

First Citizens BancShares

Fourth Quarter 2021

Earnings Conference Call

January 26, 2022



Important Notices

Forward Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans and future performance of First Citizens BancShares, Inc. (“BancShares”). Words such as “anticipates,” “believes,” “estimates,” “expects,” “predicts,” “forecasts,” “intends,” “plans,” “projects,” “targets,” “designed,” “could,” “may,” “should,” “will,” “potential,” “continue” or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on BancShares’ current expectations and assumptions regarding BancShares’ business, the economy, and other future conditions.

Because forward-looking statements relate to future results and occurrences, they are subject to inherent risks, uncertainties, changes in circumstances and other risk factors that are difficult to predict. Many possible events or factors could affect BancShares’ future financial results and performance and could cause the actual results, performance or achievements of BancShares to differ materially from any anticipated results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, general competitive, economic, political, and market conditions, the impacts of the global COVID-19 pandemic on BancShares’ business and customers, the financial success or changing conditions or strategies of BancShares’ customers or vendors, fluctuations in interest rates, actions of government regulators, the availability of capital and personnel, and the failure to realize the anticipated benefits of BancShares’ previous acquisition transaction(s), including the recently completed transaction with CIT, which acquisition risks include (1) disruption from the transaction, or recently completed mergers, with customer, supplier or employee relationships, (2) the possibility that the amount of the costs, fees, expenses and charges related to the transaction may be greater than anticipated, including as a result of unexpected or unknown factors, events or liabilities, (3) reputational risk and the reaction of the parties’ customers to the transaction, (4) the risk that the cost savings and any revenue synergies from the transaction may not be realized or take longer than anticipated to be realized, and (5) difficulties experienced in the integration of the businesses.

Except to the extent required by applicable laws or regulations, BancShares disclaims any obligation to update forward-looking statements or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments. Additional factors which could affect the forward-looking statements can be found in BancShares’ Annual Report on Form 10-K for the fiscal year ended December 31, 2020, its Quarterly Reports on Form 10-Q for the periods ended March 31, 2021, June 30, 2021 and September 30, 2021, and its other filings with the Securities and Exchange Commission (the “SEC”), and in CIT’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as amended on Form 10-K/A, its Quarterly Reports on Form 10-Q for the periods ended March 31, 2021, June 30, 2021 and September 30, 2021, and its other filings with the SEC.

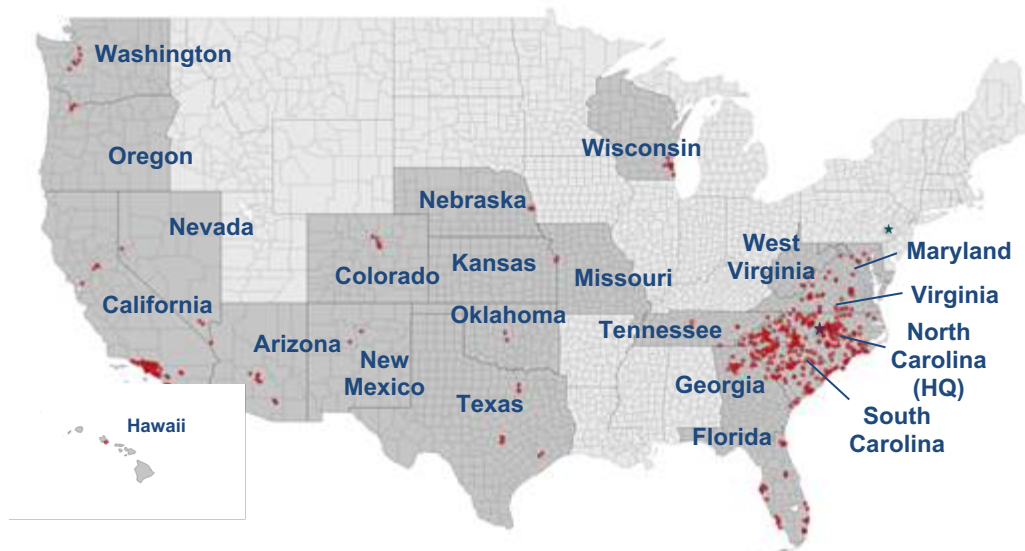
Non-GAAP Measures

Certain measures included in this presentation are “Non-GAAP,” meaning they are not presented in accordance with generally accepted accounting principles in the U.S. and also are not codified in U.S. banking regulations currently applicable to BancShares. BancShares believes that Non-GAAP financial measures, when reviewed in conjunction with GAAP financial information, can provide transparency about or an alternative means of assessing its operating results and financial position to its investors, analysts and management. The Non-GAAP measures presented in this presentation are listed, and are reconciled to the most comparable GAAP measure, in the Non-GAAP reconciliation table(s) appearing in the Appendix.

Completed Merger with CIT Group, Inc.

● **First Citizens (529)**

● **CIT Group (80)**



A Nationwide Franchise with:
600+ branches in
22 states



Scale		
\$58B Total Assets	\$51B Total Deposits	\$32B Total Loans & Leases

120+ Year Operating History

Increased Scale ⁽¹⁾		
\$111B Total Assets	\$90B Total Deposits	\$73B Total Loans and Leases

Complementary Marking Position		
46 Major MSAs Served	Top 20 US Bank by Assets	22 States Served



Scale		
\$53B Total Assets	\$39B Total Deposits	\$41B Total Loans & Leases

100+ Year Operating History



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(1) Data as of December 31, 2021. Unless specifically noted otherwise, the financial information included in this presentation does not include the financial results of CIT.



We are a purpose-driven bank that **always puts its customers first** as epitomized by our motto, Forever First®

We've built a **track record of service, stability and reliability** and never compromise the security of our customers' assets, regardless of market trends or financial pressures.



Forever First® means remembering that banking is about **people first and money second**.

We combine the **resources, convenience and services** of a large national bank with the **personal touch** you would expect in a neighborhood bank.



Better banking. Better tomorrows.

Long-Term Thinking

We build relationships that last with deeper learning and more effective ideas, solving problems and creating opportunities.

Service Excellence

We're dedicated to helping the people, companies and institutions that rely on us, acting always with integrity, transparency and respect.

Powerful Results

From our customers to our associates to our communities, we strive to create better outcomes and a better world.

Quarterly Earnings Highlights

\$ in thousands				Increase (Decrease)			
	4Q21	3Q21	4Q20	3Q21		4Q20	
				\$	%	\$	%
Net interest income	\$357,402	\$346,887	\$358,716	\$ 10,515	3.0%	\$ (1,314)	(0.4)%
Noninterest income	114,259	122,944	126,765	(8,685)	(7.1)	(12,506)	(9.9)
Noninterest expense	323,188	312,819	305,373	10,369	3.3	17,815	5.8
Pre-provision net revenue⁽¹⁾	148,473	157,012	180,108	(8,539)	(5.4)	(31,635)	(17.6)
Provision (benefit) for credit losses	(5,138)	(1,120)	5,403	(4,018)	358.8	(10,541)	(195.1)
Income before income taxes	153,611	158,132	174,705	(4,521)	(2.9)	(21,094)	(12.1)
Income taxes	30,329	34,060	36,621	(3,731)	(11.0)	(6,292)	(17.2)
Net income	123,282	124,073	138,084	(791)	(0.6)	(14,802)	(10.7)
Preferred dividends	4,636	4,636	4,636	—	—	—	—
Net income available to common shareholders	\$118,646	\$119,437	\$133,448	\$ (791)	(0.7)%	\$(14,802)	(11.1)%

Highlights

4Q21 vs. 3Q21

- Net income available to common shareholders totaled \$118.6 million, or \$12.09 per share in 4Q21 compared to \$119.4 million, or \$12.17 per share in 3Q21.
- Pre-provision net revenue ⁽¹⁾ decreased \$8.5 million primarily due to higher noninterest expense and lower realized gains on sales of AFS securities, partially offset by higher net interest income.
- The net benefit from provision for credit losses increased \$4.0 million due primarily to lower net charge offs in 4Q21.

4Q21 vs. 4Q20

- Net income available to common shareholders totaled \$118.6 million, or \$12.09 per share in 4Q21 compared to \$133.4 million, or \$13.59 per share in 4Q20.
- Pre-provision net revenue ⁽¹⁾ decreased \$31.6 million primarily due to lower noninterest income and higher noninterest expense.
- The net benefit from provision for credit losses was \$5.1 million in 4Q21 compared to provision expense of \$5.4 million in 4Q20 due to lower net charge-offs and a \$4.7 million reserve release in 4Q21 compared to a nominal reserve build in 4Q20.

