First Citizens BancShares

Third Quarter 2021

Earnings Conference Call

October 27, 2021

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 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, 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, the delay in closing (or failure to close) one or more of BancShares’ previously announced acquisition transaction(s), the failure to realize the anticipated benefits of BancShares’ previously announced acquisition transaction(s), and general competitive, economic, political, and market conditions, as well as risks related to the proposed transaction with CIT Group Inc (“CIT”) including, in addition to those described above and among others, (1) the risk that the cost savings, any revenue synergies and other anticipated benefits of the proposed transaction may not be realized or may take longer than anticipated to be realized, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the condition of the economy and competitive factors in areas where BancShares and CIT do business, (2) disruption to BancShares’ and CIT’s businesses as a result of the pendency of the proposed transaction and diversion of management’s attention from ongoing business operations and opportunities, (3) the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement, (4) the risk that the integration of BancShares’ and CIT’s operations will be materially delayed or will be more costly or difficult than expected or that BancShares and CIT are otherwise unable to successfully integrate their businesses, (5) the outcome of any legal proceedings that may be or have been instituted against BancShares and/or CIT, (6) the failure to obtain remaining governmental approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction), (7) reputational risk and potential adverse reactions of BancShares’ and/or CIT’s customers, suppliers, employees or other business partners, including those resulting from the completion of the proposed transaction, (8) the failure of any of the closing conditions in the definitive merger agreement to be satisfied on a timely basis or at all, (9) delays in closing the proposed transaction, (10) the possibility that the proposed transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, (11) the dilution caused by BancShares’ issuance of additional shares of its capital stock in connection with the proposed transaction, (12) other factors that may affect future results of BancShares and CIT including changes in asset quality and credit risk, the inability to sustain revenue and earnings growth, changes in interest rates and capital markets, inflation, customer borrowing, repayment, investment and deposit practices, the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms, and (13) the impact of the global COVID-19 pandemic on CIT’s business, the parties’ ability to complete the proposed transaction and/or any of the other foregoing risks.

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. Further information regarding BancShares and factors which could affect the forward-looking statements contained herein can be found in BancShares’ Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and its other filings with the Securities and Exchange Commission.

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.

CIT Merger Update

Timing

- North Carolina Commissioner of Banks and Federal Deposit Insurance Corporation have approved.
- Awaiting approval from the Board of Governors of the Federal Reserve System ("FRB").
- Both parties have responded to all questions issued by the Staff of the FRB, and the Staff has informed the parties that they do not have further questions at this time.
- The parties have been informed that the application is presently at the Governor level and the Board of Governors has not provided a timeframe for its decision on the application.

Integration

- Operational conversion plans and initial timelines have been drafted and will be finalized following close.
- Conversions expected to begin in early 2022, subject to timing of close.
- Leaders from both organizations are actively engaged in planning to ensure cultural alignment and a successful integration.

Next Steps

- Closing is expected as soon as practicable following the above approval and satisfaction or waiver of other customary closing conditions.
- Final valuations will commence upon closing of the transaction.
- Purchase accounting adjustments to be disclosed as soon as practicable post legal close.
- Prior estimates for cost savings and merger related expenses to be confirmed post legal close.

Earnings Highlights

				Increase (Decrease)			
				2Q21		3Q20	
$ in thousands	3Q21	2Q21	3Q20	$	%	$	%
Net interest income	$346,887	$346.393	$353.659	$ 494	0.1 %	$ (6,772)	(1.9)%
Noninterest income	122,944	134,150	120,572	(11,206)	(8.4)	2,372	2.0
Noninterest expense	312,819	301,578	291,662	11,241	3.7	21,157	7.3
Pre-provision net revenue[(1)]	**157,012**	**178,965**	**182,569**	**(21,953)**	**(12.3)**	**(25,557)**	**(14.0)**
Provision (credit) for credit losses	(1,120)	(19,603)	4,042	18,483	94.3	(5,162)	(127.7)
Income before income taxes	**158,132**	**198,568**	**178,527**	**(40,436)**	**(20.4)**	**(20,395)**	**(11.4)**
Income taxes	34,060	45,780	35,843	(11,720)	(25.6)	(1,783)	(5.0)
Net income	**124,072**	**152,788**	**142,684**	**(28,716)**	**(18.8)**	**(18,612)**	**(13.0)**
Preferred dividends	4,636	4,636	4,636	—	—	—	—
Net income available to common shareholders	**$119,436**	**$148,152**	**$138,048**	**$(28,716)**	**(19.4)%**	**$(18,612)**	**(13.5)%**

Key Financial Ratios & Metrics	3Q21	2Q21	1Q21	4Q20	3Q20
Earnings per share	$ 12.17	$ 15.09	$ 14.53	$ 13.59	$ 14.03
Return on average assets	0.88 %	1.13 %	1.16 %	1.11 %	1.18 %
Return on average equity	11.29	14.64	14.70	14.02	14.93
Return on average tangible common equity [(1)]	12.39	16.14	16.28	15.60	16.68
Net interest margin	2.61	2.68	2.80	3.02	3.06
Efficiency ratio [(1)]	66.09	64.61	63.35	64.28	62.44
Net charge-off ratio [(1)] [(2)]	0.06	0.03	0.04	0.07	0.03
Effective tax rate	21.54	23.06	23.01	20.96	20.08

Highlights

3Q21 vs. 2Q21

- Net income available to common shareholders totaled $119.4 million, or $12.17 per share in 3Q21 compared to $148.2 million, or $15.09 per share in 2Q21.
- Pre-provision net revenue[(1)] decreased $22.0 million primarily due to less favorable fair value adjustments on marketable equity securities, lower realized gains on AFS securities, and an increase in noninterest expense.
- The net benefit from provision for credit losses decreased $18.5 million. In 3Q21 there was a $5.9 million reserve release compared to a $21.6 million reserve release in 2Q21.
- The effective tax rate for 3Q21 was favorably impacted by a $2.0 million tax benefit related to 2020 federal tax credits.

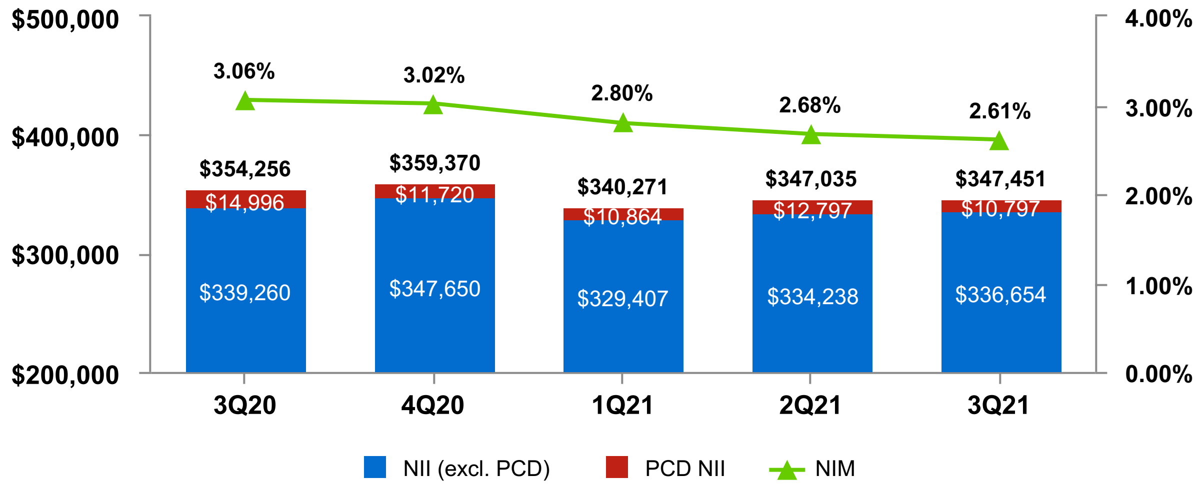
3Q21 vs. 3Q20

- Net income available to common shareholders totaled $119.4 million, or $12.17 per share in 3Q21 compared to $138.0 million, or $14.03 per share in 3Q20.
- Pre-provision net revenue[(1)] decreased $25.6 million primarily due to an increase in noninterest expense and a decline in net interest income, only partially offset by an increase in noninterest income.
- Continued strong credit performance, low net charge-offs, and improvement in macroeconomic factors led to a $5.9 million reserve release in 3Q21 which drove a $5.2 million decline in provision for credit losses.
- The effective tax rates for 3Q20 and 4Q20 were favorably impacted by an allowable alternative for computing the 2020 federal income tax liability related to certain FDIC-assisted acquisitions completed in prior years.

