# First Citizens BancShares, Inc.

**Fourth Quarter 2024**

**Earnings Conference Call**

**January 24, 2025**

# 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 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 factors that are difficult to predict. Many possible events or factors could affect BancShares' future financial results and performance and could cause 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 (including the new presidential administration), geopolitical events (including conflicts in Ukraine and the Middle East) and market conditions, including changes in competitive pressures among financial institutions and the impacts related to or resulting from previous bank failures, the risks and impacts of future bank failures and other volatility in the banking industry, public perceptions of our business practices, including our deposit pricing and acquisition activity, the financial success or changing conditions or strategies of BancShares' vendors or customers, 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 recent interest rate cuts and any changes 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 significant turbulence in the capital or financial markets, the impact of any sustained or elevated inflationary environment, the impact of any cyberattack, information or security breach, 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 assessments, increases to FDIC deposit insurance premiums and the proposed interagency 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 risks associated with BancShares' previous acquisition transactions, including the acquisition of certain assets and liabilities of Silicon Valley Bridge Bank, N.A. and the previously completed transaction with CIT Group Inc., or any future transactions.

BancShares' share repurchase program allows BancShares to repurchase shares of its Class A common stock through 2025. BancShares is not obligated under the share repurchase program to repurchase any minimum or particular number of shares, and repurchases may be suspended or discontinued at any time (subject to the terms of any Rule 10b5-1 plan in effect) without prior notice. The authorization to repurchase Class A common stock will be utilized at management's discretion. The actual timing and amount of Class A common stock that may be repurchased will depend on a number of factors, including the terms of any Rule 10b5-1 plan then in effect, price, general business and market conditions, regulatory requirements, and alternative investment opportunities or capital needs.

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, 2023 and its other filings with the SEC.

**Non-GAAP Measures**
Certain measures in this presentation, including those referenced as "adjusted" or "excluding PAA," are "non-GAAP," meaning they are numerical measures of BancShares' financial performance, financial position or cash flows that are not presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") because they exclude or include amounts or are adjusted in some way 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 management 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, financial position or cash flows to its investors, analysts and management. These non-GAAP measures should be considered in addition to, and not superior to or a substitute for, GAAP measures. Each non-GAAP measure is reconciled to the most comparable GAAP measure in the non-GAAP reconciliation in Section V of this presentation.

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 for prior periods in this investor presentation have been reclassified to conform to the current financial statement presentation. Such reclassifications had no effect on previously reported stockholders' equity or net income.

BancShares modified its reportable segments during the first quarter of 2024. The Private Banking and Wealth Management components of the SVB segment were integrated into the General Bank segment. The SVB segment was renamed the SVB Commercial segment since it is comprised of the commercial business lines from the SVB acquisition, including Global Fund Banking and Technology and Healthcare Banking. The Direct Bank was previously allocated to the General Bank segment, but is now included in Corporate. Segment disclosures for 2023 periods included in this investor presentation were recast to reflect the segment reporting changes summarized above.

Additionally, BancShares modified its loan disclosures by class in the first quarter of 2024. Loans were previously aggregated into Commercial, Consumer, and SVB portfolios, each of which consisted of several loan classes. Loans classes including the private bank, CRE, and other loan classes previously mapped to the SVB portfolio were mapped to the applicable loan classes within the Commercial and Consumer portfolios.

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.

# 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

**CET1** – Common Equity Tier 1

**CRE** – Commercial Real Estate

**EOP** – End of Period

**EPS** – Earnings Per Share

**FDIC** – Federal Deposit Insurance Corporation

**FFS** – Fed Funds Sold

**FHLB** – Federal Home Loan Bank

**FRB** – Federal Reserve Bank

**FX** – Foreign Exchange

**GAAP** – United States Generally Accepted Accounting Principles

**HQLS** – High-Quality Liquid Securities

**HTM** – Held to Maturity

**IBD** – Interest-Bearing Deposits

**ID** – Investor Dependent

**LFI** – Large Financial Institution

**MSA** – Metropolitan Statistical Area

**NCO** – Net Charge-Off

**NII** – Net Interest Income

**NIM** – Net Interest Margin

**NM** – Not Meaningful

**NPL** – Nonperforming Loans

**PAA** – Purchase Accounting Accretion or Amortization

**PPNR** – Pre-Provision Net Revenue

**QTD** – Quarter-to-date

**ROA** – Return on Average Assets

**ROE** – Return on Average Common Stockholders' Equity

**ROTCE** – Return on Tangible Common Stockholders' Equity

**SLA** – Shared Loss Agreement with the FDIC

**TBV** – Tangible Book Value

**VC** – Venture Capital

**YTD** – Year-to-date

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# Fourth Quarter Overview & Strategic Priorities

## Section I

# Fourth Quarter 2024 Snapshot

## Key Highlights:

- **Delivered strong return metrics** aligned with our forecast despite headwinds from a declining policy rate.
- **Achieved loan and deposit growth** across our operating segments.
- **Maintained strong capital and liquidity positions** with the **CET1 ratio** ending the quarter at **12.99%.**
- **Repurchased $963 million in Class A common shares** (3.50% of Class A common) during 4Q24, bringing total repurchases since plan inception to $1.8 billion (6.44% of Class A common).
- **Appointed new board and Audit Committee member,** effective January 2025.
- Continued to **support associates and clients impacted by recent natural disasters.**

## Financial Results:

**Adjusted EPS** (1)

**$45.10**

**Adjusted ROE / ROA** (1)

**11.51% / 1.14%**

**NIM**

**3.32%**

**Adjusted Efficiency Ratio** (1)

**56.98%**

**Loan / Deposit Growth** (2)

**1.1% / 2.4%**

**CET1 Ratio** (3)

**12.99%**

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**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Loan and deposit growth percentages are quarter over quarter actual period end balances.
**(3)** The CET1 ratio represents a BancShares ratio and is preliminary pending completion of quarterly regulatory filings.

# 2025 Strategic Priorities



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# Fourth Quarter 2024 Financial Results

## Section II

# 4Q24 Financial Results - Takeaways

1. **While NII and NIM declined** during the quarter as anticipated, **both were aligned with our expectations.**

2. **Delivered solid noninterest income performance** driven primarily by our Rail and commercial banking segments.

3. **Noninterest expense was higher** than anticipated, but the **efficiency ratio and PPNR outperformed expectations.**

4. **Achieved broad-based loan growth** in all of our operating segments, with balances up **$1.5 billion or by 1.1%** over the linked quarter.

5. **Deposits grew by $3.7 billion or by 2.4%** over the linked quarter exceeding our guidance, **driven by growth in all of our operating segments.**

6. **Credit quality remained stable, with no emerging problems outside of pressure points** previously disclosed in the investor dependent, general office, and equipment finance portfolios.

7. **Continued to maintain strong CET1 ratio** while **repurchasing $963 million in Class A common shares** during 4Q24, bringing total repurchases since plan inception to **$1.8 billion**.

# Financial Highlights

| | 4Q24 | | 3Q24 | | 4Q23 | |
|---|---|---|---|---|---|---|
| | Reported | Adjusted (Non-GAAP) | Reported | Adjusted (Non-GAAP) | Reported | Adjusted (Non-GAAP) |
| **EPS** | **$ 49.21** | **$ 45.10** | $ 43.42 | $ 45.87 | $ 34.33 | $ 46.58 |
| **ROE** | **12.56 %** | **11.51 %** | 11.30 % | 11.94 % | 9.97 % | 13.53 % |
| **ROTCE (non-GAAP)** | **12.92** | **11.84** | 11.63 | 12.29 | 10.32 | 14.00 |
| **ROA** | **1.25** | **1.14** | 1.15 | 1.22 | 0.95 | 1.28 |
| **PPNR ROA (non-GAAP)** | **1.58** | **1.70** | 1.79 | 1.88 | 1.78 | 2.27 |
| **NIM** | **3.32** | **3.32** | 3.53 | 3.53 | 3.86 | 3.86 |
| **NIM, ex PAA (non-GAAP)** | **3.16** | **3.16** | 3.33 | 3.33 | 3.47 | 3.47 |
| **Net charge-off ratio** | **0.46** | **0.46** | 0.42 | 0.42 | 0.53 | 0.53 |
| **Efficiency ratio** | **63.01** | **56.98** | 59.49 | 54.15 | 60.80 | 48.00 |



**Note** – Adjusted columns, ROTCE, PPNR ROA and NIM, ex PAA represent non-GAAP measures: see Section V entitled Non-GAAP Reconciliations.

# Quarterly Earnings Highlights

*($ in millions)*

| Reported | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 1,709 | $ 1,796 | $ 1,911 | $ (87) | (4.9)% | $ (202) | (10.6)% |
| Noninterest income | 699 | 650 | 543 | 49 | 7.7 | 156 | 28.9 |
| **Net revenue** | **2,408** | **2,446** | **2,454** | (38) | (1.6) | (46) | (1.9) |
| Noninterest expense | 1,517 | 1,456 | 1,492 | 61 | 4.3 | 25 | 1.7 |
| **Pre-provision net revenue** [1] | **891** | **990** | **962** | (99) | (10.1) | (71) | (7.4) |
| Provision for credit losses | 155 | 117 | 249 | 38 | 31.4 | (94) | (37.8) |
| **Income before income taxes** | **736** | **873** | **713** | (137) | (15.7) | 23 | 3.1 |
| Income taxes | 36 | 234 | 199 | (198) | (84.6) | (163) | (82.0) |
| **Net income** | **700** | **639** | **514** | 61 | 9.5 | 186 | 36.2 |
| Preferred stock dividends | 15 | 15 | 15 | — | (2.1) | — | (1.9) |
| **Net income available to common stockholders** | **$ 685** | **$ 624** | **$ 499** | $ 61 | 9.8 % | $ 186 | 37.3 % |

| Adjustments for notable items | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|
| Noninterest income | $ (183) | $ (176) | $ (88) |
| Noninterest expense | (249) | (227) | (357) |
| Income taxes | 123 | 15 | 90 |

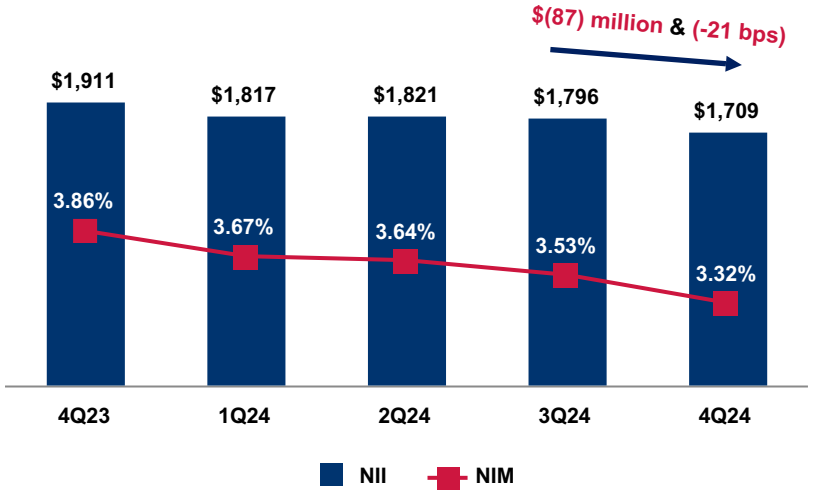
| Adjusted (Non-GAAP) [1] | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 1,709 | $ 1,796 | $ 1,911 | $ (87) | (4.9)% | $ (202) | (10.6)% |
| Noninterest income | 516 | 474 | 455 | 42 | 9.0 | 61 | 13.6 |
| **Net revenue** | **2,225** | **2,270** | **2,366** | (45) | (2.0) | (141) | (6.0) |
| Noninterest expense | 1,268 | 1,229 | 1,135 | 39 | 3.1 | 133 | 11.6 |
| **Pre-provision net revenue** [1] | **957** | **1,041** | **1,231** | (84) | (8.0) | (274) | (22.2) |
| Provision for credit losses | 155 | 117 | 249 | 38 | 31.4 | (94) | (37.8) |
| **Income before income taxes** | **802** | **924** | **982** | (122) | (13.1) | (180) | (18.3) |
| Income taxes | 159 | 249 | 289 | (90) | (35.8) | (130) | (44.8) |
| **Net income** | **643** | **675** | **693** | (32) | (4.7) | (50) | (7.1) |
| Preferred stock dividends | 15 | 15 | 15 | — | (2.1) | — | (1.9) |
| **Net income available to common stockholders** | **$ 628** | **$ 660** | **$ 678** | $ (32) | (4.7)% | $ (50) | (7.3)% |

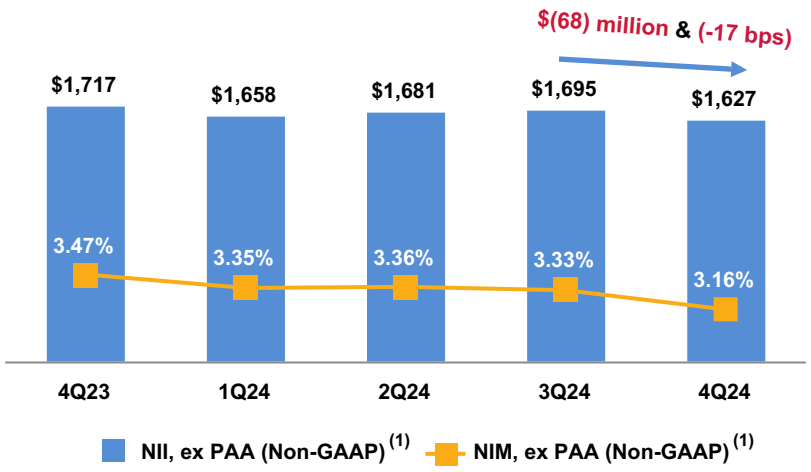


**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# Net interest income and margin

*($ in millions)*




## Highlights

### 4Q24 vs 3Q24

**Net interest income declined by $87 million** due to a $137 million decrease in interest income, partially offset by a $50 million decrease in interest expense. The significant components of the changes follow:

- $91 million decrease in interest income on loans (ex accretion income) primarily due to a lower yield,
- $48 million decrease in interest income on overnight investments primarily due to a lower yield, and
- $19 million decrease in accretion income; partially offset by
- $19 million increase in interest income on investment securities primarily due to a higher average balance,
- $47 million decrease in interest expense on deposits due to a lower rate paid, partially offset by a higher average balance, and
- $3 million decrease in interest expense on borrowings.

**NIM contracted by 21 basis points** from **3.53% to 3.32%**. **NIM, ex PAA contracted by 17 basis points** from **3.33% to 3.16%.** See the following page for a rollforward of NIM between 3Q24 and 4Q24.

### 4Q24 vs 4Q23

**Net interest income declined by $202 million** due to a $116 million decrease in interest income and a $86 million increase in interest expense. The significant components of the changes follow:

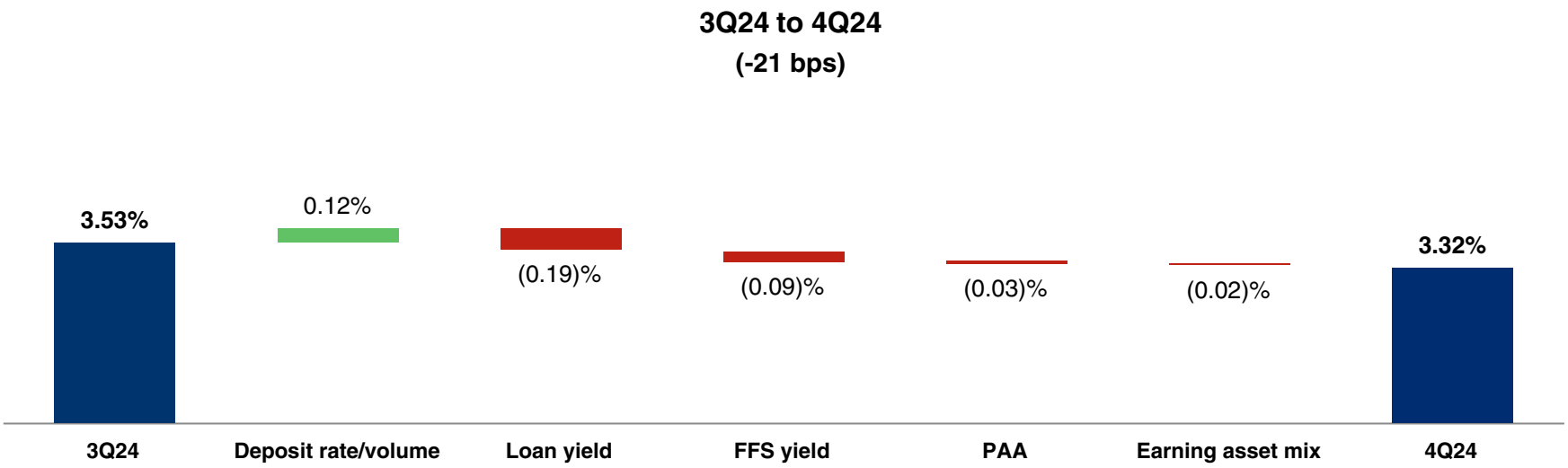
- $183 million decrease in interest income on overnight investments due to a lower average balance and yield,
- $113 million decrease in accretion income, and
- $92 million increase in interest expense on deposits primarily due to a higher average balance; partially offset by
- $136 million increase in interest income on investment securities due to a higher average balance and yield,
- $39 million increase in interest income on loans (ex accretion income) due to a higher average balance, partially offset by a lower yield, and
- $6 million decrease in interest expense on borrowings.

