 | 56.9 |
| **Net revenue** | **2,366** | **2,458** | **1,092** | (92) | (3.7) | 1,274 | 116.7 |
| Noninterest expense | 1,135 | 1,132 | 590 | 3 | 0.4 | 545 | 92.5 |
| **Pre-provision net revenue** | **1,231** | **1,326** | **502** | (95) | (7.2) | 729 | 145.2 |
| Provision for credit losses | 249 | 195 | 79 | 54 | 27.5 | 170 | 217.6 |
| **Income before income taxes** | **982** | **1,131** | **423** | (149) | (13.2) | 559 | 131.9 |
| Income taxes | 289 | 303 | 103 | (14) | (4.5) | 186 | 179.3 |
| **Net income** | **693** | **828** | **320** | (135) | (16.4) | 373 | 116.6 |
| Preferred stock dividends | 15 | 15 | 14 | — | 0.6 | 1 | 14.5 |
| **Net income available to common stockholders** | **$ 678** | **$ 813** | **$ 306** | $ (135) | (16.7)% | $ 372 | 121.0 % |



**Note** – Adjusted amounts exclude notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.

# Net interest income and margin (NIM)

*($ in millions)*




## Highlights

### 4Q23 vs 3Q23

**Net interest income decreased by $79 million** due to a $86 million increase in interest expense, partially offset by a $7 million increase in interest income. The significant components of the changes follow:

- $96 million increase in interest expense on deposits due to a higher rate paid and a higher average balance,
- $35 million decrease in interest income on loans. Accretion on loans declined by $77 million, partially offset by a $42 million increase in interest income on loans due to a higher yield, and a
- $19 million decrease in interest income on overnight investments due to lower average balances; partially offset by a
- $62 million increase in interest on investment securities due to a higher average balance and yield as we continued to shift balances from cash into short duration investment securities.

**NIM contracted by 21 basis points** from 4.07% to 3.86%. See the following page for a rollforward of NIM between 3Q23 and 4Q23.

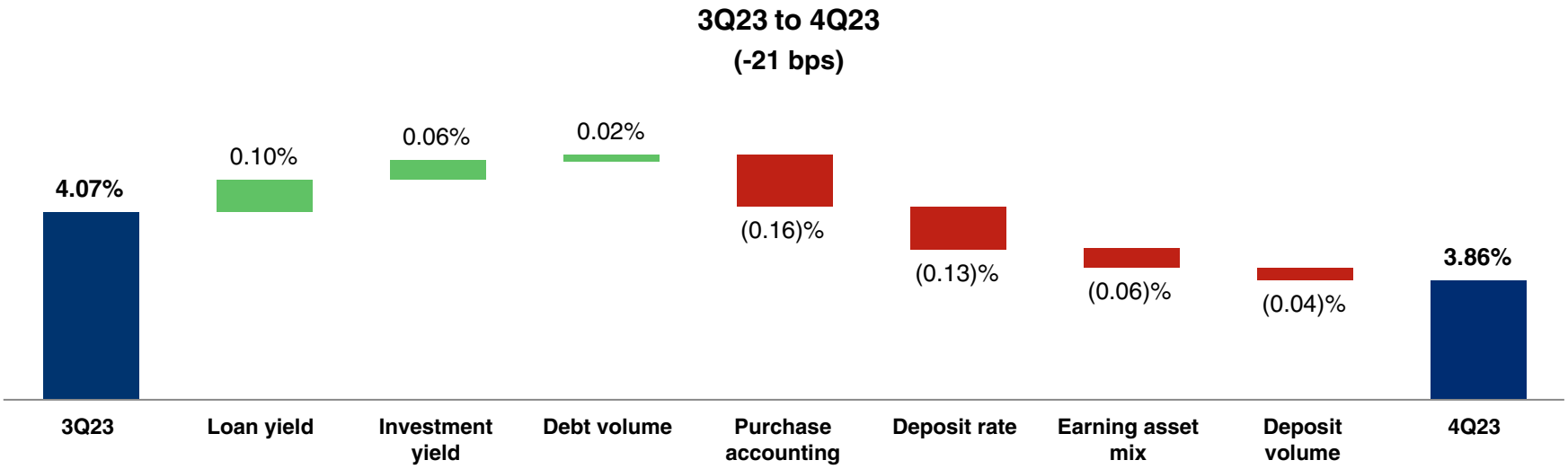
### 4Q23 vs 4Q22

**Net interest income increased by $1.1 billion** due to a $2.1 billion increase in interest income, partially offset by a $1.0 billion increase in interest expense. The significant components of the changes follow:

- $1.5 billion increase in interest income on loans due to a higher average balance and increased loan accretion of $181 million, both as a result of the SVB acquisition, an increase in loan yield, and loan growth in the General Bank and Commercial Bank,
- $429 million increase in interest on overnight investments due to a higher average balance resulting from the SVB acquisition and a higher yield; partially offset by a
- $689 million increase in interest expense on deposits due to a higher average balance resulting from the SVB acquisition, deposit growth, and a higher rate paid, and a
- $279 million increase in interest expense on borrowings primarily due to the Purchase Money Note related to the SVB acquisition.

**NIM expanded 47 basis points** from 3.39% to 3.86%. See the following page for a rollforward of NIM between 4Q22 and 4Q23.

# NIM Rollforward



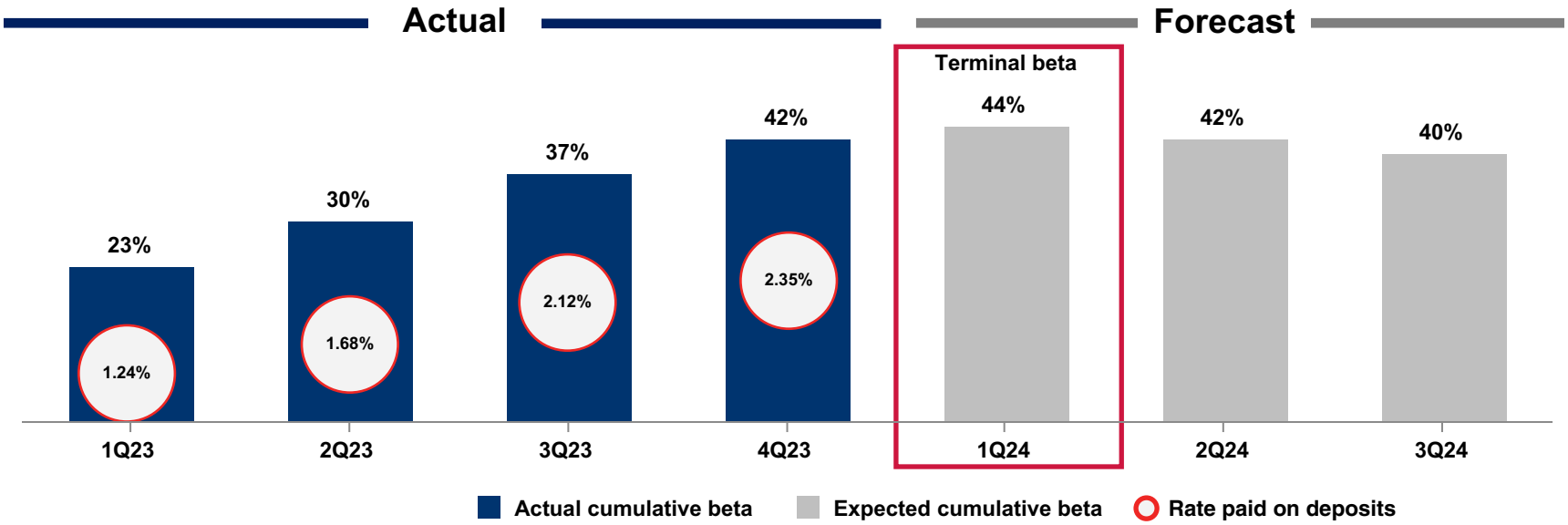


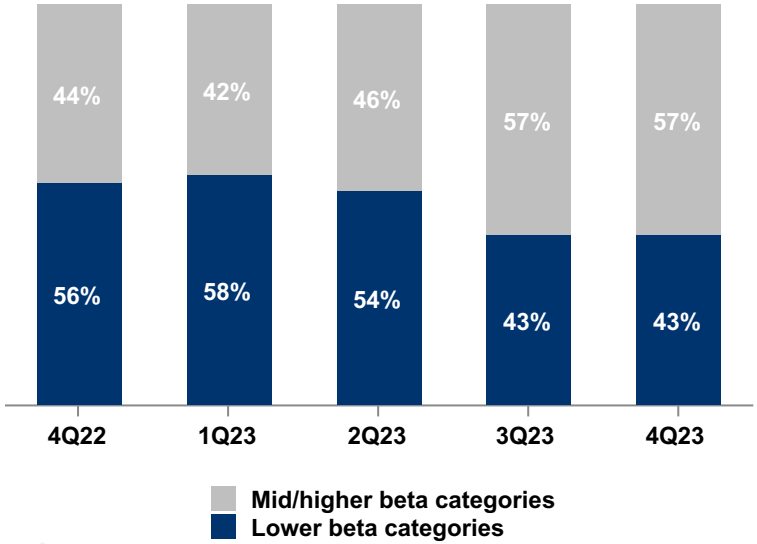


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**(1)** FFS represents Fed Funds Sold.

# Historical and Forecasted Cumulative Deposit Beta



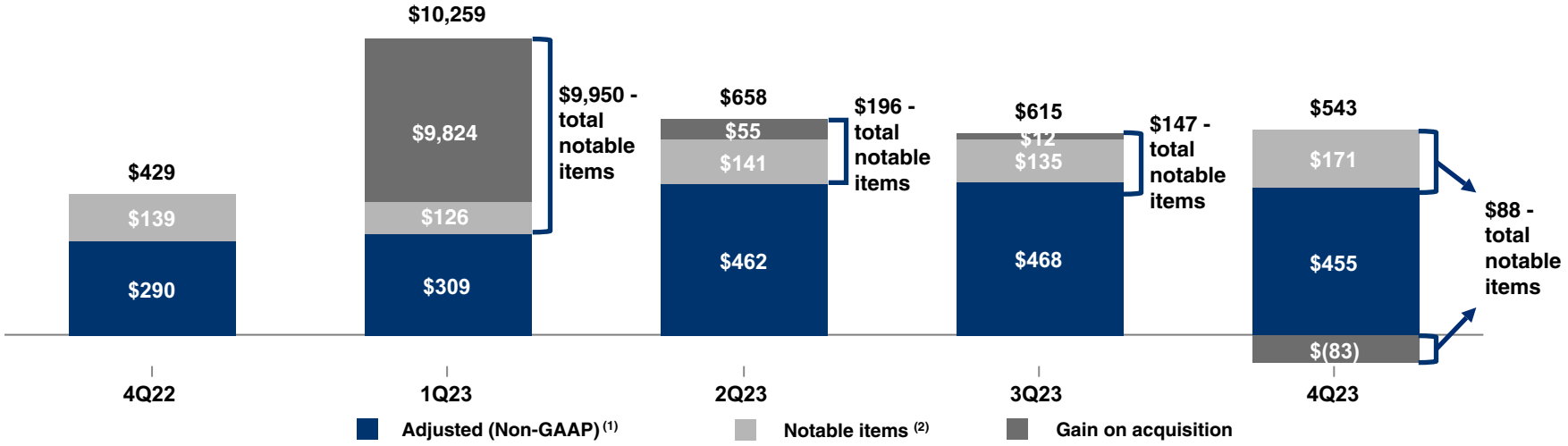

## Highlights

- We are forecasting our cumulative deposit beta to increase to a terminal beta of approximately 44% as a result of higher for longer interest rates. Actual betas will be dependent on liquidity needs, behavior of acquired deposits, deposit mix and levels of overall competition.
- The increase in the mid/high beta categories in the third quarter was primarily driven by balance growth in the Direct Bank as part of our liquidity management activities.
- **Mid/higher beta categories:**
  - > 30% beta on Direct Bank and SVB money market, savings and time deposit accounts.
  - 10 to 30% beta on branch network money market accounts and Community Association Banking checking with interest and money market accounts.
- **Lower beta categories:**
  - 0 to 10% beta on total noninterest bearing deposits and branch network checking with interest and savings accounts.

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# Noninterest income

*($ in millions)*




## Highlights

### 4Q23 vs 3Q23

**Noninterest income decreased by $72 million.**

***Adjusted noninterest income (1) decreased by $13 million. Significant components included:***

- $11 million decrease in other noninterest income driven primarily by a $12 million decline in the fair value of customer derivative positions as a result of declining interest rates,
- $5 million decrease in net rental income on operating lease equipment due to higher maintenance expenses, partially offset by higher rental income, and a
- $5 million decrease in cardholder services due to lower volume and higher rewards expenses; partially offset by a
- $9 million increase in fee income and other service charges resulting from higher capital markets fees.

***Notable items total $88 million compared to $147 million in the prior quarter. Refer to Section V of this presentation for notable item details.***

### 4Q23 vs 4Q22

**Noninterest income increased by $114 million.**

***Adjusted noninterest income (1) increased by $165 million. Significant components included:***

- $51 million increase in client investment fees earned for managing off-balance sheet client funds primarily in the SVB segment,
- $37 million increase in fee income and other service charges primarily due to the SVB segment,
- $27 million increase in international fees which are FX fees primarily in the SVB segment, and a
- $22 million increase in service charges on deposits primarily due to the SVB segment.