(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.

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

Net Interest Income & Margin (TE) [1]



Rate/Yield Analysis ($ in thousands) [1]

	3Q21		2Q21		3Q20		Change vs. 2Q21	Change vs. 3Q20
	Avg. Balance	Yield/ Rate	Avg. Balance	Yield/ Rate	Avg. Balance	Yield/ Rate	Yield/ Rate	Yield/ Rate
Loans and leases	$ 32,707,591	3.85 %	$ 33,166,049	3.89 %	$ 32,694,996	4.06 %	(0.04)%	(0.21)%
Investment securities	10,707,519	1.47	10,534,348	1.35	9,930,197	1.50	0.12	(0.03)
Overnight investments	8,956,055	0.15	7,819,287	0.11	2,992,183	0.10	0.04	0.05
Total interest-earning assets	**$ 52,371,165**	**2.73 %**	**$ 51,519,684**	**2.80 %**	**$ 45,617,376**	**3.24 %**	**(0.07)%**	**(0.51)%**
Interest-bearing deposits	27,768,225	0.12 %	27,004,114	0.13 %	23,625,140	0.23 %	(0.01)%	(0.11)%
Securities sold under customer repurchase agreements	672,114	0.21	677,451	0.21	710,237	0.22	—	(0.01)
Other borrowings	1,222,452	2.12	1,227,755	2.12	1,256,331	2.15	—	(0.03)
Total interest-bearing liabilities	**$ 29,662,791**	**0.20 %**	**$ 28,909,319**	**0.21 %**	**$ 25,591,707**	**0.32 %**	**(0.01)%**	**(0.12)%**

Highlights

3Q21 vs. 2Q21

- Net interest income (TE)[1] increased $0.4 million, or by 0.1%.
- Increase primarily due to higher investment and overnight yields and balances, organic loan growth and lower interest expense on deposits, partially offset by lower SBA-PPP income and a reduction in loan yields.
- Net interest margin (TE)[1] decreased 7 bps to 2.61%.

3Q21 vs. 3Q20

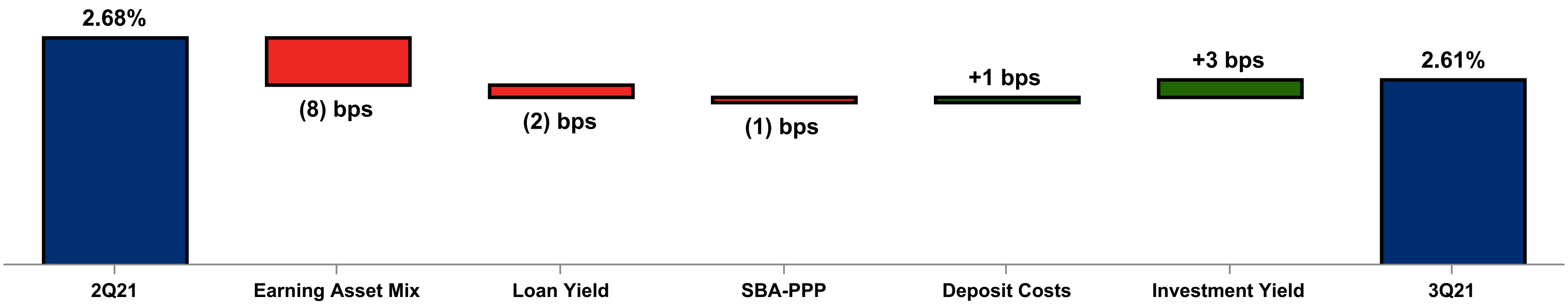
- Net interest income (TE)[1] decreased $6.8 million, or by 1.9%.
- Decrease primarily due to decline in yields on interest-earning assets and lower interest and fee income on SBA-PPP loans, partially offset by organic loan growth, higher investment balances, and lower rates paid on interest-bearing deposits.
- Net interest margin (TE)[1] decreased 45 bps to 2.61%.

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

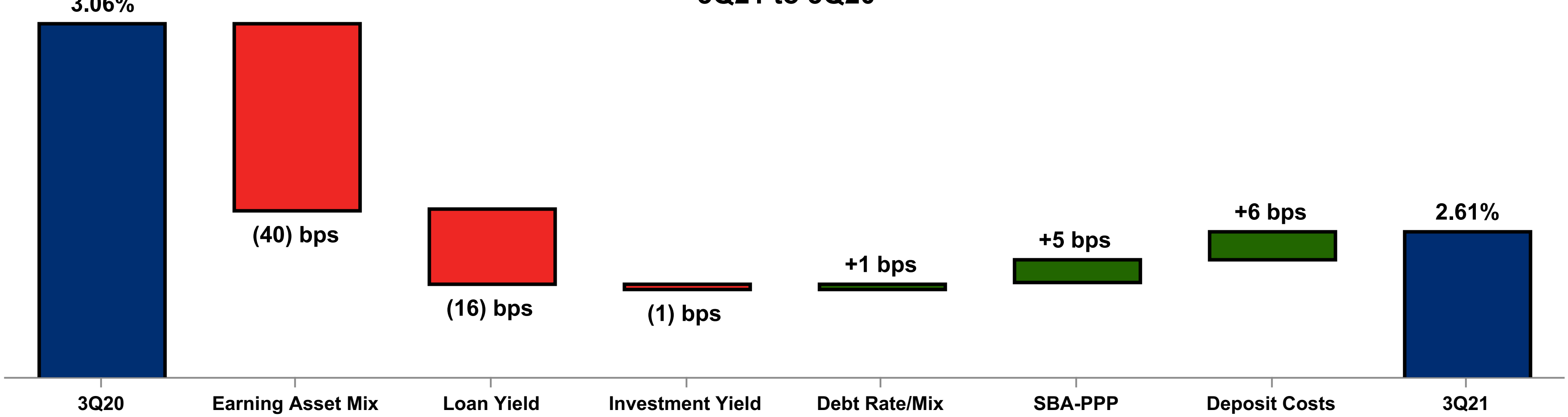
Net Interest Margin (TE) Rollforward - Drivers of Margin Compression