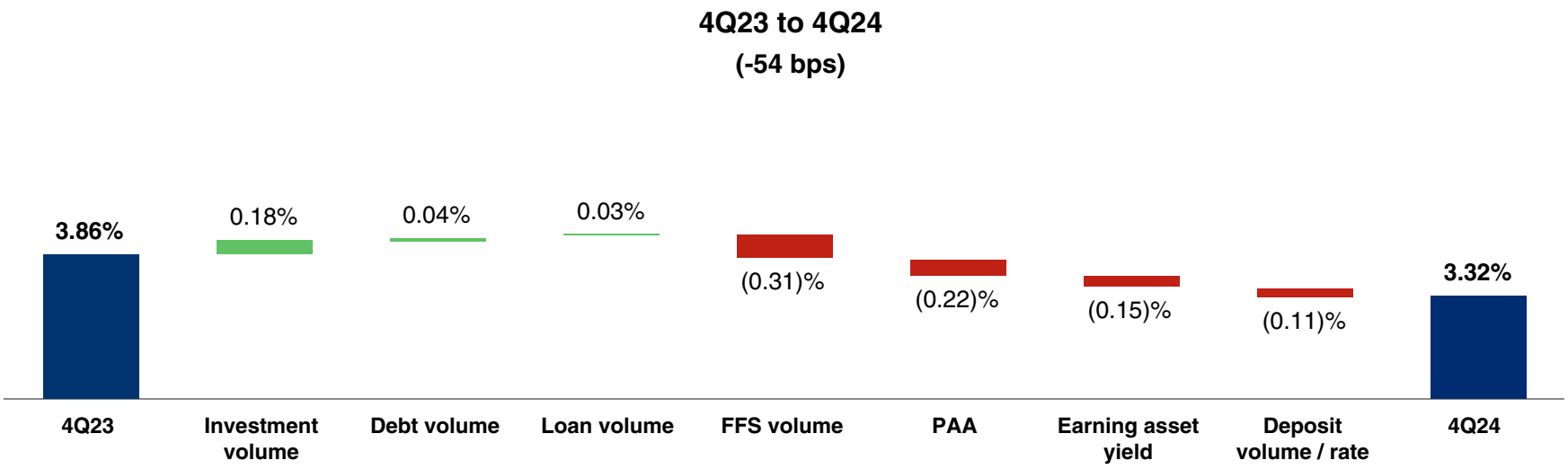
**NIM contracted 54 basis points** from **3.86% to 3.32%**. **NIM, ex PAA contracted by 31 basis points** from **3.47% to 3.16%**. See the following page for a rollforward of NIM between 4Q23 and 4Q24.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# NIM Rollforward

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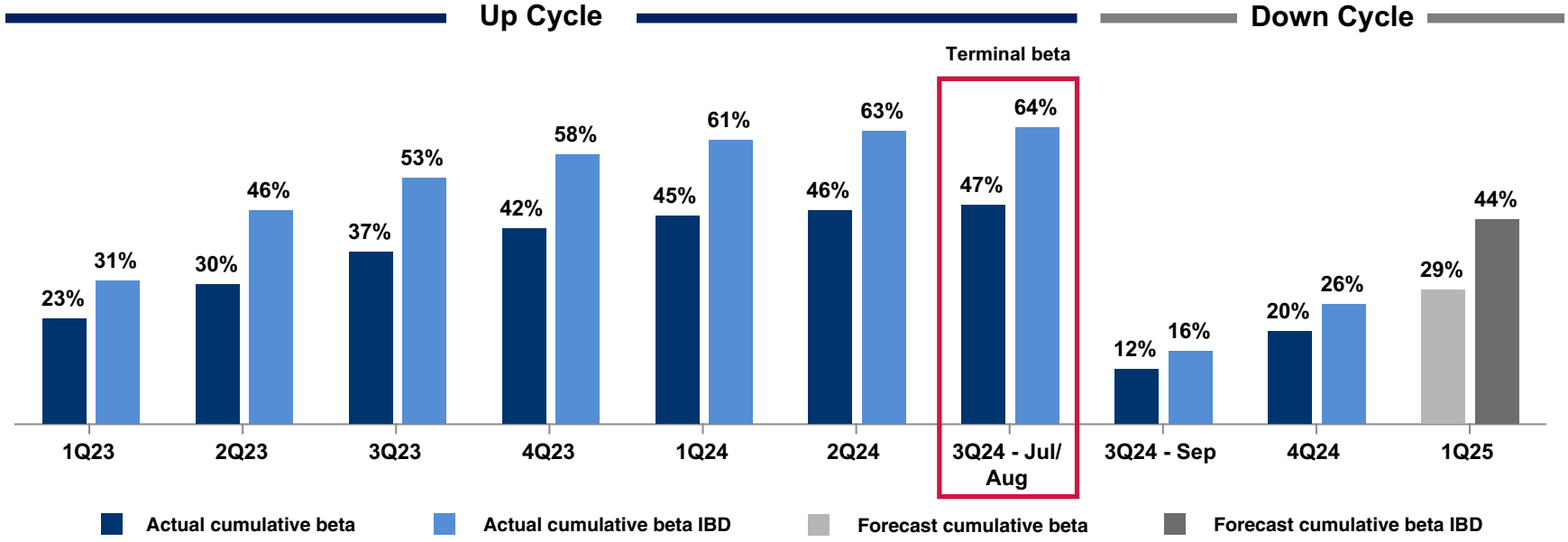
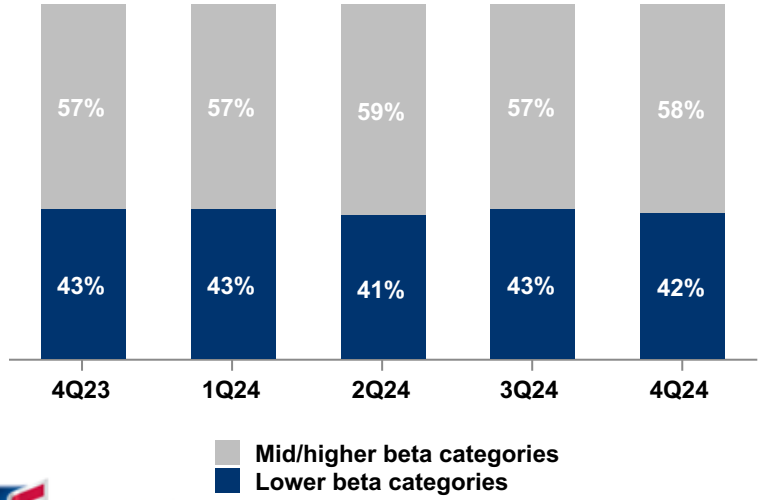
# Historical and Forecasted Cumulative Deposit Beta




## Total Deposits




## Highlights

- Our total cumulative deposit beta peaked in August prior to the September rate cuts. We are forecasting our cumulative down cycle beta to increase in the first quarter as the full effect of the initial rate cuts pull through.
- Longer term, we expect betas to be in the 30% range for total deposits and in the 45-50% range for interest-bearing deposits.

- **Mid/higher beta categories:**
  - > 30% beta on Direct Bank and SVB Commercial money market, savings and time deposit accounts.
  - 20 to 30% beta on Branch Network commercial money market accounts and Community Association Banking checking with interest and money market accounts.
- **Lower beta categories:**
  - 0 to 20% beta on total noninterest bearing deposits and Branch Network consumer money market accounts, checking with interest and savings accounts.

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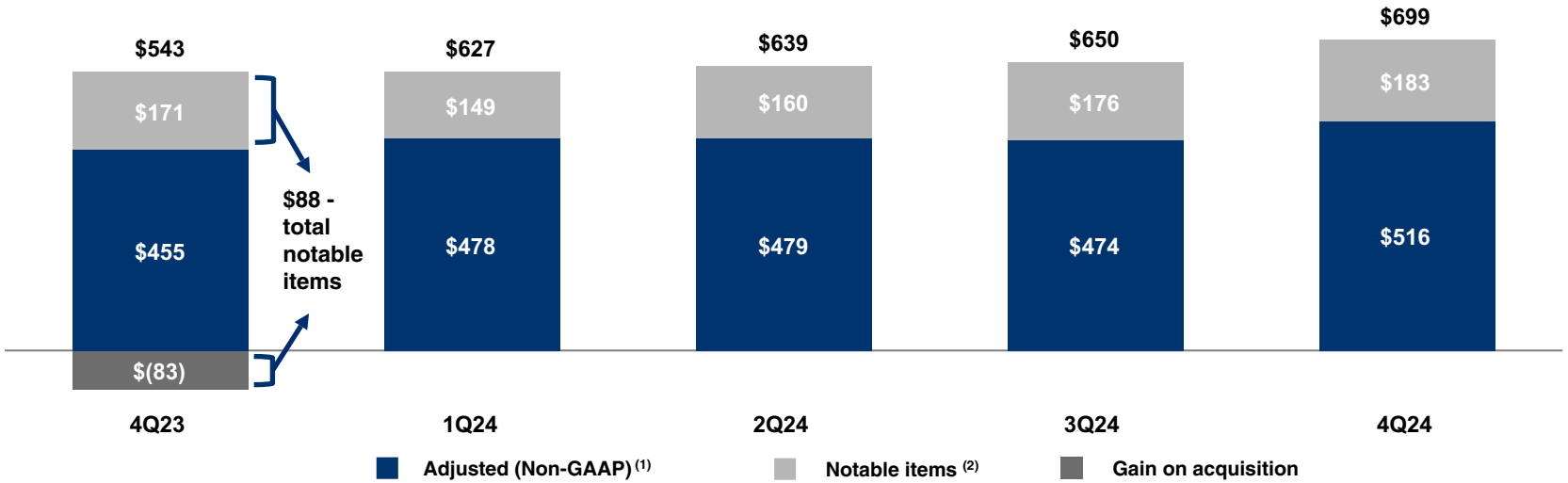
# Noninterest income

*($ in millions)*




## Highlights

**4Q24 vs 3Q24**

**Noninterest income increased by $49 million.**

***Adjusted noninterest income (1) increased by $42 million. Significant components included:***

- $21 million increase in other noninterest income primarily due to fair value changes in customer derivative positions and other nonmarketable investments,
- $16 million increase in adjusted rental income on operating lease equipment due to continued strong utilization and repricing, as well as lower maintenance,
- $4 million increase in international fees due to higher FX activity, and
- $1 million net increase spread among various noninterest income line items.

***Notable items totaled $183 million compared to $176 million in the linked quarter. Refer to Section V of this presentation for notable item details.***

**4Q24 vs 4Q23**

**Noninterest income increased by $156 million.**

***Adjusted noninterest income (1) increased by $61 million. Significant components included:***

- $23 million increase in rental income on operating lease equipment due to the same reasons noted in the linked quarter explanation,
- $18 million increase in other noninterest income due to the same reasons noted in the linked quarter explanation,
- $6 million increase in wealth management income due to higher assets under management,
- $5 million increase in cardholder services due to decreased processing expenses and higher volume,
- $4 million increase in international fees due to the same reason noted in the linked quarter explanation, and
- $5 million net increase spread among various noninterest income line items.

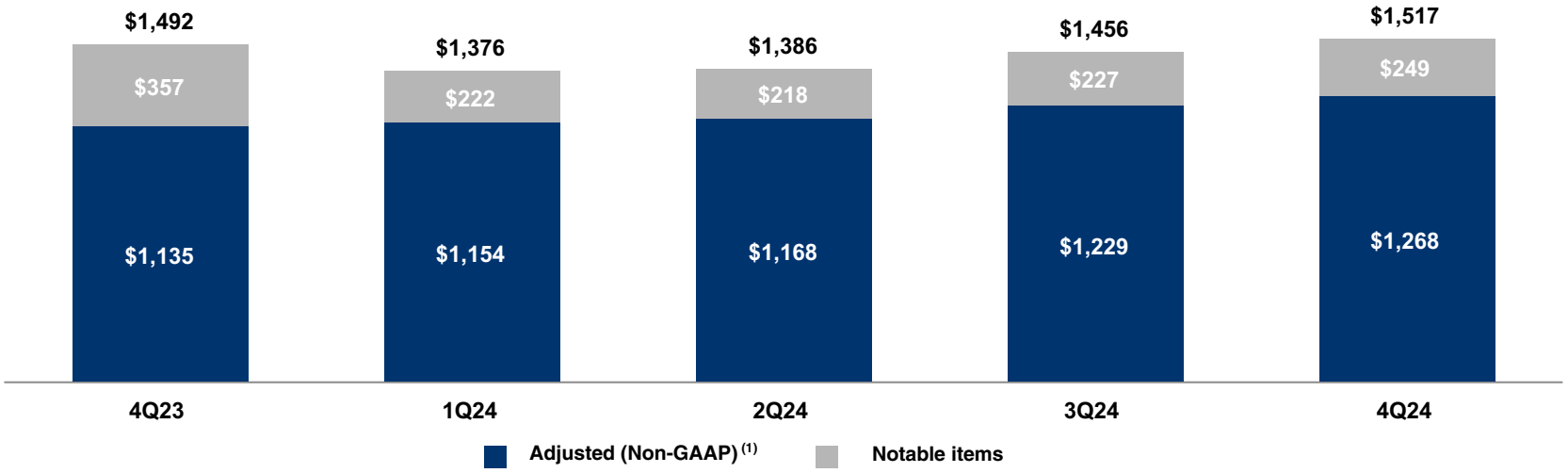
***Notable items totaled $183 million compared to $88 million in the prior year quarter. Refer to Section V of this presentation for notable item details.***



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Excludes gain on acquisition as it is broken out separately.

# Noninterest expense

*($ in millions)*




## Highlights

### 4Q24 vs 3Q24

**Noninterest expense increased by $61 million.**

***Adjusted noninterest expense (1) increased by $39 million. Significant components included:***

- $24 million increase in other noninterest expense driven by higher state related non-income taxes, charitable donations to support relief efforts for recent hurricanes, and other miscellaneous items,
- $13 million increase in personnel cost primarily due to net staff additions, higher revenue related incentive compensation and increased benefit expenses, and
- $8 million increase in equipment expense primarily due to ongoing technology investments; partially offset by
- $12 million decrease in professional fees.

***Notable items totaled $249 million compared to $227 million in the linked quarter. Refer to Section V of this presentation for notable item details.***

**Adjusted efficiency ratio (1)** increased from 54.15% to 56.98%.

### 4Q24 vs 4Q23

**Noninterest expense increased by $25 million.**

***Adjusted noninterest expense (1) increased by $133 million. Significant components included:***

- $87 million increase in personnel cost primarily due to net staff additions, increased benefit expenses and higher temporary labor costs associated with technology projects,
- $22 million increase in equipment expense due to the same reason noted in the linked quarter explanation,
- $16 million increase in other noninterest expense spread among miscellaneous items, and
- $15 million increase in FDIC insurance expense primarily due to a larger average balance; partially offset by
- $9 million decrease in third-party processing fees, and
- $5 million decrease in net occupancy expense.