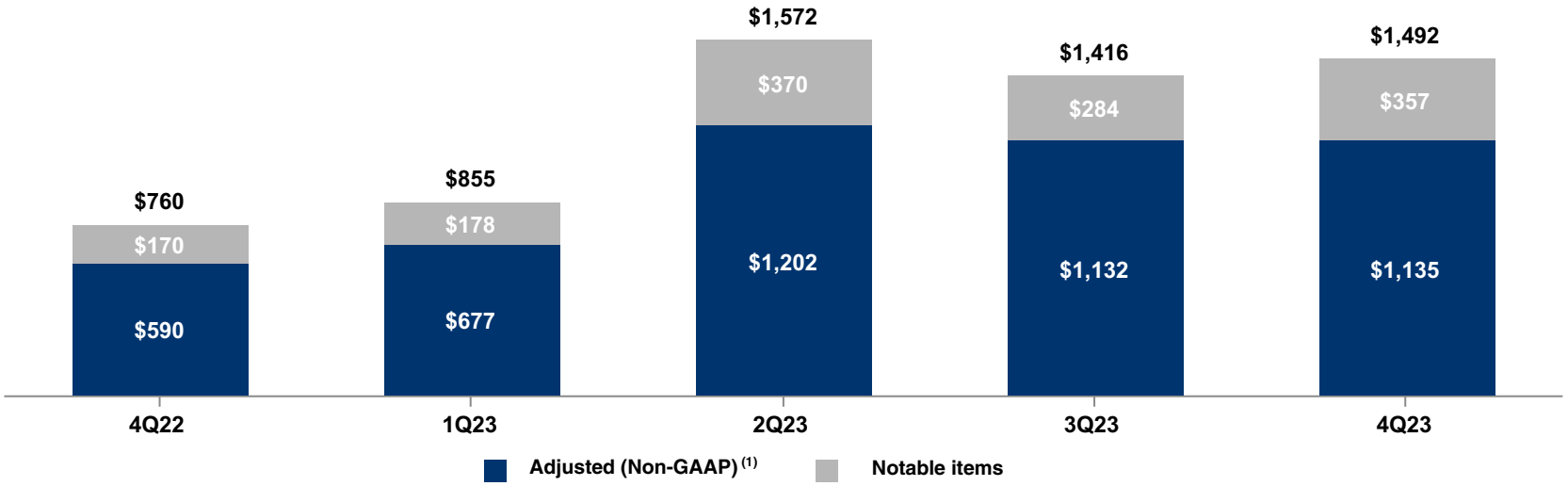
***Notable items totaled $88 million compared to $139 million in the prior year quarter. Refer to Section V of this presentation for notable item details.***



**(1)** Adjusted amounts exclude notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.
**(2)** Excludes gain on acquisition as it is broken out separately.

# Noninterest expense

*($ in millions)*




## Highlights

**4Q23 vs 3Q23**

**Noninterest expense increased by $76 million.**

***Adjusted noninterest expense (1) increased by $3 million. Significant components included:***

- $12 million increase in professional fees,
- $12 million increase in other noninterest expense spread amongst various accounts, and a
- $11 million increase in third party processing fees; partially offset by a
- $18 million decrease in FDIC insurance expense, and a
- $13 million decrease in salaries and benefits.

***Notable items totaled $357 million compared to $284 million in the prior quarter. Refer to Section V of this presentation for notable item details.***

**Adjusted efficiency ratio (1)** increased from 46.04% to 48.00%.

**4Q23 vs 4Q22**

**Noninterest expense increased by $732 million.**

***Adjusted noninterest expense (1) increased by $545 million primarily due to the impacts of the SVB acquisition. Significant components included:***

- $360 million increase in salaries and benefits,
- $59 million increase in equipment expense,
- $41 million increase in other noninterest expense spread among various accounts, and a
- $39 million increase in third-party processing fees.

***Notable items totaled $357 million compared to $170 million in the prior year quarter. Refer to Section V of this presentation for notable items details.***

**Adjusted efficiency ratio (1)** improved from 54.08% to 48.00%.



**(1)** Adjusted noninterest expense and adjusted efficiency ratio are Non-GAAP and exclude notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.

# Balance Sheet Highlights

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

| SELECT PERIOD END BALANCES | 4Q23 | 3Q23 | 4Q22 | Increase (decrease) 4Q23 vs 3Q23 [1] $ | % | 4Q23 vs 4Q22 [1] $ | % |
|---|---|---|---|---|---|---|---|
| Interest-earning deposits at banks | $ 33,609 | $ 36,704 | $ 5,025 | $ (3,095) | (33.5)% | $ 28,584 | 568.9 % |
| Investment securities | 29,999 | 26,818 | 19,369 | 3,181 | 47.1 | 10,630 | 54.9 |
| Loans and leases | 133,302 | 133,202 | 70,781 | 100 | 0.3 | 62,521 | 88.3 |
| Operating lease equipment, net [2] | 8,746 | 8,661 | 8,156 | 85 | 3.9 | 590 | 7.2 |
| Deposits | 145,854 | 146,233 | 89,408 | (379) | (1.0) | 56,446 | 63.1 |
| Noninterest-bearing deposits | 39,799 | 43,141 | 24,922 | (3,342) | (30.7) | 14,877 | 59.7 |
| Borrowings | 37,654 | 37,712 | 6,645 | (58) | (0.6) | 31,009 | 466.7 |
| Tangible common stockholders' equity (non-GAAP) [3] | 19,716 | 18,833 | 8,295 | 882 | 18.6 | 11,419 | 137.6 |
| Common stockholders' equity | 20,374 | 19,508 | 8,781 | 865 | 17.6 | 11,592 | 132.0 |
| Total stockholders' equity | 21,255 | 20,389 | 9,662 | 866 | 16.8 | 11,593 | 120.0 |

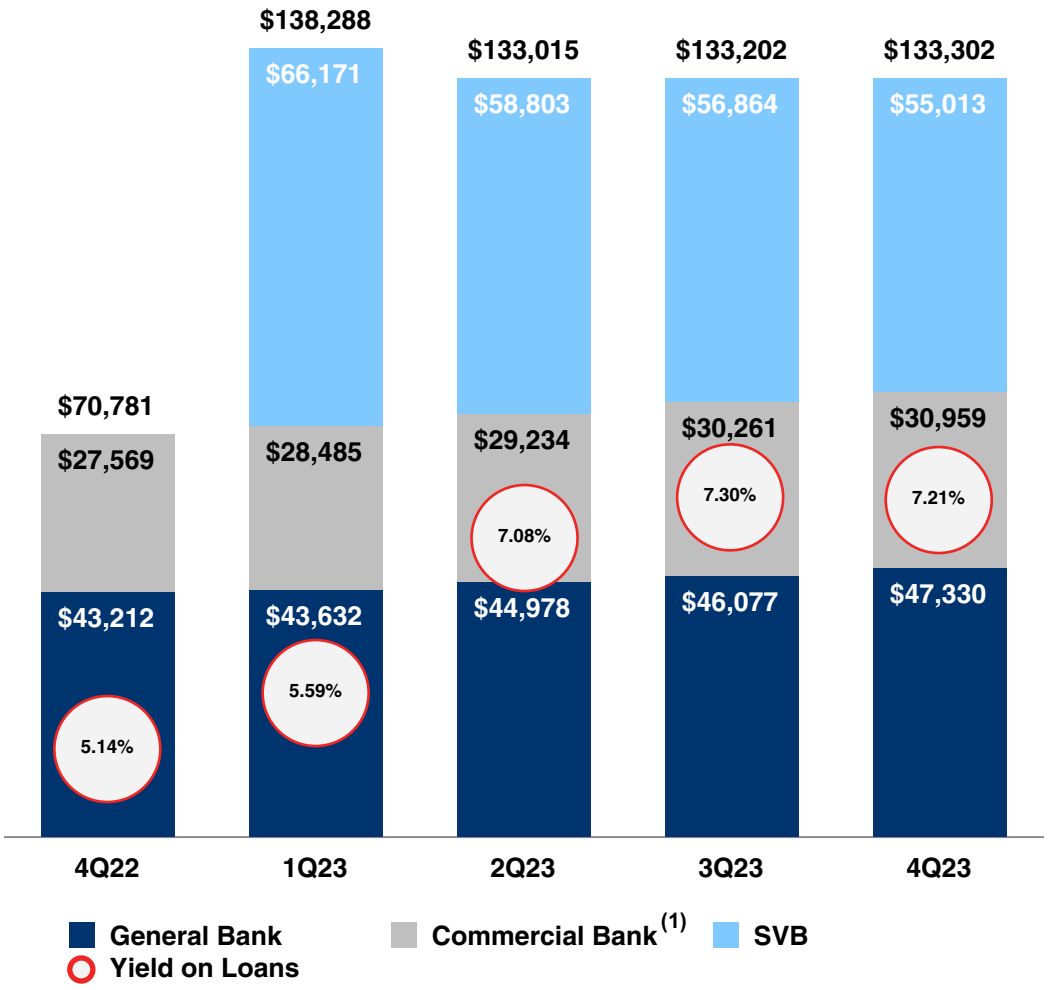
| KEY METRICS | 4Q23 | 3Q23 | 4Q22 | Increase (decrease) 4Q23 vs 3Q23 | 4Q23 vs 4Q22 |
|---|---|---|---|---|---|
| Common equity Tier 1 (CET1) capital ratio | 13.36 % | 13.24 % | 10.08 % | 0.12 % | 3.28 % |
| Book value per common share | $ 1,403.12 | $ 1,343.52 | $ 605.36 | $ 59.60 | $ 797.76 |
| Tangible book value per common share (non-GAAP) [3] | 1,357.77 | 1,297.00 | 571.89 | 60.77 | 785.88 |
| Tangible capital to tangible assets (non-GAAP) [3] | 9.25 % | 8.84 % | 7.62 % | 0.41 % | 1.63 % |
| Loan to deposit ratio | 91.39 | 91.09 | 79.17 | 0.30 | 12.22 |
| ALLL to total loans and leases | 1.31 | 1.26 | 1.30 | 0.05 | 0.01 |
| Noninterest-bearing deposits to total deposits | 27.29 | 29.50 | 27.87 | (2.21) | (0.58) |
| Total liquid assets (available cash + HQLS) | $ 57,284 | $ 57,019 | $ 18,244 | $ 265 | $ 39,040 |
| Total liquidity (liquid assets & contingent sources) | 91,228 | 95,042 | 31,765 | (3,814) | 59,463 |
| Total liquidity / uninsured deposits [4] | 168 % | 170 % | 110 % | (2.00)% | 58.00 % |

FirstCitizens BancShares

**(1)** Percent change is annualized (where applicable) and is calculated using unrounded numbers.
**(2)** Operating lease equipment, net includes $8.0 billion of rail assets.
**(3)** Refer to the Non-GAAP Section V of this presentation for a reconciliation of the Non-GAAP to GAAP measures.
**(4)** Total liquidity for 4Q23 and 3Q23 includes immediately available capacity under the FDIC line of credit as of each period end totaling $15.1 billion and $19.4 billion, respectively. For 3Q23, the immediately available capacity is calculated in accordance with the Advance Facility Agreement with the FDIC as if it were in effect at such time for comparability between period. The FDIC credit facility has a maximum capacity of $70 billion which may be used for liquidity coverage ratios. If calculated using the maximum capacity, these ratios would be 270% and 261% for 4Q23 and 3Q23, respectively. To access the full amount, additional collateral would have to be pledged.

# Loans and Leases

*($ in millions, period end balances)*




## Highlights

**4Q23 vs 3Q23**

- Total loans increased $100 million driven primarily by a $1.3 billion (10.8% annualized) and $716 million (9.4% annualized) increase in the General Bank and Commercial Bank, respectively; partially offset by a $1.9 billion decline in the SVB segment.
- General Bank growth was driven primarily by business and commercial loans, while Commercial Bank growth reflected strong performance in industry verticals and Middle Market Banking. The reduction in the SVB portfolio was driven by declines in Global Fund Banking and Technology and Healthcare Banking.

**4Q23 vs 4Q22**

- Total loans increased $62.5 billion due primarily to the SVB acquisition which contributed $55.0 billion in loans as of December 31, 2023.
- General Bank loans grew by $4.1 billion (9.5%) due primarily to business, commercial and mortgage loans.
- Commercial Bank loans grew by $3.4 billion (12.5%) due to growth in industry verticals, Middle Market Banking and Real Estate Finance.

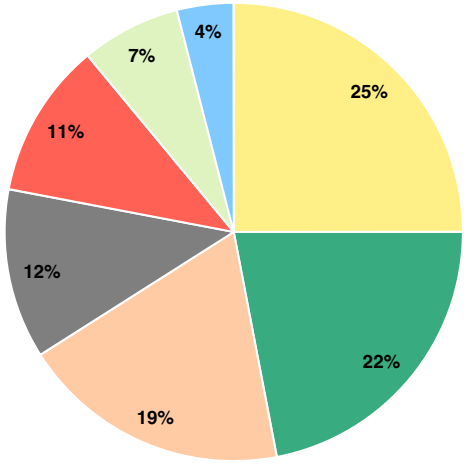


**(1)** Commercial Bank includes a small amount of Rail loans (less than $100 million in all periods). Rail operating lease assets are not included in the loan totals.