NIM Rollforwards

3Q21 to 2Q21

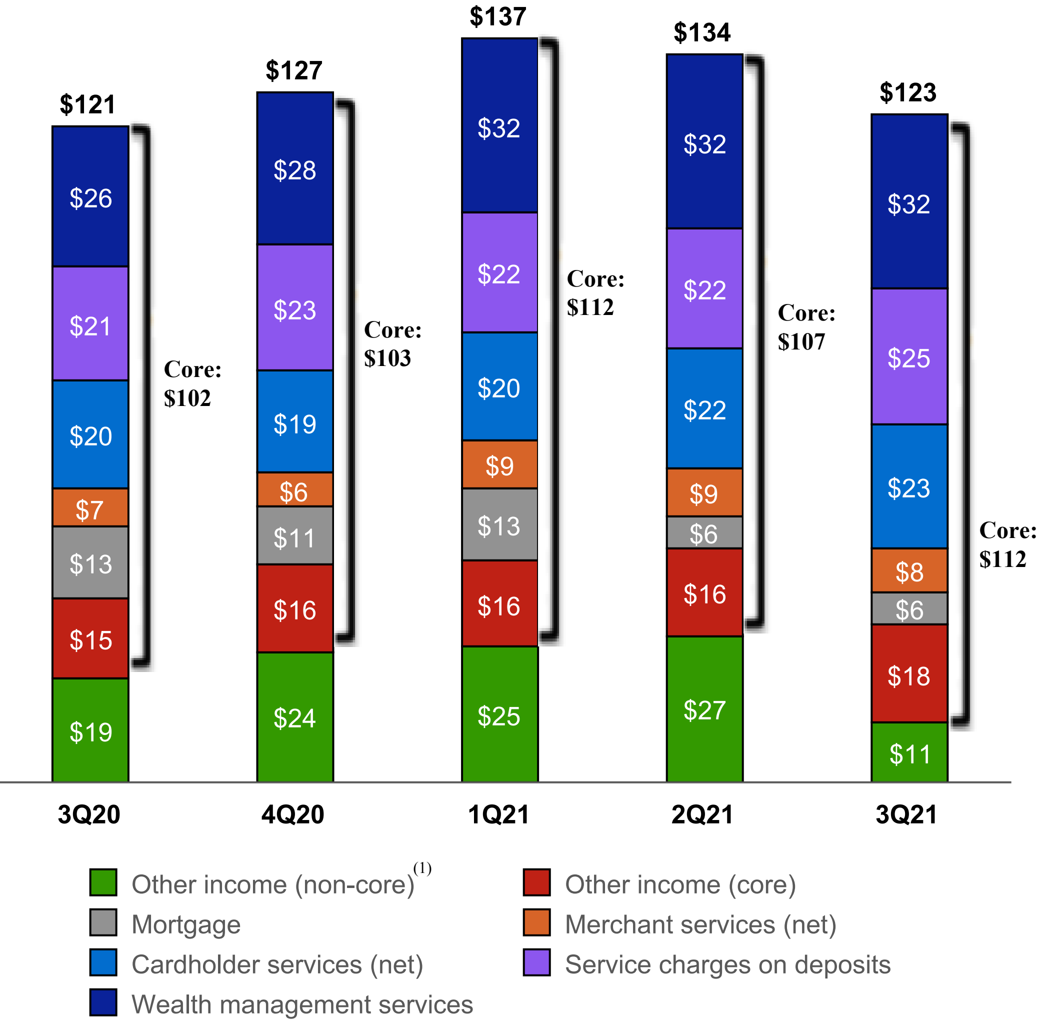


3Q21 to 3Q20



Noninterest Income

Summary ($ in millions)



Highlights

3Q21 vs. 2Q21

Noninterest income decreased by $11.2 million primarily due to the following:

- $16.1 million decrease in other income (non-core) due to lower securities gains and fair value adjustments on marketable equity securities; partially offset by a
- $4.8 million increase in core noninterest income driven primarily by a $3.0 million increase in net service charges on deposits.

3Q21 vs. 3Q20

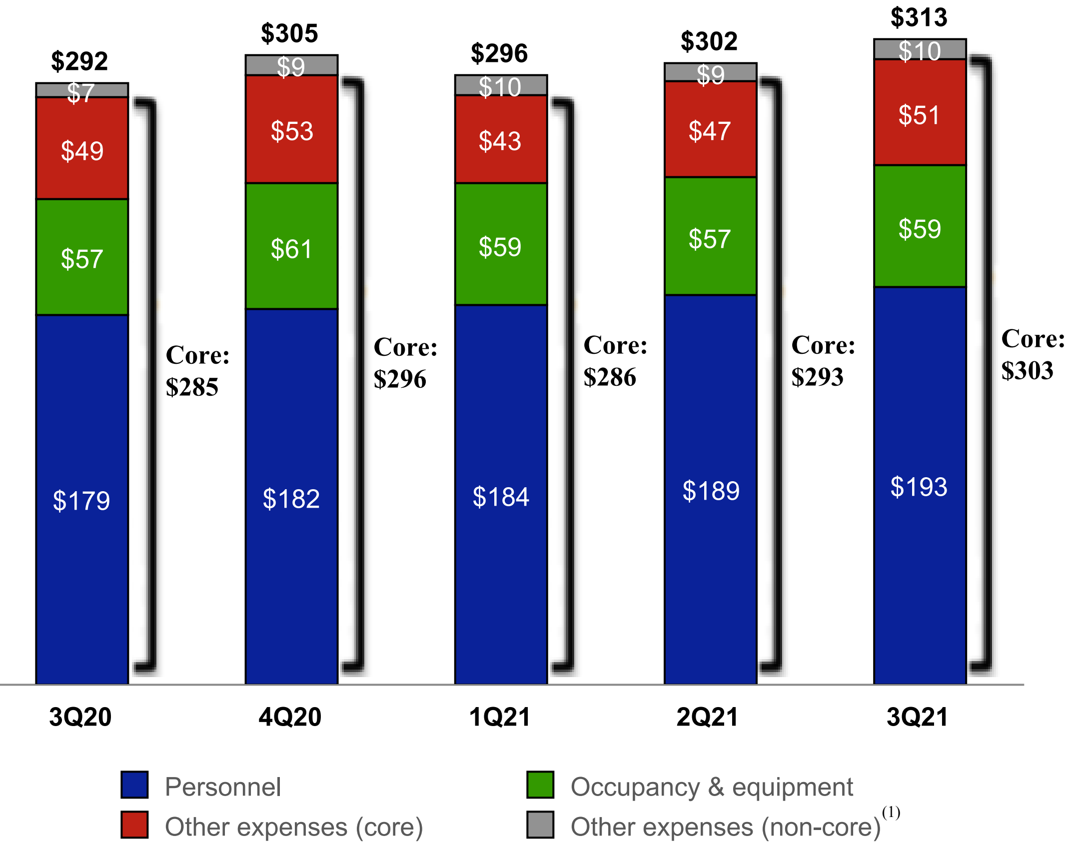
Noninterest income increased by $2.4 million primarily due to the following:

- $9.7 million increase in core noninterest income:
  - $5.6 million increase in wealth management services driven by higher advisory and brokerage fees, as well as trust income;
  - $4.0 million increase in net service charges on deposits
  - $3.1 million increase in cardholder services income, net driven by increased transaction volume; partially offset by a
  - $7.0 million decrease in mortgage income driven by lower gain on sale margins and production volume.
- $7.3 million decrease in other income (non-core) primarily due to lower securities gains, partially offset by an increase in fair value adjustments on marketable equity securities.

(1) Other income (non-core) includes fair value adjustments on marketable equity securities, realized gains (losses) on AFS securities, and gains (losses) on extinguishment of debt. This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

Noninterest Expense

Summary ($ in millions)



Efficiency Ratio[2] Trending

	3Q20	4Q20	1Q21	2Q21	3Q21
Efficiency Ratio[2]	62.44 %	64.28 %	63.35 %	64.61 %	66.09 %

Highlights

3Q21 vs. 2Q21

Noninterest expense increased by $11.2 million primarily due to the following:

- $4.2 million increase in personnel expense driven by increases in temporary personnel costs, an increase in revenue-driven incentives, and net staff additions, partially offset by a decrease in employee benefits driven by lower health plan costs;
- $4.1 million increase in other expenses (core) driven primarily by our continued investments to support revenue-generating businesses and improve internal processes;
- $2.0 million increase in occupancy and equipment costs driven by increases in equipment purchases, computer maintenance costs and higher utilities expense;
- $1.2 million increase in merger-related expenses;

Efficiency ratio[2] was 66.09% in 3Q21, up from 64.61% in 2Q21. The increase was due to higher core noninterest expense, partially offset by higher core noninterest income.