***Notable items totaled $249 million compared to $357 million in the prior year quarter. Refer to Section V of this presentation for notable items details.***

**Adjusted efficiency ratio (1)** increased from 48.00% to 56.98%.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# Balance Sheet Highlights

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

| SELECT PERIOD END BALANCES | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs 3Q24 [1] $ | 4Q24 vs 3Q24 [1] % | 4Q24 vs 4Q23 [1] $ | 4Q24 vs 4Q23 [1] % |
|---|---|---|---|---|---|---|---|
| Interest-earning deposits at banks | $ 21,364 | $ 25,640 | $ 33,609 | $ (4,276) | (66.3)% | $ (12,245) | (36.4)% |
| Investment securities | 44,090 | 38,663 | 29,999 | 5,427 | 55.8 | 14,091 | 47.0 |
| Loans and leases | 140,221 | 138,695 | 133,302 | 1,526 | 4.4 | 6,919 | 5.2 |
| Operating lease equipment, net [2] | 9,323 | 9,186 | 8,746 | 137 | 5.9 | 577 | 6.6 |
| Deposits | 155,229 | 151,574 | 145,854 | 3,655 | 9.6 | 9,375 | 6.4 |
| Noninterest-bearing deposits | 38,633 | 39,396 | 39,799 | (763) | (7.7) | (1,166) | (2.9) |
| Borrowings | 37,051 | 37,161 | 37,654 | (110) | (1.2) | (603) | (1.6) |
| Tangible common stockholders' equity (non-GAAP) [3] | 20,752 | 21,336 | 19,716 | (584) | (10.9) | 1,036 | 5.3 |
| Common stockholders' equity | 21,347 | 21,947 | 20,374 | (600) | (10.9) | 973 | 4.8 |
| Total stockholders' equity | 22,228 | 22,828 | 21,255 | (600) | (10.5) | 973 | 4.6 |

| KEY METRICS | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs 3Q24 | 4Q24 vs 4Q23 |
|---|---|---|---|---|---|
| CET1 capital ratio | 12.99 % | 13.24 % | 13.36 % | (0.25)% | (0.37)% |
| Book value per common share | $ 1,556.16 | $ 1,547.81 | $ 1,403.12 | $ 8.35 | $ 153.04 |
| Tangible book value per common share (non-GAAP) [3] | 1,512.77 | 1,504.75 | 1,357.77 | 8.02 | 155.00 |
| Tangible capital to tangible assets (non-GAAP) [3] | 9.30 % | 9.70 % | 9.25 % | (0.40)% | 0.05 % |
| Loan to deposit ratio | 90.33 | 91.50 | 91.39 | (1.17) | (1.06) |
| ALLL to total loans and leases | 1.20 | 1.21 | 1.31 | (0.01) | (0.11) |
| Noninterest-bearing deposits to total deposits | 24.89 | 25.99 | 27.29 | (1.10) | (2.40) |
| Total liquid assets (available cash + HQLS) | $ 59,339 | $ 58,359 | $ 57,284 | $ 980 | $ 2,055 |
| Total liquidity (liquid assets & contingent sources) [4] | 86,628 | 88,001 | 91,228 | (1,373) | (4,600) |
| Total liquidity / uninsured deposits [4] | 146 % | 150 % | 168 % | (4.00)% | (22.00)% |

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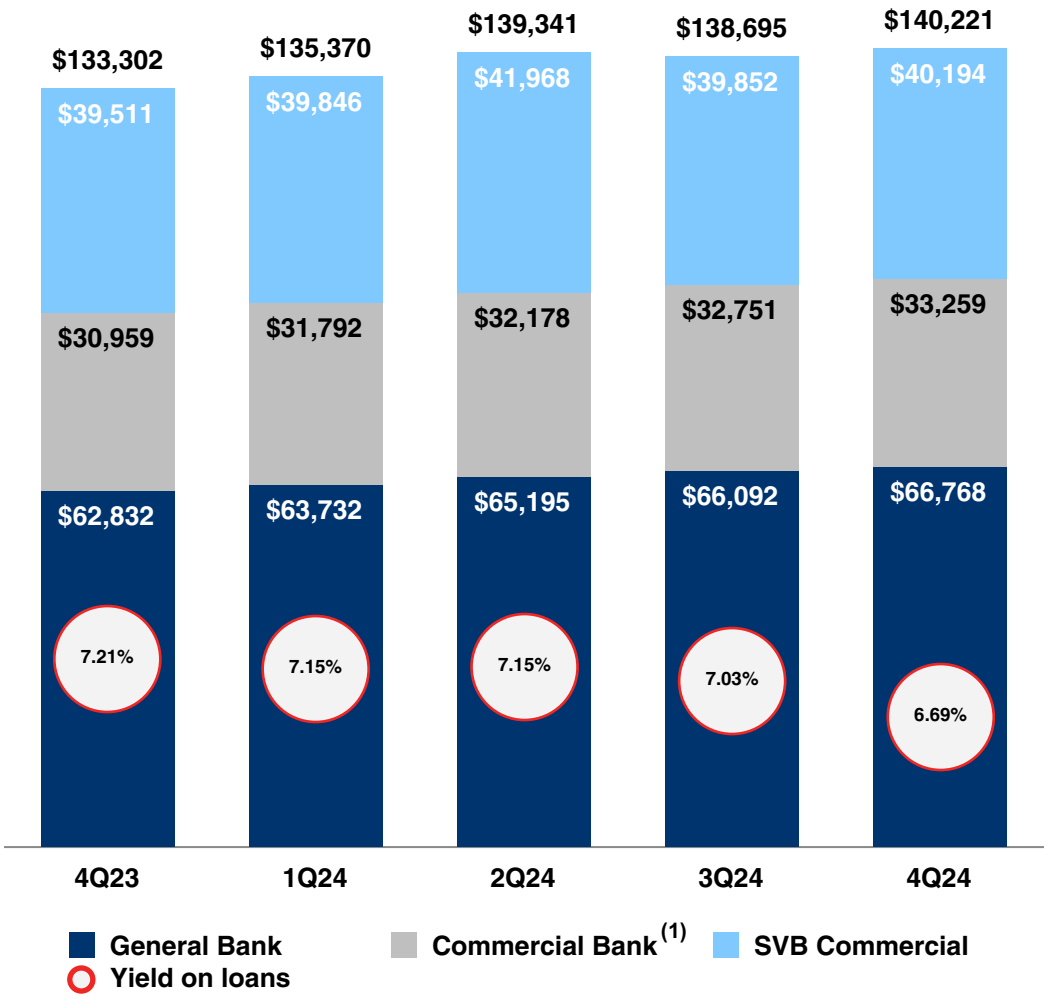
(1) Percent change is annualized and is calculated using unrounded numbers.
(2) Operating lease equipment, net includes $8.6 billion of rail assets.
(3) Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
(4) Total liquidity for 4Q24, 3Q24 and 4Q23 includes immediately available capacity under the FDIC line of credit as of each period end. For more information, refer to slide 38.

# Loans and Leases

*($ in millions, period end balances)*




## Highlights

**4Q24 vs 3Q24**

- Total loans increased $1.5 billion or by 1.1% sequentially (4.4% annualized). The increase in loans was driven by a $676 million increase in the General Bank, a $508 million increase in the Commercial Bank, and a $342 million increase in SVB Commercial.
- General Bank growth was driven by continued strong performance in business and commercial loans. Growth in the Commercial Bank was concentrated in our industry verticals.
- The increase in the SVB Commercial segment was driven by growth in Global Fund Banking, partially offset by a decline in the Tech and Healthcare business as repayment levels continue to outpace new loan originations.

**4Q24 vs 4Q23**

- Total loans increased $6.9 billion or by 5.2%. The increase in loans was driven by a $3.9 billion (6.3%) increase in the General Bank, a $2.3 billion (7.3%) increase in the Commercial Bank, and a $683 million (1.7%) increase in the SVB Commercial segment.
- Loan growth in all operating segments was due to the same reasons noted in the linked quarter explanations.

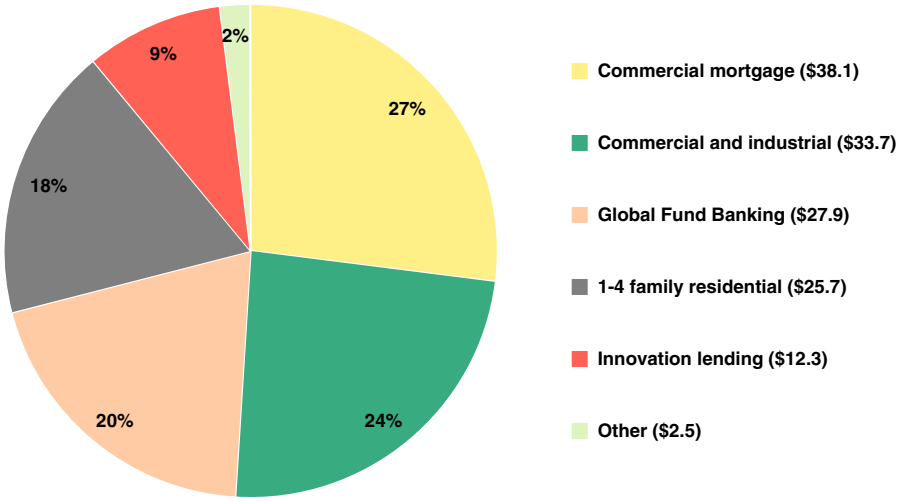


**(1)** Commercial Bank includes a small amount of Rail loans (less than $100 million in all periods). Rail operating lease assets are not included in the loan totals.

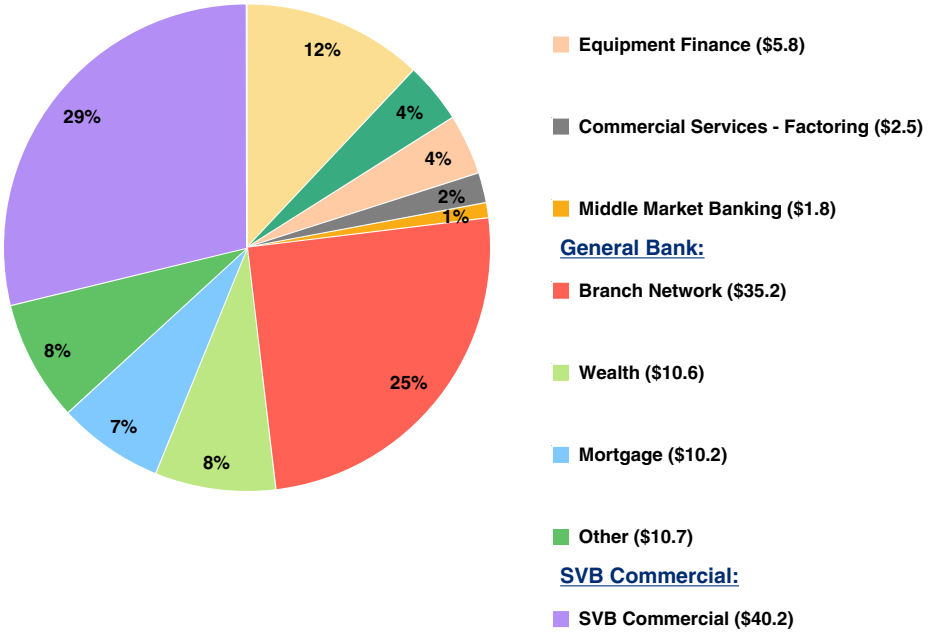
# 4Q24 Loans and Leases Composition

*($ in billions, period end balances)*

## Class



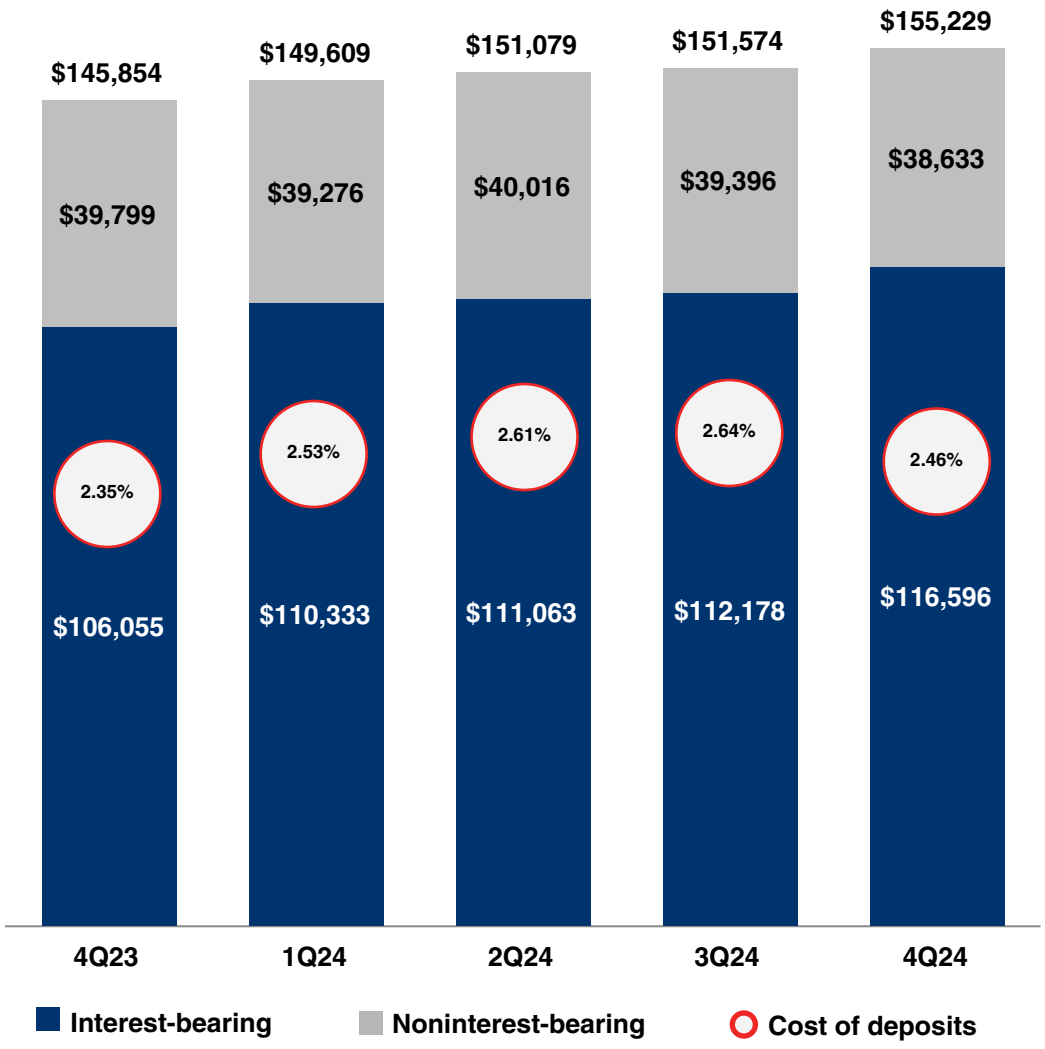

## Segment




**Note** – Rail operating lease assets are not included in the loan totals. Totals may not foot due to rounding.

# Deposits

*($ in millions, period end balances)*




## Highlights

**4Q24 vs. 3Q24**

- Total deposits increased $3.7 billion or by 2.4% sequentially (9.6% annualized), driven by a $1.6 billion increase in the Direct Bank, a $893 million increase in the General Bank due to growth in the Branch Network, a $692 million increase in SVB Commercial driven by Tech and Healthcare business and a $529 million increase in the Commercial Bank.

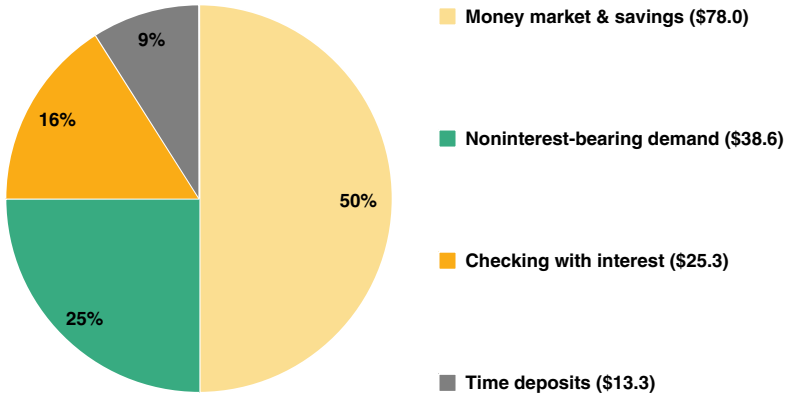
**4Q24 vs. 4Q23**

- Total deposits grew $9.4 billion or by 6.4%, driven primarily by a $4.3 billion increase in the General Bank due to growth in the Branch Network, a $3.4 billion increase in the Direct Bank and a $1.9 billion increase in the SVB Commercial segment driven by growth in both the Global Fund Banking and Tech and Healthcare businesses.

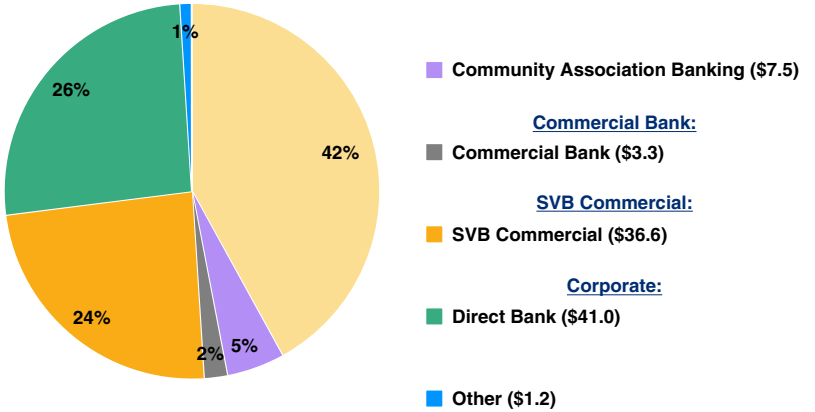
# 4Q24 Deposit Composition

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

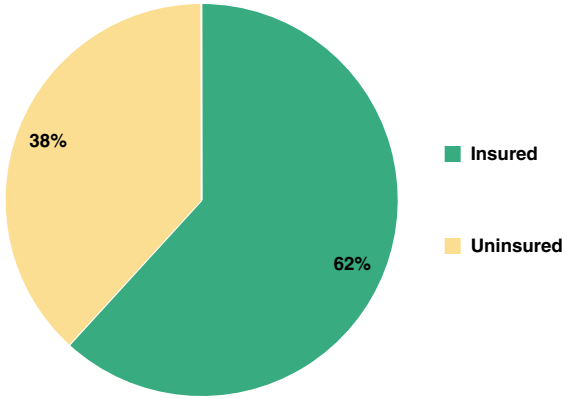
## Type




## Segment




## Insured vs Uninsured




## Average Account Size and Insured by Segment

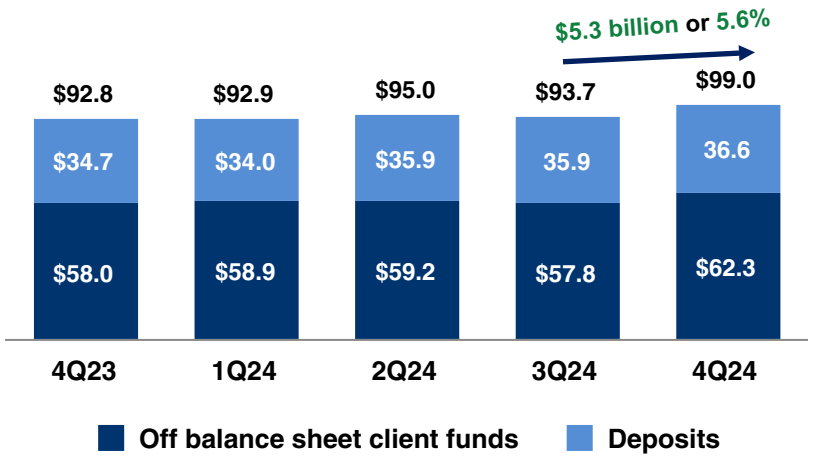
| | Total deposits | Average size | Insured % |
|---|---|---|---|
| General Bank | $ 73.1 | $ 35,648 | 66% |
| Commercial Bank | 3.3 | 280,886 | 14% |
| SVB Commercial | 36.6 | 518,710 | 29% |
| Corporate | 42.2 | 57,579 | 87% |
| **Total** | **$ 155.2** | **$ 54,171** | **62%** |

