

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 24, 2024

First Citizens BancShares, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16715
(Commission File Number)

56-1528994
(IRS Employer Identification No.)

4300 Six Forks Road

Raleigh
(Address of principal executive offices)

North Carolina

27609
(Zip Code)

Registrant's telephone number, including area code: (919) 716-7000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, Par Value \$1	FCNA	Nasdaq Global Select Market
Depository Shares, Each Representing a 1/40th Interest in a Share of 5.375% Non-Cumulative Perpetual Preferred Stock, Series A	FCNCP	Nasdaq Global Select Market
5.625% Non-Cumulative Perpetual Preferred Stock, Series C	FCNCO	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On October 24, 2024, First Citizens BancShares, Inc. (“BancShares”) announced its results of operations for the quarter ended September 30, 2024. Copies of BancShares’ press release and financial supplement containing this information are attached to this Current Report on Form 8-K (this “Report”) as Exhibit 99.1 and Exhibit 99.3, respectively, and are incorporated into this Item 2.02 by reference. The press release and financial supplement are available on BancShares’ Internet site at <http://www.ir.firstcitizens.com>.

Item 7.01. Regulation FD Disclosure.

As previously announced, BancShares will host a conference call at 9 a.m. Eastern time on Thursday, October 24, 2024, to discuss its financial results for the quarter ended September 30, 2024. The slides that will be made available in connection with the presentation are attached as Exhibit 99.2 hereto and incorporated into this Item 7.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information presented herein pursuant to Item 2.02, “Results of Operations and Financial Condition” and Item 7.01, “Regulation FD Disclosure,” including Exhibits 99.1, 99.2 and 99.3, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall the information be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.* The following exhibits accompany this Report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release Third Quarter 2024
99.2	Investor Presentation Third Quarter 2024
99.3	Financial Supplement Third Quarter 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Disclosures About Forward-Looking Statements

This Report 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 upcoming U.S. election), 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 recent 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 the recent interest rate cut 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 FDIC-assisted transaction with Silicon Valley Bridge Bank, N.A. and the previously completed merger with CIT Group Inc., or any future transactions.

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 Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Citizens BancShares, Inc.

(Registrant)

Date: October 24, 2024

By: /s/ Craig L. Nix

Craig L. Nix
Chief Financial Officer



NEWS RELEASE

For Immediate Release
October 24, 2024

Contact: Deanna Hart
Investor Relations
919-716-2137

Angela English
Corporate Communications
803-931-1854

FIRST CITIZENS BANCSHARES REPORTS THIRD QUARTER 2024 EARNINGS

RALEIGH, N.C. -- First Citizens BancShares, Inc. ("BancShares") (Nasdaq: FCNCA) reported earnings for the third quarter of 2024.

Chairman and CEO Frank B. Holding, Jr. said: "We posted another quarter of strong financial results, largely in line with our expectations. Loan growth remained resilient in both the General Bank and Commercial Bank segments, while loans in the SVB Commercial segment declined as Global Fund Banking repayment levels outpaced draw activity. We experienced another quarter of deposit growth, mostly concentrated in our Branch Network, with modest deposit growth in SVB Commercial. The stability of the SVB deposit franchise continues to demonstrate the competitive advantage we maintain in the innovation economy. Credit remained stable and our capital and liquidity positions remained strong. During the third quarter, we repurchased more than 350,000 shares of our Class A common shares for \$700 million under the repurchase plan announced in July.

"In the wake of Hurricanes Helene and Milton, our thoughts continue to be with our associates, clients and communities across the Southeast affected by these devastating natural disasters. Our associates responded to these events with resilience, perseverance and determination, allowing us to quickly reopen operations to help our clients and communities in their rebuilding efforts. We are committed to continuing this support moving forward."

FINANCIAL HIGHLIGHTS

Measures referenced "as adjusted" below, as well as net interest income and net interest margin, excluding purchase accounting accretion ("PAA"), are non-GAAP financial measures (refer to the Financial Supplement available at ir.firstcitizens.com or www.sec.gov for a reconciliation of each non-GAAP measure to the most directly comparable GAAP measure).