3Q21 vs. 3Q20

Noninterest expense increased by $21.2 million primarily due to the following:

- $14.0 million increase in personnel expense driven by annual merit increases, increases in revenue driven incentives, and an increase in temporary personnel costs;
- $3.7 million increase in third party service fees driven by our continued investments in digital and technology to support revenue-generating businesses and improve internal processes;
- $3.5 million increase in merger-related expenses.

Efficiency ratio[2] was 66.09% in 3Q21, up from 62.44% in 3Q20. The increase was due to higher core noninterest expense, only partially offset by higher core noninterest income.

(1) Other expenses (non-core) include merger-related expense and intangible amortization. This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.
(2) Efficiency ratio is a Non-GAAP measure and is calculated as adjusted noninterest expense divided by net revenue (net interest income plus adjusted noninterest income). For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

Balance Sheet Highlights & Key Financial Ratios

($ in millions, except per share amounts)	3Q21	2Q21	3Q20	Change vs. 2Q21	Change vs. 3Q20
Assets					
Cash and due from banks	$ 337	$ 395	$ 352	$ (58)	$ (15)
Overnight investments	9,875	7,871	3,138	2,004	6,737
Investment securities	10,875	10,894	9,861	(19)	1,014
Assets held for sale	98	108	120	(10)	(22)
Non-PCD loans	32,143	32,293	32,349	(150)	(206)
PCD loans	373	397	496	(24)	(123)
Loans and leases	32,516	32,690	32,845	(174)	(329)
Less: Allowance for credit losses	(183)	(189)	(224)	6	41
Net loans and leases	32,333	32,501	32,621	(168)	(288)
Other assets	3,384	3,406	2,575	(22)	809
Total assets	**$ 56,902**	**$ 55,175**	**$ 48,667**	**$ 1,727**	**$ 8,235**
Liabilities and shareholders' equity					
Noninterest-bearing deposits	$ 21,514	$ 20,974	$ 18,235	$ 540	$ 3,279
Interest-bearing deposits	28,551	27,437	24,016	1,114	4,535
Total deposits	50,065	48,411	42,251	1,654	7,814
Other liabilities	2,256	2,288	2,342	(32)	(86)
Shareholders' equity	4,581	4,476	4,074	105	507
Total liabilities and shareholders' equity	**$ 56,902**	**$ 55,175**	**$ 48,667**	**$ 1,727**	**$ 8,235**
Key Financial Ratios:					
Book value per share (1)	$ 432.07	$ 421.39	$ 380.43	$ 10.68	$ 51.64
Tangible book value per share (1)	394.15	383.19	341.21	10.96	52.94
Loan to deposit ratio	64.95 %	67.53 %	77.74 %	(2.58)%	(12.79)%
ACL to total loans and leases:					
Non-PCD (1) (2)	0.53	0.56	0.68	(0.03)	(0.15)
PCD	4.94	4.73	5.07	0.21	(0.13)
Total (1) (2)	0.58	0.61	0.75	(0.03)	(0.17)
Noninterest bearing deposits to total deposits	42.97	43.33	43.16	(0.36)	(0.19)

Highlights

3Q21 vs 2Q21

- Overnight investments increased $2.0 billion, funded primarily by continued growth in deposits.
- Loans decreased $174 million, or by 2.1% annualized, primarily due to $611 million in SBA-PPP loan forgiveness, partially offset by $437 million in organic growth (5.6% annualized). The $437 million in organic growth was driven by growth in commercial and industrial loans as well as owner occupied commercial mortgages and consumer loans.
- Deposits increased $1.7 billion, or by 13.6% annualized, driven by organic growth.

3Q21 vs 3Q20

- Overnight investments and investment securities increased by $6.7 billion and $1.0 billion, respectively, funded primarily by deposit growth. New investment purchases were primarily in MBS and CMBS.
- Loans decreased $329 million, or by 1.0% primarily due to a $2.0 billion net decrease in SBA-PPP loans as forgiveness payments outpaced fundings, partially offset by $1.7 billion in organic growth (5.7%) driven by growth in owner occupied commercial mortgages and commercial and industrial loans.
- Deposits increased $7.8 billion, or by 18.5% driven by organic growth and the effects of government stimulus.

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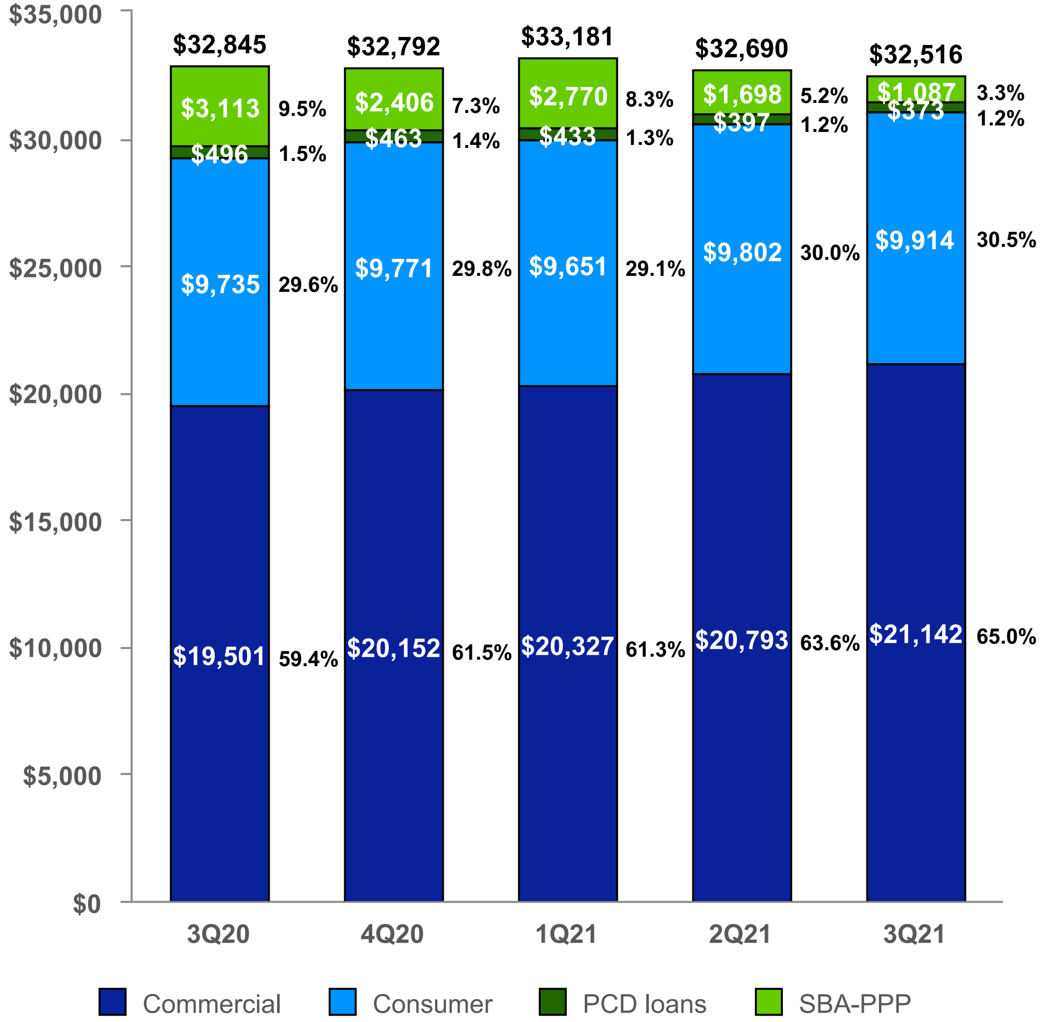
(1) This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.
(2) Allowance ratio shown net of SBA-PPP loans that are guaranteed by the SBA.