Key Financial Ratios & Metrics	4Q21	3Q21	2Q21	1Q21	4Q20
Earnings per share	\$ 12.09	\$ 12.17	\$ 15.09	\$ 14.53	\$ 13.59
Return on average assets	0.84 %	0.88 %	1.13 %	1.16 %	1.11 %
Return on average equity	10.96	11.29	14.64	14.70	14.02
Return on average tangible common equity ⁽¹⁾	12.00	12.39	16.14	16.28	15.60
Net interest margin	2.58	2.61	2.68	2.80	3.02
Cost of deposits	0.06	0.07	0.07	0.08	0.10
Efficiency ratio ⁽¹⁾	66.31	66.09	64.61	63.35	64.28
Net charge-off ratio ^{(1) (2)}	(0.01)	0.06	0.03	0.04	0.07
Effective tax rate	19.74	21.54	23.06	23.01	20.96



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(1) This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

(2) Net charge-off ratio shown net of SBA-PPP loans that are guaranteed by the SBA. This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

Full Year Earnings Highlights

\$ in thousands	Increase (Decrease)			
	2021	2020	\$	%
Net interest income	\$ 1,390,334	\$ 1,388,169	\$ 2,165	0.2 %
Noninterest income	508,002	476,750	31,252	6.6
Noninterest expense	1,233,510	1,188,685	44,825	3.8
Pre-provision net revenue ⁽¹⁾	664,826	676,234	(11,408)	(1.7)
Provision (benefit) for credit losses	(36,835)	58,352	(95,187)	(163.1)
Income before taxes	701,661	617,882	83,779	13.6
Income taxes	154,202	126,159	28,043	22.2
Net income	547,459	491,723	55,736	11.3
Preferred dividends	18,544	14,062	4,482	31.9
Net income available to common shareholders	\$ 528,915	\$ 477,661	\$ 51,254	10.7 %

Highlights

- Net income available to common shareholders totaled \$528.9 million or \$53.88 per share in 2021 compared to \$477.7 million or \$47.50 per share in 2020.
- Pre-provision net revenue ⁽¹⁾ decreased \$11.4 million due to higher noninterest expenses only partially offset by increased noninterest income and net interest income.
- The net benefit from provision from credit losses was \$36.8 million in 2021 compared to provision expense of \$58.4 million in 2020 due to lower net charge offs and a \$45.8 million reserve release compared to a \$35.9 million reserve build in 2020 driven primarily by uncertainty surrounding COVID-19.

Key Financial Ratios & Metrics	YTD21	YTD20
Earnings per share	\$ 53.88	\$ 47.50
Return on average assets	1.00 %	1.07 %
Return on average equity	12.84	12.96
Return on average tangible common equity ⁽¹⁾	14.12	14.51
Net interest margin	2.66	3.17
Cost of deposits	0.07	0.17
Efficiency ratio ⁽¹⁾	65.11	65.11
Net charge-off ratio ^{(1) (2)}	0.03	0.08
Effective tax rate	21.98	20.42



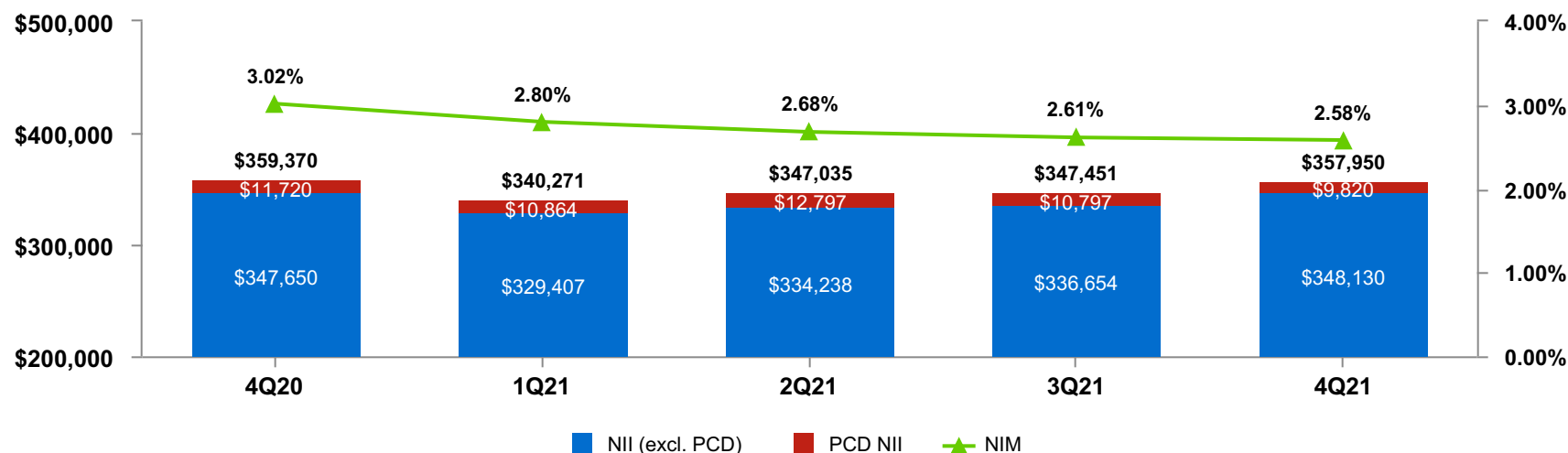
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Quarterly Net Interest Income and Margin (TE) ⁽¹⁾ Trends

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Net Interest Income & Margin (TE) ⁽¹⁾



Highlights

4Q21 vs. 3Q21

- Net interest income (TE) ⁽¹⁾ increased \$10.5 million, or by 3.0%, primarily due to higher SBA-PPP loan interest and fee income of \$6.5 million and higher loan (ex. SBA-PPP) and investment balances, partially offset by lower loan (ex. SBA-PPP) and investment yields.
- Net interest margin (TE) ⁽¹⁾ decreased 3 bps from 2.61% to 2.58%. The largest impact was a change in the earning asset mix driven by excess liquidity, partially offset by the impact of SBA-PPP loans.

4Q21 vs. 4Q20

- Net interest income (TE) ⁽¹⁾ decreased \$1.4 million, or by 0.4%, primarily due to a decrease in loan yields (ex. SBA-PPP) and a decrease in interest and fee income on SBA-PPP loans, largely offset by organic loan growth (ex. SBA-PPP), higher investment and overnight balances and yields, as well as lower rates paid on interest-bearing deposits.
- Net interest margin (TE) ⁽¹⁾ declined 44 bps due primarily to changes in earning asset mix driven by excess liquidity and a decline in the yield on loans, partially offset by lower rates paid on interest-bearing deposits and higher investment yields.



⁽¹⁾ Taxable-equivalent (TE) net interest income and TE net interest margin presented above.

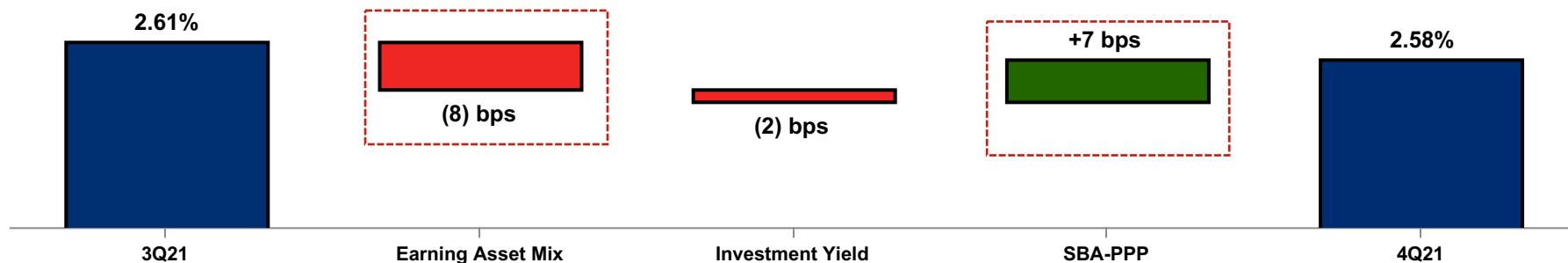
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Net Interest Margin (TE) ⁽¹⁾ Rollforward - Drivers of Margin Compression

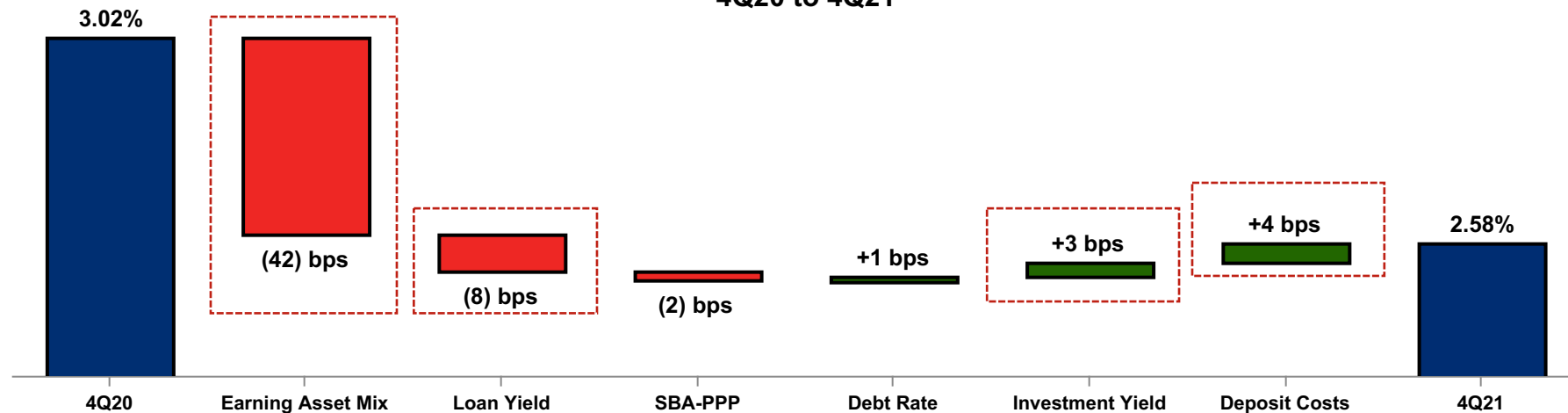
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NIM Rollforwards