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

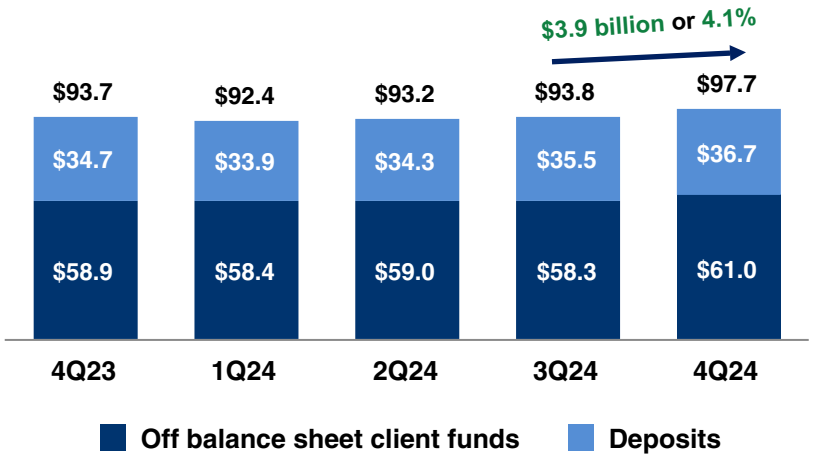
# SVB Commercial Segment Trends

**Continued pressure from market challenges remain, but underlying business activity continues to be strong.**

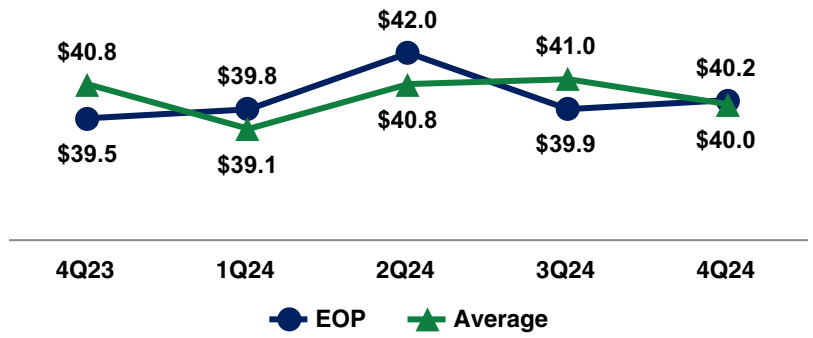
## Total client funds (EOP)



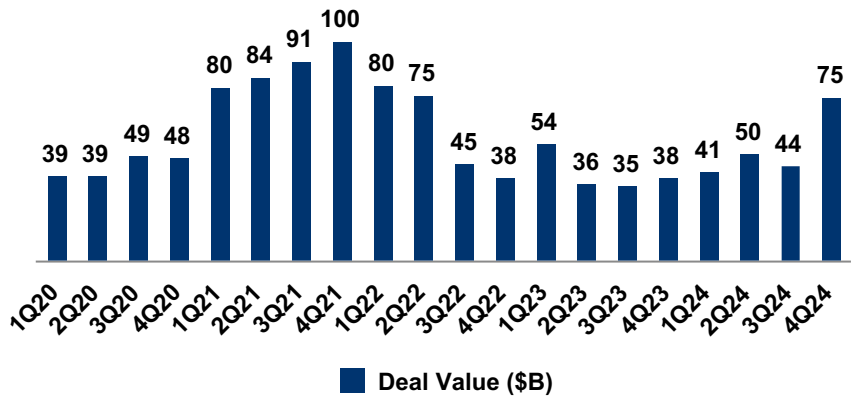

## Total client funds (Avg)




## Loans




## US VC investment (1)

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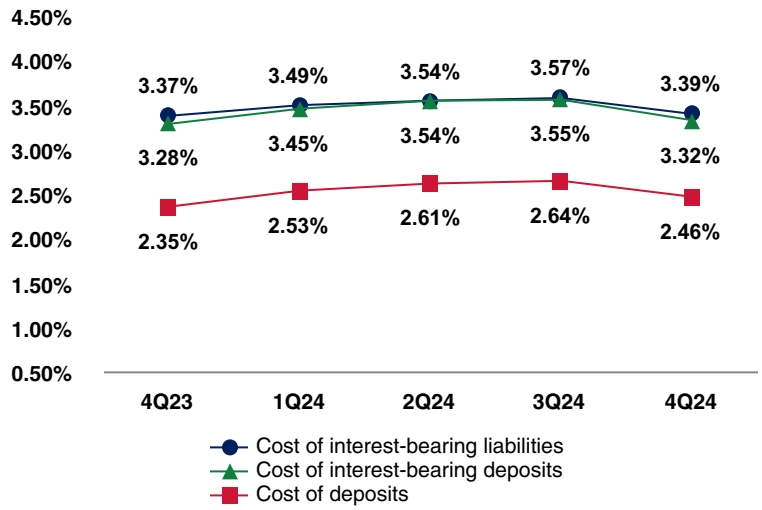
**(1)** US VC investment data is sourced using PitchBook Data, Inc. and subject to prior period revisions.

# Funding Mix

*($ in millions)*

| | Period End Balances | | | | | | | | | | Increase (decrease) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4Q24 | | 3Q24 | | 2Q24 | | 1Q24 | | 4Q23 | | 4Q24 vs. 3Q24 | 4Q24 vs. 4Q23 |
| Total deposits | $ 155,229 | 80.7 % | $ 151,574 | 80.3 % | $ 151,079 | 80.1 % | $ 149,609 | 79.9 % | $ 145,854 | 79.5 % | $ 3,655 | $ 9,375 |
| Securities sold under customer repurchase agreements | 367 | 0.2 | 391 | 0.2 | 386 | 0.2 | 395 | 0.2 | 485 | 0.3 | (24) | (118) |
| Purchase money note | 35,816 | 18.6 | 35,803 | 19.0 | 35,790 | 19.0 | 35,858 | 19.2 | 35,846 | 19.5 | 13 | (30) |
| FHLB borrowings | — | — | — | — | — | — | — | — | — | — | — | — |
| Subordinated debt | 795 | 0.4 | 901 | 0.5 | 900 | 0.5 | 903 | 0.5 | 938 | 0.5 | (106) | (143) |
| Senior unsecured borrowings | 58 | — | 59 | — | 374 | 0.2 | 375 | 0.2 | 377 | 0.2 | (1) | (319) |
| Other borrowings | 15 | — | 7 | — | 8 | — | 9 | — | 8 | — | 8 | 7 |
| **Total deposits and borrowed funds** | **$ 192,280** | **100 %** | **$ 188,735** | **100 %** | **$ 188,537** | **100 %** | **$ 187,149** | **100 %** | **$ 183,508** | **100 %** | **$ 3,545** | **$ 8,772** |

## Cost of funds




## Highlights

**4Q24 vs 3Q24**

- Funding mix remained stable with approximately 80% of our funding provided by our deposit base.
- Cost of deposits decreased by 18 basis points and cost of interest-bearing deposits decreased by 23 basis points from the impact of Fed rate cuts in the last four months of 2024.

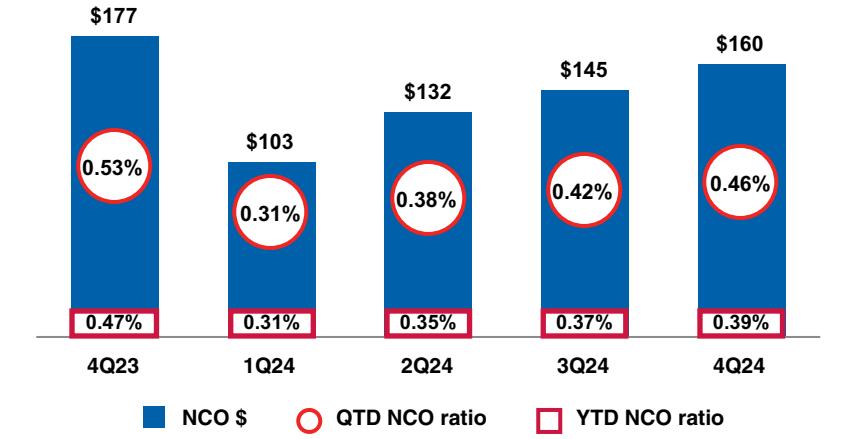


**Note** – Funding mix percentages may not foot due to rounding.

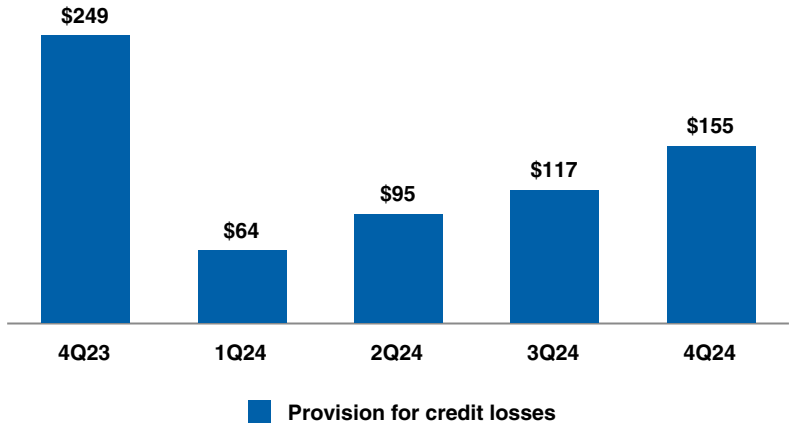
# Credit Quality Trends and Allowance

*($ in millions)*

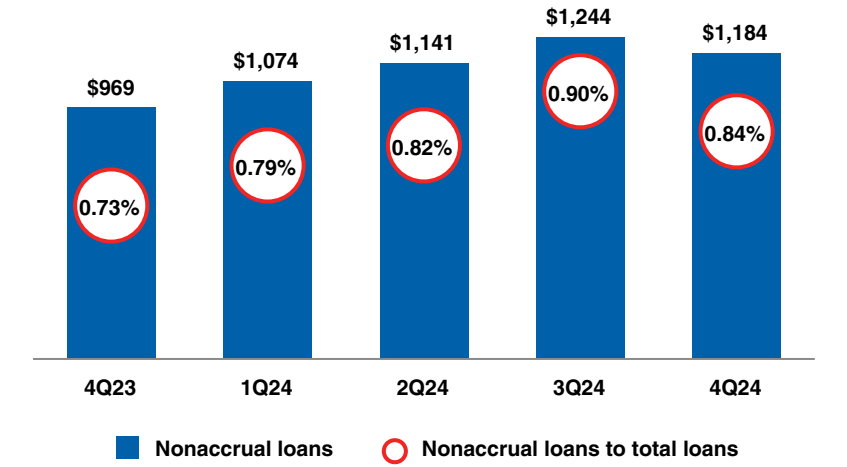
## Net charge-offs & NCO ratio



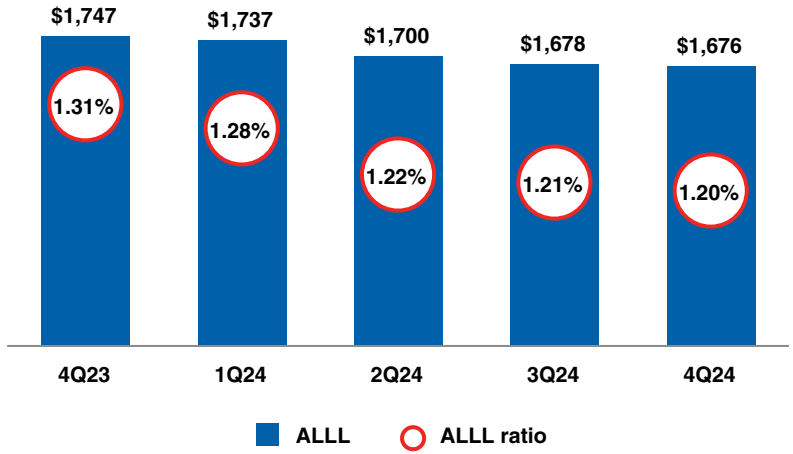

## Provision for credit losses




## Nonaccrual loans / total loans & leases




## Allowance & ALLL ratio

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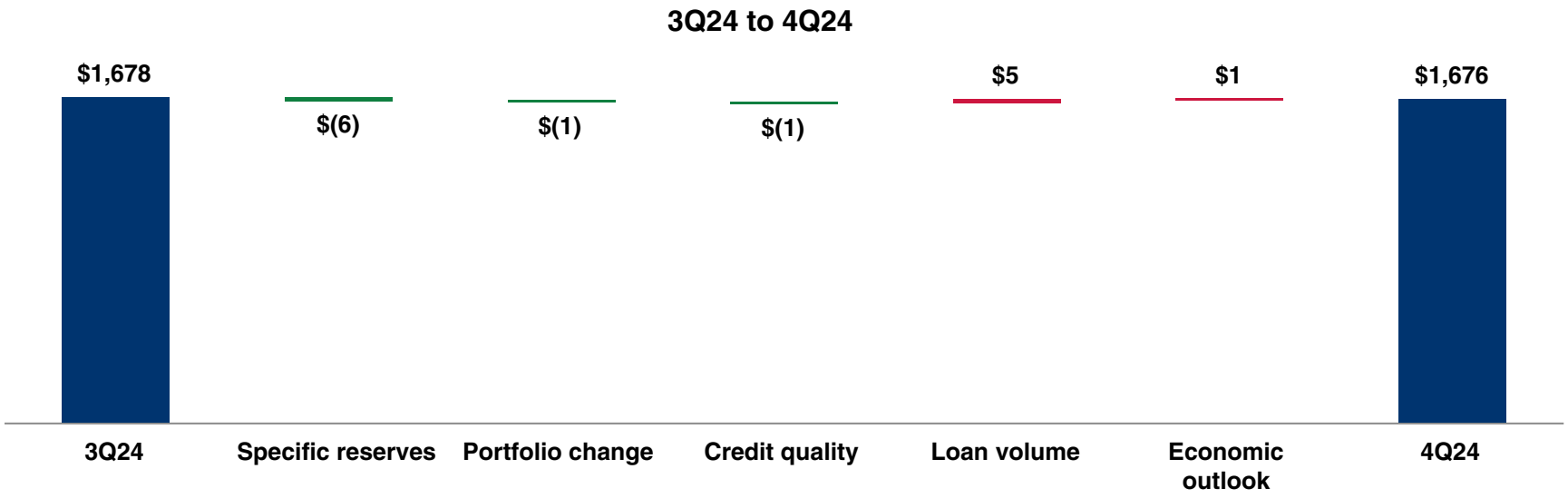
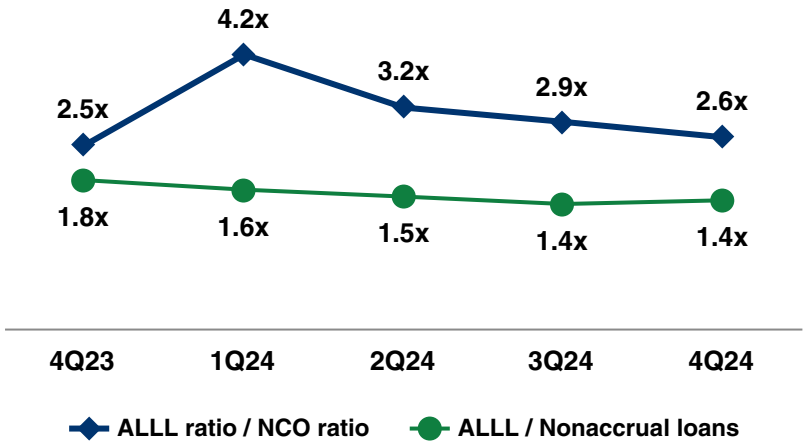
# Allowance for loan and lease losses

*($ in millions)*




## ALLL Coverage



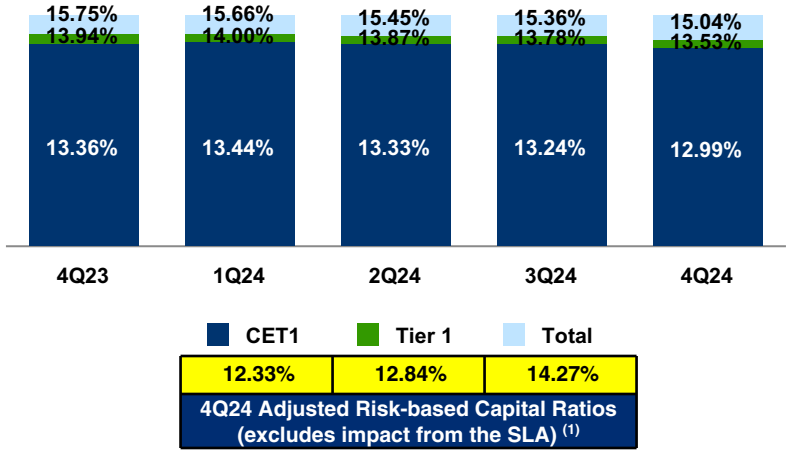

## Highlights

**4Q24 vs 3Q24**

- **ALLL decreased $2 million** compared to the linked quarter reflecting lower specific reserves as loans that were previously reserved for were charged off in the quarter, partially offset by growth in higher credit quality loan portfolios.
- The ALLL covered annualized net charge-offs **2.6 times** and provided **1.4 times** coverage of nonaccrual loans.