Loans and Leases

Loan Composition ($ in millions)



Highlights

Quarter to Date Annualized and Year over Year Growth

Total Loans 3Q21 vs. 2Q21: (2.1)%

Adjusted Loans(1) 3Q21 vs. 2Q21: 5.6%

Total Loans 3Q21 vs. 3Q20: (1.0)%

Adjusted Loans(1) 3Q21 vs. 3Q20: 5.7%

3Q21 vs. 2Q21

- Loans decreased $174 million, or by 2.1% on an annualized basis primarily due to a $611 million net decrease in SBA-PPP loans, partially offset by $437 million in organic growth driven primarily by commercial and industrial loans as well as owner occupied commercial mortgages and consumer loans.

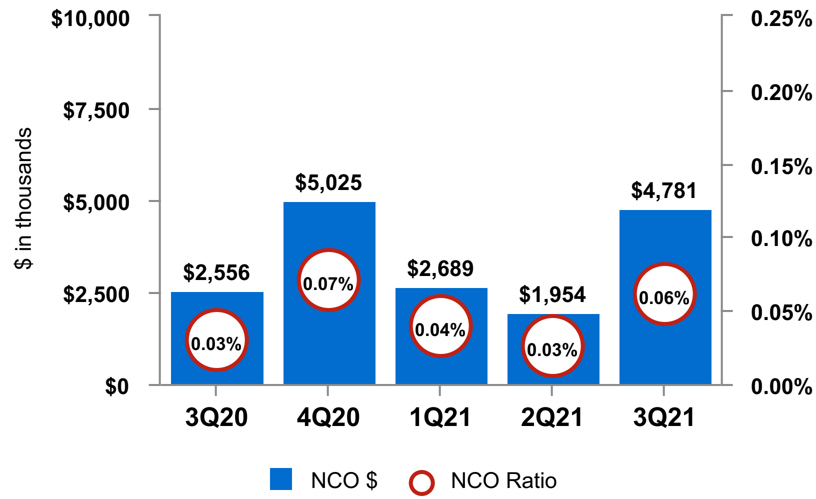
3Q21 vs. 3Q20

- Loans decreased $329 million, or by 1.0% primarily due to a $2.0 billion net decrease in SBA-PPP loans, partially offset by $1.7 billion in organic growth (5.7%) driven primarily by owner occupied commercial mortgages and commercial and industrial loans.

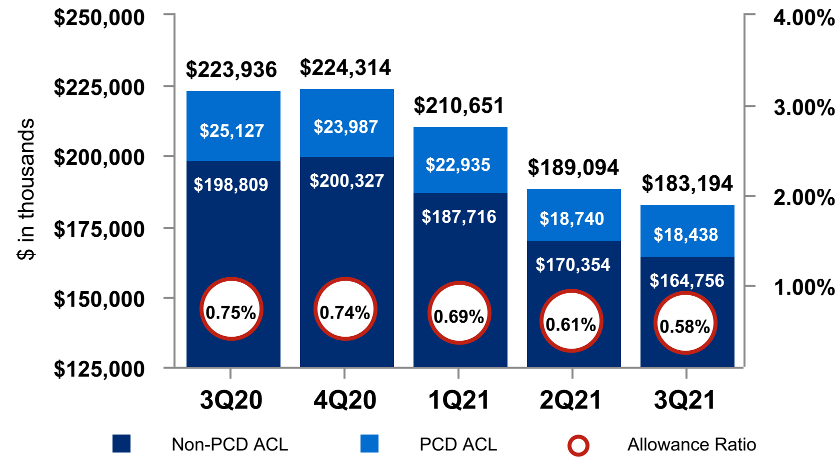
(1) Adjusted for SBA-PPP loans. This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

Quarterly Credit Quality Trends

Net Charge-Offs (NCO) & Ratio [1]

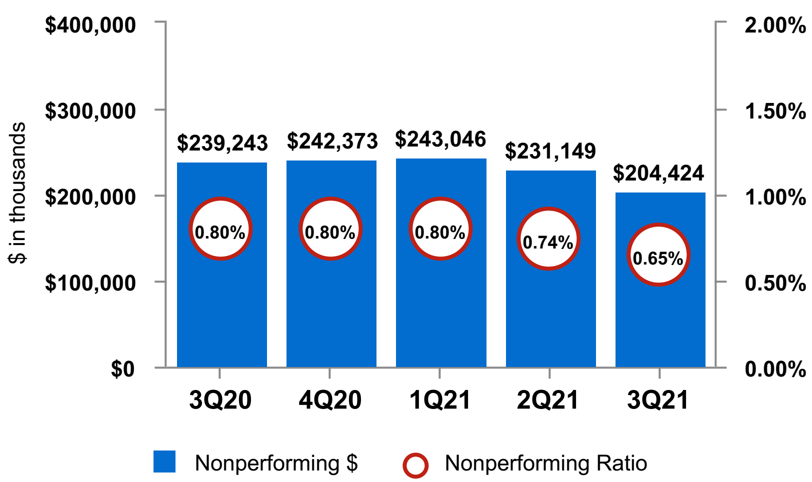


Allowance & Allowance Ratio [1]

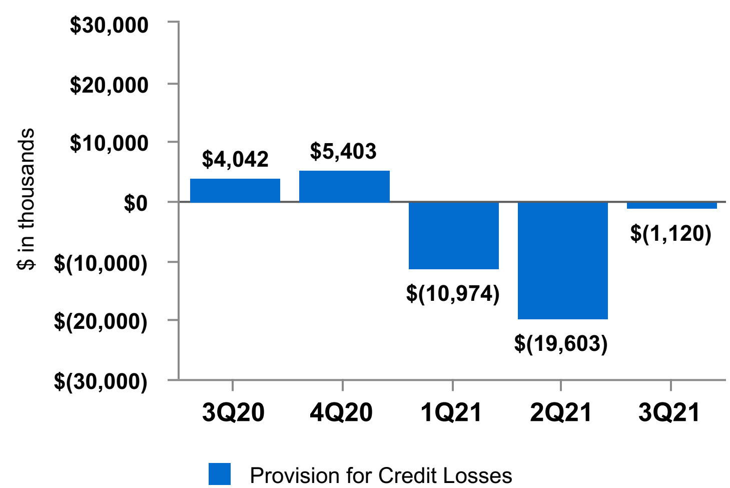


On Day 1 of CECL adoption (January 1, 2020), ACL was 0.65% of total loans.

Nonperforming Assets & Ratio [1]



Provision (Credit) for Credit Losses



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(1) Net charge-off, allowance, and nonperforming asset ratios exclude SBA-PPP loans. Nonperforming asset ratio is total nonperforming assets divided by total loans and other real estate. This is a Non-GAAP measure. For a reconciliation of this measure to the most directly comparable GAAP measure, please see the Appendix.