3Q21 to 4Q21



4Q20 to 4Q21



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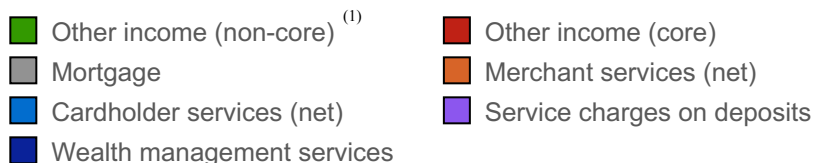
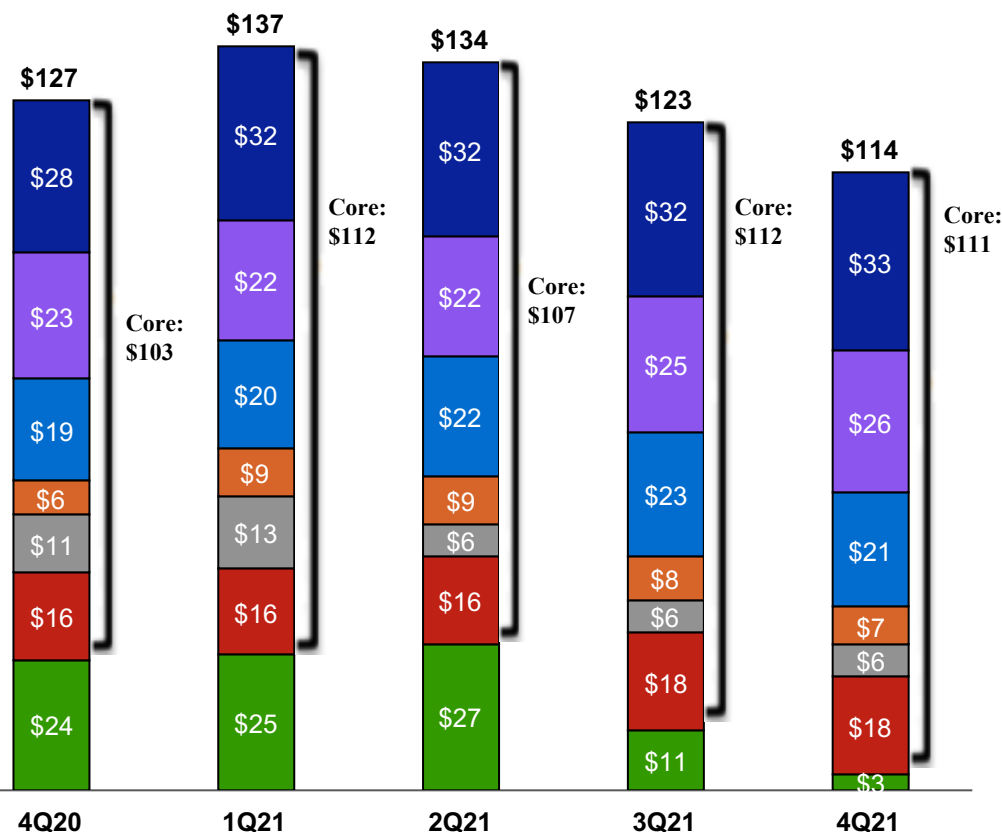
(1) Taxable-equivalent (TE) net interest income and TE net interest margin presented above.

Average Balance and Yield (TE) Analysis (\$ in thousands) ⁽¹⁾

	4Q21			3Q21			4Q20			Change vs					
	Avg. Balance	Income/ Expense ⁽¹⁾	Yield/ Rate	Avg. Balance	Income/ Expense ⁽¹⁾	Yield/ Rate	Avg. Balance	Income/ Expense ⁽¹⁾	Yield/ Rate	Avg. Balance	Income/ Expense ⁽¹⁾	Yield/ Rate	Avg. Balance	Income/ Expense ⁽¹⁾	Yield/ Rate
Non-PCD loans & leases	\$ 32,131,037	\$ 318,961	3.90 %	\$ 32,322,918	\$ 308,941	3.76 %	\$ 32,485,088	\$ 333,581	4.04 %	\$ (191,881)	\$ 10,020	0.14 %	\$ (354,051)	\$ (14,620)	(0.14)%
PCD loans & leases	356,997	9,820	10.89	384,673	10,797	11.10	479,302	11,720	9.69	(27,676)	(977)	(0.21)	(122,305)	(1,900)	1.20
Total loans & leases ⁽²⁾	32,488,033	328,781	3.98	32,707,591	319,738	3.85	32,964,390	345,300	4.12	(219,558)	9,043	0.13	(476,357)	(16,519)	(0.14)
Investment securities	11,424,103	39,724	1.39	10,707,519	39,286	1.47	9,889,124	31,211	1.26	716,584	438	(0.08)	1,534,979	8,513	0.13
Overnight investments	10,689,674	4,050	0.15	8,956,055	3,395	0.15	4,069,309	1,019	0.10	1,733,619	655	—	6,620,365	3,031	0.05
Total interest earning assets	\$ 54,601,810	\$ 372,555	2.69 %	\$ 52,371,165	\$ 362,419	2.73 %	\$ 46,922,823	\$ 377,530	3.17 %	\$2,230,645	\$ 10,136	(0.04)%	\$7,678,987	\$ (4,975)	(0.48)%
Interest bearing deposits	\$ 29,009,284	\$ 7,832	0.11 %	\$ 27,768,225	\$ 8,073	0.12 %	\$ 24,466,229	\$ 11,057	0.18 %	\$1,241,059	\$ (241)	(0.01)%	\$4,543,055	\$ (3,225)	(0.07)%
Customer repurchase obligations	650,123	260	0.16	672,114	358	0.21	684,311	374	0.22	(21,991)	(98)	(0.05)	(34,188)	(114)	(0.06)
Other borrowings	1,217,099	6,513	2.12	1,222,452	6,537	2.12	1,250,682	6,729	2.13	(5,353)	(24)	—	(33,583)	(216)	(0.01)
Total interest bearing liabilities	\$ 30,876,506	\$ 14,605	0.19 %	\$ 29,662,791	\$ 14,968	0.20 %	\$ 26,401,222	\$ 18,160	0.27 %	\$1,213,715	\$ (363)	(0.01)%	\$4,475,284	\$ (3,555)	(0.08)%
Total taxable equivalent net interest income	\$ 357,950			\$ 347,451			\$ 359,370								
Net interest spread		2.50 %			2.53 %			2.90 %			(0.03)			(0.40)	
Taxable equivalent net interest income and NIM	\$ 357,950	2.58 %		\$ 347,451	2.61 %		\$ 359,370	3.02 %		\$ 10,499	(0.03)%		\$ (1,420)	(0.44)%	
Taxable equivalent net interest income and NIM excluding PCD and SBA-PPP	\$ 321,622	2.37 %		\$ 316,620	2.47 %		\$ 305,423	2.76 %		\$ 5,002	(0.10)%		\$ 16,199	(0.39)%	

Noninterest Income

Summary (\$ in millions)



Highlights

4Q21 vs. 3Q21

Noninterest income decreased by \$8.7 million primarily due to the following:

- \$8.1 million decrease in other income (non-core)⁽¹⁾ due to lower securities gains.

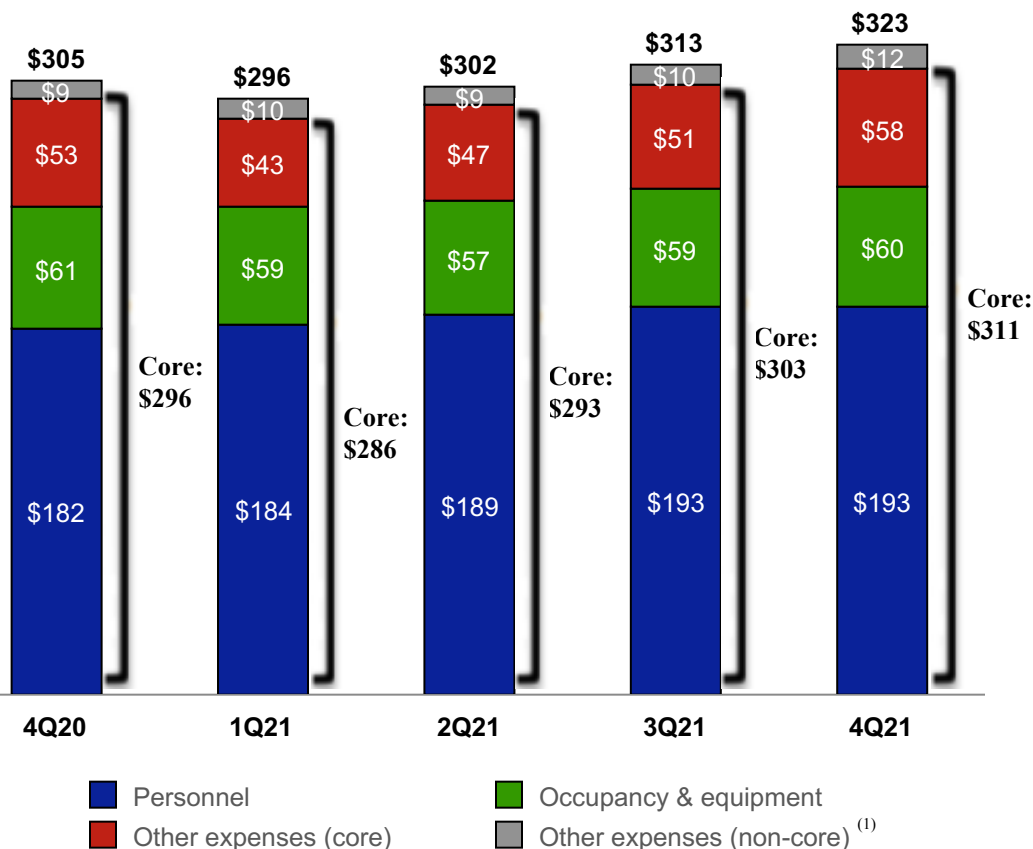
4Q21 vs. 4Q20

Noninterest income decreased by \$12.5 million primarily due to the following:

- \$21.2 million decrease in other income (non-core)⁽¹⁾ primarily due to the following:
 - \$15.9 million decrease in fair value adjustments on marketable equity securities;
 - \$5.3 million decrease in securities gains, partially offset by:
- \$8.6 million increase in core noninterest income driven by the following:
 - \$5.3 million increase in wealth management services driven by higher advisory and brokerage fees and trust income;
 - \$3.6 million increase in service charges on deposits;
 - \$2.6 million increase in cardholder services income, net driven by increased transaction volume; partially offset by a;
 - \$6.0 million decrease in mortgage income driven by lower gain on sale and production volume.