# Capital

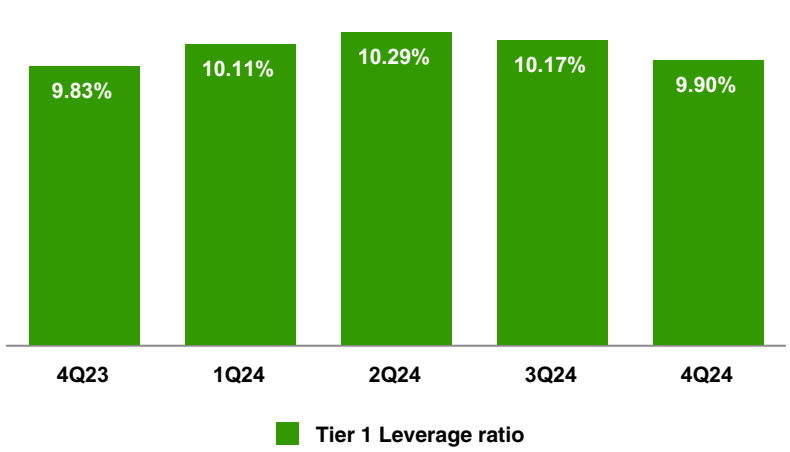
## Risk-based capital ratios



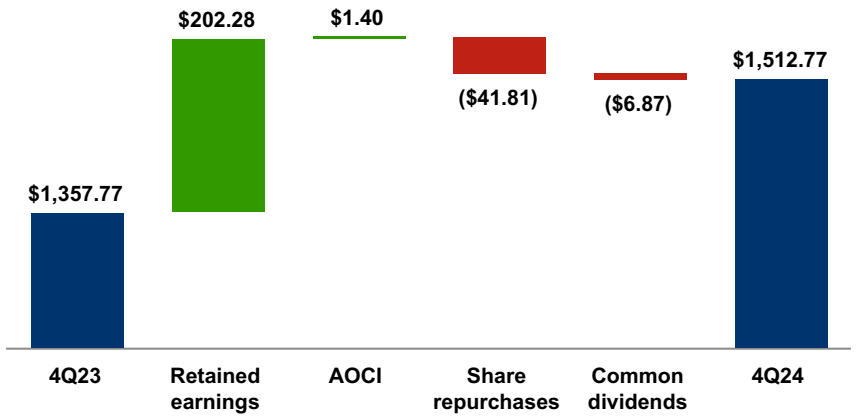

## Capital ratio rollforward

| | Risk-Based Capital | | | Tier 1 |
|---|---|---|---|---|
| | Total | Tier 1 | CET1 | Leverage |
| **December 31, 2023** | **15.75%** | **13.94%** | **13.36%** | **9.83%** |
| Net income | 1.70% | 1.70% | 1.70% | 1.23% |
| Change in risk-weighted/average assets | -0.48% | -0.43% | -0.41% | -0.34% |
| Shared loss agreement coverage runoff | -0.73% | -0.65% | -0.63% | 0.00% |
| Share repurchases | -1.02% | -1.02% | -1.02% | -0.76% |
| Tier 2 Instrument Call/Phase Outs | -0.12% | 0.00% | 0.00% | 0.00% |
| Common dividends | -0.06% | -0.06% | -0.06% | -0.04% |
| Preferred dividends | -0.04% | -0.04% | -0.04% | -0.03% |
| Other | 0.04% | 0.09% | 0.09% | 0.01% |
| **December 31, 2024** | **15.04%** | **13.53%** | **12.99%** | **9.90%** |
| **Change since December 31, 2023** | **-0.71%** | **-0.41%** | **-0.37%** | **0.07%** |

## Tier 1 Leverage ratio




## Tangible book value per share (1)

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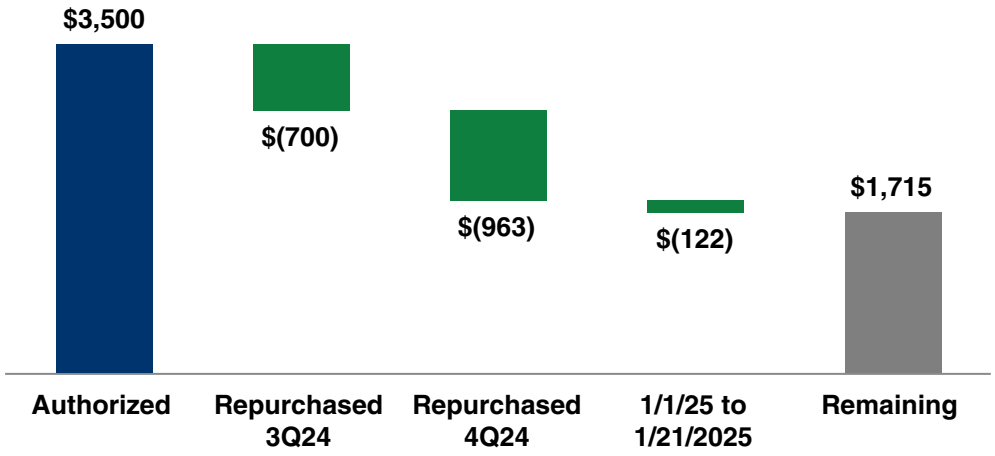
**Note** – The above capital ratios represent BancShares ratios and are preliminary pending completion of quarterly regulatory filings.
**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# Share Repurchase Plan Update

**In July 2024, we announced a plan to repurchase up to $3.5 billion of Class A common shares.**

## We have completed 51% of the repurchase plan through 1/21/25

($ in millions)




## Highlights

- We have repurchased 6.44% of Class A common shares and 6.00% of total common shares as of January 21, 2025.
- 3Q24 included two months of repurchase activity as we commenced the buyback program following board approval in late July.

**Repurchase Summary (through 1/21/25)**

| Period | Shares | Average Price | Total Cost ($ *in millions*) | Repurchase Completed |
|---|---|---|---|---|
| 3Q24 | 353,058 | $ 1,982.62 | $ 700.0 | 20 % |
| 4Q24 | 461,583 | 2,086.27 | 963.0 | 28 |
| 1/1/25 to 1/21/2025 | 56,970 | 2,134.84 | 121.6 | 3 |
| **Total** | **871,611** | **$ 2,047.46** | **$ 1,784.6** | **51 %** |

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# Financial Outlook

## Section III

# Key Earnings Estimate Assumptions

| Metric | 4Q24 | 1Q25 - Projected | FY25 - Projected |
|---|---|---|---|
| **Loans and leases - EOP** | **$140.2 billion** | $140 billion - $142 billion | $144 billion - $147 billion |
| **Deposits - EOP** | **$155.2 billion** | $154 billion - $157 billion | $162 billion - $167 billion |
| **Interest rates** | | Zero to one 25 bps cuts in 1Q25 | Zero to four 25 bps cuts in 2025; Fed funds ending between 3.25 - 4.50 % |
| **Net interest income** | **$1.7 billion** | $1.65 billion - $1.75 billion | $6.6 billion - $7.0 billion |
| **Net charge-off ratio (annualized where applicable)** | **46 bps** | 40 - 50 bps | 35 - 45 bps |
| **Adjusted noninterest income** | **$516 million** (1) | $475 million - $500 million | $1.95 billion - $2.05 billion |
| **Adjusted noninterest expense** | **$1.27 billion** (1) | $1.27 billion - $1.30 billion | $5.05 billion - $5.20 billion |
| **Effective tax rate** | **NM** | 25.0% - 26.0% | 25.0% - 26.0% |

**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

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**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.

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# Appendix

## Section IV

# BancShares Balance Sheets (unaudited)

*($ in millions)*

| | Dec 31, 2024 | Sep 30, 2024 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and due from banks | $ 814 | $ 862 | $ 764 | $ 698 | $ 908 |
| Interest-earning deposits at banks | 21,364 | 25,640 | 25,361 | 30,792 | 33,609 |
| Securities purchased under agreements to resell | 158 | 455 | 392 | 394 | 473 |
| Investment in marketable equity securities | 101 | 82 | 78 | 79 | 84 |
| Investment securities available for sale | 33,750 | 28,190 | 27,053 | 24,915 | 19,936 |
| Investment securities held to maturity | 10,239 | 10,391 | 10,535 | 10,050 | 9,979 |
| Assets held for sale | 85 | 68 | 92 | 86 | 76 |
| Loans and leases | 140,221 | 138,695 | 139,341 | 135,370 | 133,302 |
| Allowance for loan and lease losses | (1,676) | (1,678) | (1,700) | (1,737) | (1,747) |
| **Loans and leases, net of allowance for loan and lease losses** | **138,545** | **137,017** | **137,641** | **133,633** | **131,555** |
| Operating lease equipment, net | 9,323 | 9,186 | 8,945 | 8,811 | 8,746 |
| Premises and equipment, net | 2,006 | 1,974 | 1,938 | 1,906 | 1,877 |
| Goodwill | 346 | 346 | 346 | 346 | 346 |
| Other intangible assets, net | 249 | 265 | 280 | 295 | 312 |
| Other assets | 6,740 | 6,091 | 6,402 | 5,831 | 5,857 |
| **Total assets** | **$ 223,720** | **$ 220,567** | **$ 219,827** | **$ 217,836** | **$ 213,758** |
| **LIABILITIES** | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing | $ 38,633 | $ 39,396 | $ 40,016 | $ 39,276 | $ 39,799 |
| Interest-bearing | 116,596 | 112,178 | 111,063 | 110,333 | 106,055 |
| **Total deposits** | **155,229** | **151,574** | **151,079** | **149,609** | **145,854** |
| Credit balances of factoring clients | 1,016 | 1,250 | 1,175 | 1,152 | 1,089 |
| Short-term borrowings | 367 | 391 | 386 | 395 | 485 |
| Long-term borrowings | 36,684 | 36,770 | 37,072 | 37,145 | 37,169 |
| Total borrowings | 37,051 | 37,161 | 37,458 | 37,540 | 37,654 |
| Other liabilities | 8,196 | 7,754 | 7,628 | 7,687 | 7,906 |
| **Total liabilities** | **201,492** | **197,739** | **197,340** | **195,988** | **192,503** |
| **STOCKHOLDERS' EQUITY** | | | | | |
| Preferred stock | 881 | 881 | 881 | 881 | 881 |
| Common stock | 14 | 14 | 15 | 15 | 15 |
| Additional paid in capital | 2,417 | 3,389 | 4,099 | 4,099 | 4,108 |
| Retained earnings | 19,361 | 18,703 | 18,102 | 17,435 | 16,742 |
| Accumulated other comprehensive loss | (445) | (159) | (610) | (582) | (491) |
| **Total stockholders' equity** | **22,228** | **22,828** | **22,487** | **21,848** | **21,255** |
| **Total liabilities and stockholders' equity** | **$ 223,720** | **$ 220,567** | **$ 219,827** | **$ 217,836** | **$ 213,758** |



# BancShares Income Statements (unaudited)

*($ in millions)*

| | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 |
|---|---|---|---|---|---|
| **INTEREST INCOME** | | | | | |
| Interest and fees on loans | $ 2,322 | $ 2,430 | $ 2,422 | $ 2,354 | $ 2,391 |
| Interest on investment securities | 377 | 358 | 330 | 282 | 241 |
| Interest on deposits at banks | 302 | 350 | 378 | 448 | 485 |
| **Total interest income** | **3,001** | **3,138** | **3,130** | **3,084** | **3,117** |
| **INTEREST EXPENSE** | | | | | |
| Deposits | 957 | 1,004 | 975 | 928 | 865 |
| Borrowings | 335 | 338 | 334 | 339 | 341 |
| **Total interest expense** | 1,292 | 1,342 | 1,309 | 1,267 | 1,206 |
| **Net interest income** | **1,709** | **1,796** | **1,821** | **1,817** | **1,911** |
| Provision for credit losses | 155 | 117 | 95 | 64 | 249 |
| **Net interest income after provision for credit losses** | **1,554** | **1,679** | **1,726** | **1,753** | **1,662** |
| **NONINTEREST INCOME** | | | | | |
| Rental income on operating lease equipment | 272 | 262 | 259 | 255 | 252 |
| Lending-related fees | 68 | 67 | 63 | 59 | 67 |
| Deposit fees and service charges | 58 | 57 | 57 | 58 | 55 |
| Client investment fees | 54 | 55 | 54 | 50 | 51 |
| Wealth management services | 54 | 54 | 52 | 51 | 48 |
| International fees | 33 | 29 | 29 | 28 | 29 |
| Factoring commissions | 20 | 19 | 19 | 17 | 22 |
| Cardholder services, net | 41 | 42 | 40 | 40 | 36 |
| Merchant services, net | 13 | 12 | 12 | 12 | 12 |
| Insurance commissions | 13 | 14 | 13 | 15 | 14 |
| Realized gain on sale of investment securities, net | 2 | 4 | — | — | — |
| Fair value adjustment on marketable equity securities, net | 10 | 9 | (2) | (4) | 9 |
| Gain on sale of leasing equipment, net | 11 | 5 | 4 | 10 | 2 |
| Gain on acquisition | — | — | — | — | (83) |
| Loss on extinguishment of debt | — | — | — | (2) | — |
| Other noninterest income | 50 | 21 | 39 | 38 | 29 |
| **Total noninterest income** | **699** | **650** | **639** | **627** | **543** |
| **NONINTEREST EXPENSE** | | | | | |
| Depreciation on operating lease equipment | 101 | 99 | 98 | 96 | 96 |
| Maintenance and other operating lease expenses | 55 | 59 | 60 | 45 | 59 |
| Personnel cost | 801 | 788 | 745 | 744 | 714 |
| Net occupancy expense | 60 | 62 | 58 | 62 | 65 |
| Equipment expense | 136 | 128 | 126 | 114 | 114 |
| Professional fees | 30 | 42 | 24 | 25 | 28 |
| Third-party processing fees | 57 | 55 | 58 | 60 | 66 |
| FDIC insurance expense | 33 | 31 | 33 | 41 | 82 |
| Marketing expense | 24 | 20 | 18 | 14 | 24 |
| Acquisition-related expenses | 62 | 46 | 44 | 58 | 116 |
| Intangible asset amortization | 16 | 15 | 15 | 17 | 17 |
| Other noninterest expense | 142 | 111 | 107 | 100 | 111 |
| **Total noninterest expense** | **1,517** | **1,456** | **1,386** | **1,376** | **1,492** |
| **Income before income taxes** | **736** | **873** | **979** | **1,004** | **713** |
| Income tax expense | 36 | 234 | 272 | 273 | 199 |
| **Net income** | **$ 700** | **$ 639** | **$ 707** | **$ 731** | **$ 514** |
| Preferred stock dividends | $ 15 | $ 15 | $ 16 | $ 15 | $ 15 |
| **Net income available to common stockholders** | **$ 685** | **$ 624** | **$ 691** | **$ 716** | **$ 499** |