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	(25,146)	(2,018)	(27,164)
Recoveries	12,451	5,290	17,741
Net (charge-offs) recoveries	$ (12,695)	$ 3,272	$ (9,423)
Provision for credit losses	(22,876)	(8,821)	(31,697)
ACL as of September 30, 2021	**$ 164,756**	**$ 18,438**	**$ 183,194**

Highlights

- Portfolio remains stable with strong credit quality.
- Net charge-off ratio near historic lows at 6 bps.
- Provision credit of $31.7 million in YTD21 was driven primarily by a $41.1 million reserve release due to improved macroeconomic factors, partially offset by net charge-offs of $9.4 million.

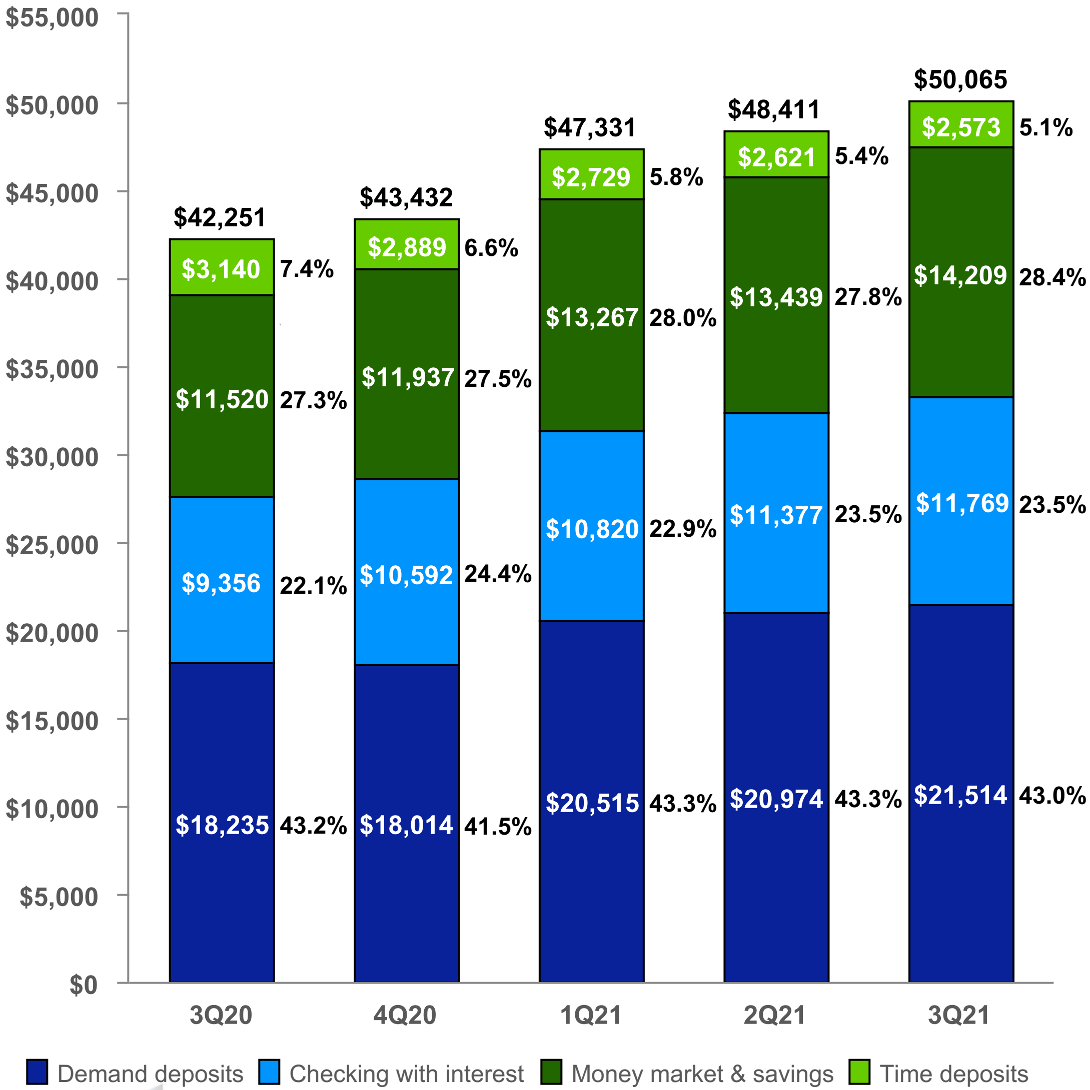
Credit Quality Ratios (1)

	3Q21	2Q21	1Q21	4Q20	3Q20
ACL to Non-PCD loans	0.53%	0.56%	0.63%	0.67%	0.68%
ACL to PCD loans	4.94	4.73	5.30	5.18	5.07
Allowance for credit loss (ACL) ratio	**0.58%**	**0.61%**	**0.69%**	**0.74%**	**0.75%**
Net charge-off (NCO) ratio	**0.06%**	**0.03%**	**0.04%**	**0.07%**	**0.03%**
Coverage ratio (ACL ratio / NCO ratio)	**9.67**	**20.33**	**17.25**	**10.57**	**25.00**

(1) Ratios exclude 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..

Deposits

Deposit Composition ($ in millions)



Highlights

<u>Quarter to Date Annualized and Year over Year Growth</u>

Total Deposits 3Q21 vs. 2Q21: 13.6%

Total Deposits 3Q21 vs. 3Q20: 18.5%

3Q21 vs. 2Q21

- Increase of $1.7 billion, or by 13.6% on an annualized basis, driven primarily by growth in money market accounts of $592 million, demand deposits of $540 million, checking with interest accounts of $392 million, and savings accounts of $178 million.

3Q21 vs. 3Q20

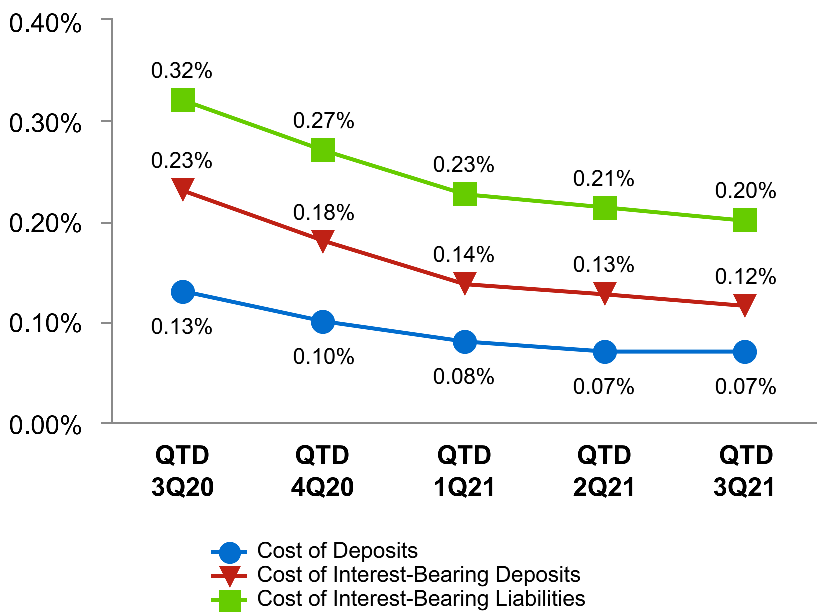
- Increase of $7.8 billion, or by 18.5%, driven primarily by growth in demand deposits of $3.3 billion, checking with interest accounts of $2.4 billion, money market accounts of $1.8 billion, and savings accounts of $915 million, partially offset by a decrease in time deposits of $567 million.