Noninterest Expense

Summary (\$ in millions)



Highlights

4Q21 vs. 3Q21

Noninterest expense increased by \$10.4 million primarily due to the following:

- \$6.8 million increase in other expenses (core) driven by a \$1.4 million increase in foreclosure and collection expense, a \$1.0 million increase in consulting costs, and a \$4.4 million increase in various other expenses;
- \$2.6 million increase in other expenses (non-core) ⁽¹⁾ due to merger-related expenses.

Efficiency ratio ⁽²⁾ was 66.31% in 4Q21, up from 66.09% in 3Q21. The increase was due to a 2.6% increase in core noninterest expense compared to a 2.2% decrease in core noninterest income.

4Q21 vs. 4Q20

Noninterest expense increased by \$17.8 million primarily due to the following:

- \$10.8 million increase in personnel expense driven by annual merit increases, increases in revenue-driven incentives, and an increase in temporary personnel costs;
- \$4.8 million increase in other expenses (core) driven by a \$3.7 million increase in third party service fees due to continued investment in digital and technology to support revenue-generating businesses and improve internal processes;
- \$3.6 million increase in other expenses (non-core) ⁽¹⁾ driven by merger-related expenses.

Efficiency ratio ⁽²⁾ was 66.31% in 4Q21, up from 64.28% in 4Q20. The increase was due to a 4.8% increase in core noninterest expense compared to a 1.6% increase in core noninterest income.

Efficiency Ratio⁽²⁾ Trending

	4Q20	1Q21	2Q21	3Q21	4Q21
Efficiency Ratio	64.28 %	63.35 %	64.61 %	66.09 %	66.31 %

Balance Sheet Highlights & Key Financial Ratios

(\$ in millions, except per share amounts)	Change vs.				
	4Q21	3Q21	4Q20	3Q21	4Q20
Assets					
Cash and due from banks	\$ 338	\$ 337	\$ 362	\$ 1	\$ (24)
Overnight investments	9,115	9,875	4,347	(760)	4,768
Investment securities	13,110	10,875	9,923	2,235	3,187
Assets held for sale	99	98	125	1	(26)
Non-PCD loans	32,034	32,143	32,329	(109)	(295)
PCD loans	338	373	463	(35)	(125)
Loans and leases	32,372	32,516	32,792	(144)	(420)
Allowance for credit losses	(178)	(183)	(224)	5	46
Net loans and leases	32,193	32,333	32,568	(139)	(375)
Other assets	3,453	3,384	2,633	68	820
Total assets	\$ 58,308	\$ 56,902	\$ 49,958	\$ 1,406	\$ 8,350
Liabilities and shareholders' equity					
Noninterest-bearing deposits	\$ 21,405	\$ 21,514	\$ 18,014	\$ (109)	\$ 3,391
Interest-bearing deposits	30,001	28,551	25,418	1,450	4,583
Total deposits	51,406	50,065	43,432	1,341	7,974
Other liabilities	2,165	2,256	2,297	(91)	(132)
Shareholders' equity	4,737	4,581	4,229	156	508
Total liabilities and shareholders' equity	\$ 58,308	\$ 56,902	\$ 49,958	\$ 1,406	\$ 8,350
Key Financial Ratios:					
Book value per share ⁽¹⁾	\$ 447.95	\$ 432.07	\$ 396.21	\$ 15.88	\$ 51.74
Tangible book value per share ⁽¹⁾	410.74	394.15	357.35	16.59	53.39
Loan to deposit ratio	62.97 %	64.95 %	75.50 %	(1.98)%	(12.53)%
ACL to total loans and leases:					
Non-PCD ^{(1) (2)}	0.52	0.53	0.67	(0.01)	(0.15)
PCD	4.38	4.94	5.18	(0.56)	(0.80)
Total ^{(1) (2)}	0.56	0.58	0.74	(0.02)	(0.18)
Noninterest bearing deposits to total deposits	41.64	42.97	41.48	(1.33)	0.16

Highlights

4Q21 vs 3Q21

- Investment securities increased \$2.2 billion due to the purchasing of US Treasuries to deploy excess liquidity created by deposit growth.
- Loans decreased \$144 million, or by 1.8% annualized, primarily due to \$593 million in SBA-PPP loan forgiveness, partially offset by \$449 million in organic growth (5.7% annualized). This organic growth was driven by commercial and industrial loans as well as owner occupied commercial mortgages.
- Deposits increased \$1.3 billion, or by 10.6% annualized, driven by organic growth.

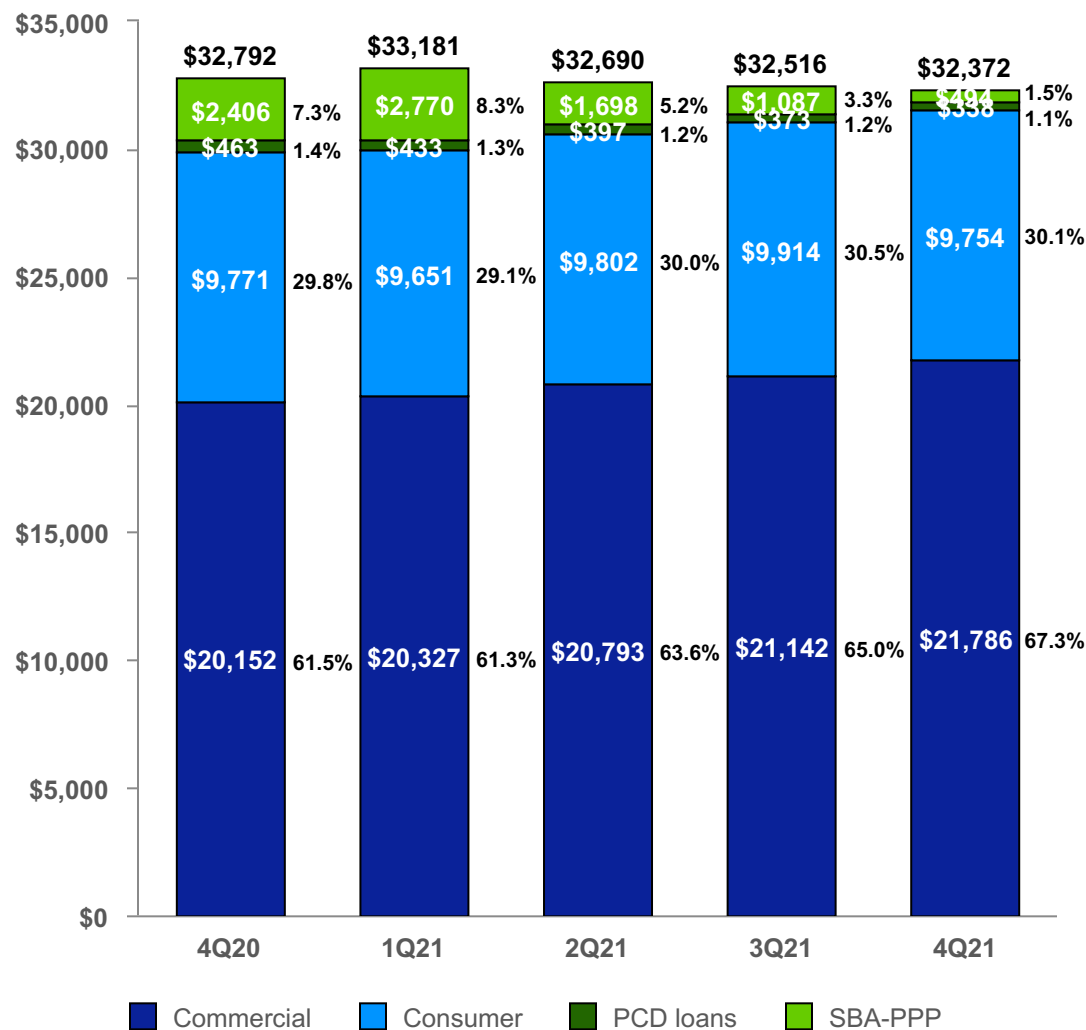
4Q21 vs 4Q20

- Overnight investments and investment securities increased by \$4.8 billion and \$3.2 billion, respectively, funded primarily by deposit growth. New investment purchases were primarily in MBS, CMBS, and US Treasuries.
- Loans decreased \$420 million, or by 1.3%, primarily due to a \$1.9 billion net decrease in SBA-PPP loans as forgiveness payments outpaced fundings, partially offset by \$1.5 billion in organic growth (4.9%) driven by growth in owner occupied commercial mortgages and commercial and industrial loans.
- Deposits increased \$8.0 billion, or by 18.4%, driven by organic growth.



Loans and Leases

Loan Composition (\$ in millions)



Highlights

Quarter to Date Annualized and Year over Year Growth

4Q21 vs. 3Q21:

Total Loans (1.8)%, Adjusted Loans ⁽¹⁾ 5.7%

Loans decreased \$144 million, or by 1.8% on an annualized basis primarily due to a \$593 million net decrease in SBA-PPP loans, partially offset by \$449 million in organic growth driven primarily by commercial and industrial loans as well as owner-occupied commercial mortgages.