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# Noninterest income

*($ in millions)*

| | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 | 4Q24 Change vs 3Q24 $ | 4Q24 Change vs 3Q24 % |
|---|---|---|---|---|---|---|---|
| Rental income on operating lease equipment | $ 272 | $ 262 | $ 259 | $ 255 | $ 252 | $ 10 | 4.2 % |
| Lending-related fees | 68 | 67 | 63 | 59 | 67 | 1 | — |
| Deposit fees and service charges | 58 | 57 | 57 | 58 | 55 | 1 | 2.2 |
| Client investment fees | 54 | 55 | 54 | 50 | 51 | (1) | 0.1 |
| Wealth management services | 54 | 54 | 52 | 51 | 48 | — | (0.3) |
| International fees | 33 | 29 | 29 | 28 | 29 | 4 | 13.1 |
| Factoring commissions | 20 | 19 | 19 | 17 | 22 | 1 | 8.7 |
| Cardholder services, net | 41 | 42 | 40 | 40 | 36 | (1) | (3.1) |
| Merchant services, net | 13 | 12 | 12 | 12 | 12 | 1 | 14.8 |
| Insurance commissions | 13 | 14 | 13 | 15 | 14 | (1) | (6.0) |
| Realized gain on sale of investment securities, net | 2 | 4 | — | — | — | (2) | (70.0) |
| Fair value adjustment on marketable equity securities, net | 10 | 9 | (2) | (4) | 9 | 1 | 11.6 |
| Gain on sale of leasing equipment, net | 11 | 5 | 4 | 10 | 2 | 6 | 144.2 |
| Gain on acquisition | — | — | — | — | (83) | — | — |
| Loss on extinguishment of debt | — | — | — | (2) | — | — | — |
| Other noninterest income | 50 | 21 | 39 | 38 | 29 | 29 | 130.7 |
| **Total noninterest income - GAAP** | **$ 699** | **$ 650** | **$ 639** | **$ 627** | **$ 543** | **$ 49** | **7.7 %** |
| Rental income on operating lease equipment [1] | $ (152) | $ (158) | $ (158) | $ (141) | $ (155) | $ 6 | 3.8 % |
| Realized gain on sale of investment securities, net | (2) | (4) | — | — | — | 2 | 70.0 |
| Fair value adjustment on marketable equity securities, net | (10) | (9) | 2 | 4 | (9) | (1) | (11.6) |
| Gain on sale of leasing equipment, net | (11) | (5) | (4) | (10) | (2) | (6) | (144.2) |
| Gain on acquisition | — | — | — | — | 83 | — | — |
| Loss on extinguishment of debt | — | — | — | 2 | — | — | — |
| Other noninterest income | (8) | — | — | (4) | (5) | (8) | — |
| **Total notable items** | **$ (183)** | **$ (176)** | **$ (160)** | **$ (149)** | **$ (88)** | **$ (7)** | **(4.0)%** |
| Rental income on operating lease equipment | $ 120 | $ 104 | $ 101 | $ 114 | $ 97 | $ 16 | 15.7 % |
| Lending-related fees | 68 | 67 | 63 | 59 | 67 | 1 | — |
| Deposit fees and service charges | 58 | 57 | 57 | 58 | 55 | 1 | 2.2 |
| Client investment fees | 54 | 55 | 54 | 50 | 51 | (1) | 0.1 |
| Wealth management services | 54 | 54 | 52 | 51 | 48 | — | (0.3) |
| International fees | 33 | 29 | 29 | 28 | 29 | 4 | 13.1 |
| Factoring commissions | 20 | 19 | 19 | 17 | 22 | 1 | 8.7 |
| Cardholder services, net | 41 | 42 | 40 | 40 | 36 | (1) | (3.1) |
| Merchant services, net | 13 | 12 | 12 | 12 | 12 | 1 | 14.8 |
| Insurance commissions | 13 | 14 | 13 | 15 | 14 | (1) | (6.0) |
| Other noninterest income | 42 | 21 | 39 | 34 | 24 | 21 | 95.0 |
| **Total noninterest income - adjusted (Non-GAAP) [2]** | **$ 516** | **$ 474** | **$ 479** | **$ 478** | **$ 455** | **$ 42** | **9.0 %** |

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**(1)** Depreciation on operating lease equipment includes impairment of $4 million on rail assets in 4Q24. The $4 million impairment is a notable item and is excluded from adjusted rental income on operating lease equipment. See Section V entitled Non-GAAP Reconciliations.
**(2)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# Noninterest expense

*($ in millions)*

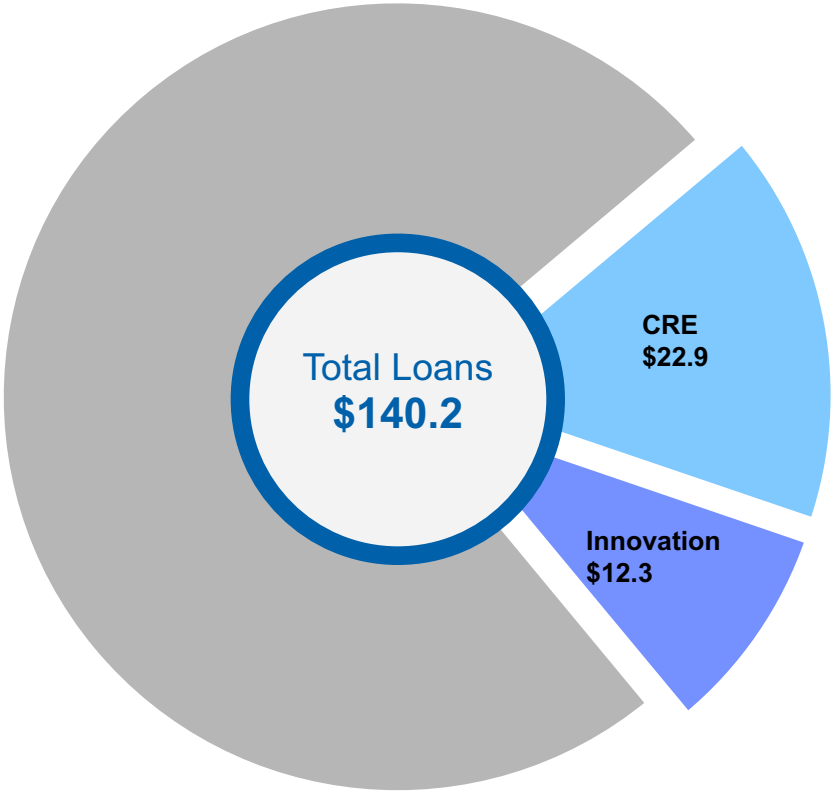
| | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 | 4Q24 Change vs 3Q24 $ | 4Q24 Change vs 3Q24 % |
|---|---|---|---|---|---|---|---|
| Depreciation on operating lease equipment | $ 101 | $ 99 | $ 98 | $ 96 | $ 96 | $ 2 | 3.3 % |
| Maintenance and other operating lease expenses | 55 | 59 | 60 | 45 | 59 | (4) | (7.7) |
| Personnel cost | 801 | 788 | 745 | 744 | 714 | 13 | 1.7 |
| Net occupancy expense | 60 | 62 | 58 | 62 | 65 | (2) | (2.9) |
| Equipment expense | 136 | 128 | 126 | 114 | 114 | 8 | 6.4 |
| Professional fees | 30 | 42 | 24 | 25 | 28 | (12) | (28.1) |
| Third-party processing fees | 57 | 55 | 58 | 60 | 66 | 2 | 5.0 |
| FDIC insurance expense | 33 | 31 | 33 | 41 | 82 | 2 | 2.9 |
| Marketing expense | 24 | 20 | 18 | 14 | 24 | 4 | 20.3 |
| Acquisition-related expenses | 62 | 46 | 44 | 58 | 116 | 16 | 36.7 |
| Intangible asset amortization | 16 | 15 | 15 | 17 | 17 | 1 | 0.9 |
| Other noninterest expense | 142 | 111 | 107 | 100 | 111 | 31 | 28.1 |
| **Total noninterest expense - GAAP** | **$ 1,517** | **$ 1,456** | **$ 1,386** | **$ 1,376** | **$ 1,492** | **$ 61** | **4.3 %** |
| | | | | | | | |
| Depreciation on operating lease equipment | $ (101) | $ (99) | $ (98) | $ (96) | $ (96) | $ (2) | (3.3)% |
| Maintenance and other operating lease expenses | (55) | (59) | (60) | (45) | (59) | 4 | 7.7 |
| Professional fees | — | — | (1) | (3) | (5) | — | — |
| FDIC insurance expense | — | — | (2) | (9) | (64) | — | — |
| Acquisition-related expenses | (62) | (46) | (44) | (58) | (116) | (16) | (36.7) |
| Intangible asset amortization | (16) | (15) | (15) | (17) | (17) | (1) | (0.9) |
| Other noninterest expense | (15) | (8) | 2 | 6 | — | (7) | 87.5 |
| **Total notable items** | **$ (249)** | **$ (227)** | **$ (218)** | **$ (222)** | **$ (357)** | **$ (22)** | **(9.7)%** |
| | | | | | | | |
| Personnel cost | $ 801 | $ 788 | $ 745 | $ 744 | $ 714 | $ 13 | 1.7 % |
| Net occupancy expense | 60 | 62 | 58 | 62 | 65 | (2) | (2.9) |
| Equipment expense | 136 | 128 | 126 | 114 | 114 | 8 | 6.4 |
| Professional fees | 30 | 42 | 23 | 22 | 23 | (12) | (28.8) |
| Third-party processing fees | 57 | 55 | 58 | 60 | 66 | 2 | 5.0 |
| FDIC insurance expense | 33 | 31 | 31 | 32 | 18 | 2 | 2.9 |
| Marketing expense | 24 | 20 | 18 | 14 | 24 | 4 | 20.3 |
| Other noninterest expense | 127 | 103 | 109 | 106 | 111 | 24 | 22.7 |
| **Total nontinterest expense - adjusted (Non-GAAP)** [1] | **$ 1,268** | **$ 1,229** | **$ 1,168** | **$ 1,154** | **$ 1,135** | **$ 39** | **3.1 %** |

**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

# Loan Portfolios in Focus

*($ in billions, as of December 31, 2024)*

## Total Loans




| CRE Portfolio Composition | | Balance | % of total loans |
|---|---|---|---|
| Multi-Family | $ | 5.7 | 4.1 % |
| Medical Office | | 3.7 | 2.6 |
| **General Office** | | **2.5** | **1.8** |
| *Legacy-CIT Portfolio* | | *0.9* | *0.6* |
| *Other* | | *1.6* | *1.1* |
| Industrial/Warehouse | | 3.6 | 2.6 |
| Retail | | 2.0 | 1.4 |
| Hotel/Motel | | 0.9 | 0.6 |
| Other | | 4.5 | 3.2 |
| **Total** | **$** | **22.9** | **16.3 %** |

| Innovation Portfolio Composition | | Balance | % of total loans |
|---|---|---|---|
| Innovation C&I and cash flow dependent | $ | 9.1 | 6.5 % |
| **Investor dependent - growth stage** | | **2.2** | **1.6** |
| **Investor dependent - early stage** | | **1.0** | **0.7** |
| **Total** | **$** | **12.3** | **8.8 %** |

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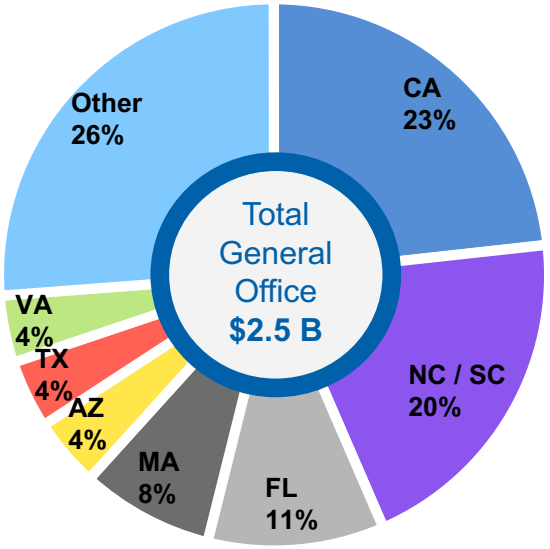
**Note** – The definition of CRE in these tables is aligned with supervisory guidance on commercial real estate and includes the following: construction loans (1.a.1 and 1.a.2), loans where the primary repayment is from 3rd party rental income (1.d and 1.e.2), and loans not secured by real estate but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

# General Office CRE Portfolio

*(as of December 31, 2024)*

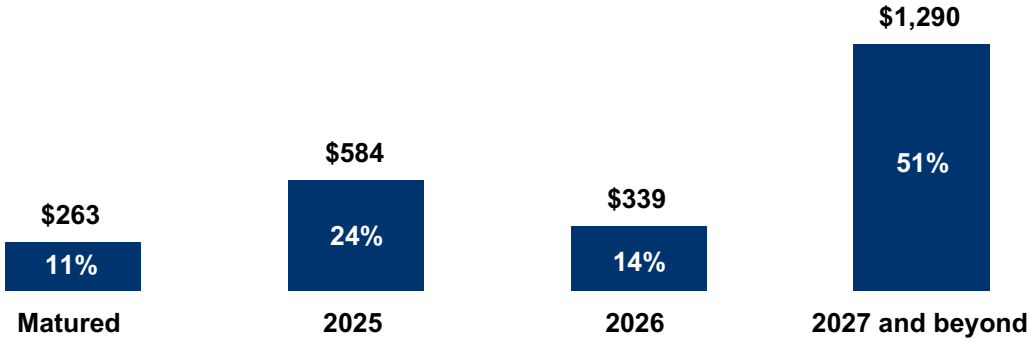
## Geographic Diversification




| Top 5 MSAs ($ in millions) | |
|---|---|
| Los Angeles | $ 411 |
| Boston | $ 196 |
| Charlotte | $ 112 |
| Phoenix | $ 102 |
| Raleigh | $ 95 |
| **Percent of total loans** | **0.7 %** |

## Loan Maturity Schedule

($ in millions)




| General Office Portfolio Metrics | |
|---|---|
| % of total loans | 1.8 % |
| % of CRE loans | 10.8 % |
| Average loan amount | $2 MM |
| NCO ratio (YTD) | 3.95 % |
| Delinquencies/Loans | 10.92 % |
| NPLs/Loans | 12.10 % |
| Criticized loans/Loans | 21.96 % |
| ALLL ratio [1] | 4.59 % |

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**(1)** There are approximately $0.9 billion of general office loans in the Legacy-CIT Commercial Bank portfolio which has experienced recent portfolio stress. The ALLL ratio on this portfolio totaled 9.88%.

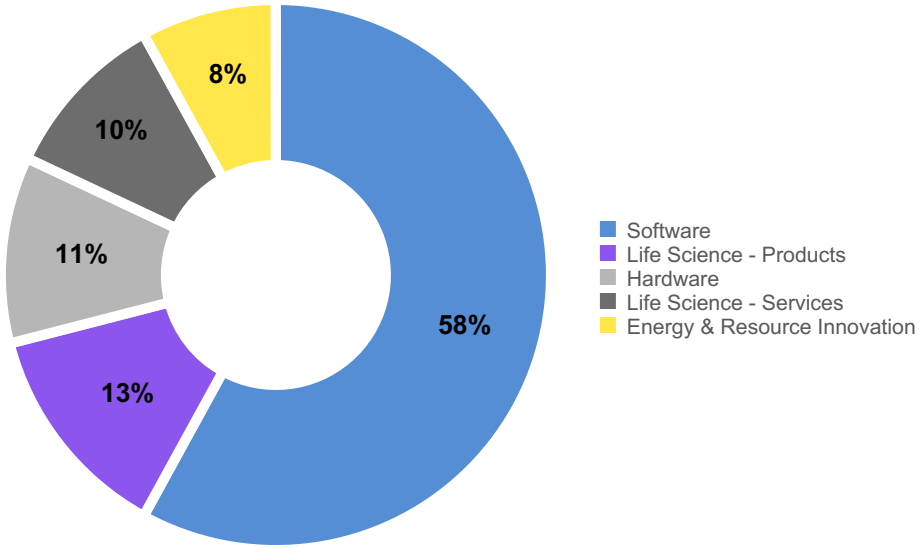
# SVB Investor Dependent Portfolio

*(as of December 31, 2024)*

## Portfolio Characteristics

- **Early Stage** - Loans to development-stage innovation companies with $0-5 million in revenues.
- **Growth Stage** - Loans to mid and later-stage innovation companies with over $5 million in revenues.
- Continued pressure in public and private markets could negatively impact borrowers' ability to raise funds and execute an exit strategy, leading to elevated net charge-offs.
- Large loan sizes in the Growth Stage portfolio may contribute to lumpiness in quarterly net charge-offs and credit metrics.

## Client Industry Concentration




## Portfolio Metrics

| | Early Stage | Growth Stage |
|---|---|---|
| **Loan balance** | $1.0 B | $2.2 B |
| **% of Innovation loans** | 8.1 % | 17.9 % |
| **% of ID loans** | 31.2 % | 68.8 % |
| **Avg. loan size** (1) | $1.1 MM | $3.7 MM |
| **Median loan size** (1) | $250 K | $805 K |
| **NCO ratio (YTD)** | 9.73 % | 1.50 % |
| **NPLs/Loans** | 4.19 % | 2.07 % |
| **Criticized loans/Loans** | 30.61 % | 18.54 % |
| **ALLL ratio** | 8.71 % | 4.91 % |

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**(1)** Average and median loan size presented in this table exclude credit cards balances.