# 4Q23 Loans and Leases Composition

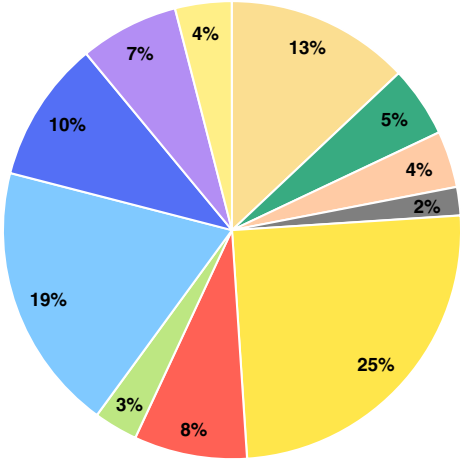
*($ in billions, period end balances)*

## Type




- Commercial mortgage ($33.3)
- Commercial and industrial ($29.1)
- Global Fund Banking ($25.6)
- 1-4 family residential ($16.4)
- Innovation lending ($14.0)
- Private Bank ($9.8)
- Other ($5.1)

## Segment




**Commercial Banking:**
- Commercial Finance ($16.9)
- Real Estate Finance ($6.1)
- Equipment Finance ($5.6)
- Commercial Services - Factoring ($2.3)

**General Banking:**
- Branch Network & Wealth ($33.2)
- Mortgage ($10.0)
- Other ($4.1)

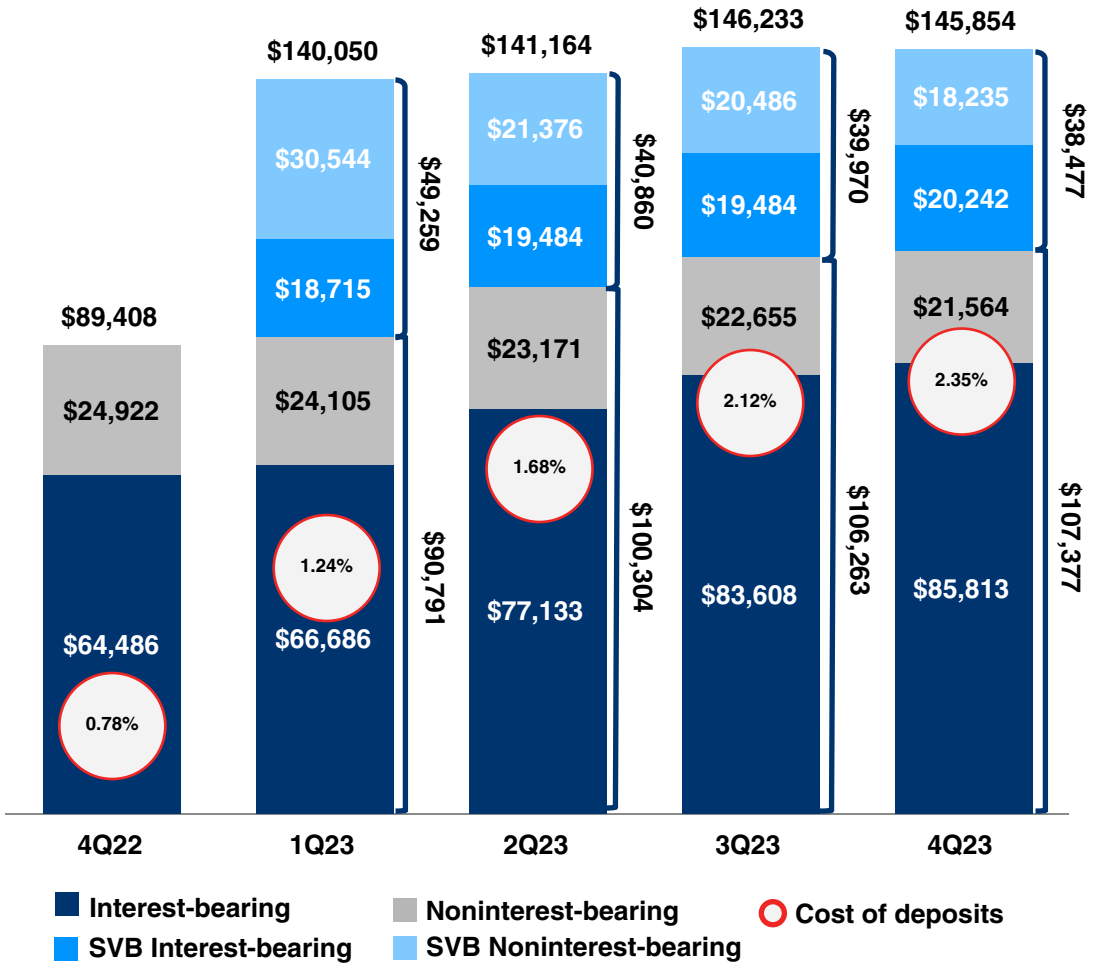
**SVB:**
- Global Fund Banking ($25.6)
- Technology & Healthcare Banking ($14.0)
- Private Bank ($9.8)
- Other ($5.7)

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**Note** - Rail operating lease assets are not included in the loan totals. The Commercial Banking segment includes Commercial Finance, Real Estate Finance, Equipment Finance and Commercial Services (factoring). The General Banking segment includes Branch Network & Wealth, Mortgage, Consumer Indirect, Community Association Banking and Other General Banking. The SVB segment includes Global Fund Banking, Technology & Healthcare Banking, Private Bank and Other.

# Deposits

*($ in millions, period end balances)*




## Highlights

**4Q23 vs. 3Q23**

- Total deposits decreased $379 million (-1.0% annualized) driven by a $1.5 billion decline in the SVB segment due primarily to client cash burn and muted fundraising activity and a $492 million decline in the Branch Network from seasonable outflows, partially offset by a $2.0 billion increase in the Direct Bank.

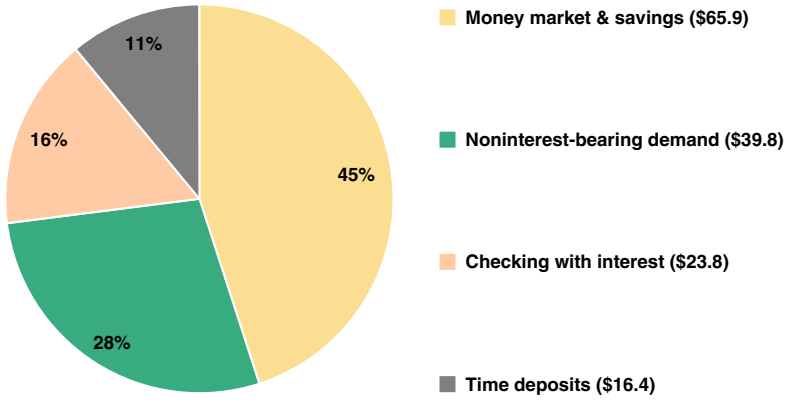
**4Q23 vs. 4Q22**

- Total deposits grew $56.4 billion (63.1%) driven primarily by the SVB acquisition which contributed $38.5 billion in deposits as of December 31, 2023 and a $21.2 billion increase in the Direct Bank.

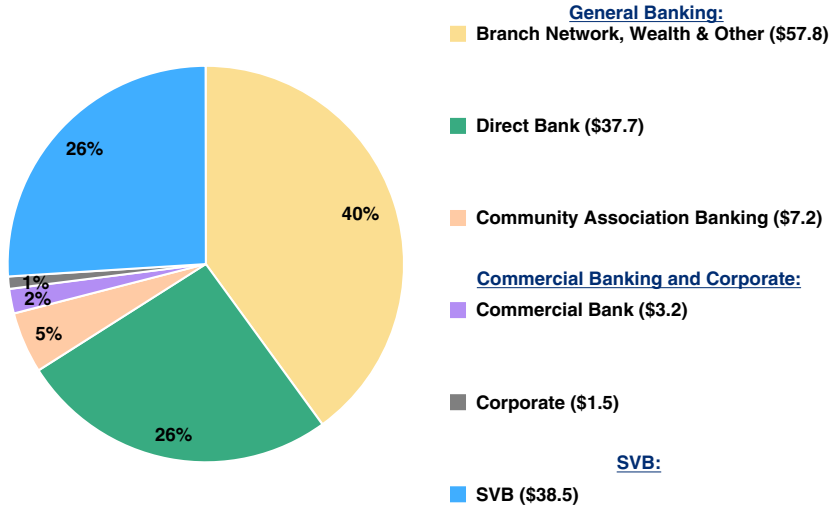
# 4Q23 Deposit Composition

*(period end balances, $ in billions, except average account size)*

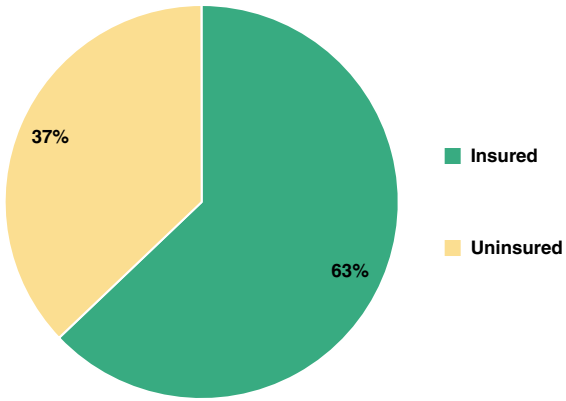
## Type




## Segment




## Insured vs Uninsured




## Average Account Size and Insured by Segment

| | Total deposits | Average size | Insured % |
|---|---|---|---|
| General Bank | $ 102.6 | $ 38,307 | 76% |
| Commercial Bank | 3.2 | 272,107 | 14% |
| Corporate & Other [1] | 1.5 | 6,921,659 | 96% |
| **Sub-total** | **$ 107.4** | **$ 39,893** | **75%** |
| SVB | 38.5 | 307,789 | 29% |
| **Sub-total** | **$ 38.5** | **$ 307,789** | **29%** |
| **Total** | **$ 145.9** | **$ 51,783** | **63%** |

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**Note** – Totals may not foot due to rounding.

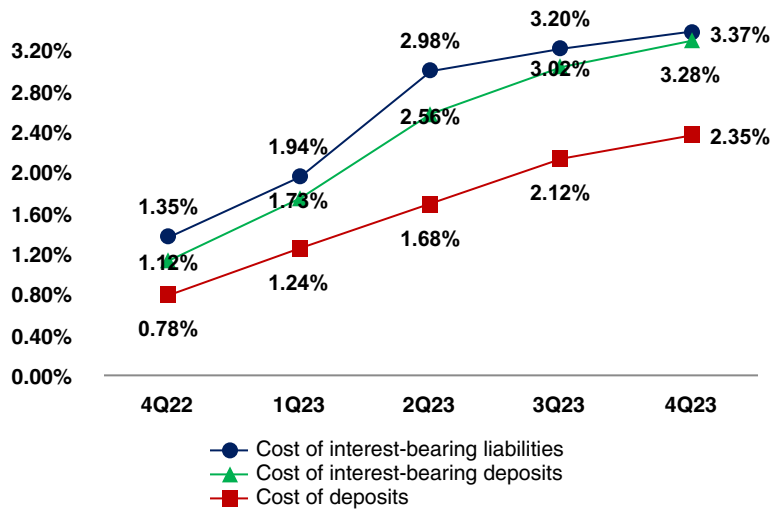
**(1)** Corporate consists primarily of brokered deposits which are pooled into one account then associated with multiple customers who have balances under FDIC insurance limits.

# Funding Mix

*($ in millions)*

| | Period End Balances | | | | | | | | | | Increase (decrease) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4Q23 | | 3Q23 | | 2Q23 | | 1Q23 | | 4Q22 | | 4Q23 vs. 3Q23 | 4Q23 vs. 4Q22 |
| Total deposits | $ 145,854 | 79.5 % | $ 146,233 | 79.5 % | $ 141,164 | 77.9 % | $ 140,050 | 75.2 % | $ 89,408 | 93.1 % | $ (379) | $ 56,446 |
| Securities sold under customer repurchase agreements | 485 | 0.3 | 453 | 0.2 | 454 | 0.3 | 509 | 0.3 | 436 | 0.5 | 32 | 49 |
| Purchase money note | 35,846 | 19.5 | 35,833 | 19.5 | 35,817 | 19.8 | 35,151 | 18.9 | — | — | 13 | 35,846 |
| Federal Home Loan Bank borrowings | — | — | — | — | 2,425 | 1.3 | 8,500 | 4.6 | 4,250 | 4.4 | — | (4,250) |
| Subordinated debt | 938 | 0.5 | 1,040 | 0.6 | 1,043 | 0.6 | 1,046 | 0.6 | 1,049 | 1.1 | (102) | (111) |
| Senior unsecured borrowings | 377 | 0.2 | 377 | 0.2 | 393 | 0.2 | 881 | 0.5 | 885 | 0.9 | — | (508) |
| Other borrowings | 8 | — | 9 | — | 7 | — | 7 | — | 25 | — | (1) | (17) |
| **Total deposits and borrowed funds** | $ 183,508 | 100 % | $ 183,945 | 100 % | $ 181,303 | 100 % | $ 186,144 | 100 % | $ 96,053 | 100 % | $ (437) | $ 87,455 |

## Cost of funds




## Highlights

**4Q23 vs 3Q23**

- Funding mix remained stable with 79.5% composed of deposits.
- The decline in subordinated debt was due to the redemption of smaller issuances given excess capital and liquidity positions.
- While the cost of deposits increased by 23 basis points, the pace decelerated from previous quarters.

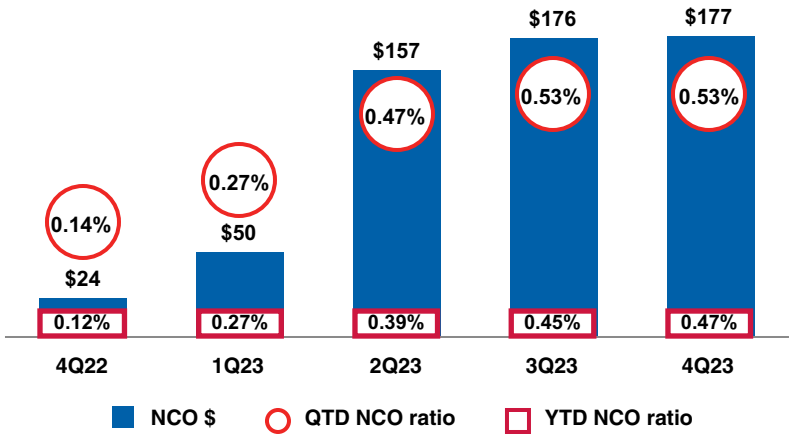
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**Note** – Funding mix percentages may not foot due to rounding.