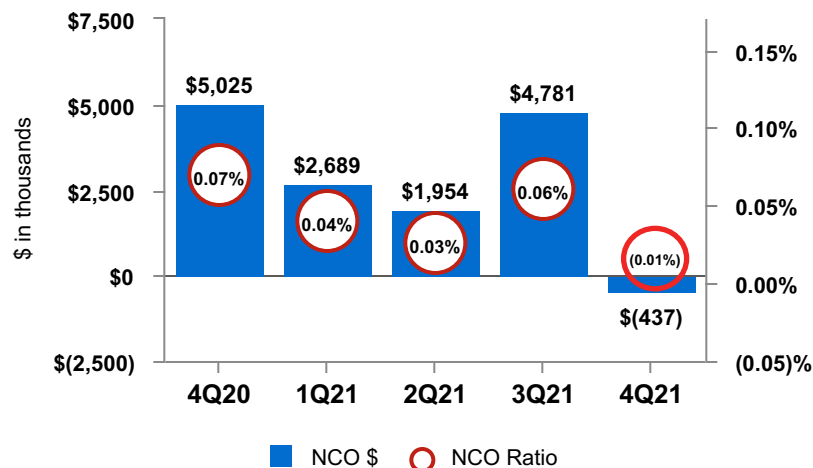
4Q21 vs. 4Q20:

Total Loans (1.3)%, Adjusted Loans ⁽¹⁾ 4.9%

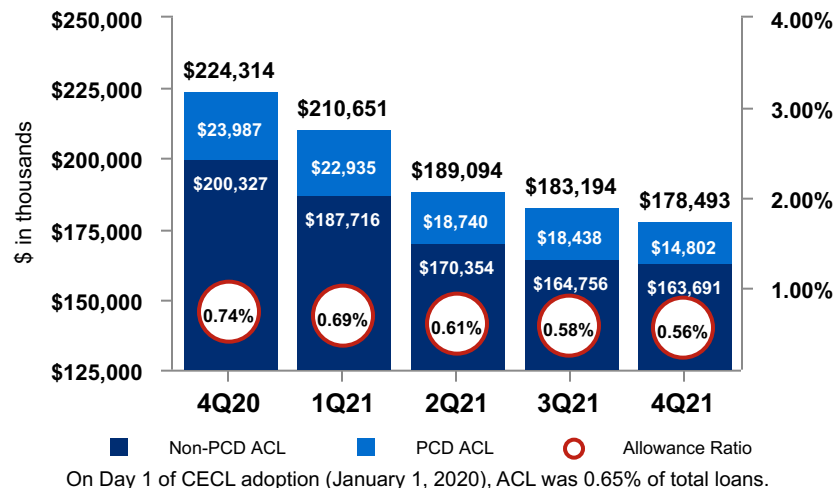
Loans decreased \$420 million, or by 1.3%, primarily due to a \$1.9 billion net decrease in SBA-PPP loans, partially offset by \$1.5 billion in organic growth driven primarily by owner-occupied commercial mortgages and commercial and industrial loans.

Quarterly Credit Quality Trends

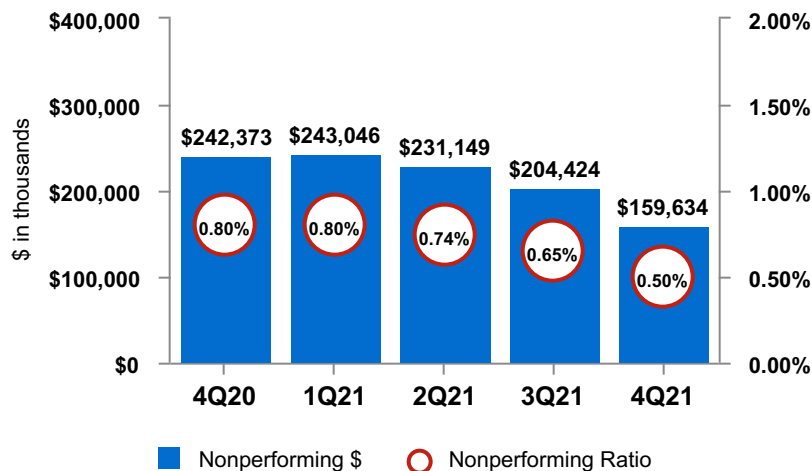
Net Charge-Offs (NCO) & Ratio ⁽¹⁾



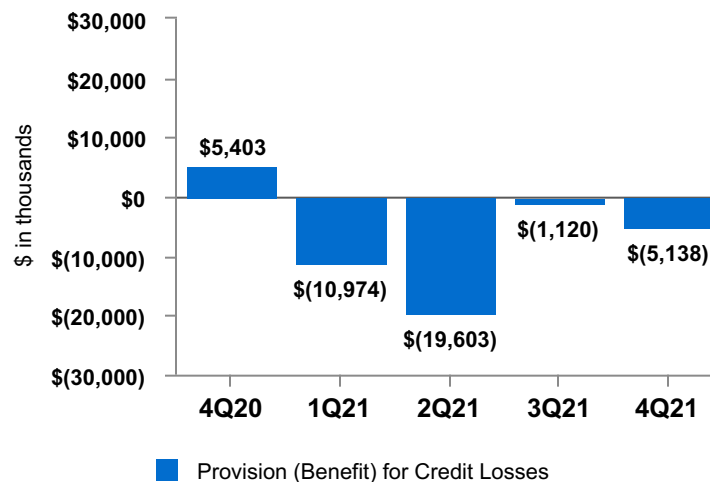
Allowance & Allowance Ratio ⁽¹⁾



Nonperforming Assets ⁽¹⁾

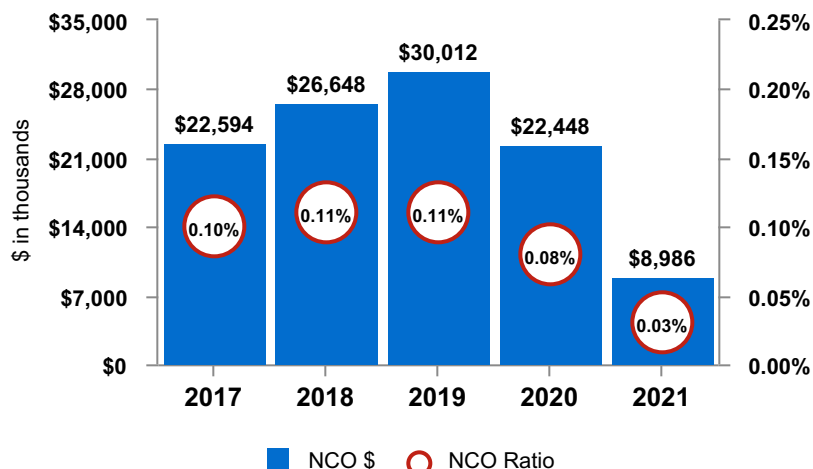


Provision (Benefit) for Credit Losses

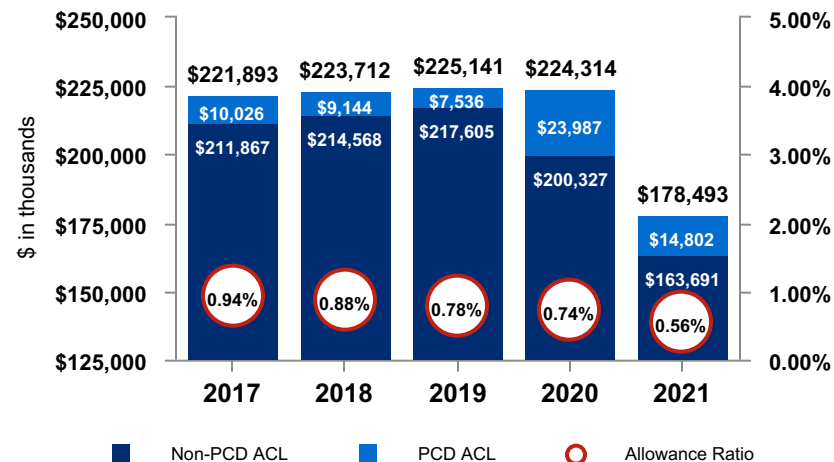


Annual Credit Quality Trends

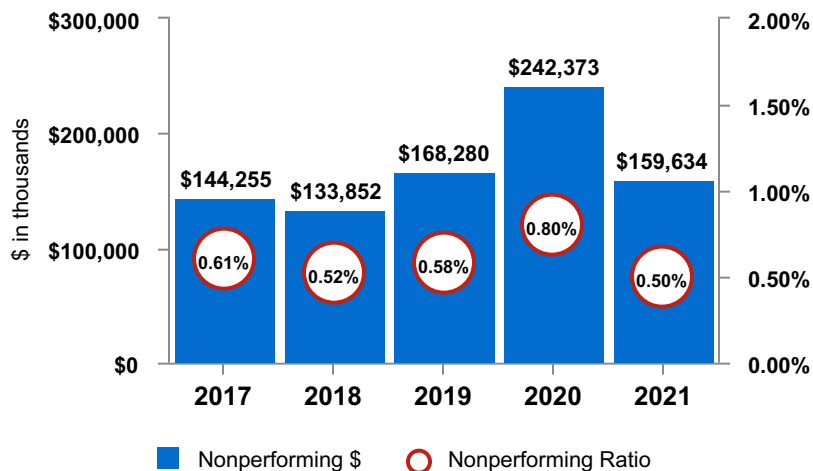
Net Charge-Offs (NCO) & Ratio ⁽¹⁾



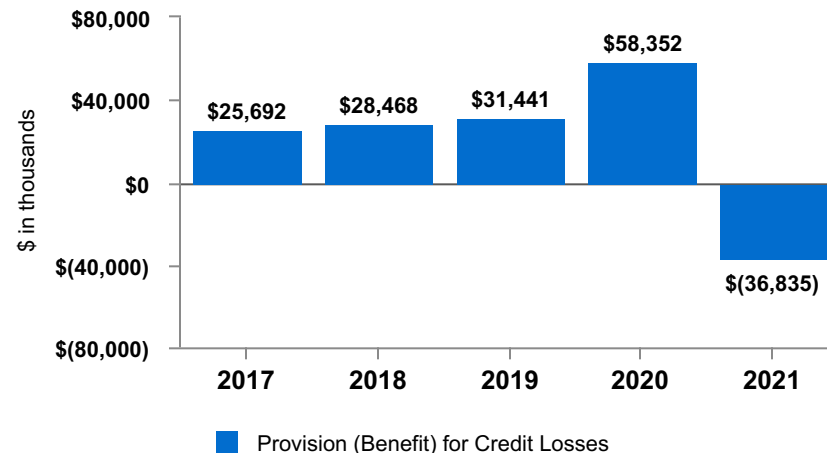
Allowance & Allowance Ratio ⁽¹⁾



Nonperforming Assets ⁽¹⁾



Provision (Benefit) for Credit Losses



Allowance for Credit Losses (ACL)