# Estimated Liquidity Available for Uninsured Deposits

*($ in millions)*

| | | December 31, 2024 | September 30, 2024 | December 31, 2023 |
|---|---|---|---|---|
| **Liquid assets:** | | | | |
| Available cash | | $ 20,545 | $ 24,705 | $ 32,693 |
| High quality liquid securities | | 38,794 | 33,654 | 24,591 |
| Total liquid assets | **(a)** | $ 59,339 | $ 58,359 | $ 57,284 |
| **Contingent liquidity:** | | | | |
| FDIC credit facility [(1)] | | $ 5,291 | $ 8,126 | $ 15,107 |
| FHLB facility | | 16,423 | 15,795 | 13,622 |
| FRB facility | | 5,475 | 5,621 | 5,115 |
| Line of credit | | 100 | 100 | 100 |
| Total contingent sources | **(b)** | $ 27,289 | $ 29,642 | $ 33,944 |
| **Total liquidity** | **(a + b)** | **$ 86,628** | **$ 88,001** | **$ 91,228** |
| **Total uninsured deposits** | **(c)** | **$ 59,510** | **$ 58,592** | **$ 54,155** |
| **Coverage ratio of liquidity to uninsured deposits** | **(a + b) / c** | **146 %** | **150 %** | **168 %** |
| **Coverage ratio of liquidity to uninsured deposits (FDIC max)** | **(a + b) / c [(2)]** | **254 %** | **256 %** | **270 %** |

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**(1)** The FDIC credit facility shown for 4Q24, 3Q24 and 4Q23 includes immediately available capacity and is based on the amount of collateral currently pledged at quarter end for each respective period.
**(2)** The FDIC credit facility has a maximum capacity of $70 billion 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)*

| | 4Q24 (1) | | | |
|---|---|---|---|---|
| | Carrying value (2) | % of Portfolio | Yield (3) | Duration in years |
| **AFS Portfolio** | | | | |
| U.S. Treasury | $ 13,903 | 32 % | 4.25 % | 1.2 |
| Government agency | 77 | — | 4.55 | 0.3 |
| Commercial mortgage-backed securities | 3,666 | 8 | 4.13 | 2.3 |
| Residential mortgage-backed securities | 15,620 | 36 | 4.02 | 3.5 |
| Corporate bonds | 467 | 1 | 6.40 | 0.8 |
| Municipal bonds | 17 | — | 7.50 | 0.1 |
| **Total AFS portfolio** | **$ 33,750** | **77 %** | **4.17 %** | **2.4** |
| **HTM portfolio** | | | | |
| U.S. Treasury | $ 483 | 1 % | 1.37 % | 2.3 |
| Government agency | 1,489 | 3 | 1.53 | 2.7 |
| Commercial mortgage-backed securities | 3,407 | 8 | 2.36 | 3.1 |
| Residential mortgage-backed securities | 4,558 | 10 | 2.41 | 6.1 |
| Other investments | 302 | 1 | 1.56 | 4.0 |
| **Total HTM portfolio** | **$ 10,239** | **23 %** | **2.19 %** | **4.4** |
| **Grand total** | **$ 43,989** | **100 %** | **3.66 %** | **2.8** |

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**(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)*

| | 4Q24 | | | 3Q24 | | | 4Q23 | | | Change vs. 3Q24 | | | Change vs. 4Q23 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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] | $138,186 | $ 2,322 | 6.69 % | $137,602 | $ 2,430 | 7.03 % | $131,594 | $ 2,391 | 7.21 % | $ 584 | $ (108) | (0.34)% | $ 6,592 | $ (69) | (0.52)% |
| Investment securities | 40,779 | 374 | 3.66 | 38,189 | 354 | 3.70 | 28,722 | 239 | 3.30 | 2,590 | 20 | (0.04) | 12,057 | 135 | 0.36 |
| Securities purchased under agreements to resell | 266 | 3 | 4.67 | 241 | 4 | 5.34 | 225 | 2 | 5.36 | 25 | (1) | (0.67) | 41 | 1 | (0.69) |
| Interest-earning deposits at banks | 25,548 | 302 | 4.70 | 26,167 | 350 | 5.33 | 35,712 | 485 | 5.39 | (619) | (48) | (0.63) | (10,164) | (183) | (0.69) |
| **Total interest-earning assets [1]** | **$204,779** | **$ 3,001** | **5.83 %** | **$202,199** | **$ 3,138** | **6.18 %** | **$196,253** | **$ 3,117** | **6.30 %** | **$ 2,580** | **$ (137)** | **-0.35 %** | **$ 8,526** | **$ (116)** | **-0.47 %** |
| Interest-bearing deposits | $114,565 | $ 957 | 3.32 % | $112,446 | $ 1,004 | 3.55 % | $104,717 | $ 865 | 3.28 % | $ 2,119 | $ (47) | (0.23)% | $ 9,848 | $ 92 | 0.04 % |
| Securities sold under customer repurchase agreements | 370 | 1 | 0.57 | 384 | — | 0.55 | 455 | 1 | 0.44 | (14) | 1 | 0.02 | (85) | — | 0.13 |
| Long-term borrowings | 36,722 | 334 | 3.64 | 37,064 | 338 | 3.64 | 37,260 | 340 | 3.65 | (342) | (4) | — | (538) | (6) | (0.01) |
| Total borrowings | $ 37,092 | $ 335 | 3.61 % | $ 37,448 | $ 338 | 3.61 % | $ 37,715 | $ 341 | 3.61 % | $ (356) | $ (3) | — % | $ (623) | $ (6) | — % |
| **Total interest-bearing liabilities** | **$151,657** | **$ 1,292** | **3.39 %** | **$149,894** | **$ 1,342** | **3.57 %** | **$142,432** | **$ 1,206** | **3.37 %** | **$ 1,763** | **$ (50)** | **-0.18 %** | **$ 9,225** | **$ 86** | **0.02 %** |
| **Net interest income** | | **$ 1,709** | | | **$ 1,796** | | | **$ 1,911** | | | **$ (87)** | | | **$ (202)** | |
| **Net interest spread [1]** | | | **2.44 %** | | | **2.61 %** | | | **2.93 %** | | | **(0.17)%** | | | **(0.49)%** |
| **Net interest margin [1]** | | | **3.32 %** | | | **3.53 %** | | | **3.86 %** | | | **(0.21)%** | | | **(0.54)%** |

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

Note: Certain items above do not precisely recalculate as presented due to rounding.

# Commercial Bank Segment

*($ in millions)*

| Income Statement | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 277 | $ 274 | $ 271 | $ 3 | 0.9 % | $ 6 | 1.9 % |
| Rental income on operating lease equipment | 55 | 57 | 57 | (2) | (2.3) | (2) | (3.1) |
| Less: depreciation on operating lease equipment | 44 | 47 | 47 | (3) | (3.3) | (3) | (3.1) |
| Adjusted rental income on operating lease equipment [1] | 11 | 10 | 10 | 1 | 2.4 | 1 | (3.0) |
| All other noninterest income | 87 | 76 | 83 | 11 | 15.8 | 4 | 8.4 |
| Total noninterest income | 98 | 86 | 93 | 12 | 14.2 | 5 | 7.0 |
| **Net revenue** | **375** | **360** | **364** | **15** | **4.1** | **11** | **3.2** |
| Noninterest expense | 191 | 180 | 162 | 11 | 6.1 | 29 | 18.3 |
| **Pre-provision net revenue [1]** | **184** | **180** | **202** | **4** | **2.0** | **(18)** | **(9.0)** |
| Provision for credit losses | 79 | 29 | 164 | 50 | 174.9 | (85) | (51.5) |
| **Income before income taxes** | 105 | 151 | 38 | (46) | (31.0) | 67 | 172.0 |
| Income tax expense | 20 | 41 | 14 | (21) | (52.6) | 6 | 37.9 |
| **Net income** | **$ 85** | **$ 110** | **$ 24** | **$ (25)** | **(22.9)%** | **$ 61** | **250.5 %** |
| **Period end Balances [2]** | | | | | | | |
| Loans and leases | $ 33,197 | $ 32,689 | $ 30,936 | $ 508 | 6.2 % | $ 2,261 | 7.3 % |
| Deposits | 3,283 | 2,754 | 3,228 | 529 | 76.5 | 55 | 1.7 |
| **Other Key Metrics** | | | | | | | |
| Factoring volume | $ 6,124 | $ 6,094 | $ 6,169 | $ 30 | 0.5 % | $ (45) | (0.7)% |

## Highlights

- The Commercial Bank segment achieved strong loan growth during the quarter, 6.2% annualized over the linked quarter, largely driven by strong origination volume in our industry verticals.
- Factoring volume totaled $6.1 billion, relatively in line with the linked quarter and the prior year quarter.
- Segment revenue increased $15 million compared to the linked quarter, primarily driven by higher noninterest income.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Linked quarter loan and deposit growth percentages are annualized using end of period balances.

# General Bank Segment

*($ in millions)*

| Income Statement | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 783 | $ 768 | $ 691 | $ 15 | 2.1 % | $ 92 | 13.3 % |
| Noninterest income | 166 | 149 | 138 | 17 | 11.9 | 28 | 21.0 |
| **Net revenue** | **949** | **917** | **829** | **32** | **3.6** | **120** | **14.6** |
| Noninterest expense | 497 | 517 | 490 | (20) | (3.7) | 7 | 1.6 |
| **Pre-provision net revenue [1]** | **452** | **400** | **339** | **52** | **13.1** | **113** | **33.4** |
| Provision for credit losses | 32 | 38 | 37 | (6) | (16.3) | (5) | (14.5) |
| **Income before income taxes** | 420 | 362 | 302 | 58 | 16.2 | 118 | 39.3 |
| Income tax expense | 92 | 99 | 97 | (7) | (7.3) | (5) | (5.8) |
| **Net income** | **$ 328** | **$ 263** | **$ 205** | **$ 65** | **25.1 %** | **$ 123** | **60.8 %** |
| **Period end Balances [2]** | | | | | | | |
| Loans and leases | $ 66,768 | $ 66,092 | $ 62,832 | $ 676 | 4.1 % | $ 3,936 | 6.3 % |
| Deposits | 73,062 | 72,169 | 68,729 | 893 | 4.9 | 4,333 | 6.3 |
| **Other Key Metrics** | | | | | | | |
| Number of branches | 539 | 540 | 551 | (1) | (0.2)% | (12) | (2.2)% |
| Wealth management assets under management ($B) | $ 55.5 | $ 53.6 | $ 49.3 | $ 1.9 | 3.5 | $ 6.2 | 12.6 |
| Card volume | 4,561 | 4,362 | 4,138 | 199 | 4.6 | 423 | 10.2 |
| Merchant volume | 1,759 | 1,769 | 1,685 | (10) | (0.6) | 74 | 4.4 |

## Highlights

- The General Bank segment achieved strong loan growth during the quarter, 4.1% annualized over the linked quarter, driven primarily by business and commercial loan production in the Branch Network.
- Deposits increased $893 million compared to the linked quarter driven by growth in the Branch Network.
- Segment net revenue increased $32 million compared to the linked quarter as net interest income increased $15 million and noninterest income increased by $17 million. Noninterest expense decreased by $20 million compared to the linked quarter.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Linked quarter loan and deposit growth percentages are annualized using end of period balances.

# SVB Commercial Segment

*($ in millions)*

| Income Statement | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 568 | $ 583 | $ 519 | $ (15) | (2.6)% | $ 49 | 9.4 % |
| Noninterest income | 150 | 139 | 135 | 11 | 7.6 | 15 | 11.5 |
| **Net revenue** | **718** | **722** | **654** | **(4)** | **(0.7)** | **64** | **9.9** |
| Noninterest expense | 389 | 393 | 384 | (4) | (1.1) | 5 | 1.4 |
| **Pre-provision net revenue [1]** | **329** | **329** | **270** | **—** | **(0.2)** | **59** | **21.9** |
| Provision for credit losses | 44 | 50 | 48 | (6) | (14.2) | (4) | (9.0) |
| **Income before income taxes** | 285 | 279 | 222 | 6 | 2.3 | 63 | 28.6 |
| Income tax expense | 60 | 75 | 48 | (15) | (20.3) | 12 | 25.3 |
| **Net income** | **$ 225** | **$ 204** | **$ 174** | **$ 21** | **10.7 %** | **$ 51** | **29.5 %** |
| **Period end Balances [2]** | | | | | | | |
| Loans and leases | $ 40,194 | $ 39,852 | $ 39,511 | $ 342 | 3.4 % | $ 683 | 1.7 % |
| Total client funds | 98,954 | 93,702 | 92,778 | 5,252 | 22.2 | 6,176 | 6.7 |
| Off balance sheet client funds | 62,317 | 57,757 | 58,048 | 4,560 | 31.3 | 4,269 | 7.4 |
| Deposits | 36,637 | 35,945 | 34,730 | 692 | 7.7 | 1,907 | 5.5 |

## Highlights

- SVB Commercial segment loans increased $342 million from the linked quarter driven by Global Fund Banking production and improved utilization.
- Total client funds increased $5.3 billion compared to the linked quarter including growth of $4.6 billion in off balance sheet client funds and on balance sheet deposit growth of $692 million. The increase in total client funds reflects higher VC investment activity and slowing client cash burn.
- Segment net revenue decreased $4 million compared to the linked quarter due to lower net interest income partially offset by higher noninterest income. Noninterest expense decreased $4 million compared to the linked quarter.



**Note** – SVB Commercial segment results do not include the accretion impact of SVB loans or the impact of overnight investments and debt that was added at the acquisition date (the aforementioned items are contained within Corporate).
**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Linked quarter loan, total client funds, off balance sheet client funds and deposit growth percentages are annualized using end of period balances.

# Rail Segment

*($ in millions)*

| Income Statement | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest expense | $ (50) | $ (48) | $ (42) | $ (2) | 6.3 % | $ (8) | 21.2 % |
| Rental income on operating lease equipment | 217 | 205 | 195 | 12 | 6.0 % | 22 | 11.2 % |
| Less: depreciation on operating lease equipment | 57 | 52 | 49 | 5 | 9.3 % | 8 | 15.1 % |
| Less: maintenance and other operating lease expenses | 55 | 59 | 59 | (4) | (7.7)% | (4) | (7.3)% |
| Adjusted net rental income on operating lease equipment [1] | 105 | 94 | 87 | 11 | 13.0 % | 18 | 21.6 % |
| All other noninterest income | 7 | 2 | 2 | 5 | 149.2 % | 5 | 237.1 % |
| Total noninterest income | 112 | 96 | 89 | 16 | 16.5 % | 23 | 26.0 % |
| **Net revenue** | **62** | **48** | **47** | **14** | **26.3 %** | **15** | **30.2 %** |
| Noninterest expense | 17 | 19 | 16 | (2) | (11.0)% | 1 | 5.6 % |
| **Pre-provision net revenue [1]** | **45** | **29** | **31** | **16** | **49.7 %** | **14** | **42.6 %** |
| Provision for credit losses | — | — | — | — | — % | — | — % |
| **Income before income taxes** | 45 | 29 | 31 | 16 | 49.5 % | 14 | 42.6 % |
| Income tax expense | 9 | 8 | 9 | 1 | 27.0 % | — | 8.4 % |
| **Net income** | **$ 36** | **$ 21** | **$ 22** | **$ 15** | **57.2 %** | **$ 14** | **56.2 %** |
| **Period end Balances [2]** | | | | | | | |
| Operating lease equipment, net | $ 8,573 | $ 8,419 | $ 7,966 | $ 154 | 7.3 % | $ 607 | 7.6 % |
| **Other Key Metrics** | | | | | | | |
| Railcars and locomotives [3] | 126,000 | 125,600 | 122,200 | 400 | 0.3 % | 3,800 | 3.1 % |
| Utilization | 97.6 % | 98.1 % | 98.7 % | nm | (0.5) | nm | (1.1) |
| Renewal rate to previous rate | 128 | 130 | 133 | nm | (2.0) | nm | (5.0) |

## Highlights

- The fleet is effectively fully utilized, with a utilization rate of 97.6%.
- Favorable renewal repricing trends continued, up 28% over the expiring rate for the quarter, with gains in both freight cars (+36%) and tank cars (+21%).
- Adjusted rental income on operating lease equipment increased $11 million from the linked quarter reflecting fleet growth, continued positive repricing trends and lower maintenance expense.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Linked quarter operating lease equipment growth percentage is annualized using end of period balances.
**(3)** Railcars and locomotives number is rounded.

# Corporate

*($ in millions)*

| Income Statement | 4Q24 | 3Q24 | 4Q23 | Increase (decrease) 4Q24 vs. 3Q24 $ | 4Q24 vs. 3Q24 % | 4Q24 vs. 4Q23 $ | 4Q24 vs. 4Q23 % |
|---|---|---|---|---|---|---|---|
| Net interest income | $ 131 | $ 219 | $ 472 | $ (88) | (40.1)% | $ (341) | (72.2)% |
| Noninterest income | 17 | 22 | (67) | (5) | (21.1) | 84 | (126.8) |
| **Net revenue** | **148** | **241** | **405** | **(93)** | **(38.4)** | **(257)** | **(63.6)** |
| Noninterest expense | 267 | 189 | 285 | 78 | 41.2 | (18) | (7.0) |
| **Pre-provision net (loss) revenue** [1] | **(119)** | **52** | **120** | **(171)** | **(328.5)** | **(239)** | **(198.1)** |
| Provision for credit losses | — | — | — | — | — | — | — |
| **(Loss) income before income taxes** | (119) | 52 | 120 | (171) | (328.3) | (239) | (198.0) |
| Income tax (benefit) expense | (145) | 11 | 31 | (156) | NM | (176) | (561.9) |
| **Net income** | **$ 26** | **$ 41** | **$ 89** | **$ (15)** | **(35.0)%** | **$ (63)** | **(70.3)%** |
| **Period end Balance Sheet** [2] | | | | | | | |
| Investment securities | $ 44,090 | $ 38,663 | $ 29,999 | $ 5,427 | 55.8 % | $ 14,091 | 47.0 % |
| Direct Bank deposits | 41,093 | 39,504 | 37,666 | 1,589 | 16.0 | 3,427 | 9.1 |

## Highlights

- Net interest income decreased $88 million compared to the linked quarter driven primarily by lower interest income from overnight investments and higher interest expense from growth in Direct Bank deposits, partially offset by increased interest income from higher investment securities.
- Noninterest expense increased $78 million driven primarily by similar items as noted on slide 16.
- Direct Bank deposits reflect continued growth in the channel even with declining rates paid.



**(1)** Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.
**(2)** Linked quarter investment securities and Direct Bank deposit growth percentages are annualized using end of period balances.