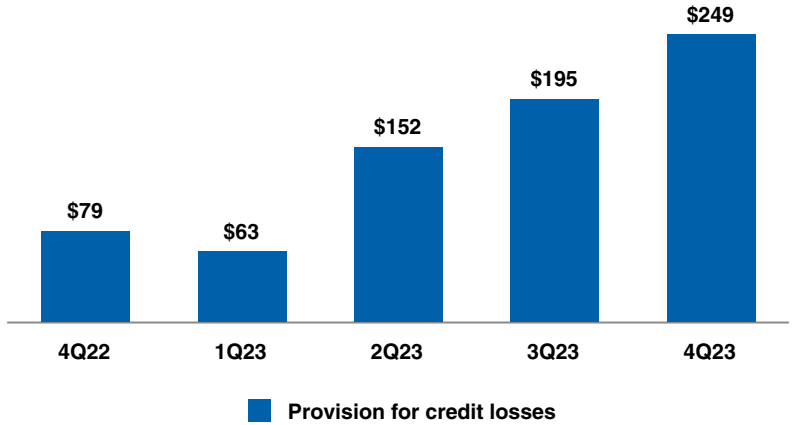
# Credit Quality Trends and Allowance

*($ in millions)*

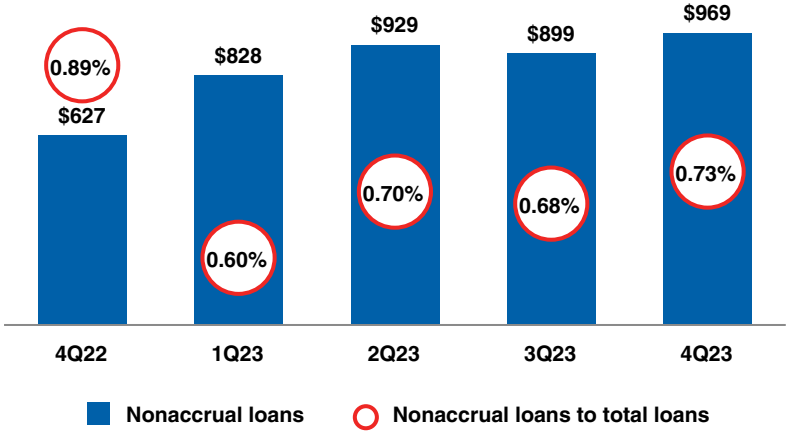
## Net charge-offs (NCO) & NCO ratio



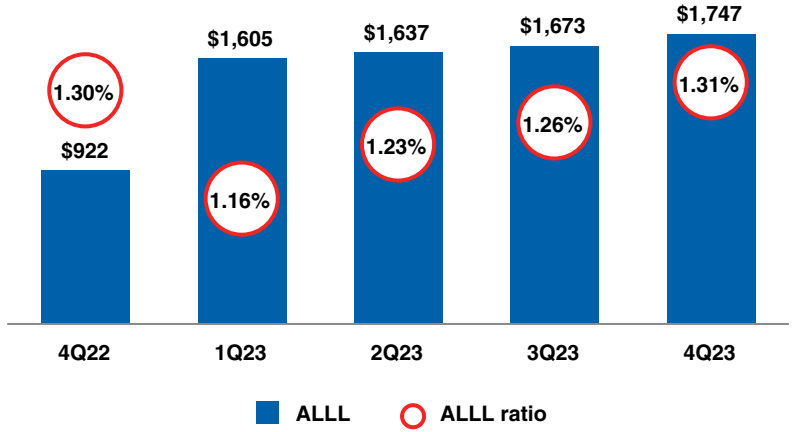

## Adjusted provision for credit losses (1)




## Nonaccrual loans / total loans & leases




## Allowance (ALLL) & ALLL ratio




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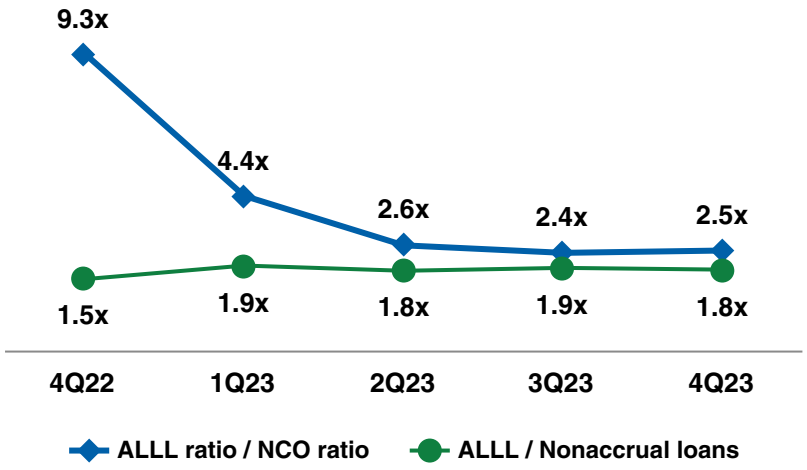
**(1)** Adjusted provision for credit losses excludes CECL Day 2 charges and provision (benefit) expense for credit losses on available for sale securities. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.

# Allowance for loan and lease losses (ALLL)

*($ in millions)*




## ALLL Coverage




## Highlights

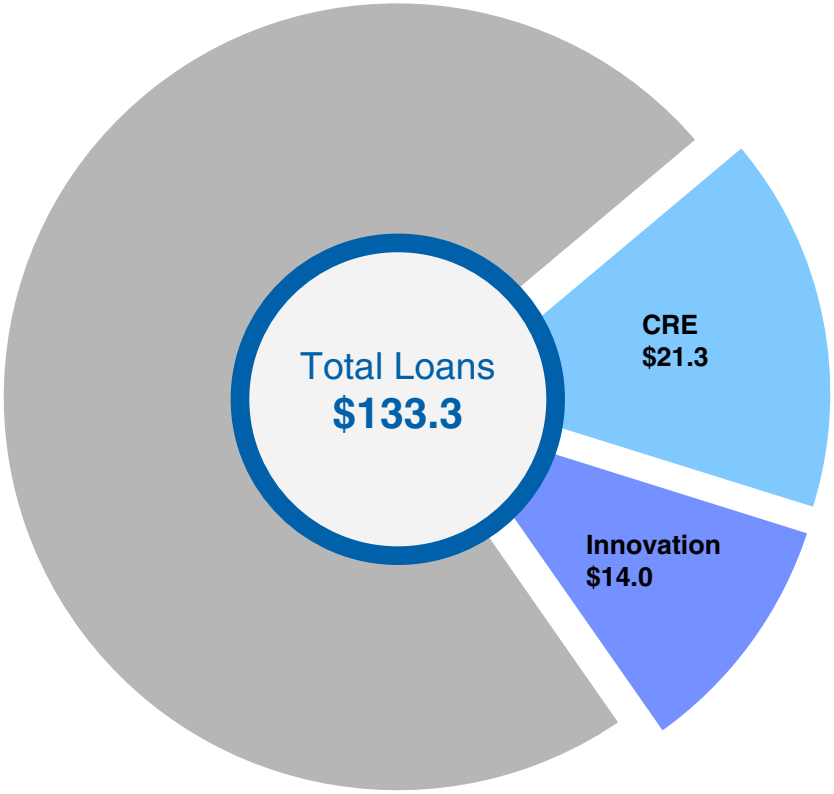
**4Q23 vs 3Q23**

- ALLL increased $74 million compared to the linked quarter.
- The increase over the prior quarter was driven primarily by mild credit quality deterioration in our commercial portfolios, including general office. Additionally contributing to the increase was an increase in specific reserves in the investor dependent portfolio and changes in the macroeconomic forecasts.
- These factors were partially offset by a mix/shift to higher credit quality segments in the portfolio.
- The ALLL covered annualized quarterly net charge-offs 2.5 times and provided 1.8 times coverage of nonaccrual loans. These metrics were relatively stable from the prior quarter.

# Loan Portfolios in Focus

*($ in billions, as of December 31, 2023)*

## Total Loans




| Commercial Real Estate (CRE) Portfolio Composition | | Balance | % of total loans |
|---|---|---|---|
| Multi-Family | $ | 4.4 | 3.3 % |
| Medical Office | | 3.5 | 2.6 |
| **General Office** | | **2.9** | **2.2** |
| *General Bank* | | *1.3* | *1.0* |
| *Commercial Bank* | | *1.2* | *0.9* |
| *SVB* | | *0.4* | *0.3* |
| Industrial / Warehouse | | 2.9 | 2.1 |
| Retail | | 1.8 | 1.4 |
| Hotel/Motel | | 0.8 | 0.6 |
| Other | | 5.0 | 3.7 |
| **Total** | **$** | **21.3** | **15.9 %** |

| Innovation Portfolio Composition | | Balance | % of total loans |
|---|---|---|---|
| Innovation C&I and cash flow dependent | $ | 9.7 | 7.2 % |
| **Investor dependent - growth stage** | | **2.9** | **2.2** |
| **Investor dependent - early stage** | | **1.4** | **1.1** |
| **Total** | **$** | **14.0** | **10.5 %** |

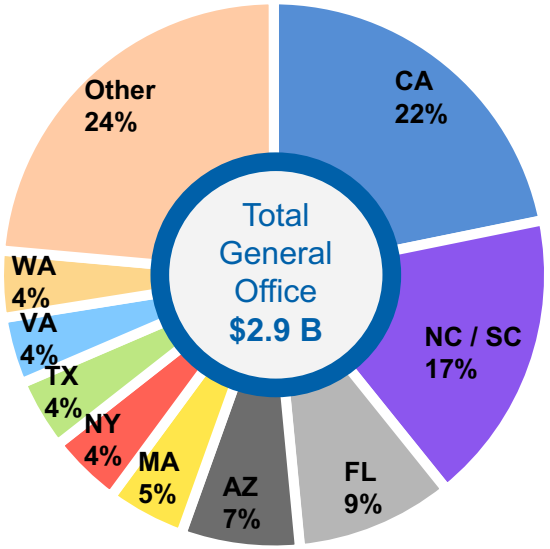
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**Note -** The definition of CRE in these tables is aligned with supervisory guidance on commercial real estate and includes the following: construction loans (1.a.1 and 1.a.2), loans where the primary repayment is from 3rd party rental income (1.d and 1.e.2), and loans not secured by real estate but for the purpose of real estate (4.a, 8, and 9).

# General Office CRE Portfolio

*(as of December 31, 2023)*

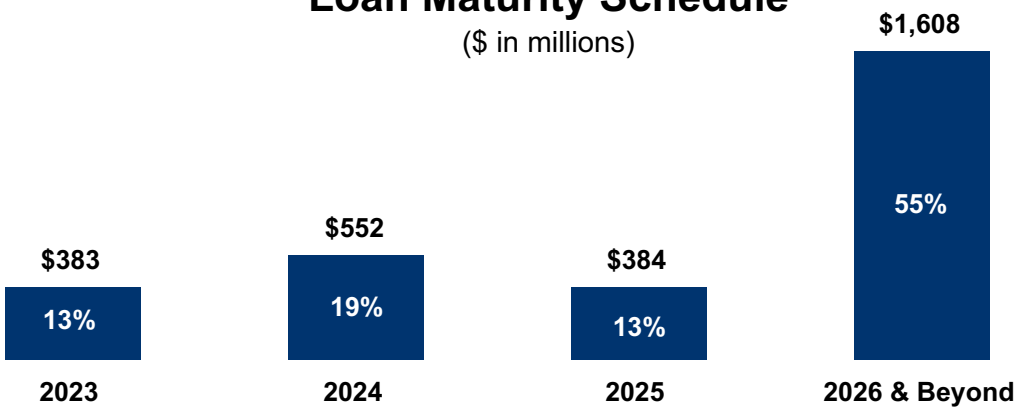
## Geographic Diversification




| Top 5 MSAs ($ in millions) | |
|---|---|
| Los Angeles | $ 408 |
| Phoenix | $ 201 |
| Boston | $ 136 |
| San Francisco | $ 130 |
| New York | $ 126 |
| Percent of Total Loans | 0.8 % |

## Loan Maturity Schedule

($ in millions)




| General Office Portfolio Metrics | |
|---|---|
| % of total loans | 2.2 % |
| % of CRE loans | 13.8 % |
| Average loan amount | $2 MM |
| NCO ratio (4Q23) | 3.56 % |
| Delinquencies/Loans | 13.56 % |
| NPLs/Loans | 11.38 % |
| Criticized loans/Loans | 24.85 % |
| ALLL ratio [1] | 4.77 % |

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**(1)** There are approximately $1.2 billion of general office loans in the Commercial Bank with an ALLL ratio of 9.37%.

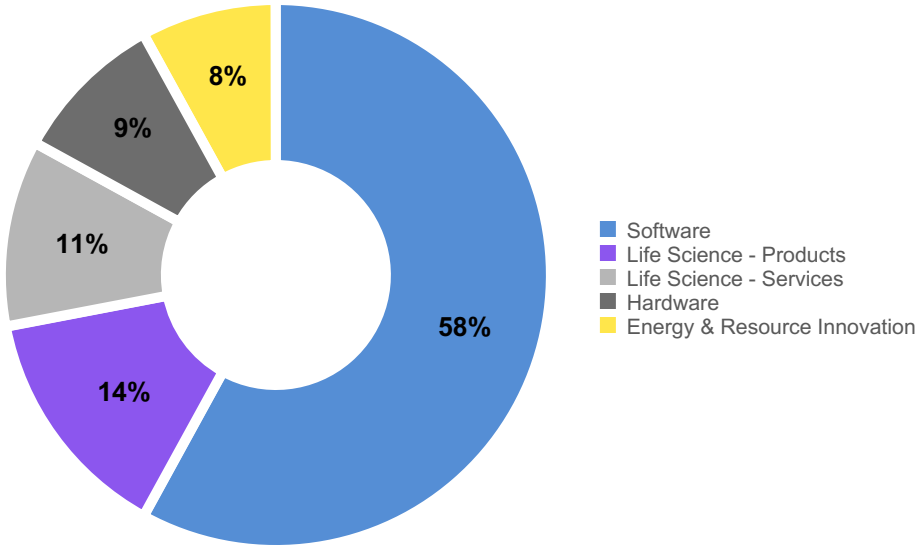
# SVB Investor Dependent (ID) Portfolio

*(as of December 31, 2023)*

## Portfolio Characteristics

- **Early Stage** - Loans to development-stage innovation companies with $0-5 million in revenues. Historically SVB's highest risk portfolio which experienced an average ~6% NCO ratio over 2008-2010.
- **Growth Stage** - Loans to mid and later-stage innovation companies with over $5 million in revenues.
- Continued pressure in public and private markets negatively impacts borrowers' ability to raise funds and execute exit strategy.
- Large loan sizes in the Growth Stage portfolio may contribute to lumpiness in quarterly net charge-offs and credit metrics.
- SVB credit leadership team remains intact with an average tenure at SVB of 25 years.