Allowance Rollforward

\$ in thousands	Non-PCD	PCD	Total
ACL as of December 31, 2020	\$ 200,327	\$ 23,987	\$ 224,314
Charge-offs	(33,105)	(2,317)	(35,422)
Recoveries	18,975	7,461	26,436
Net (charge-offs) recoveries	\$ (14,130)	\$ 5,144	\$ (8,986)
Provision for credit losses	(22,506)	(14,329)	(36,835)
ACL as of December 31, 2021	\$ 163,691	\$ 14,802	\$ 178,493

Credit Quality Ratios ⁽¹⁾

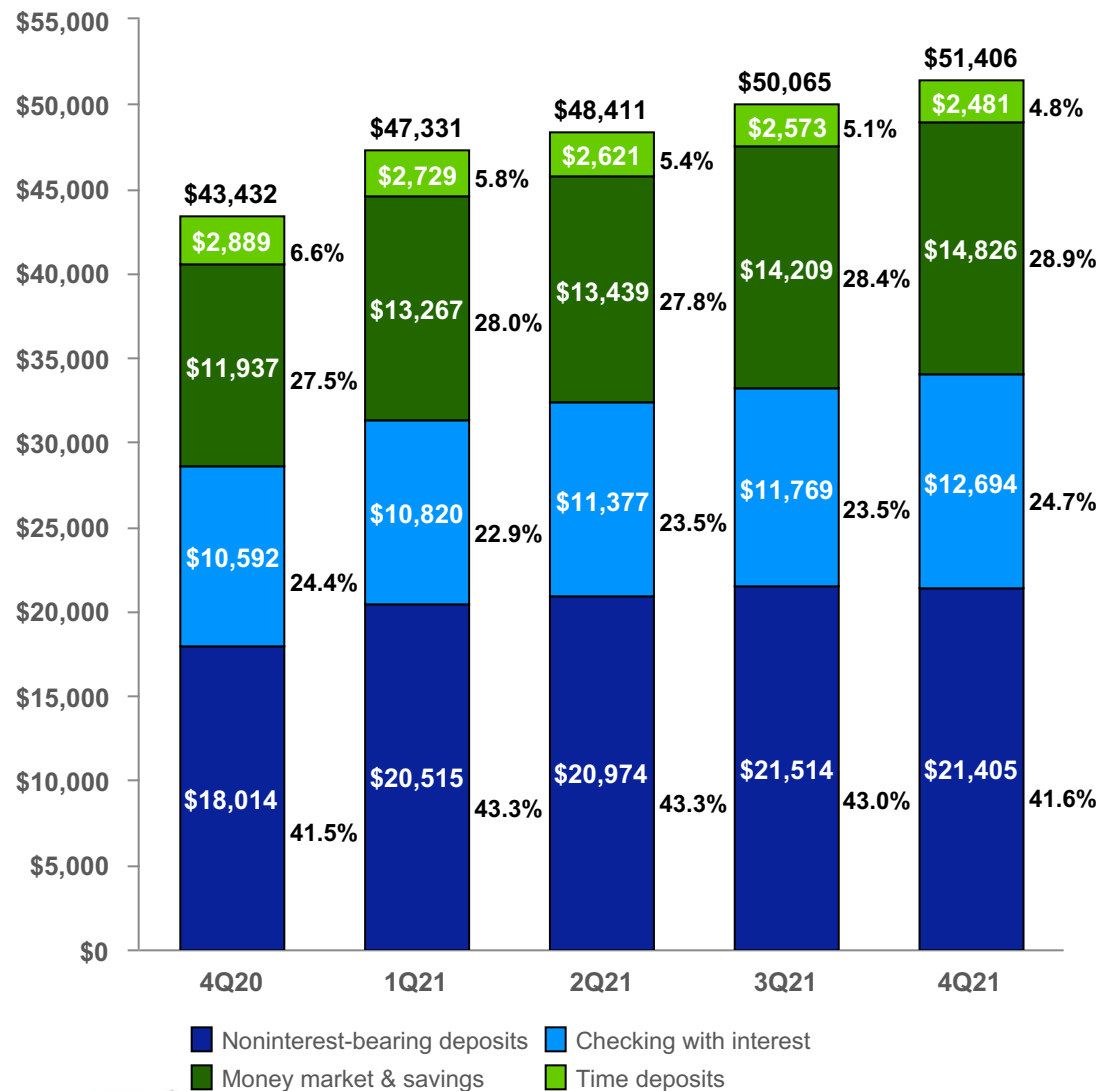
	4Q21	3Q21	2Q21	1Q21	4Q20	YTD21	YTD20
ACL to Non-PCD loans	0.52%	0.53%	0.56%	0.63%	0.67%	0.52%	0.67%
ACL to PCD loans	4.38	4.94	4.73	5.30	5.18	4.38	5.18
Allowance ratio	0.56%	0.58%	0.61%	0.69%	0.74%	0.56%	0.74%
NCO ratio	(0.01)%	0.06%	0.03%	0.04%	0.07%	0.03%	0.08%
Coverage ratio⁽²⁾	NM	9.67	20.33	17.25	10.57	18.67	9.25

Highlights

- Portfolio remains stable with strong credit quality.
- Net charge-off ratio is near historic lows at 3 bps for the year ended December 31, 2021.
- Provision credit of \$36.8 million in YTD21 was driven primarily by a \$45.8 million reserve release due to improved macroeconomic factors and continued strong credit performance, partially offset by net charge-offs of \$9.0 million.

Deposits

Deposit Composition (\$ in millions)



Highlights

Quarter to Date Annualized and Year over Year Growth

4Q21 vs. 3Q21: Total Deposits 10.6%

Increase of \$1.3 billion, or 10.6%, on an annualized basis, driven primarily by growth in checking with interest accounts of \$925 million, money market accounts of \$444 million, and savings accounts of \$173 million.

4Q21 vs. 4Q20: Total Deposits 18.4%

Increase of \$8.0 billion, or 18.4%, driven primarily by growth in noninterest-bearing deposits of \$3.4 billion, checking with interest accounts of \$2.1 billion, money market accounts of \$2.0 billion, savings accounts of \$932 million, partially offset by a decrease in time deposits of \$408 million.



First Citizens
BancShares

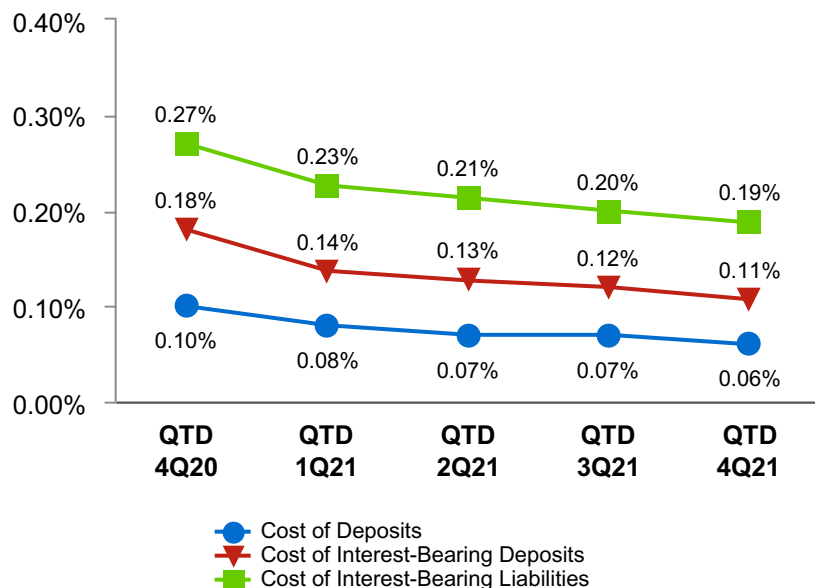
forever first

Funding Mix

Summary (\$ in millions)

	4Q21		3Q21		2Q21		1Q21		4Q20		Change vs.	
											3Q21	4Q20
Total deposits	\$ 51,406	96.6 %	\$ 50,065	96.4 %	\$ 48,411	96.2 %	\$ 47,331	96.1 %	\$ 43,432	95.8 %	\$ 1,341	\$ 7,974
Securities sold under customer repurchase agreements	589	1.1	664	1.3	693	1.4	681	1.4	641	1.4	(75)	(52)
FHLB advances	645	1.2	646	1.2	647	1.3	649	1.3	655	1.5	(1)	(10)
Subordinated debt	478	1.0	497	1.0	497	1.0	497	1.0	505	1.1	(19)	(27)
Unsecured borrowings	72	0.1	76	0.1	80	0.1	84	0.2	88	0.2	(4)	(16)
Total deposits and borrowed funds	\$ 53,190	100.0 %	\$ 51,948	100.0 %	\$ 50,328	100.0 %	\$ 49,242	100.0 %	\$ 45,321	100.0 %	\$ 1,242	\$ 7,869

Cost of Funds



Highlights

4Q21 vs. 3Q21

- No noteworthy changes in funding mix or cost of interest-bearing liabilities.