# Purchase accounting marks

*($ in millions)*

| | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
|---|---|---|---|---|---|
| **Loans and leases (including off balance sheet exposure) [1]** | | | | | |
| Beginning balance - unamortized fair value mark | $ (1,746) | $ (1,857) | $ (2,005) | $ (2,173) | $ (2,378) |
| Other | 12 | 4 | 3 | 5 | 7 |
| Accretion | 90 | 107 | 145 | 163 | 198 |
| **Ending balance** | **$ (1,644)** | **$ (1,746)** | **$ (1,857)** | **$ (2,005)** | **$ (2,173)** |
| **Core deposits and other intangibles** | | | | | |
| Beginning balance | $ 264 | $ 280 | $ 295 | $ 312 | $ 329 |
| Amortization | (15) | (16) | (15) | (17) | (17) |
| **Ending balance** | **$ 249** | **$ 264** | **$ 280** | **$ 295** | **$ 312** |
| **Deposits [2]** | | | | | |
| Beginning balance - unamortized fair value mark | $ (2) | $ (4) | $ (7) | $ (11) | $ (16) |
| Amortization | 1 | 2 | 3 | 4 | 5 |
| **Ending balance** | **$ (1)** | **$ (2)** | **$ (4)** | **$ (7)** | **$ (11)** |
| **Borrowings [2]** | | | | | |
| Beginning balance - unamortized fair value mark | $ 135 | $ 143 | $ 151 | $ 161 | $ 169 |
| Amortization | (9) | (8) | (8) | (8) | (8) |
| Other | — | — | — | (2) | — |
| **Ending balance** | **$ 126** | **$ 135** | **$ 143** | **$ 151** | **$ 161** |

**Note** – 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.

First Citizens BancShares®

# Non-GAAP Reconciliations

## Section V

# Notable Items [1]

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

| | 4Q24 | 3Q24 | 2Q24 | 1Q24 | 4Q23 |
|---|---|---|---|---|---|
| Rental income on operating lease equipment [2] [7] | $ (152) | $ (158) | $ (158) | $ (141) | $ (155) |
| Realized gain on sale of investment securities, net | (2) | (4) | — | — | — |
| Fair value adjustment on marketable equity securities, net | (10) | (9) | 2 | 4 | (9) |
| Gain on sale of leasing equipment, net | (11) | (5) | (4) | (10) | (2) |
| Gain on acquisition, net of tax | — | — | — | — | 83 |
| Loss on extinguishment of debt | — | — | — | 2 | — |
| Other noninterest income [3] | (8) | — | — | (4) | (5) |
| **Impact of notable items on adjusted noninterest income** | **$ (183)** | **$ (176)** | **$ (160)** | **$ (149)** | **$ (88)** |
| Depreciation on operating lease equipment [2] [7] | $ (101) | $ (99) | $ (98) | $ (96) | $ (96) |
| Maintenance and other operating lease expenses [2] | (55) | (59) | (60) | (45) | (59) |
| Professional fees [4] | — | — | (1) | (3) | (5) |
| FDIC insurance special assessment | — | — | (2) | (9) | (64) |
| Acquisition-related expenses | (62) | (46) | (44) | (58) | (116) |
| Intangible asset amortization | (16) | (15) | (15) | (17) | (17) |
| Other noninterest expense [5] | (15) | (8) | 2 | 6 | — |
| **Impact of notable items on adjusted noninterest expense** | **$ (249)** | **$ (227)** | **$ (218)** | **$ (222)** | **$ (357)** |
| **Impact of notable items on adjusted pre-tax income** | **$ 66** | **$ 51** | **$ 58** | **$ 73** | **$ 269** |
| Income tax impact [6] | 123 | 15 | 10 | 20 | 90 |
| **Impact of notable items on adjusted net income** | **$ (57)** | **$ 36** | **$ 48** | **$ 53** | **$ 179** |
| **Impact of notable items on adjusted diluted EPS** | **$ (4.11)** | **$ 2.45** | **$ 3.33** | **$ 3.66** | **$ 12.25** |

**(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 BancShares' 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 deducted from rental income on operating lease equipment to calculate adjusted rental income on operating lease equipment (non-GAAP). There is no net impact to earnings for this non-GAAP item because adjusted noninterest income and expense are reduced by the same amount. Management believes adjusted rental income on operating lease equipment (non-GAAP) is meaningful because it helps management monitor the performance and profitability of the operating leases after deducting direct expenses. Refer to subsequent pages of this presentation for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.
**(3)** Other noninterest income includes a gain on sale of portfolio residential mortgages in 4Q24, a gain on litigation settlement in 1Q24 and a gain on sale of insurance accounts in 4Q23.
**(4)** Professional fees include expenses related to integration activities.
**(5)** Other noninterest expense primarily includes the impairment of software and related projects in 4Q24, a technology fee in 3Q24, and litigation reserve releases in 2Q24 and 1Q24.
**(6)** For the periods presented, the income tax impact may include tax discrete items and changes in the estimated annualized effective tax rate. 4Q24 and YTD 2024 includes the impact of a change in our estimated state income tax rates after filing our first income tax returns that included the SVBB Acquisition.
**(7)** Depreciation on operating lease equipment includes impairment of $4 million in 4Q24. The $4 million impairment is a notable item and is excluded from adjusted rental income on operating lease equipment (non-GAAP).

# Non-GAAP Reconciliations

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

| Non-GAAP Reconciliations | | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|---|
| **Net income and EPS** | | | | | |
| Net income (GAAP) | a | $ | 700 | 639 | 514 |
| Preferred stock dividends | | | 15 | 15 | 15 |
| Net income available to common stockholders (GAAP) | b | | 685 | 624 | 499 |
| Total notable items, after income tax | c | | (57) | 36 | 179 |
| Adjusted net income (non-GAAP) | d = (a+c) | | 643 | 675 | 693 |
| Adjusted net income available to common stockholders (non-GAAP) | e = (b+c) | $ | 628 | 660 | 678 |
| Weighted average common shares outstanding | | | | | |
| Basic | f | | 13,927,887 | 14,375,974 | 14,528,447 |
| Diluted | g | | 13,927,887 | 14,375,974 | 14,539,838 |
| EPS (GAAP) | | | | | |
| Basic | b/f | $ | 49.21 | 43.42 | 34.36 |
| Diluted | b/g | | 49.21 | 43.42 | 34.33 |
| Adjusted EPS (non-GAAP) | | | | | |
| Basic | e/f | $ | 45.10 | 45.87 | 46.62 |
| Diluted | e/g | | 45.10 | 45.87 | 46.58 |
| **Noninterest income and expense** | | | | | |
| Noninterest income (GAAP) | h | $ | 699 | 650 | 543 |
| Impact of notable items, before income tax | | | (183) | (176) | (88) |
| Adjusted noninterest income (non-GAAP) | i | $ | 516 | 474 | 455 |
| Noninterest expense (GAAP) | j | $ | 1,517 | 1,456 | 1,492 |
| Impact of notable items, before income tax | | | (249) | (227) | (357) |
| Adjusted noninterest expense (non-GAAP) | k | $ | 1,268 | 1,229 | 1,135 |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|---|
| **PPNR** | | | | | |
| Net income (GAAP) | a | $ | 700 | 639 | 514 |
| Plus: provision for credit losses | | | 155 | 117 | 249 |
| Plus: income tax expense | | | 36 | 234 | 199 |
| PPNR (non-GAAP) | l | $ | 891 | 990 | 962 |
| Impact of notable items | | | 66 | 51 | 269 |
| Adjusted PPNR (non-GAAP) | m | $ | 957 | 1,041 | 1,231 |
| **ROA** | | | | | |
| Net income (GAAP) | a | $ | 700 | 639 | 514 |
| Annualized net income | n = a annualized | | 2,786 | 2,544 | 2,041 |
| Adjusted net income (non-GAAP) | d | | 643 | 675 | 693 |
| Annualized adjusted net income | p = d annualized | | 2,558 | 2,684 | 2,748 |
| Average assets | o | | 223,706 | 220,466 | 214,612 |
| ROA | n/o | | 1.25 % | 1.15 % | 0.95 % |
| Adjusted ROA (non-GAAP) | p/o | | 1.14 | 1.22 | 1.28 |
| **PPNR ROA** | | | | | |
| PPNR (non-GAAP) | l | $ | 891 | 990 | 962 |
| Annualized PPNR | q = l annualized | | 3,545 | 3,942 | 3,818 |
| Adjusted PPNR (non-GAAP) | m | | 957 | 1,041 | 1,231 |
| Annualized adjusted PPNR | r = m annualized | | 3,809 | 4,141 | 4,882 |
| PPNR ROA (non-GAAP) | q/o | | 1.58 % | 1.79 % | 1.78 % |
| Adjusted PPNR ROA (non-GAAP) | r/o | | 1.70 | 1.88 | 2.27 |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|---|
| **ROE and ROTCE** | | | | | |
| Annualized net income available to common stockholders | s = b annualized | $ | 2,727 | 2,483 | 1,980 |
| Annualized adjusted net income available to common stockholders | t = e annualized | $ | 2,499 | 2,623 | 2,687 |
| Average stockholders' equity (GAAP) | | $ | 22,598 | 22,851 | 20,740 |
| Less: average preferred stock | | | 881 | 881 | 881 |
| Average common stockholders' equity | u | $ | 21,717 | 21,970 | 19,859 |
| Less: average goodwill | | | 346 | 346 | 346 |
| Less: average other intangible assets | | | 259 | 275 | 322 |
| Average tangible common equity (non-GAAP) | v | $ | 21,112 | 21,349 | 19,191 |
| ROE | s/u | | 12.56 % | 11.30 % | 9.97 % |
| Adjusted ROE (non-GAAP) | t/u | | 11.51 | 11.94 | 13.53 |
| ROTCE (non-GAAP) | s/v | | 12.92 | 11.63 | 10.32 |
| Adjusted ROTCE (non-GAAP) | t/v | | 11.84 | 12.29 | 14.00 |
| **Tangible common equity to tangible assets** | | | | | |
| Stockholders' equity (GAAP) | w | $ | 22,228 | 22,828 | 21,255 |
| Less: preferred stock | | | 881 | 881 | 881 |
| Common equity | x | $ | 21,347 | 21,947 | 20,374 |
| Less: goodwill | | | 346 | 346 | 346 |
| Less: other intangible assets | | | 249 | 265 | 312 |
| Tangible common equity (non-GAAP) | y | $ | 20,752 | 21,336 | 19,716 |
| Total assets (GAAP) | z | $ | 223,720 | 220,567 | 213,758 |
| Tangible assets (non-GAAP) | aa | | 223,125 | 219,956 | 213,100 |
| Total equity to total assets (GAAP) | w/z | | 9.94 % | 10.35 % | 9.94 % |
| Tangible common equity to tangible assets (non-GAAP) | y/aa | | 9.30 | 9.70 | 9.25 |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

# Non-GAAP Reconciliations

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

| Non-GAAP Reconciliations | | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|---|
| **Book value and tangible book value per common share** | | | | | |
| Common shares outstanding at period end | bb | | 13,717,621 | 14,179,208 | 14,520,118 |
| Book value per share | x/bb | $ | 1,556.16 | 1,547.81 | 1,403.12 |
| Tangible book value per common share (non-GAAP) | y/bb | | 1,512.77 | 1,504.75 | 1,357.77 |
| **Efficiency ratio** | | | | | |
| Net interest income | cc | $ | 1,709 | 1,796 | 1,911 |
| Efficiency ratio (GAAP) | j / (h + cc) | | 63.01 % | 59.49 % | 60.80 % |
| Adjusted efficiency ratio (non-GAAP) | k / (i + cc) | | 56.98 | 54.15 | 48.00 |
| **Rental income on operating lease equipment** | | | | | |
| Rental income on operating lease equipment (GAAP) | | $ | 272 | 262 | 252 |
| Less: depreciation on operating lease equipment | | | 101 | 99 | 96 |
| Less: maintenance and other operating lease expenses | | | 55 | 59 | 59 |
| Plus: Depreciation on impaired operating lease equipment | | | 4 | — | — |
| Adjusted rental income on operating lease equipment (non-GAAP) | | $ | 120 | 104 | 97 |
| **Rental income on operating lease equipment: Commercial Bank Segment** | | | | | |
| Rental income on operating lease equipment (GAAP) | | $ | 55 | 57 | 57 |
| Less: depreciation on operating lease equipment | | | 44 | 47 | 47 |
| Less: maintenance and other operating lease expenses | | | — | — | — |
| Adjusted rental income on operating lease equipment (non-GAAP) | | $ | 11 | 10 | 10 |
| **Rental income on operating lease equipment: Rail Segment** | | | | | |
| Rental income on operating lease equipment (GAAP) | | $ | 217 | 205 | 195 |
| Less: depreciation on operating lease equipment | | | 57 | 52 | 49 |
| Less: maintenance and other operating lease expenses | | | 55 | 59 | 59 |
| Adjusted rental income on operating lease equipment (non-GAAP) | | $ | 105 | 94 | 87 |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|
| **PPNR: Commercial Bank Segment** | | | | |
| Segment net income (GAAP) | $ | 85 | 110 | 24 |
| Plus: provision for credit losses | | 79 | 29 | 164 |
| Plus: income tax expense | | 20 | 41 | 14 |
| PPNR (non-GAAP) | $ | 184 | 180 | 202 |
| **PPNR: General Bank Segment** | | | | |
| Segment net income (GAAP) | $ | 328 | 263 | 205 |
| Plus: provision for credit losses | | 32 | 38 | 37 |
| Plus: income tax expense | | 92 | 99 | 97 |
| PPNR (non-GAAP) | $ | 452 | 400 | 339 |
| **PPNR: SVB Commercial Segment** | | | | |
| Segment net income (GAAP) | $ | 225 | 204 | 174 |
| Plus: provision for credit losses | | 44 | 50 | 48 |
| Plus: income tax expense | | 60 | 75 | 48 |
| PPNR (non-GAAP) | $ | 329 | 329 | 270 |
| **PPNR: Rail Segment** | | | | |
| Segment net income (GAAP) | $ | 36 | 21 | 22 |
| Plus: income tax expense | | 9 | 8 | 9 |
| PPNR (non-GAAP) | $ | 45 | 29 | 31 |
| **PPNR: Corporate** | | | | |
| Net income (GAAP) | $ | 26 | 41 | 89 |
| Plus: income tax expense (benefit) | | (145) | 11 | 31 |
| PPNR (non-GAAP) | $ | (119) | 52 | 120 |

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|---|
| **Total Risk Based Capital Ratio** | | | | | |
| Total risk based capital ratio (GAAP) | | | 15.04 % | 15.36 % | |
| Less: impact of FDIC Shared Loss Agreement | | | 0.77 | 0.85 | |
| Adjusted total risk based capital ratio (non-GAAP) | | | 14.27 % | 14.51 % | |
| **CET1 Capital Ratio** | | | | | |
| CET1 capital ratio (GAAP) | | | 12.99 % | 13.24 % | |
| Less: impact of FDIC Shared Loss Agreement | | | 0.66 | 0.73 | |
| Adjusted CET1 capital ratio (non-GAAP) | | | 12.33 % | 12.51 % | |
| **Tier 1 Capital Ratio** | | | | | |
| Tier 1 capital ratio (GAAP) | | | 13.53 % | 13.78 % | |
| Less: impact of FDIC Shared Loss Agreement | | | 0.69 | 0.76 | |
| Adjusted Tier 1 capital ratio (non-GAAP) | | | 12.84 % | 13.02 % | |
| **Net interest income & Net interest margin** | | | | | |
| Net interest income (GAAP) | cc | $ | 1,709 | 1,796 | 1,911 |
| Loan PAA | dd | | 90 | 107 | 198 |
| Other PAA | ee | | (8) | (6) | (4) |
| PAA | ff = (dd + ee) | $ | 82 | 101 | 194 |
| Net interest income, excluding PAA (non-GAAP) | gg = (cc - ff) | $ | 1,627 | 1,695 | 1,717 |
| Annualized net interest income | hh = cc annualized | $ | 6,798 | 7,147 | 7,584 |
| Annualized net interest income, excluding PAA | ii = gg annualized | | 6,472 | 6,746 | 6,813 |
| Average interest-earning assets | jj | | 204,779 | 202,199 | 196,253 |
| NIM (GAAP) | hh/jj | | 3.32 % | 3.53 % | 3.86 % |
| NIM, excluding PAA (non-GAAP) | ii/jj | | 3.16 | 3.33 | 3.47 |
| Interest income on loans (GAAP) | | $ | 2,322 | 2,430 | 2,391 |
| Less: loan PAA | | | 90 | 107 | 198 |
| Interest income on loans, excluding loan PAA (non-GAAP) | | $ | 2,232 | 2,323 | 2,193 |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

# Non-GAAP Reconciliations

*($ in millions)*

| Non-GAAP Reconciliations | | 4Q24 | 3Q24 | 4Q23 |
|---|---|---|---|---|
| **Income tax expense** | | | | |
| Income tax expense (GAAP) | $ | 36 | 234 | 199 |
| Impact of notable items [1] | | 123 | 15 | 90 |
| Adjusted income tax expense (non-GAAP) | $ | 159 | 249 | 289 |
| **Effective tax rate** | | | | |
| Effective tax rate (GAAP) | | 4.88 % | 26.76 % | 27.93 % |
| Impact of notable items [1] | | 15.01 % | 0.17 % | 1.54 % |
| Adjusted effective tax rate (non-GAAP) | | 19.89 % | 26.93 % | 29.47 % |

*Note: Certain items above do not precisely recalculate as presented due to rounding.*

[1] 4Q24 includes the impact of a change in our estimated state income tax rates after filing our first income tax returns that included the SVBB Acquisition.