Net income for the third quarter of 2024 ("current quarter") was \$639 million compared to \$707 million for the second quarter of 2024 ("linked quarter"). Net income available to common stockholders for the current quarter was \$624 million, or \$43.42 per diluted common share, a \$67 million decrease from \$691 million, or \$47.54 per diluted common share, in the linked quarter.

Adjusted net income for the current quarter was \$675 million compared to \$755 million for the linked quarter. Adjusted net income available to common stockholders was \$660 million, or \$45.87 per diluted common share, a \$79 million decrease from \$739 million, or \$50.87 per diluted common share, in the linked quarter.

Current quarter results were primarily impacted by the following notable items to arrive at adjusted net income available to common stockholders:

- Acquisition-related expenses of \$46 million,
 - Intangible asset amortization of \$15 million,
 - Favorable fair value adjustment on marketable equity securities of \$9 million,
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- Realized gain on sales of marketable equity securities of \$4 million,
- Gain on sale of leasing equipment of \$5 million,
- Other noninterest expense of \$8 million, and
- Net impact of \$15 million for the tax effect of notable items.

NET INTEREST INCOME AND MARGIN

- Net interest income totaled \$1.80 billion for the current quarter, a decrease of \$25 million from the linked quarter. Net interest income related to PAA was \$101 million compared to \$140 million in the linked quarter, a decrease of \$39 million. Net interest income, excluding PAA, was \$1.70 billion compared to \$1.68 billion in the linked quarter, an increase of \$14 million.
- The decrease in net interest income was due to a \$33 million increase in interest expense, partially offset by an \$8 million increase in interest income.
- The increase of \$8 million in interest income was due to increases in interest on investment securities and loans of \$28 million and \$8 million, respectively, which were partially offset by a \$28 million decrease in interest on interest-earning deposits at banks.
 - Higher average balances led to a \$46 million increase in loan interest income, which was partially offset by a \$38 million decrease in loan PAA income, resulting in an \$8 million increase in loan interest income compared to the linked quarter.
 - Continued purchases of short duration investment securities increased the average balance and interest income for investment securities and decreased the average balance and interest income for interest-earning deposits at banks.
- The \$33 million increase in interest expense was mostly due to a \$29 million increase in interest expense on deposits, primarily related to growth in money market deposits in the Branch Network and savings deposits in the Direct Bank, partially offset by a decrease in the average balance of time deposits.
- Net interest margin was 3.53% compared to 3.64% in the linked quarter. Net interest margin, excluding PAA, was 3.33% compared to 3.36% in the linked quarter.
 - The yield on average interest-earning assets was 6.18%, a decrease of 8 basis points from the linked quarter, primarily due to decreases in the yield on interest-earning deposits at banks and loan accretion, partially offset by a higher yield on investment securities.
 - The rate paid on average interest-bearing liabilities increased 3 basis points from the linked quarter, primarily due to a higher average rate paid on money market deposits, partially offset by lower average rates paid on all other interest-bearing deposits. While the rate paid on average money market deposits increased compared to the linked quarter, it declined late in the current quarter.

NONINTEREST INCOME AND EXPENSE

- Noninterest income totaled \$650 million, an increase of \$11 million compared to the linked quarter. Noninterest income in the current quarter included a realized gain of \$4 million on the sale of marketable equity securities and an \$11 million favorable fair value adjustment on marketable equity securities relative to the linked quarter.
 - Adjusted noninterest income was \$474 million compared to \$479 million in the linked quarter, a decrease of \$5 million. The decrease in adjusted noninterest income was a result of an \$18 million decline in other noninterest income, mainly attributable to fair value changes in customer derivative positions and other nonmarketable investments, partially offset by increases of \$4 million in fee income and other service charges, \$3 million in adjusted rental income on operating lease equipment, and \$6 million spread among various noninterest income line items.
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- Noninterest expense was \$1.46 billion compared to \$1.39 billion in the linked quarter, an increase of \$70 million. Salaries and benefits increased \$43 million, mainly attributable to an additional working day in the current quarter, net staff additions, increases in incentive accruals and temporary labor associated with technology projects. Professional fees increased \$18 million, mostly related to continued enhancements to our large financial institution regulatory compliance capabilities. The remaining increase of \$9 million was spread among various noninterest expense line items.
- Adjusted noninterest expense was \$1.23 billion compared to \$1.17 billion in the linked quarter, an increase of \$61 million, mostly related to the previously discussed increases in salaries and benefits and professional fees.