4Q21 vs. 4Q20

- No noteworthy changes in funding mix.
- Cost of interest-bearing liabilities decreased 8 bps driven by maturing time deposits and a reduction in money market rates.
- Total cost of deposits decreased 4 bps due to a decline in cost of interest-bearing deposits.

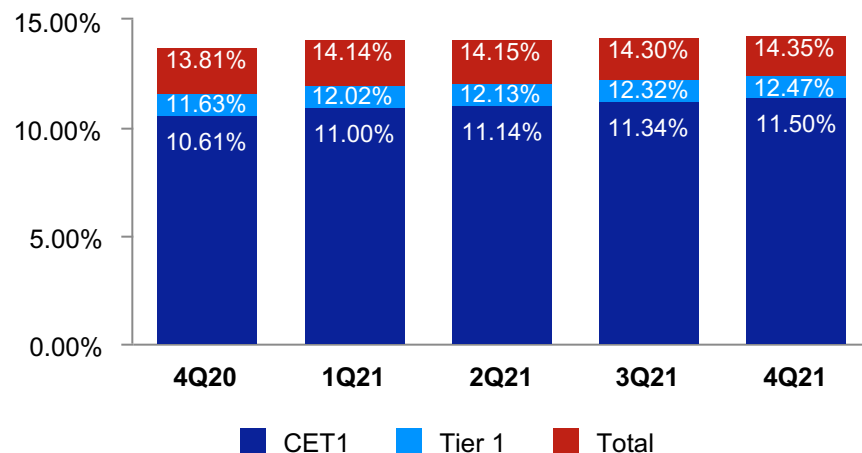
Capital Ratio Rollforward ⁽¹⁾

	Risk-Based Capital			Tier 1
	Total	Tier 1	CET1	Leverage
December 31, 2020	13.81 %	11.63 %	10.61 %	7.86 %
Net income	1.65	1.65	1.65	1.12
Change in RWA or AA ⁽²⁾	(0.85)	(0.73)	(0.68)	(1.34)
Common dividends	(0.06)	(0.06)	(0.06)	(0.04)
Preferred dividends	(0.06)	(0.06)	(0.06)	(0.04)
Other	(0.14)	0.04	0.04	0.03
December 31, 2021	14.35 %	12.47 %	11.50 %	7.59 %
Change since Q4 2020	0.54 %	0.84 %	0.89 %	(0.27)%

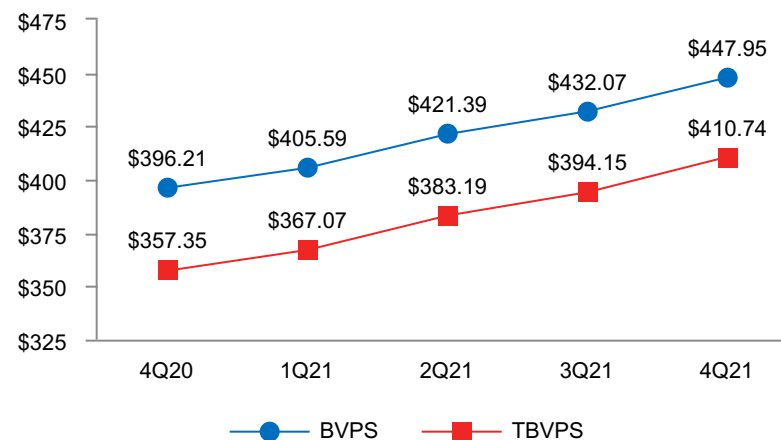
Highlights

- Capital levels remain strong and in excess of the capital conservation buffer.
- Year-to-date net income before preferred dividends of \$547.5 million contributed to a 165 bps increase in risk-based capital ratios.
- The decline in the Tier 1 Leverage ratio was due to sustained deposit growth.
- Tangible book value per share ⁽³⁾ growth of 14.9% since December 31, 2020, supported by strong earnings.

Trending Risk-Based Capital Ratios ⁽¹⁾



Book Value and Tangible Book Value Per Share ⁽³⁾



(1) Capital amounts and ratios for 4Q21 are preliminary.

(2) RWA: risk-weighted assets. AA: average assets. RWA impacts total, Tier 1, and CET1 risk-based capital ratios. AA impacts Tier 1 leverage ratio.

(3) This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

Appendix



CIT Group, Inc. (in millions, unaudited)

Income Statement	Quarters Ended			Years Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest income					
Interest and fees on loans	\$ 340.6	\$ 341.9	\$ 387.2	\$ 1,402.2	\$ 1,667.8
Other interest and dividends	21.8	17.9	28.0	81.2	131.2
Total interest income	362.4	359.8	415.2	1,483.4	1,799.0
Interest expense					
Interest on deposits	44.7	47.3	77.7	203.9	475.8
Interest on borrowings	55.0	55.7	61.9	225.2	257.5
Total interest expense	99.7	103.0	139.6	429.1	733.3
Net interest revenue	262.7	256.8	275.6	1,054.3	1,065.7
Provision for credit losses	(70.7)	(67.1)	(0.5)	(327.4)	800.3
Net interest revenue, after credit provision	333.4	323.9	276.1	1,381.7	265.4
Noninterest income					
Rental Income on operating lease equipment	204.2	186.2	198.9	773.3	810.9
Other noninterest income	147.6	124.7	161.3	662.9	540.5
Total noninterest income	351.8	310.9	360.2	1,436.2	1,351.4
Noninterest expense					
Depreciation on operating lease equipment	88.1	85.1	85.5	340.7	327.4
Maintenance and other operating lease expenses	52.1	50.5	54.2	209.0	212.5
Operating expenses	245.4	268.2	319.6	1,038.8	1,309.9
Goodwill impairment	0	0	140.4	0	485.1
Loss (gain) on debt extinguishment and deposit redemption	0.2	0	0.1	0.3	(14.7)
Total noninterest expenses	385.8	403.8	599.8	1,588.8	2,320.2
Income (loss) before provision (benefit) for income taxes	299.4	231.0	36.5	1,229.1	(703.4)
Provision (benefit) for income taxes	83.3	55.5	27.9	306.8	(88.1)
Net Income (loss)	\$ 216.1	\$ 175.5	\$ 8.6	\$ 922.3	\$ (615.3)
Less: preferred stock dividends	12.2	2.8	12.2	30.1	31.1
Net Income (loss) available to common shareholders	\$ 203.9	\$ 172.7	\$ (3.6)	\$ 892.2	\$ (646.4)

CIT Group, Inc. (in millions, unaudited)

Balance Sheet	Quarters Ended		
	December 31, 2021	September 30, 2021	December 31, 2020
Assets			
Total cash and interest bearing cash	\$ 3,016.1	\$ 4,598.5	\$ 4,011.7
Securities purchased under agreement to resell	0	100.0	150.0
Investment securities	6,813.7	5,775.2	6,889.0
Assets held for sale	53.3	95.8	721.2
Loans	32,839.6	33,461.0	36,144.6
Allowance for credit losses	(712.3)	(790.4)	(1,063.8)
Loans, net of allowance for credit losses	32,127.3	32,670.6	35,080.8
Operating lease equipment, net	8,024.3	7,937.5	7,836.6
Bank-owned life insurance	1,201.5	1,193.4	1,168.8
Other assets	2,003.4	2,049.0	2,248.5
Total assets	\$ 53,239.6	\$ 54,420.0	\$ 58,106.6
Liabilities			
Deposits	\$ 39,357.9	\$ 40,237.3	\$ 43,071.6
Credit balances of factoring clients	1,533.5	1,556.6	1,719.9
Other liabilities	1,793.3	2,203.9	1,754.9
Borrowings			
FHLB advances	0	0	1,100.0
Other secured and structured financings	14.2	12.0	6.1
Senior unsecured	3,741.9	3,740.3	4,236.3
Subordinated unsecured	495.4	495.3	494.9
Total borrowings	4,251.5	4,247.6	5,837.3
Total liabilities	\$ 46,936.2	\$ 48,245.4	\$ 52,383.7
Equity			
Stockholders' equity			
Preferred Stock	\$ 525.0	\$ 525.0	\$ 525.0
Common Stock	1.6	1.6	1.6
Paid-in capital	6,932.3	6,930.1	6,892.0
Retained earnings	2,180.3	2,011.0	1,428.3
Accumulated other comprehensive income (loss)	(163.6)	(121.2)	35.7
Treasury stock, at cost	(3,172.2)	(3,171.9)	(3,159.7)
Total common stockholders' equity	5,778.4	5,649.6	5,197.9
Total equity	6,303.4	6,174.6	5,722.9
Total liabilities and equity	\$ 53,239.6	\$ 54,420.0	\$ 58,106.6

Reconciliation of GAAP to Non-GAAP Measures

INCOME STATEMENT DATA

In thousands

Pre-Provision Net Revenue

	Quarter-to-Date					Year-to-Date	
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Income before income taxes	\$ 153,611	\$ 158,132	\$ 198,568	\$ 191,349	\$ 174,705	\$ 701,661	\$ 617,882
Less: Provision (credit) for credit losses	(5,138)	(1,120)	(19,603)	(10,974)	5,403	(36,835)	58,352
Pre-provision net revenue	\$ 148,473	\$ 157,012	\$ 178,965	\$ 180,375	\$ 180,108	\$ 664,826	\$ 676,234

Other Income (non-core)

Securities gains	\$ —	\$ 8,082	\$ 15,830	\$ 9,207	\$ 5,281	\$ 33,119	\$ 60,253
Fair value adjustments on equity securities	3,066	3,350	11,654	16,011	18,934	34,081	29,395
Loss on extinguishment of debt	—	—	—	(17)	—	(17)	—
Other income (non-core)	\$ 3,066	\$ 11,432	\$ 27,484	\$ 25,201	\$ 24,215	\$ 67,183	\$ 89,648