## Client Industry Concentration



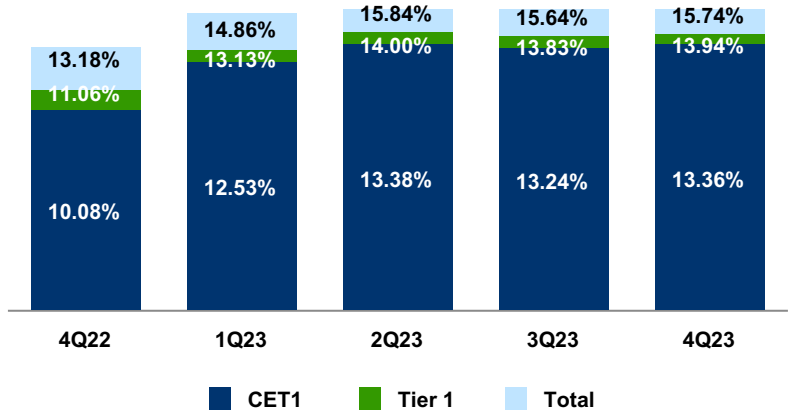

## Portfolio Metrics

| | Early Stage | Growth Stage |
|---|---|---|
| **Loan balance** | $1.4 B | $2.9 B |
| **% of Innovation loans** | 10.1 % | 20.8 % |
| **% of ID loans** | 32.6 % | 67.4 % |
| **Avg. loan size** | $306 K | $3.47 MM |
| **Median loan size** | $30 K | $800 K |
| **NCO ratio (4Q23)** | 9.63% | 1.31% |
| **NPLs/Loans** | 2.74 % | 1.29 % |
| **Criticized loans/Loans** | 24.10 % | 15.37 % |
| **ALLL ratio** | 6.84 % | 4.40 % |

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# Capital

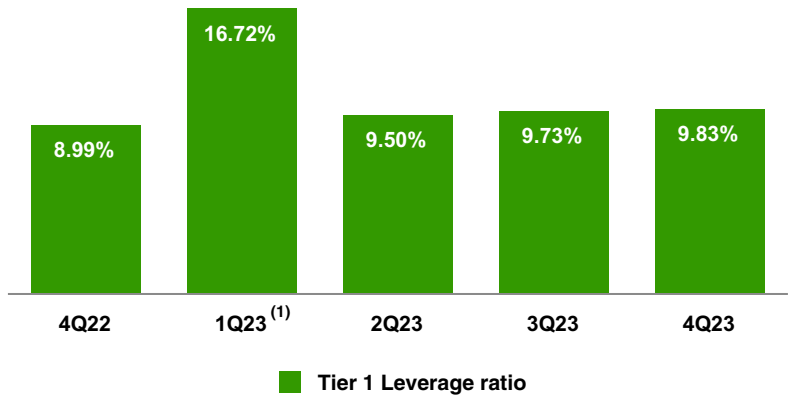
## Risk-based capital ratios



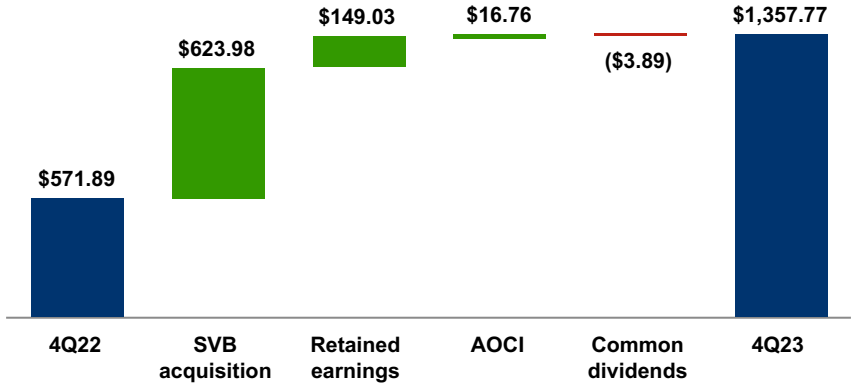

## Capital ratio rollforward

| | Risk-Based Capital | | | Tier 1 |
|---|---|---|---|---|
| | Total | Tier 1 | CET1 | Leverage |
| **December 31, 2022** | **13.18%** | **11.06%** | **10.08%** | **8.99%** |
| SVB acquisition - net | 1.59% | 1.88% | 2.25% | 0.03% |
| Net income | 1.65% | 1.65% | 1.65% | 1.43% |
| Change in risk-weighted/average assets | 0.66% | 0.59% | 0.57% | -0.58% |
| Sub debt phase-out | -0.10% | 0.00% | 0.00% | 0.00% |
| Shared loss agreement coverage runoff | -1.34% | -1.19% | -1.14% | 0.00% |
| Common dividends | -0.04% | -0.04% | -0.04% | -0.04% |
| Preferred dividends | -0.05% | -0.05% | -0.04% | -0.04% |
| Other | 0.19% | 0.04% | 0.03% | 0.04% |
| **December 31, 2023** | **15.74%** | **13.94%** | **13.36%** | **9.83%** |
| **Change since December 31, 2022** | **2.56%** | **2.88%** | **3.28%** | **0.84%** |

## Tier 1 Leverage ratio



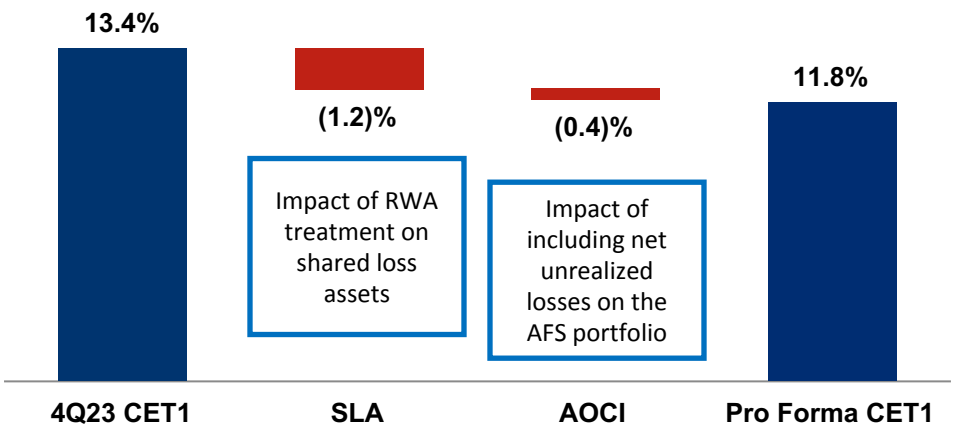

## Tangible book value per share (Non-GAAP)




**Note** – The above capital ratios represent BancShares ratios and are preliminary pending completion of quarterly regulatory filings. Refer to Section V of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure.
**(1)** The Tier 1 Leverage ratio for 1Q23 only includes the impact of SVB for five days.

# First Citizens Remains Well Positioned for Regulatory Proposals

## Strong Capital Position




- Our capital position remains strong and well above regulatory minimums both as reported and when considering the impacts of the FDIC shared loss agreement and net unrealized losses in the AFS portfolio.
- Our loss position continues to improve in the current rate environment and declined $312 million or by 35% in the fourth quarter. Expected to contract another $230 million or 40% in 2024 based on the forward curve.
- We continue to assess the full impact of regulatory changes on our capital position, but remain well-positioned for proposed changes to the rules.

## Long Term Debt (LTD) Needs are Manageable

- First Citizens' binding constraint is expected to be LTD as a percentage of Risk-Weighted Assets (RWA).
- Under terms of the proposed rule, we estimate the LTD shortfall to be approximately $8 - $11 billion.
- We expect to begin a programmatic issuance of qualifying LTD in 2024 to ensure compliance by phase-in deadlines once a final rule is issued.
- Along with our deposit growth strategies, we anticipate these funding actions will facilitate the funding needs of First Citizens as the FDIC Purchase Money Note matures in March 2028.

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# Financial Outlook

## Section III

# Key Earnings Estimate Assumptions

| Metric | 4Q23 | 1Q24 - Projected | FY24 - Projected |
|---|---|---|---|
| **Loans and leases - EOP** | **$133.3 billion** | $133 billion - $135 billion | $139 billion - $143 billion |
| **Deposits - EOP** | **$145.9 billion** | $146 billion - $148 billion | $152 billion - $156 billion |
| **Interest rates** | | One 25 bps cut in March | Six interest rate cuts in 2024; with the first in March, Fed funds ending 2024 at 4.00%; NII below shows range of 3 cuts to 6 cuts (or FFR '24 ending between 4.00 – 4.75%) |
| **Net interest income** | **$1.9 billion** | $1.75 billion - $1.85 billion | $6.9 billion - $7.1 billion |
| **Net charge-off ratio (annualized where applicable)** | **53 bps** | 50 - 60 bps | 45 - 55 bps |
| **Adjusted noninterest income** (1) | **$455 million** | $440 million - $470 million | $1.8 billion - $1.9 billion |
| **Adjusted noninterest expense** (2) | **$1.14 billion** | $1.15 billion - $1.17 billion | $4.6 billion - $4.7 billion |
| **Effective tax rate** | **27.9%** | 27.0% - 28.0% | 27.0% - 28.0% |

**(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, realized gains/losses on extinguishment of debt and acquisition accounting gains. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.
**(2)** Adjusted noninterest expense excludes depreciation and maintenance on operating lease assets, acquisition-related expenses and amortization of intangibles. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.



**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.

First Citizens BancShares®

# Appendix

## Section IV

# BancShares Balance Sheets (unaudited)

*($ in millions)*

| | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 | Dec 31, 2022 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and due from banks | $ 908 | $ 791 | $ 917 | $ 1,598 | $ 518 |
| Interest-earning deposits at banks | 33,609 | 36,704 | 37,846 | 38,522 | 5,025 |
| Securities purchased under agreements to resell | 473 | 549 | 298 | — | — |
| Investment in marketable equity securities | 84 | 75 | 76 | 85 | 95 |
| Investment securities available for sale | 19,936 | 16,661 | 11,894 | 9,061 | 8,995 |
| Investment securities held to maturity | 9,979 | 10,082 | 10,201 | 10,381 | 10,279 |
| Assets held for sale | 76 | 58 | 117 | 94 | 60 |
| Loans and leases | 133,302 | 133,202 | 133,015 | 138,288 | 70,781 |
| Allowance for loan and lease losses | (1,747) | (1,673) | (1,637) | (1,605) | (922) |
| **Loans and leases, net of allowance for loan and lease losses** | **131,555** | **131,529** | **131,378** | **136,683** | **69,859** |
| Operating lease equipment, net | 8,746 | 8,661 | 8,531 | 8,331 | 8,156 |
| Premises and equipment, net | 1,877 | 1,768 | 1,782 | 1,743 | 1,456 |
| Goodwill | 346 | 346 | 346 | 346 | 346 |
| Other intangible assets | 312 | 329 | 347 | 364 | 140 |
| Other assets | 5,857 | 6,212 | 5,769 | 7,450 | 4,369 |
| **Total assets** | **$ 213,758** | **$ 213,765** | **$ 209,502** | **$ 214,658** | **$ 109,298** |
| **LIABILITIES** | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing | $ 39,799 | $ 43,141 | $ 44,547 | $ 54,649 | $ 24,922 |
| Interest-bearing | 106,055 | 103,092 | 96,617 | 85,401 | 64,486 |
| **Total deposits** | **145,854** | **146,233** | **141,164** | **140,050** | **89,408** |
| Credit balances of factoring clients | 1,089 | 1,282 | 1,067 | 1,126 | 995 |
| Short-term borrowings | 485 | 453 | 454 | 1,009 | 2,186 |
| Long-term borrowings | 37,169 | 37,259 | 39,685 | 45,085 | 4,459 |
| Total borrowings | 37,654 | 37,712 | 40,139 | 46,094 | 6,645 |
| Other liabilities | 7,906 | 8,149 | 7,361 | 8,172 | 2,588 |
| **Total liabilities** | **192,503** | **193,376** | **189,731** | **195,442** | **99,636** |
| **STOCKHOLDERS' EQUITY** | | | | | |
| Preferred stock | 881 | 881 | 881 | 881 | 881 |
| Common stock | 15 | 15 | 15 | 15 | 15 |
| Additional paid in capital | 4,108 | 4,106 | 4,106 | 4,104 | 4,109 |
| Retained earnings | 16,742 | 16,267 | 15,541 | 14,885 | 5,392 |
| Accumulated other comprehensive (loss) income | (491) | (880) | (772) | (669) | (735) |
| **Total stockholders' equity** | **21,255** | **20,389** | **19,771** | **19,216** | **9,662** |
| **Total liabilities and stockholders' equity** | **$ 213,758** | **$ 213,765** | **$ 209,502** | **$ 214,658** | **$ 109,298** |