BALANCE SHEET SUMMARY

- Loans and leases totaled \$138.70 billion at September 30, 2024, a decrease of \$646 million (0.5% linked quarter decline) compared to \$139.34 billion at June 30, 2024 as the decrease in the SVB Commercial segment was partially offset by loan growth in the General Bank and Commercial Bank segments.
 - The decrease in the SVB Commercial segment of \$2.12 billion (5.0% linked quarter decline) was primarily due to declines in Global Fund Banking as repayment levels outpaced draw activity on new lines of credit.
 - Loan growth in the General Bank segment of \$897 million (1.4% linked quarter growth) was primarily related to commercial and business loans in the Branch Network.
 - Loan growth of \$573 million (1.8% linked quarter growth) in the Commercial Bank segment was primarily due to growth in the Tech Media and Telecom and Healthcare verticals.
 - Total investment securities were \$38.66 billion at September 30, 2024, an increase of \$997 million since June 30, 2024. The increase was mainly attributable to purchases of approximately \$2.58 billion short duration U.S. Treasury and U.S. agency mortgage-backed investment securities available for sale during the current quarter, partially offset by paydowns and maturities.
 - Deposits totaled \$151.57 billion at September 30, 2024, an increase of \$495 million since June 30, 2024 (0.3% linked quarter growth). The increase was mostly due to growth in the General Bank and SVB Commercial segments, which was partially offset by declines in the Commercial Bank segment and the Direct Bank.
 - Deposit growth in the General Bank segment of \$690 million was primarily due to money market deposits in the Branch Network.
 - Deposit growth in the SVB Commercial segment of \$54 million was primarily due to an increase in money market deposits, partially offset by declines in noninterest-bearing and interest-bearing checking.
 - Deposits in the Commercial Bank segment decreased by \$204 million as declines in noninterest-bearing and interest-bearing checking were partially offset by growth in money market deposits.
 - Corporate deposits, which includes the Direct Bank, declined by \$49 million, mostly due to a decline in time deposits, partially offset by growth in savings deposits.
 - Noninterest-bearing deposits represented 26.0% of total deposits as of September 30, 2024, compared to 26.5% at June 30, 2024. The cost of average total deposits was 2.64% for the current quarter, compared to 2.61% for the linked quarter. While the cost of average total deposits increased 3 basis points from the linked quarter, the pace slowed relative to the 8 basis point increase in the linked quarter compared to the first quarter of 2024.
 - Funding mix remained stable with 80.3% of the total funding composed of deposits.
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PROVISION FOR CREDIT LOSSES AND CREDIT QUALITY

- Provision for credit losses totaled \$117 million for the current quarter compared to \$95 million for the linked quarter, an increase of \$22 million. The current quarter provision for credit losses included a loan and lease loss provision of \$123 million, partially offset by a benefit for off-balance sheet credit exposure of \$6 million.
 - The provision for loan and lease losses of \$123 million increased \$28 million compared to the linked quarter, mainly attributable to an increase in net charge-offs of \$13 million, changes in the macroeconomic forecast, higher specific reserves, and an estimate of \$20 million related to Hurricane Helene.
- Net charge-offs totaled \$145 million for the current quarter, representing 0.42% of average loans, compared to \$132 million, or 0.38% of average loans, for the linked quarter. The \$13 million increase in net charge-offs was mainly related to the Real Estate Finance and Equipment Finance portfolios in the Commercial Bank segment.
- Nonaccrual loans were \$1.24 billion, or 0.90% of loans, at September 30, 2024, compared to \$1.14 billion, or 0.82% of loans, at June 30, 2024. The increase in nonaccrual loans was concentrated in the SVB Commercial segment.
- The allowance for loan and lease losses totaled \$1.68 billion, or 1.21% of loans, at September 30, 2024, down from 1.22% at June 30, 2024. The net decline in the allowance ratio reflected a reserve release of \$22 million for the current quarter, compared to a \$37 million reserve release in the linked quarter. The \$22 million reserve release in the current quarter was primarily due to changes in credit quality and lower loan balances, partially offset by changes in the macroeconomic forecast, higher specific reserves, and the estimate related to Hurricane Helene.