Funding Mix

Summary ($ in millions)

	3Q21		2Q21		1Q21		4Q20		3Q20		Change vs. 2Q21	Change vs. 3Q20
Total deposits	$ 50,065	**96.4 %**	$ 48,411	**96.2 %**	$ 47,331	**96.1 %**	$ 43,432	**95.8 %**	$ 42,251	**95.6 %**	$ 1,654	$ 7,814
Securities sold under customer repurchase agreements	664	**1.3**	693	**1.4**	681	**1.4**	641	**1.4**	694	**1.6**	(29)	(30)
FHLB advances	646	**1.2**	647	**1.3**	649	**1.3**	655	**1.5**	655	**1.5**	(1)	(9)
Subordinated debt	497	**1.0**	497	**1.0**	497	**1.0**	505	**1.1**	504	**1.1**	—	(7)
Unsecured borrowings	76	**0.1**	80	**0.1**	84	**0.2**	88	**0.2**	93	**0.2**	(4)	(17)
Total deposits and borrowed funds	**$ 51,948**	**100.0 %**	**$ 50,328**	**100.0 %**	**$ 49,242**	**100.0 %**	**$ 45,321**	**100.0 %**	**$ 44,197**	**100.0 %**	**$ 1,620**	**$ 7,751**

Cost of Funds



Highlights

3Q21 vs. 2Q21

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

3Q21 vs. 3Q20

- No noteworthy changes in funding mix.
- Cost of interest-bearing liabilities decreased 12 bps driven by maturing time deposits and a reduction in money market rates.
- Total cost of deposits decreased 6 bps due to the decline in cost of interest-bearing deposits.

Capital Ratios

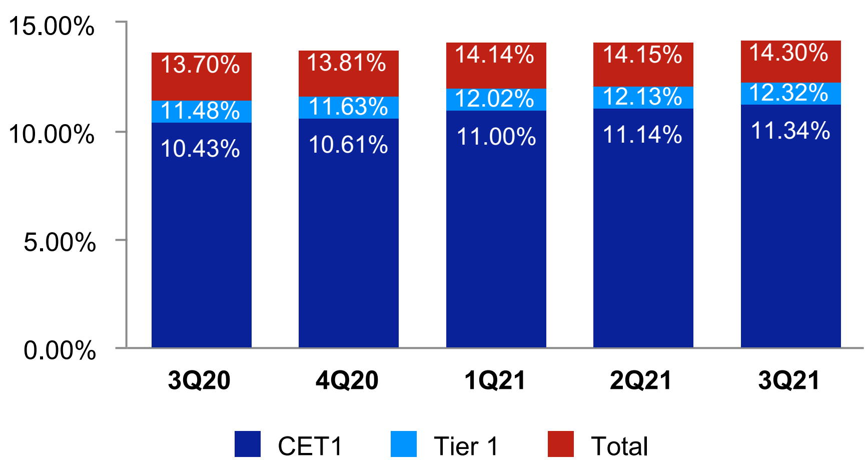
Capital Ratio Rollforward (1)

	Risk-Based Capital Total	Risk-Based Capital Tier 1	Risk-Based Capital CET1	Tier 1 Leverage
December 31, 2020	**13.81 %**	**11.63 %**	**10.61 %**	**7.86 %**
Net income	1.28	1.28	1.28	0.86
Change in RWA or AA (2)	(0.63)	(0.54)	(0.50)	(1.00)
Common dividends	(0.04)	(0.04)	(0.04)	(0.03)
Preferred dividends	(0.04)	(0.04)	(0.04)	(0.03)
Other	(0.08)	0.03	0.03	0.02
September 30, 2021	**14.30 %**	**12.32 %**	**11.34 %**	**7.68 %**
Change since Q4 2020	**0.49 %**	**0.69 %**	**0.73 %**	**(0.18)%**

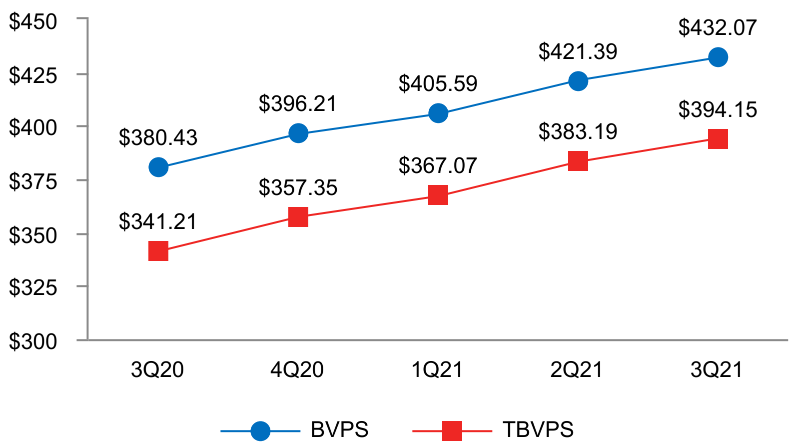
Highlights

- Capital levels remain strong and in excess of the capital conservation buffer.
- Year-to-date net income before preferred dividends of $424.2 million contributed to a 128 bps increase in risk-based capital ratios.
- The decline in the Tier 1 Leverage ratio due to sustained deposit growth is almost entirely offset by strong earnings.
- Tangible book value per share[3] growth of 10.3% since December 31, 2020, supported by strong earnings.

Trending Risk-Based Capital Ratios[1]



Book Value and Tangible Book Value Per Share (3)



First Citizens BancShares

forever first

(1) Capital amounts and ratios for 3Q21 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.

Paycheck Protection Program

Financial Highlights ($ in thousands)

	Round 1	Round 2	Total
Loan balance, net of fees	**$ 78,039**	**$ 1,008,878**	**$ 1,086,917**
Origination fees	$ 117,849	$ 60,072	$ 177,921
Origination costs	7,100	703	7,803
Total net fee income	**$ 110,749**	**$ 59,369**	**$ 170,118**
Net fee income earned to date	$ 110,637	$ 20,110	$ 130,747
Interest income earned to date	30,130	7,374	37,504
Interest and fee income earned to date	**$ 140,767**	**$ 27,484**	**$ 168,251** *

* Year-to-date interest and fee income on SBA-PPP loans totaled $78.1 million.

Total Forgiveness Status ($ in thousands)

	Round 1		Round 2	
	Amount	%	Amount	%
Total funded	$ 3,199,897	100.0	$ 1,223,797	100.0
Total forgiven	3,121,746	97.6	175,660	14.4
Total remaining (gross loan balance)	**$ 78,151**	**2.4**	**$ 1,048,137**	**85.6**

Round 1 & 2 Highlights

- The first round of the SBA-PPP loan program provided loans totaling $3.2 billion to approximately 23,000 customers.
  - The interest rate for the first round was 1.00% and the repayment period was 24 months.
  - Total fees, net of origination expenses, were $110.7 million, equating to a weighted average fee of 3.65%.
- The second round of the SBA-PPP loan program provided loans totaling $1.2 billion to approximately 12,000 customers.
  - The interest rate for the second round was also 1.00% and the repayment period is 60 months.
  - Total fees, net of origination expenses, through September 2021 were $59.4 million, equating to a weighted average fee of 4.90%.
  - The second round fee income is based on the size of the loan and ranges from 1% to 5% of the originated loan balance for loans greater than $50,000. For loans less than $50,000, the fee is calculated as 50% of the originated loan balance or $2,500, whichever is less.