# BancShares Income Statements (unaudited)

*($ in millions)*

| | 4Q23 | 3Q23 | 2Q23 | 1Q23 | 4Q22 |
|---|---|---|---|---|---|
| **INTEREST INCOME** | | | | | |
| Interest and fees on loans | $ 2,391 | $ 2,426 | $ 2,353 | $ 1,017 | $ 892 |
| Interest on investment securities | 241 | 180 | 120 | 107 | 92 |
| Interest on deposits at banks | 485 | 504 | 480 | 87 | 56 |
| **Total interest income** | **3,117** | **3,110** | **2,953** | **1,211** | **1,040** |
| **INTEREST EXPENSE** | | | | | |
| Deposits | 865 | 769 | 575 | 288 | 176 |
| Borrowings | 341 | 351 | 417 | 73 | 62 |
| **Total interest expense** | 1,206 | 1,120 | 992 | 361 | 238 |
| **Net interest income** | **1,911** | **1,990** | **1,961** | **850** | **802** |
| Provision for credit losses - loans and leases | 249 | 192 | 151 | 783 | 79 |
| **Net interest income after provision for credit losses - loans and leases** | **1,662** | **1,798** | **1,810** | **67** | **723** |
| **NONINTEREST INCOME** | | | | | |
| Rental income on operating lease equipment | 252 | 248 | 238 | 233 | 224 |
| Fee income and other service charges | 80 | 71 | 70 | 47 | 43 |
| Client investment fees | 51 | 52 | 52 | 2 | — |
| Wealth management services | 48 | 49 | 51 | 40 | 35 |
| International fees | 30 | 30 | 29 | 4 | 3 |
| Service charges on deposit accounts | 44 | 44 | 44 | 24 | 22 |
| Factoring commissions | 22 | 21 | 20 | 19 | 26 |
| Cardholder services, net | 36 | 41 | 41 | 21 | 26 |
| Merchant services, net | 12 | 12 | 14 | 10 | 8 |
| Insurance commissions | 14 | 13 | 14 | 13 | 13 |
| Realized loss on sale of investment securities available for sale, net | — | (12) | — | (14) | — |
| Fair value adjustment on marketable equity securities, net | 9 | (1) | (10) | (9) | 2 |
| Bank-owned life insurance | — | 1 | 2 | 5 | 7 |
| Gain on sale of leasing equipment, net | 2 | 10 | 4 | 4 | 2 |
| Gain on acquisition | (83) | 12 | 55 | 9,824 | — |
| Other noninterest income | 26 | 24 | 34 | 36 | 18 |
| **Total noninterest income** | **543** | **615** | **658** | **10,259** | **429** |
| **NONINTEREST EXPENSE** | | | | | |
| Depreciation on operating lease equipment | 96 | 95 | 91 | 89 | 88 |
| Maintenance and other operating lease expenses | 59 | 51 | 56 | 56 | 47 |
| Salaries and benefits | 714 | 727 | 775 | 420 | 354 |
| Net occupancy expense | 65 | 65 | 64 | 50 | 48 |
| Equipment expense | 114 | 117 | 133 | 58 | 55 |
| Professional fees | 29 | 12 | 21 | 11 | 11 |
| Third-party processing fees | 65 | 54 | 54 | 30 | 26 |
| FDIC insurance expense | 82 | 36 | 22 | 18 | 5 |
| Marketing expense | 24 | 22 | 41 | 15 | 21 |
| Acquisition-related expenses | 116 | 121 | 205 | 28 | 29 |
| Intangible asset amortization | 17 | 17 | 18 | 5 | 6 |
| Other noninterest expense | 111 | 99 | 92 | 75 | 70 |
| **Total noninterest expense** | **1,492** | **1,416** | **1,572** | **855** | **760** |
| **Income before income taxes** | **713** | **997** | **896** | **9,471** | **392** |
| Income tax (benefit) expense | 199 | 245 | 214 | (47) | 135 |
| **Net income** | **$ 514** | **$ 752** | **$ 682** | **$ 9,518** | **$ 257** |
| Preferred stock dividends | $ 15 | $ 15 | $ 15 | $ 14 | $ 14 |
| **Net income available to common stockholders** | **$ 499** | **$ 737** | **$ 667** | **$ 9,504** | **$ 243** |



# Noninterest income

*($ in millions)*

| | 4Q23 | 3Q23 | 2Q23 | 1Q23 | 4Q22 | 4Q23 Change vs 3Q23 $ | 4Q23 Change vs 3Q23 % |
|---|---|---|---|---|---|---|---|
| Rental income on operating lease equipment | $ 252 | $ 248 | $ 238 | $ 233 | $ 224 | $ 4 | 2.0 % |
| Fee income and other service charges | 80 | 71 | 70 | 47 | 43 | 9 | 10.3 |
| Client investment fees | 51 | 52 | 52 | 2 | — | (1) | (1.8) |
| Wealth management services | 48 | 49 | 51 | 40 | 35 | (1) | — |
| International fees | 30 | 30 | 29 | 4 | 3 | — | (3.5) |
| Service charges on deposit accounts | 44 | 44 | 44 | 24 | 22 | — | (0.3) |
| Factoring commissions | 22 | 21 | 20 | 19 | 26 | 1 | 7.3 |
| Cardholder services, net | 36 | 41 | 41 | 21 | 26 | (5) | (10.2) |
| Merchant services, net | 12 | 12 | 14 | 10 | 8 | — | 3.8 |
| Insurance commissions | 14 | 13 | 14 | 13 | 13 | 1 | nm |
| Realized loss on sale of investment securities available for sale, net | — | (12) | — | (14) | — | 12 | (100.8) |
| Fair value adjustment on marketable equity securities, net | 9 | (1) | (10) | (9) | 2 | 10 | nm |
| Bank-owned life insurance | — | 1 | 2 | 5 | 7 | (1) | 2.3 |
| Gain on sale of leasing equipment, net | 2 | 10 | 4 | 4 | 2 | (8) | (74.9) |
| Gain on acquisition | (83) | 12 | 55 | 9,824 | — | (95) | nm |
| Gain on extinguishment of debt | — | — | — | — | — | — | nm |
| Other noninterest income | 26 | 24 | 34 | 36 | 18 | 2 | 6.5 |
| **Total noninterest income - GAAP** | **$ 543** | **$ 615** | **$ 658** | **$ 10,259** | **$ 429** | **$ (72)** | **(11.6)%** |
| Depreciation on operating lease equipment | $ (96) | $ (95) | $ (91) | $ (89) | $ (88) | $ (1) | (1.6)% |
| Maintenance and other operating lease expenses | (59) | (51) | (56) | (56) | (47) | (8) | (15.5) |
| Realized loss on sale of investment securities available for sale, net | — | 12 | — | 14 | — | (12) | nm |
| Fair value adjustment on marketable equity securities, net | (9) | 1 | 10 | 9 | (2) | (10) | nm |
| Gain on sale of leasing equipment, net | (2) | (10) | (4) | (4) | (2) | 8 | 74.9 |
| Gain on acquisition | 83 | (12) | (55) | (9,824) | — | 95 | nm |
| Other noninterest income | (5) | 8 | — | — | — | (13) | nm |
| **Total notable items** | **$ (88)** | **$ (147)** | **$ (196)** | **$ (9,950)** | **$ (139)** | **$ 59** | **(40.1)%** |
| Rental income on operating lease equipment | $ 97 | $ 102 | $ 91 | $ 88 | $ 89 | $ (5) | (4.3)% |
| Fee income and other service charges | 80 | 71 | 70 | 47 | 43 | 9 | 10.3 |
| Client investment fees | 51 | 52 | 52 | 2 | — | (1) | (1.8) |
| Wealth management services | 48 | 49 | 51 | 40 | 35 | (1) | — |
| International fees | 30 | 30 | 29 | 4 | 3 | — | (3.5) |
| Service charges on deposit accounts | 44 | 44 | 44 | 24 | 22 | — | (0.3) |
| Factoring commissions | 22 | 21 | 20 | 19 | 26 | 1 | 7.3 |
| Cardholder services, net | 36 | 41 | 41 | 21 | 26 | (5) | (10.2) |
| Merchant services, net | 12 | 12 | 14 | 10 | 8 | — | 3.8 |
| Insurance commissions | 14 | 13 | 14 | 13 | 13 | 1 | (1.1) |
| Bank-owned life insurance | — | 1 | 2 | 5 | 7 | (1) | 2.3 |
| Other noninterest income | 21 | 32 | 34 | 36 | 18 | (11) | (35.9) |
| **Total noninterest income - adjusted (Non-GAAP)** | **$ 455** | **$ 468** | **$ 462** | **$ 309** | **$ 290** | **$ (13)** | **(2.8)%** |

**Note –** Adjusted noninterest income is Non-GAAP and excludes notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.
**nm** - not meaningful.

# Noninterest expense

*($ in millions)*

| | 4Q23 | 3Q23 | 2Q23 | 1Q23 | 4Q22 | 4Q23 Change vs 3Q23 $ | 4Q23 Change vs 3Q23 % |
|---|---|---|---|---|---|---|---|
| Depreciation on operating lease equipment | $ 96 | $ 95 | $ 91 | $ 89 | $ 88 | $ 1 | 1.6 % |
| Maintenance and other operating lease expenses | 59 | 51 | 56 | 56 | 47 | 8 | 15.5 |
| Salaries and benefits | 714 | 727 | 775 | 420 | 354 | (13) | (1.6) |
| Net occupancy expense | 65 | 65 | 64 | 50 | 48 | — | (1.2) |
| Equipment expense | 114 | 117 | 133 | 58 | 55 | (3) | (2.4) |
| Professional fees | 29 | 12 | 21 | 11 | 11 | 17 | 127.1 |
| Third-party processing fees | 65 | 54 | 54 | 30 | 26 | 11 | 21.4 |
| FDIC insurance expense | 82 | 36 | 22 | 18 | 5 | 46 | 128.7 |
| Marketing expense | 24 | 22 | 41 | 15 | 21 | 2 | 2.0 |
| Acquisition-related expenses | 116 | 121 | 205 | 28 | 29 | (5) | (3.5) |
| Intangible asset amortization | 17 | 17 | 18 | 5 | 6 | — | (3.5) |
| Other noninterest expense | 111 | 99 | 92 | 75 | 70 | 12 | 14.1 |
| **Total noninterest expense - GAAP** | **$ 1,492** | **$ 1,416** | **$ 1,572** | **$ 855** | **$ 760** | **$ 76** | **5.5 %** |
| Depreciation on operating lease equipment | $ (96) | $ (95) | $ (91) | $ (89) | $ (88) | $ (1) | (1.6)% |
| Maintenance and other operating lease expenses | (59) | (51) | (56) | (56) | (47) | (8) | (15.5) |
| Professional fees | (5) | — | — | — | — | (5) | nm |
| FDIC insurance expense | (64) | — | — | — | — | (64) | nm |
| Acquisition-related expenses | (116) | (121) | (205) | (28) | (29) | 5 | 3.5 |
| Intangible asset amortization | (17) | (17) | (18) | (5) | (6) | — | 3.5 |
| **Total notable items** | **$ (357)** | **$ (284)** | **$ (370)** | **$ (178)** | **$ (170)** | **$ (73)** | **25.7 %** |
| Salaries and benefits | $ 714 | $ 727 | $ 775 | $ 420 | $ 354 | $ (13) | (1.6)% |
| Net occupancy expense | 65 | 65 | 64 | 50 | 48 | — | (1.2) |
| Equipment expense | 114 | 117 | 133 | 58 | 55 | (3) | (2.4) |
| Professional fees | 24 | 12 | 21 | 11 | 11 | 12 | 92.4 |
| Third-party processing fees | 65 | 54 | 54 | 30 | 26 | 11 | 21.4 |
| FDIC insurance expense | 18 | 36 | 22 | 18 | 5 | (18) | (49.7) |
| Marketing expense | 24 | 22 | 41 | 15 | 21 | 2 | 2.0 |
| Other noninterest expense | 111 | 99 | 92 | 75 | 70 | 12 | 14.1 |
| **Total nontinterest expense - adjusted (Non-GAAP)** | **$ 1,135** | **$ 1,132** | **$ 1,202** | **$ 677** | **$ 590** | **$ 3** | **0.4 %** |

**Note** – Adjusted noninterest expense is Non-GAAP and excludes notable items. Refer to the Non-GAAP Section V of this presentation for notable item details and a reconciliation of the Non-GAAP to GAAP measures.
**nm** - not meaningful.

# Estimated Liquidity Available for Uninsured Deposits

*($ in millions)*

| | | December 31, 2023 | September 30, 2023 |
|---|---|---|---|
| **Liquid assets:** | | | |
| Available cash | | $ 32,693 | $ 35,896 |
| High quality liquid securities | | 24,591 | $ 21,123 |
| Total liquid assets | **(a)** | 57,284 | $ 57,019 |
| | | | |
| **Contingent liquidity:** | | | |
| FDIC credit facility [(1)] | | $ 15,107 | $ 19,409 |
| FHLB facility | | 13,622 | 13,525 |
| FRB facility | | 5,115 | 4,989 |
| Line of credit | | 100 | 100 |
| Total contingent sources | **(b)** | $ 33,944 | $ 38,023 |
| | | | |
| **Total liquidity** | **(a + b)** | **$ 91,228** | **$ 95,042** |
| | | | |
| **Total uninsured deposits** | **(c)** | **54,155** | **$ 55,774** |
| | | | |
| **Coverage ratio of liquidity to uninsured deposits** | **(a + b) / c** | **168 %** | **170 %** |
| | | | |
| **Coverage ratio of liquidity to uninsured deposits (FDIC max)** | **(a + b) / c** [(2)] | **270 %** | **261 %** |

**(1)** The capacity shown in the table above is based on the amount of collateral currently pledged at quarter end for each respective period and would be immediately available for use. For September 30, 2023, the available capacity is calculated in accordance with the Advance Facility Agreement with the FDIC as if it were in effect at such time for comparability between periods.
**(2)** The FDIC credit facility has a maximum capacity of $70 B which may be used for liquidity coverage ratios. The maximum is the amount of contingent liquidity available should additional collateral be pledged to secure the facility.