CAPITAL AND LIQUIDITY

- Capital ratios are well above regulatory requirements. The estimated total risk-based capital, Tier 1 risk-based capital, Common equity Tier 1 risk-based capital, and Tier 1 leverage ratios were 15.36%, 13.78%, 13.24%, and 10.20%, respectively, at September 30, 2024.
- During the current quarter, we repurchased 353,058 of our Class A common shares for \$700 million and paid a dividend of \$1.64 per share on our Class A and Class B common stock. Shares repurchased during the current quarter represented 2.61% of Class A common shares and 2.43% of total Class A and Class B common shares outstanding at June 30, 2024.
- Liquidity position remains strong as liquid assets were \$58.36 billion at September 30, 2024, compared to \$56.91 billion at June 30, 2024.

EARNINGS CALL/ WEBCAST DETAILS

BancShares will host a conference call to discuss the company's financial results on Thursday, October 24, 2024, at 9 a.m. Eastern time.

The call may be accessed via webcast on the company's website at ir.firstcitizens.com or through the dial-in details below:

North America: 1-833-470-1428

All other locations: 1-929-526-1599

Access code: 970671

Our earnings release, investor presentation, and financial supplement are available at ir.firstcitizens.com. In addition, these materials will be furnished to the Securities and Exchange Commission (the "SEC") on a Form 8-K and will be available on the SEC website at www.sec.gov. After the event, a replay of the call will be available via webcast at ir.firstcitizens.com.

ABOUT FIRST CITIZENS BANCSHARES

First Citizens BancShares, Inc. (Nasdaq: FCNCA), a top 20 U.S. financial institution with more than \$200 billion in assets and a member of the Fortune 500™, is the financial holding company for First-Citizens Bank & Trust Company ("First Citizens Bank"). Headquartered in Raleigh, N.C., First Citizens Bank has built a unique legacy of strength, stability and long-term thinking that has spanned generations. First Citizens offers an array of general banking services including a network of more than 500 branches and offices in 30 states; commercial banking expertise delivering best-in-class lending, leasing and other financial services coast to coast; innovation banking serving businesses at every stage; personalized service and resources to help grow and manage wealth; and a nationwide direct bank. Discover more at firstcitizens.com.

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, 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 upcoming U.S. election), 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 recent 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 the recent interest rate cut 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 release, including those referenced as "adjusted," as well as net interest income and net interest margin, 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. This information can be found in the Financial Supplement located in the Quarterly Results section of our website at <https://ir.firstcitizens.com/financial-information/quarterly-results/default.aspx>.