Other Expenses (non-core)

Merger-related expense	\$ 9,862	\$ 7,013	\$ 5,769	\$ 6,819	\$ 5,342	\$ 29,463	\$ 17,450
Amortization of core deposit and other intangible assets	2,593	2,857	3,082	3,328	3,540	11,860	15,391
Other expenses (non-core)	\$ 12,455	\$ 9,870	\$ 8,851	\$ 10,147	\$ 8,882	\$ 41,323	\$ 32,841

Reconciliation of GAAP to Non-GAAP Measures

INCOME STATEMENT DATA

In thousands

Adjusted Noninterest Income

	Quarter-to-Date					Year-to-Date	
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Total noninterest income	\$ 114,259	\$ 122,944	\$ 134,150	\$ 136,649	\$ 126,765	\$ 508,002	\$ 476,750
Less: Securities gains	—	8,082	15,830	9,207	5,281	33,119	60,253
Less: Fair value adjustments on equity securities	3,066	3,350	11,654	16,011	18,934	34,081	29,395
Less: Loss on extinguishment of debt	—	—	—	(17)	—	(17)	—
Adjusted noninterest income	\$ 111,193	\$ 111,512	\$ 106,666	\$ 111,448	\$ 102,550	\$ 440,819	\$ 387,102

Adjusted Noninterest Expense

Total noninterest expense	\$ 323,188	\$ 312,819	\$ 301,578	\$ 295,926	\$ 305,373	\$ 1,233,510	\$ 1,188,685
Less: Merger-related expense	9,862	7,013	5,769	6,819	5,342	29,463	17,450
Less: Amortization of core deposit and other intangible	2,593	2,857	3,082	3,328	3,540	11,861	15,391
Adjusted noninterest expense	\$ 310,733	\$ 302,949	\$ 292,727	\$ 285,779	\$ 296,491	\$ 1,192,186	\$ 1,155,844

Efficiency Ratio

Adjusted noninterest expense (numerator)	\$ 310,733	\$ 302,949	\$ 292,727	\$ 285,779	\$ 296,491	\$ 1,192,186	\$ 1,155,844
Net interest income	357,402	346,886	346,393	339,652	358,716	1,390,334	1,388,169
Adjusted noninterest income	111,193	111,512	106,666	111,448	102,550	440,819	387,102
Net revenue (denominator)	\$ 468,595	\$ 458,398	\$ 453,059	\$ 451,100	\$ 461,266	\$ 1,831,153	\$ 1,775,271
Efficiency ratio	66.31 %	66.09 %	64.61 %	63.35 %	64.28 %	65.11 %	65.11 %

Reconciliation of GAAP to Non-GAAP Measures

BALANCE SHEET DATA

In millions

SBA-PPP Impact on Loans and Deposits

	Quarter-to-Date					Year-to-Date	
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Total loans	\$ 32,372	\$ 32,516	\$ 32,690	\$ 33,181	\$ 32,792	\$ 32,372	\$ 32,792
Less: SBA-PPP loans	494	1,087	1,698	2,770	2,406	494	2,406
Loans excluding SBA-PPP	\$ 31,878	\$ 31,429	\$ 30,992	\$ 30,411	\$ 30,386	\$ 31,878	\$ 30,386

Average loans

Less: Average SBA-PPP loans	760	1,403	2,323	2,645	2,842	1,777	1,969
Average loans excluding SBA-PPP	\$ 31,628	\$ 31,205	\$ 30,719	\$ 30,325	\$ 30,012	\$ 30,973	\$ 29,538

Allowance for Credit Loss Ratios

Allowance Ratio

Total allowance for credit losses	\$ 178	\$ 183	\$ 189	\$ 211	\$ 224	\$ 178	\$ 224
Total loan balance excluding SBA-PPP	31,878	31,429	30,992	30,411	30,386	31,878	30,386
Allowance ratio excluding SBA-PPP	0.56 %	0.58 %	0.61 %	0.69 %	0.74 %	0.56 %	0.74 %

Non-PCD allowance for credit losses

Non-PCD loan balance excluding SBA-PPP	\$ 164	\$ 165	\$ 170	\$ 188	\$ 200	\$ 164	\$ 200
Non-PCD allowance ratio excluding SBA-PPP	31,540	31,056	30,595	29,978	29,923	31,540	29,923
	0.52 %	0.53 %	0.56 %	0.63 %	0.67 %	0.52 %	0.67 %

Nonperforming Assets Ratio

Nonperforming assets	\$ 160	\$ 204	\$ 231	\$ 243	\$ 242	\$ 160	\$ 242
Loan balance excluding SBA-PPP	31,878	31,429	30,992	30,411	30,386	31,878	30,386
Other real estate owned (OREO)	39	41	44	49	50	39	50
Loan balance excluding SBA-PPP & OREO (denominator)	31,917	31,470	31,036	30,460	30,436	31,917	30,436
Non-Performing assets ratio excluding SBA-PPP	0.50 %	0.65 %	0.74 %	0.80 %	0.80 %	0.50 %	0.80 %

Net Charge-Off Ratio

Net charge-offs	\$ —	\$ 5	\$ 2	\$ 3	\$ 5	\$ 9	\$ 22
Average loan balance excluding SBA-PPP	31,628	31,205	30,719	30,325	30,012	30,973	29,538
Net charge-off ratio excluding SBA-PPP	(0.01)%	0.06 %	0.03 %	0.04 %	0.07 %	0.03 %	0.08 %

Reconciliation of GAAP to Non-GAAP Measures

BALANCE SHEET DATA

In millions

Common Equity and Tangible Common Equity

Shareholders' equity

Preferred stock

Common equity

Less: Goodwill

Less: Core deposit and other intangible assets

Total tangible common equity

Return on Average Tangible Common Shareholder's Equity

Net income available to common shareholders

Average shareholders' equity

Less: Average preferred stock

Average common shareholders' equity

Less: Average goodwill

Less: Average core deposit and other intangible assets

Average tangible common shareholders' equity

Return on average tangible common shareholders' equity

	Quarter-to-Date					Year-to-Date	
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Common Equity and Tangible Common Equity							
Shareholders' equity	\$ 4,737	\$ 4,581	\$ 4,476	\$ 4,322	\$ 4,229	\$ 4,737	\$ 4,229
Preferred stock	(340)	(340)	(340)	(340)	(340)	(340)	(340)
Common equity	4,397	4,241	4,136	3,982	3,889	4,397	3,889
Less: Goodwill	(346)	(350)	(350)	(350)	(350)	(346)	(350)
Less: Core deposit and other intangible assets	(19)	(22)	(25)	(28)	(31)	(19)	(31)
Total tangible common equity	\$ 4,032	\$ 3,869	\$ 3,761	\$ 3,604	\$ 3,508	\$ 4,032	\$ 3,508
Return on Average Tangible Common Shareholder's Equity							
Net income available to common shareholders	\$ 118,646	\$ 119,436	\$ 148,152	\$ 142,680	\$ 133,448	\$ 528,915	\$ 477,661
Average shareholders' equity	\$ 4,632,918	\$ 4,536,592	\$ 4,398,173	\$ 4,275,204	\$ 4,126,095	\$ 4,460,722	\$ 3,954,007
Less: Average preferred stock	339,937	339,937	339,937	339,937	339,937	339,937	274,015
Average common shareholders' equity	4,292,981	4,196,655	4,058,236	3,935,267	3,786,158	4,120,785	3,679,992
Less: Average goodwill	350,252	350,298	350,298	350,298	350,298	350,286	350,002
Less: Average core deposit and other intangible assets	20,686	23,419	26,493	29,820	33,043	25,075	38,315
Average tangible common shareholders' equity	\$ 3,922,044	\$ 3,822,939	\$ 3,681,445	\$ 3,555,149	\$ 3,402,817	\$ 3,745,424	\$ 3,291,675
Return on average tangible common shareholders' equity	12.00 %	12.39 %	16.14 %	16.28 %	15.60 %	14.12 %	14.51 %

Reconciliation of GAAP to Non-GAAP Measures

PER SHARE DATA

In thousands (excl. per share data)

Book Value Per Share

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Total shareholders' equity	\$ 4,737,241	\$ 4,581,295	\$ 4,476,490	\$ 4,321,400	\$ 4,229,268
Less: Preferred stock	(339,937)	(339,937)	(339,937)	(339,937)	(339,937)
Total common equity	\$ 4,397,304	\$ 4,241,358	\$ 4,136,553	\$ 3,981,463	\$ 3,889,331
Divided by: Shares outstanding	9,816,405	9,816,405	9,816,405	9,816,405	9,816,405
Book value per share	\$ 447.95	\$ 432.07	\$ 421.39	\$ 405.59	\$ 396.21

Tangible Book Value Per Share

Total shareholders' equity	\$ 4,737,241	\$ 4,581,295	\$ 4,476,490	\$ 4,321,400	\$ 4,229,268
Less: Preferred stock	(339,937)	(339,937)	(339,937)	(339,937)	(339,937)
Less: Goodwill	(346,064)	(350,298)	(350,298)	(350,298)	(350,298)
Less: CDI and other intangibles	(19,288)	(21,879)	(24,737)	(27,819)	(31,147)
Tangible equity	\$ 4,031,952	\$ 3,869,181	\$ 3,761,518	\$ 3,603,346	\$ 3,507,886
Divided by: Shares outstanding	9,816,405	9,816,405	9,816,405	9,816,405	9,816,405
Tangible book value per share	\$ 410.74	\$ 394.15	\$ 383.19	\$ 367.07	\$ 357.35