# Debt Securities Overview

*($ in millions, period end balances)*

| | 4Q23 (1) | | | |
|---|---|---|---|---|
| | Carrying value (2) | % of Portfolio | Yield (3) | Duration in years |
| **AFS Portfolio** | | | | |
| U.S. Treasury | $ 10,508 | 35 % | 4.40 % | 0.9 |
| Government agency | 117 | 1 | 5.89 | 0.4 |
| Commercial mortgage-backed securities | 2,131 | 7 | 4.11 | 2.4 |
| Residential mortgage-backed securities | 6,686 | 22 | 3.13 | 4.2 |
| Corporate bonds | 482 | 2 | 6.36 | 1.4 |
| Municipal bonds | 12 | — | 1.81 | 0.1 |
| **Total AFS portfolio** | **$ 19,936** | **67 %** | **4.00 %** | **2.2** |
| **HTM portfolio** | | | | |
| U.S. Treasury | $ 479 | 1 % | 1.37 % | 3.0 |
| Government agency | 1,506 | 5 | 1.53 | 3.5 |
| Commercial mortgage-backed securities | 3,489 | 12 | 2.56 | 3.2 |
| Residential mortgage-backed securities | 4,205 | 14 | 1.89 | 5.9 |
| Other investments | 300 | 1 | 1.56 | 5.0 |
| **Total HTM portfolio** | **$ 9,979** | **33 %** | **2.04 %** | **4.4** |
| **Grand total** | **$ 29,915** | **100 %** | **3.30 %** | **2.9** |

First Citizens BancShares

**(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)*

| | 4Q23 | | | 3Q23 | | | 4Q22 | | | Change vs. 3Q23 | | | Change vs. 4Q22 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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] | $131,594 | $ 2,391 | 7.21 % | $131,653 | $ 2,426 | 7.30 % | $ 68,949 | $ 892 | 5.14 % | $ (59) | $ (35) | (0.09)% | $ 62,645 | $ 1,499 | 2.07 % |
| Investment securities | 28,722 | 239 | 3.30 | 24,388 | 177 | 2.90 | 18,876 | 92 | 1.95 | 4,334 | 62 | 0.40 | 9,846 | 147 | 1.35 |
| Securities purchased under agreements to resell | 225 | 2 | 5.36 | 223 | 3 | 5.28 | — | — | — | 2 | (1) | 0.08 | 225 | 2 | 5.36 |
| Interest-earning deposits at banks | 35,712 | 485 | 5.39 | 37,456 | 504 | 5.34 | 6,193 | 56 | 3.60 | (1,744) | (19) | 0.05 | 29,519 | 429 | 1.79 |
| **Total interest-earning assets [1]** | **$196,253** | **$ 3,117** | **6.30 %** | **$193,720** | **$ 3,110** | **6.37 %** | **$ 94,018** | **$ 1,040** | **4.40 %** | **$ 2,533** | **$ 7** | **-0.07 %** | **$102,235** | **$ 2,077** | **1.90 %** |
| Interest-bearing deposits | $104,717 | $ 865 | 3.28 % | $100,958 | $ 769 | 3.02 % | $ 62,532 | $ 176 | 1.12 % | $ 3,759 | $ 96 | 0.26 % | $ 42,185 | $ 689 | 2.16 % |
| Securities sold under customer repurchase agreements | 455 | 1 | 0.44 | 454 | — | 0.35 | 514 | — | 0.27 | 1 | 1 | 0.09 | (59) | 1 | 0.17 |
| Other short-term borrowings | — | — | — | — | — | — | 2,080 | 20 | 3.77 | — | — | — | (2,080) | (20) | (3.77) |
| Long-term borrowings | 37,260 | 340 | 3.65 | 37,699 | 351 | 3.72 | 4,800 | 42 | 3.46 | (439) | (11) | (0.07) | 32,460 | 298 | 0.19 |
| Total borrowings | $ 37,715 | $ 341 | 3.61 % | $ 38,153 | $ 351 | 3.68 % | $ 7,394 | $ 62 | 3.32 % | $ (438) | $ (10) | (0.07)% | $ 30,321 | $ 279 | 0.29 % |
| **Total interest-bearing liabilities** | **$142,432** | **$ 1,206** | **3.37 %** | **$139,111** | **$ 1,120** | **3.20 %** | **$ 69,926** | **$ 238** | **1.35 %** | **$ 3,321** | **$ 86** | **0.17 %** | **$ 72,506** | **$ 968** | **2.02 %** |
| **Net interest income** | | **$ 1,911** | | | **$ 1,990** | | | **$ 802** | | | **$ (79)** | | | **$ 1,109** | |
| **Net interest spread [1]** | | | **2.93 %** | | | **3.17 %** | | | **3.05 %** | | | **(0.24)%** | | | **(0.12)%** |
| **Net interest margin [1]** | | | **3.86 %** | | | **4.07 %** | | | **3.39 %** | | | **(0.21)%** | | | **0.47 %** |

FirstCitizens BancShares

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

# Commercial Banking Segment

*($ in millions)*

| | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|
| **Income Statement** | | | |
| Net interest income | $ 271 | $ 249 | $ 243 |
| Noninterest income | 139 | 139 | 141 |
| **Net revenue** | **410** | **388** | **384** |
| Noninterest expense | 208 | 205 | 187 |
| **Pre-provision net revenue** | **202** | **183** | **197** |
| Provision for credit losses | 164 | 132 | 63 |
| **Segment income before taxes** | 38 | 51 | 134 |
| Income taxes | 14 | 14 | 39 |
| **Segment net income** | **$ 24** | **$ 37** | **$ 95** |
| **Period-end Balance Sheet** | | | |
| Loans and leases | $ 30,936 | $ 30,220 | $ 27,491 |
| Deposits | 3,228 | 3,370 | 3,219 |
| **Other Key Metrics** | | | |
| Factoring volume | $ 6,169 | $ 6,528 | $ 6,497 |

## Highlights

- The Commercial Banking segment achieved strong loan growth, 9.4% annualized over the linked quarter, largely driven by record origination volume in Commercial Finance, partially offset by a higher repayment rate.
- Commercial Services (factoring) volume totaled $6.2 billion which represents a decrease over the linked quarter due to seasonality and a decrease compared to the prior year quarter as clients are being conservative with inventory levels.
- Segment net interest income increased $22 million from the linked quarter driven by higher rates and loan growth.
- Provision for credit losses increased by $32 million from the linked quarter driven by higher net charge-offs primarily in Energy and Middle Market Banking and a reserve build.



**Note** – The Commercial Banking segment includes Commercial Finance, Commercial Services (factoring), Real Estate Finance and Equipment Finance.

# General Banking Segment

*($ in millions)*

| | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|
| **Income Statement** | | | |
| Net interest income | $ 643 | $ 625 | $ 547 |
| Noninterest income | 128 | 125 | 111 |
| **Net revenue** | **771** | **750** | **658** |
| Noninterest expense | 415 | 411 | 350 |
| **Pre-provision net revenue** | **356** | **339** | **308** |
| Provision for credit losses | 23 | 7 | 16 |
| **Segment income before taxes** | 333 | 332 | 292 |
| Income taxes | 108 | 91 | 69 |
| **Segment net income** | **$ 225** | **$ 241** | **223** |
| **Period-end Balance Sheet** | | | |
| Loans and leases | $ 47,330 | $ 46,077 | $ 43,212 |
| Deposits | 102,647 | 101,021 | 84,369 |
| **Other Key Metrics** | | | |
| Number of branches | 551 | 555 | 550 |
| Wealth management assets under management ($B) | $ 16.4 | $ 15.0 | $ 12.4 |
| Off balance sheet client funds ($B) | 24.8 | 23.6 | 21.7 |
| Card volume | 4,160 | 4,312 | 4,131 |
| Merchant volume | 1,685 | 1,725 | 1,640 |

## Highlights

- The General Banking segment achieved 10.8% annualized loan growth over the linked quarter, driven primarily by business/commercial loan production.
- Deposits increased by $1.6 billion compared to the linked quarter driven primarily by growth in the Direct Bank, more than offsetting seasonal declines in the branch network.
- Net interest income increased by $18 million, or 3%, compared to the linked quarter primarily due to positive loan growth.
- While provision for credit losses increased from the linked quarter, overall credit quality remains strong and there are no material stresses on the portfolio.
- The net charge-off ratio decreased by 1 basis point to 0.15%.



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

# Silicon Valley Banking Segment

*($ in millions)*

| Income Statement | 4Q23 | 3Q23 |
|---|---|---|
| Net interest income | $ 611 | $ 635 |
| Noninterest income | 144 | 151 |
| **Net revenue** | **755** | **786** |
| Noninterest expense | 503 | 514 |
| **Pre-provision net revenue** | **252** | **272** |
| Provision (benefit) for credit losses | 62 | 56 |
| **Segment income before taxes** | 190 | 216 |
| Income taxes | 41 | 59 |
| **Segment net income** | **$ 149** | **$ 157** |
| **Period-end Balance Sheet** | | |
| Loans and leases | $ 55,013 | $ 56,864 |
| Deposits | 38,477 | 39,970 |
| **Other Key Metrics** | | |
| Private Bank assets under management ($B) | $ 8.1 | $ 8.9 |
| Off balance sheet client funds ($B) | 58.1 | 59.8 |
| Card volume | 1,277 | 1,380 |
| Merchant volume | 1,888 | 1,536 |

## Highlights

- Silicon Valley Banking segment loans decreased $1.9 billion, or 12.9% annualized, compared to the linked quarter driven primarily by paydowns and payoffs in the Global Fund Banking portfolio, partially offset by draws and new fundings which continue to face headwinds from muted market conditions.
- Deposit balances declined by $1.5 billion from the linked quarter driven by client cash burn and elevated seasonal levels of outflows at year-end.
- Noninterest income decreased $7 million from the linked quarter driven primarily by a slowdown in card and cash management volumes, lower wealth management fees from a decline in assets under management, and other services fees and charges.
- Provision for credit losses increased by $6 million from the linked quarter driven by higher specific reserves, partially offset by lower net charge-offs.



**Note** – The Silicon Valley Banking segment includes Global Fund Banking, Technology & Healthcare Banking, Private Bank and Other. Silicon Valley Banking segment results do not include the accretion impact of SVB loans or the impact of interest bearing cash and debt that was added at the acquisition date (the aforementioned items are contained within the Corporate segment).

# Rail Segment

*($ in millions)*

| | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|
| **Income Statement** | | | |
| Rental income on operating lease equipment | $ 195 | $ 190 | $ 168 |
| Depreciation on operating lease equipment | 49 | 49 | 45 |
| Maintenance and other operating lease expenses | 59 | 51 | 47 |
| **Adjusted rental income on operating lease equipment** [1] | **87** | **90** | **76** |
| Interest expense, net | 42 | 40 | 23 |
| Noninterest income | 2 | 4 | (5) |
| Noninterest expense | 16 | 16 | 15 |
| **Segment income before income taxes** | 31 | 38 | 33 |
| Income taxes | 9 | 10 | 9 |
| **Segment net income** | **$ 22** | **$ 28** | **$ 24** |
| **Period-end Balance Sheet** | | | |
| Operating lease equipment, net | $ 7,966 | $ 7,922 | $ 7,433 |
| **Other Key Metrics** | | | |
| Railcars and locomotives [2] | 122,200 | 122,500 | 119,200 |
| Utilization | 98.7 % | 98.7 % | 97.7 % |
| Average age of cars in years | 15 | 15 | 15 |
| Renewal rate to previous rate | 133 % | 138 % | 130 % |

## Highlights

- The fleet is effectively fully utilized, with utilization remaining flat to the prior quarter at 98.7%.
- Favorable renewal repricing trends continued for the 9th consecutive quarter, up 33% over the expiring rate for the quarter with gains in both tank cars (+53%) and freight cars (+26%).
- Adjusted rental income on operating lease equipment decreased $3 million from the linked quarter from higher maintenance spend as we pulled forward updates to the fleet but increased $11 million from the prior year quarter from top-line revenue growth, partially offset by higher depreciation and maintenance expense on the larger fleet.
- Short-term outlook continues to be positive for maintaining strong utilization and re-pricing for the first half of 2024. Further improvement in conditions will be limited though as velocity improves and/or economic softness seeps into the carload markets.
- The Rail portfolio is driven by the industrial sector business cycle, and financial performance generally lags the economic cycle.



**(1)** Adjusted rental income on operating lease equipment is Non-GAAP. Refer to the Non-GAAP Section V of this presentation for a reconciliation of the Non-GAAP to GAAP measures.
**(2)** Railcars and locomotives number is rounded.