Dollars in millions, except per share data

Summary Financial Data & Key Metrics

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Results of Operations:					
Net interest income	\$ 1,796	\$ 1,821	\$ 1,990	\$ 5,434	\$ 4,801
Provision for credit losses	117	95	192	276	1,126
Net interest income after provision for credit losses	1,679	1,726	1,798	5,158	3,675
Noninterest income	650	639	615	1,916	11,532
Noninterest expense	1,456	1,386	1,416	4,218	3,843
Income before income taxes	873	979	997	2,856	11,364
Income tax expense	234	272	245	779	412
Net income	639	707	752	2,077	10,952
Preferred stock dividends	15	16	15	46	44
Net income available to common stockholders	\$ 624	\$ 691	\$ 737	\$ 2,031	\$ 10,908
Adjusted net income available to common stockholders ⁽¹⁾	\$ 660	\$ 739	\$ 813	\$ 2,168	\$ 1,870
Pre-tax, pre-provision net revenue (PPNR) ⁽¹⁾	\$ 990	\$ 1,074	\$ 1,189	\$ 3,132	\$ 12,490
Per Share Information:					
Diluted earnings per common share (EPS)	\$ 43.42	\$ 47.54	\$ 50.67	\$ 140.26	\$ 750.19
Adjusted diluted EPS ⁽¹⁾	45.87	50.87	55.92	149.71	128.64
Book value per common share at period end	1,547.81	1,487.00	1,343.52		
Tangible book value per common share (TBV) ⁽¹⁾ at period end	1,504.75	1,443.92	1,297.00		
Key Performance Metrics:					
Return on average assets (ROA)	1.15 %	1.30 %	1.41 %	1.27 %	7.81 %
Adjusted ROA ⁽¹⁾	1.22	1.39	1.55	1.35	1.37
PPNR ROA ⁽¹⁾	1.79	1.97	2.23	1.91	8.91
Adjusted PPNR ROA ⁽¹⁾	1.88	2.08	2.48	2.03	2.16
Return on average common equity (ROE)	11.30	13.13	15.20	12.73	90.46
Adjusted ROE ⁽¹⁾	11.94	14.05	16.77	13.59	15.51
Return on average tangible common equity (ROTCE) ⁽¹⁾	11.63	13.53	15.76	13.12	94.17
Adjusted ROTCE ⁽¹⁾	12.29	14.48	17.39	14.00	16.15
Efficiency ratio	59.49	56.36	54.34	57.38	23.53
Adjusted efficiency ratio ⁽¹⁾	54.15	50.77	46.04	51.72	49.85
Net interest margin (NIM) ⁽²⁾	3.53	3.64	4.07	3.62	3.95
NIM, excluding purchase accounting accretion (PAA) ^{(1), (2)}	3.33	3.36	3.52	3.35	3.50
Select Balance Sheet Items at Period End:					
Total investment securities	\$ 38,663	\$ 37,666	\$ 26,818		
Total loans and leases	138,695	139,341	133,202		
Total operating lease equipment, net	9,186	8,945	8,661		
Total deposits	151,574	151,079	146,233		
Total borrowings	37,161	37,458	37,712		
Loan to deposit ratio	91.50 %	92.23 %	91.09 %		
Noninterest-bearing deposits to total deposits	25.99	26.49	29.50		
Capital Ratios at Period End: ⁽³⁾					
Total risk-based capital ratio	15.36 %	15.45 %	15.64 %		
Tier 1 risk-based capital ratio	13.78	13.87	13.83		
Common equity Tier 1 ratio	13.24	13.33	13.24		
Tier 1 leverage capital ratio	10.20	10.29	9.73		
Asset Quality at Period End:					
Nonaccrual loans to total loans and leases	0.90 %	0.82 %	0.68 %		
Allowance for loan and lease losses (ALLL) to loans and leases	1.21	1.22	1.26		
Net charge-off ratio for the period	0.42	0.38	0.53	0.37	0.45

⁽¹⁾ Denotes a non-GAAP measure. Refer to the non-GAAP reconciliation tables included at the end of this financial supplement for a reconciliation to the most directly comparable GAAP measure. "Adjusted" items exclude the impacts of Notable Items.

⁽²⁾ Calculated net of average credit balances and deposits of factoring clients.

⁽³⁾ Capital ratios as of the current quarter-end are preliminary pending completion of quarterly regulatory filings.