Reconciliation of GAAP to Non-GAAP Measures

INCOME STATEMENT DATA	Quarter-to-Date				
In thousands	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Pre-Provision Net Revenue					
Income before income taxes	$ 158,132	$ 198,568	$ 191,349	$ 174,705	$ 178,527
Less: Provision (credit) for credit losses	(1,120)	(19,603)	(10,974)	5,403	4,042
Pre-provision net revenue	$ 157,012	$ 178,965	$ 180,375	$ 180,108	$ 182,569
Other Income (non-core)					
Securities gains	$ 8,082	$ 15,830	$ 9,207	$ 5,281	$ 21,425
Fair value adjustments on equity securities	3,350	11,654	16,011	18,934	(2,701)
Loss on extinguishment of debt	—	—	(17)	—	—
Other income (non-core)	$ 11,432	$ 27,484	$ 25,201	$ 24,215	$ 18,724
Other Expenses (non-core)					
Merger-related expense	$ 7,013	$ 5,769	$ 6,819	$ 5,342	$ 3,507
Amortization of core deposit and other intangible assets	2,857	3,082	3,328	3,540	3,752
Other expenses (non-core)	$ 9,870	$ 8,851	$ 10,147	$ 8,882	$ 7,259

Reconciliation of GAAP to Non-GAAP Measures

INCOME STATEMENT DATA In thousands	Quarter-to-Date September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Adjusted Noninterest Income					
Total noninterest income	$ 122,944	$ 134,150	$ 136,649	$ 126,765	$ 120,572
Less: Securities gains	8,082	15,830	9,207	5,281	21,425
Less: Fair value adjustments on equity securities	3,350	11,654	16,011	18,934	(2,701)
Less: Loss on extinguishment of debt	—	—	(17)	—	—
Adjusted noninterest income	$ 111,512	$ 106,666	$ 111,448	$ 102,550	$ 101,848
Adjusted Noninterest Expense					
Total noninterest expense	$ 312,819	$ 301,578	$ 295,926	$ 305,373	$ 291,662
Less: Merger-related expense	7,013	5,769	6,819	5,342	3,507
Less: Amortization of core deposit and other intangible	2,857	3,082	3,328	3,540	3,752
Adjusted noninterest expense	$ 302,949	$ 292,727	$ 285,779	$ 296,491	$ 284,403
Efficiency Ratio					
Adjusted noninterest expense (numerator)	$ 302,949	$ 292,727	$ 285,779	$ 296,491	$ 284,403
Net interest income	346,886	346,393	339,652	358,716	353,659
Adjusted noninterest income	111,512	106,666	111,448	102,550	101,848
Net revenue (denominator)	$ 458,398	$ 453,059	$ 451,100	$ 461,266	$ 455,507
Efficiency ratio	66.09 %	64.61 %	63.35 %	64.28 %	62.44 %

Reconciliation of GAAP to Non-GAAP Measures

BALANCE SHEET DATA In millions	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
SBA-PPP Impact on Loans and Deposits					
Total loans	$ 32,516	$ 32,690	$ 33,181	$ 32,792	$ 32,845
Less: SBA-PPP loans	1,087	1,698	2,770	2,406	3,113
Loans excluding SBA-PPP	$ 31,429	$ 30,992	$ 30,411	$ 30,386	$ 29,732
Average loans	$ 32,608	$ 33,042	$ 32,970	$ 32,854	$ 32,578
Less: Average SBA-PPP loans	1,403	2,323	2,645	2,842	3,097
Average loans excluding SBA-PPP	$ 31,205	$ 30,719	$ 30,325	$ 30,012	$ 29,481
Allowance for Credit Loss Ratios					
Allowance Ratio					
Total allowance for credit losses	$ 183	$ 189	$ 211	$ 224	$ 224
Total loan balance excluding SBA-PPP	31,429	30,992	30,411	30,386	29,732
Allowance ratio excluding SBA-PPP	0.58 %	0.61 %	0.69 %	0.74 %	0.75 %
Non-PCD allowance for credit losses	$ 165	$ 170	$ 188	$ 200	$ 199
Non-PCD loan balance excluding SBA-PPP	31,056	30,595	29,978	29,923	29,236
Non-PCD allowance ratio excluding SBA-PPP	0.53 %	0.56 %	0.63 %	0.67 %	0.68 %
Nonperforming Assets Ratio					
Nonperforming assets	$ 204	$ 231	$ 243	$ 242	$ 239
Loan balance excluding SBA-PPP	31,429	30,992	30,411	30,386	29,732
Other real estate owned (OREO)	41	44	49	50	53
Loan balance excluding SBA-PPP & OREO (denominator)	31,470	31,036	30,460	30,436	29,785
Non-Performing assets ratio excluding SBA-PPP	0.65 %	0.74 %	0.80 %	0.80 %	0.80 %
Net Charge-Off Ratio					
Net charge-offs	$ 5	$ 2	$ 3	$ 5	$ 3
Average loan balance excluding SBA-PPP	31,205	30,719	30,325	30,012	29,481
Net charge-off ratio excluding SBA-PPP	0.06 %	0.03 %	0.04 %	0.07 %	0.03 %

Reconciliation of GAAP to Non-GAAP Measures

BALANCE SHEET DATA In millions	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Common Equity and Tangible Common Equity					
Shareholders' equity	$ 4,581	$ 4,476	$ 4,322	$ 4,229	$ 4,074
Preferred stock	(340)	(340)	(340)	(340)	(340)
Common equity	4,241	4,136	3,982	3,889	3,734
Less: Goodwill	(350)	(350)	(350)	(350)	(350)
Less: Core deposit and other intangible assets	(22)	(25)	(28)	(31)	(35)
Total tangible common equity	$ 3,869	$ 3,761	$ 3,604	$ 3,508	$ 3,349
Return on Average Tangible Common Shareholder's Equity					
Net income available to common shareholders	$ 119,436	$ 148,152	$ 142,680	$ 133,448	$ 138,048
Average shareholders' equity	$ 4,536,592	$ 4,398,173	$ 4,275,204	$ 4,126,095	$ 4,019,075
Less: Average preferred stock	339,937	339,937	339,937	339,937	339,937
Average common shareholders' equity	4,196,655	4,058,236	3,935,267	3,786,158	3,679,138
Less: Average goodwill	350,298	350,298	350,298	350,298	350,298
Less: Average core deposit and other intangible assets	23,419	26,493	29,820	33,043	36,877
Average tangible common shareholders' equity	$ 3,822,939	$ 3,681,445	$ 3,555,149	$ 3,402,817	$ 3,291,963
Return on average tangible common shareholders' equity	12.39 %	16.14 %	16.28 %	15.60 %	16.68 %

Reconciliation of GAAP to Non-GAAP Measures

PER SHARE DATA In thousands (excl. per share data)	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Book Value Per Share					
Total shareholders' equity	$ 4,581,295	$ 4,476,490	$ 4,321,400	$ 4,229,268	$ 4,074,415
Less: Preferred stock	(339,937)	(339,937)	(339,937)	(339,937)	(339,937)
Total common equity	$ 4,241,358	$ 4,136,553	$ 3,981,463	$ 3,889,331	$ 3,734,478
Divided by: Shares outstanding	9,816,405	9,816,405	9,816,405	9,816,405	9,816,405
Book value per share	$ 432.07	$ 421.39	$ 405.59	$ 396.21	$ 380.43
Tangible Book Value Per Share					
Total shareholders' equity	$ 4,581,295	$ 4,476,490	$ 4,321,400	$ 4,229,268	$ 4,074,415
Less: Preferred stock	(339,937)	(339,937)	(339,937)	(339,937)	(339,937)
Less: Goodwill	(350,298)	(350,298)	(350,298)	(350,298)	(350,298)
Less: CDI and other intangibles	(21,879)	(24,737)	(27,819)	(31,147)	(34,687)
Tangible equity	$ 3,869,181	$ 3,761,518	$ 3,603,346	$ 3,507,886	$ 3,349,493
Divided by: Shares outstanding	9,816,405	9,816,405	9,816,405	9,816,405	9,816,405
Tangible book value per share	$ 394.15	$ 383.19	$ 367.07	$ 357.35	$ 341.21