# Purchase accounting marks

*($ in millions)*

| | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 |
|---|---|---|---|---|---|
| **Loans and leases (including off balance sheet exposure) [1]** | | | | | |
| Beginning balance - unamortized fair value mark | $ (2,378) | $ (2,731) | $ (2,944) | $ (137) | $ (151) |
| Additions - Acquisition of SVB | — | — | (61) | (3,026) | — |
| PCD “gross up” | — | — | 21 | 200 | — |
| Other | 7 | 78 | 11 | 2 | (2) |
| Accretion | 198 | 275 | 242 | 17 | 16 |
| **Ending balance** | **$ (2,173)** | **$ (2,378)** | **$ (2,731)** | **$ (2,944)** | **$ (137)** |
| **Core deposits and other intangibles** | | | | | |
| Beginning balance | $ 329 | $ 347 | $ 365 | $ 140 | $ 145 |
| Additions - Acquisition of SVB | — | — | — | 230 | — |
| Amortization | (17) | (18) | (18) | (5) | (5) |
| **Ending balance** | **$ 312** | **$ 329** | **$ 347** | **$ 365** | **$ 140** |
| **Deposits [2]** | | | | | |
| Beginning balance - unamortized fair value mark | $ (16) | $ (22) | $ (28) | $ (35) | $ (42) |
| Additions - Merger with CIT Group Inc. | — | — | — | — | — |
| Amortization | 5 | 6 | 6 | 7 | 7 |
| **Ending balance** | **$ (11)** | **$ (16)** | **$ (22)** | **$ (28)** | **$ (35)** |
| **Borrowings [2]** | | | | | |
| Beginning balance - unamortized fair value mark | $ 169 | $ 181 | $ 139 | $ (86) | $ (93) |
| Additions - Acquisition of SVB | — | — | 44 | 219 | — |
| Amortization | (8) | (12) | (2) | 6 | 7 |
| **Ending balance** | **$ 161** | **$ 169** | **$ 181** | **$ 139** | **$ (86)** |

**Note** – The balances above include the impact of the SVB acquisition as well as other acquisitions prior to December 31, 2022. The summary only includes select information and is not intended to represent all purchase accounting adjustments.
**(1)** Purchase accounting marks on loans and leases is comprised of credit, interest and liquidity components, and are generally recognized using the level-yield or straight-line method over the remaining life of the receivable or in full in the event of prepayment.
**(2)** Purchase accounting marks on deposits and borrowings represent interest rate marks and are recognized using the level-yield method over the remaining term of the liability.

# Glossary of Abbreviations and Acronyms

## The following is a list of certain abbreviations and acronyms used throughout this document.

**AFS** – Available for Sale

**ALLL** – Allowance for Loan and Lease Losses

**AOCI** – Accumulated Other Comprehensive Income

**Bps** – Basis point(s); 1 bp = 0.01%

**C&I** – Commercial and Industrial

**CECL** – Current Expected Credit Losses

**CET1** – Common Equity Tier 1

**CRE** – Commercial Real Estate

**EOP** – End of Period

**EPS** – Earnings Per Share

**FDIC** – Federal Deposit Insurance Corporation

**FFR** – Federal Funds Rate

**FFS** – Fed Funds Sold

**FHLB** – Federal Home Loan Bank

**FRB** – Federal Reserve Bank

**FX** – Foreign Exchange

**GAAP** – Accounting Principles Generally Accepted in the U.S.

**HQLS** – High Quality Liquid Securities

**HTM** – Held to Maturity

**ID** – Investor Dependent

**LTD** – Long Term Debt

**NCO** – Net Charge-Off

**NII** – Net Interest Income

**NIM** – Net Interest Margin

**NM** – Not Meaningful

**NPL** – Nonperforming Loans

**PCD** – Purchased Credit Deteriorated

**PPNR** – Pre-Provision Net Revenue

**QTD** – Quarter-to-date

**ROA** – Return on Assets

**ROE** – Return on Equity

**ROTCE** – Return on Tangible Common Equity

**RWA** – Risk Weighted Assets

**YTD** – Year-to-date

First Citizens BancShares®

# Non-GAAP Reconciliations

## Section V

# Notable Items [1]

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

| | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|
| Rental income on operating lease equipment [2] | $ (155) | $ (146) | $ (135) |
| Realized loss on sale of investment securities available for sale, net | — | 12 | — |
| Fair value adjustment on marketable equity securities, net | (9) | 1 | (2) |
| Gain on sale of leasing equipment, net | (2) | (10) | (2) |
| Gain on acquisition, net of tax | 83 | (12) | — |
| Other noninterest income [3] | (5) | 8 | — |
| **Impact of notable items on adjusted noninterest income** | **$ (88)** | **$ (147)** | **$ (139)** |
| Depreciation on operating lease equipment [2] | $ (96) | $ (95) | $ (88) |
| Maintenance and other operating lease expenses [2] | (59) | (51) | (47) |
| Professional fees [4] | (5) | — | — |
| FDIC insurance special assessment | (64) | — | — |
| Acquisition-related expenses | (116) | (121) | (29) |
| Intangible asset amortization | (17) | (17) | (6) |
| Other noninterest expense | — | — | — |
| **Impact of notable items on adjusted noninterest expense** | **$ (357)** | **$ (284)** | **$ (170)** |
| Benefit for credit losses on investment securities AFS | $ — | $ 3 | $ — |
| **Impact of notable items on adjusted provision for credit losses** | **$ —** | **$ 3** | **$ —** |
| **Impact of notable items on adjusted pre-tax income** | **$ 269** | **$ 134** | **$ 31** |
| Income tax impact [5] | 90 | 58 | (32) |
| **Impact of notable items on adjusted net income** | **$ 179** | **$ 76** | **$ 63** |
| **Impact of notable items on adjusted diluted EPS** | **$ 12.25** | **$ 5.25** | **$ 4.27** |

**(1)** Notable items include income and expense for infrequent transactions and certain recurring items (typically noncash) that management believes should be excluded from adjusted measures (Non-GAAP) to enhance understanding of operations and comparability to historical periods. Management utilizes both GAAP and adjusted measures (Non-GAAP) to analyze the Company's performance. Refer to subsequent pages of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measures.
**(2)** Depreciation and maintenance and other operating lease expenses are reclassified from noninterest expense to a reduction of rental income on operating lease equipment. There is no net impact to earnings for this notable item as adjusted noninterest income and expense are reduced by the same amount. Adjusted rental income on operating lease equipment (non-GAAP) is net of depreciation and maintenance expense for operating lease equipment. Management believes this measure enhances comparability to banking peers, primarily due to the extent of our rail and other equipment rental activities. Refer to subsequent pages of this presentation for a reconciliation of Non-GAAP measures to the most directly comparable GAAP measure.
**(3)** Notable items included in other noninterest income consist of a gain on sale of insurance accounts in 4Q23 and a measurement period adjustment related to FX translation in 3Q23.
**(4)** Professional fees related to other integration.
**(5)** For the periods presented, the income tax impact may include tax discrete items and changes in the estimated annualized effective tax rate.

# Non-GAAP Reconciliations

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

| Non-GAAP Reconciliations | | | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|---|---|
| **Net income and EPS** | | | | | |
| Net income (GAAP) | a | $ | 514 | 752 | 257 |
| Preferred stock dividends | | | 15 | 15 | 14 |
| Net income available to common stockholders (GAAP) | b | | 499 | 737 | 243 |
| Total notable items, after income tax | c | | 179 | 76 | 63 |
| Adjusted net income (non-GAAP) | d = (a+c) | | 693 | 828 | 320 |
| Adjusted net income available to common stockholders (non-GAAP) | e = (b+c) | $ | 678 | 813 | 306 |
| Weighted average common shares outstanding | | | | | |
| Basic | f | | 14,528,447 | 14,528,310 | 14,590,387 |
| Diluted | g | | 14,539,838 | 14,539,133 | 14,607,426 |
| EPS (GAAP) | | | | | |
| Basic | b/f | $ | 34.36 | 50.71 | 16.69 |
| Diluted | b/g | | 34.33 | 50.67 | 16.67 |
| Adjusted EPS (non-GAAP) | | | | | |
| Basic | e/f | $ | 46.62 | 55.96 | 20.97 |
| Diluted | e/g | | 46.58 | 55.92 | 20.94 |
| **Noninterest income and expense** | | | | | |
| Noninterest income | h | $ | 543 | 615 | 429 |
| Impact of notable items, before income tax | | | (88) | (147) | (139) |
| Adjusted noninterest income (non-GAAP) | i | $ | 455 | 468 | 290 |
| Noninterest expense | j | $ | 1,492 | 1,416 | 760 |
| Impact of notable items, before income tax | | | (357) | (284) | (170) |
| Adjusted noninterest expense (non-GAAP) | k | $ | 1,135 | 1,132 | 590 |
| Provision for credit losses | | $ | 249 | 192 | 79 |
| Plus: Benefit for credit losses on investment securities AFS | | | — | 3 | — |
| Adjusted provision for credit losses (non-GAAP) | | $ | 249 | 195 | 79 |

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|---|---|
| **PPNR** | | | | | |
| Net income (GAAP) | a | $ | 514 | 752 | 257 |
| Plus: | | | | | |
| Provision for credit losses | | | 249 | 192 | 79 |
| Income tax expense | | | 199 | 245 | 135 |
| PPNR (non-GAAP) | l | $ | 962 | 1,189 | 471 |
| Impact of notable items [1] | | | 269 | 137 | 31 |
| Adjusted PPNR (non-GAAP) | m | $ | 1,231 | 1,326 | 502 |
| **ROA** | | | | | |
| Net income (GAAP) | a | $ | 514 | 752 | 257 |
| Annualized net income | n = a annualized | | 2,041 | 2,983 | 1,019 |
| Adjusted net income (non-GAAP) | d | | 693 | 828 | 320 |
| Annualized adjusted net income | p = d annualized | | 2,748 | 3,286 | 1,269 |
| Average assets | o | | 214,612 | 211,994 | 109,774 |
| ROA | n/o | | 0.95 % | 1.41 % | 0.93 % |
| Adjusted ROA (non-GAAP) | p/o | | 1.28 % | 1.55 % | 1.15 % |
| **PPNR ROA** | | | | | |
| PPNR (non-GAAP) | l | $ | 962 | 1,189 | 471 |
| Annualized PPNR | q = l annualized | | 3,818 | 4,717 | 1,868 |
| Adjusted PPNR (non-GAAP) | m | | 1,231 | 1,326 | 502 |
| Annualized adjusted PPNR | r = m annualized | | 4,882 | 5,261 | 1,990 |
| PPNR ROA | q/o | | 1.78 % | 2.23 % | 1.70 % |
| Adjusted PPNR ROA (non-GAAP) | r/o | | 2.27 % | 2.48 % | 1.81 % |

**(1)** Excludes the notable items for the provision for credit losses and income taxes as these items are excluded from PPNR as presented in the table above.

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|---|---|
| **ROE and ROTCE** | | | | | |
| Annualized net income available to common stockholders | s = b annualized | $ | 1,980 | 2,923 | 966 |
| Annualized adjusted net income available to common stockholders | t = e annualized | $ | 2,687 | 3,225 | 1,216 |
| Average stockholders' equity (GAAP) | | $ | 20,740 | 20,116 | 9,621 |
| Less: average preferred stock | | | 881 | 881 | 881 |
| Average common stockholders' equity (non-GAAP) | u | $ | 19,859 | 19,235 | 8,740 |
| Less: average goodwill | | | 346 | 346 | 346 |
| Less: average other intangible assets | | | 322 | 338 | 143 |
| Average tangible common equity (non-GAAP) | v | $ | 19,191 | 18,551 | 8,251 |
| ROE | s/u | | 9.97 % | 15.20 % | 11.05 % |
| Adjusted ROE (non-GAAP) | t/u | | 13.53 % | 16.77 % | 13.89 % |
| ROTCE | s/v | | 10.32 % | 15.76 % | 11.70 % |
| Adjusted ROTCE (non-GAAP) | t/v | | 14.00 % | 17.39 % | 14.71 % |
| **Tangible common equity to tangible assets** | | | | | |
| Stockholders' equity (GAAP) | w | $ | 21,255 | 20,389 | 9,662 |
| Less: preferred stock | | | 881 | 881 | 881 |
| Common equity (non-GAAP) | x | $ | 20,374 | 19,508 | 8,781 |
| Less: goodwill | | | 346 | 346 | 346 |
| Less: other intangible assets | | | 312 | 329 | 140 |
| Tangible common equity (non-GAAP) | y | $ | 19,716 | 18,833 | 8,295 |
| Total assets (GAAP) | z | | 213,758 | 213,765 | 109,298 |
| Tangible assets (non-GAAP) | aa | | 213,100 | 213,090 | 108,812 |
| Total equity to total assets | w/z | | 9.94 % | 9.54 % | 8.84 % |
| Tangible common equity to tangible assets (non-GAAP) | y/aa | | 9.25 % | 8.84 % | 7.62 % |

# Non-GAAP Reconciliations

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

| Non-GAAP Reconciliations | | | 4Q23 | 3Q23 | 4Q22 |
|---|---|---|---|---|---|
| **Book value and tangible book value per common share** | | | | | |
| Common shares outstanding at period end | bb | | 14,520,118 | 14,520,103 | 14,506,202 |
| Book value per share | x/bb | $ | 1,403.12 | 1,343.52 | 605.36 |
| Tangible book value per share (non-GAAP) | y/bb | $ | 1,357.77 | 1,297.00 | 571.89 |
| **Efficiency ratio** | | | | | |
| Net interest income | cc | $ | 1,911 | 1,990 | 802 |
| Efficiency ratio (GAAP) | j / (h + cc) | | 60.80 % | 54.34 % | 61.74 % |
| Adjusted efficiency ratio (non-GAAP) | k / (i + cc) | | 48.00 % | 46.04 % | 54.08 % |
| **Rental income on operating lease equipment** | | | | | |
| Rental income on operating lease equipment | | $ | 252 | 248 | 224 |
| Less: | | | | | |
| Depreciation on operating lease equipment | | | 96 | 95 | 88 |
| Maintenance and other operating lease expenses | | | 59 | 51 | 47 |
| Adjusted rental income on operating lease equipment (non-GAAP) | | $ | 97 | 102 | 89 |
| **Rental income on operating lease equipment: Rail segment** | | | | | |
| Rental income on operating lease equipment | | $ | 195 | 190 | 168 |
| Less: | | | | | |
| Depreciation on operating lease equipment | | | 49 | 49 | 45 |
| Maintenance and other operating lease expenses | | | 59 | 51 | 47 |
| Adjusted rental income on operating lease equipment (non-GAAP) | | $ | 87 | 90 | 76 |
| **Income tax expense** | | | | | |
| Income tax expense | | $ | 199 | 245 | 135 |
| Impact of notable items | | | 90 | 58 | (32) |
| Adjusted income tax expense (non-GAAP) | | $ | 289 | 303 | 103 |