Dollars in millions, except share and per share data

Income Statement (unaudited)	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest income					
Interest and fees on loans	\$ 2,430	\$ 2,422	\$ 2,426	\$ 7,206	\$ 5,796
Interest on investment securities	358	330	180	970	407
Interest on deposits at banks	350	378	504	1,176	1,071
Total interest income	3,138	3,130	3,110	9,352	7,274
Interest expense					
Deposits	1,004	975	769	2,907	1,632
Borrowings	338	334	351	1,011	841
Total interest expense	1,342	1,309	1,120	3,918	2,473
Net interest income	1,796	1,821	1,990	5,434	4,801
Provision for credit losses	117	95	192	276	1,126
Net interest income after provision for credit losses	1,679	1,726	1,798	5,158	3,675
Noninterest income					
Rental income on operating lease equipment	262	259	248	776	719
Fee income and other service charges	81	77	71	233	188
Client investment fees	55	54	52	159	106
Wealth management services	54	52	49	157	140
International fees	29	30	30	87	63
Service charges on deposit accounts	45	44	44	133	112
Factoring commissions	19	19	21	55	60
Cardholder services, net	42	40	41	122	103
Merchant services, net	12	12	12	36	36
Insurance commissions	14	13	13	42	40
Realized gain (loss) on sale of investment securities, net	4	—	(12)	4	(26)
Fair value adjustment on marketable equity securities, net	9	(2)	(1)	3	(20)
Gain on sale of leasing equipment, net	5	4	10	19	18
Gain on acquisition	—	—	12	—	9,891
Loss on extinguishment of debt	—	—	—	(2)	—
Other noninterest income	19	37	25	92	102
Total noninterest income	650	639	615	1,916	11,532
Noninterest expense					
Depreciation on operating lease equipment	99	98	95	293	275
Maintenance and other operating lease expenses	59	60	51	164	163
Salaries and benefits	788	745	727	2,277	1,922
Net occupancy expense	62	58	65	182	179
Equipment expense	128	126	117	368	308
Professional fees	42	24	12	91	43
Third-party processing fees	55	58	54	173	139
FDIC insurance expense	31	33	36	105	76
Marketing expense	20	18	22	52	78
Acquisition-related expenses	46	44	121	148	354
Intangible asset amortization	15	15	17	47	40
Other noninterest expense	111	107	99	318	266
Total noninterest expense	1,456	1,386	1,416	4,218	3,843
Income before income taxes	873	979	997	2,856	11,364
Income tax expense	234	272	245	779	412
Net income	\$ 639	\$ 707	\$ 752	\$ 2,077	\$ 10,952
Preferred stock dividends	15	16	15	46	44
Net income available to common stockholders	\$ 624	\$ 691	\$ 737	\$ 2,031	\$ 10,908
Basic earnings per common share	\$ 43.42	\$ 47.54	\$ 50.71	\$ 140.27	\$ 750.79
Diluted earnings per common share	\$ 43.42	\$ 47.54	\$ 50.67	\$ 140.26	\$ 750.19
Weighted average common shares outstanding (basic)	14,375,974	14,534,499	14,528,310	14,480,874	14,527,718
Weighted average common shares outstanding (diluted)	14,375,974	14,534,499	14,539,133	14,481,919	14,539,383

Dollars in millions, except share data

Balance Sheet (unaudited)	September 30, 2024	June 30, 2024	September 30, 2023
Assets			
Cash and due from banks	\$ 862	\$ 764	\$ 791
Interest-earning deposits at banks	25,640	25,361	36,704
Securities purchased under agreements to resell	455	392	549
Investment in marketable equity securities	82	78	75
Investment securities available for sale	28,190	27,053	16,661
Investment securities held to maturity	10,391	10,535	10,082
Assets held for sale	68	92	58
Loans and leases	138,695	139,341	133,202
Allowance for loan and lease losses	(1,678)	(1,700)	(1,673)
Loans and leases, net of allowance for loan and lease losses	137,017	137,641	131,529
Operating lease equipment, net	9,186	8,945	8,661
Premises and equipment, net	1,974	1,938	1,768
Goodwill	346	346	346
Other intangible assets, net	265	280	329
Other assets	6,091	6,402	6,212
Total assets	\$ 220,567	\$ 219,827	\$ 213,765
Liabilities			
Deposits:			
Noninterest-bearing	\$ 39,396	\$ 40,016	\$ 43,141
Interest-bearing	112,178	111,063	103,092
Total deposits	151,574	151,079	146,233
Credit balances of factoring clients	1,250	1,175	1,282
Borrowings:			
Short-term borrowings	391	386	453
Long-term borrowings	36,770	37,072	37,259
Total borrowings	37,161	37,458	37,712
Other liabilities	7,754	7,628	8,149
Total liabilities	\$ 197,739	\$ 197,340	\$ 193,376
Stockholders' equity			
Preferred stock	881	881	881
Common stock:			
Class A - \$1 par value	13	14	14
Class B - \$1 par value	1	1	1
Additional paid in capital	3,389	4,099	4,106
Retained earnings	18,703	18,102	16,267
Accumulated other comprehensive loss	(159)	(610)	(880)
Total stockholders' equity	22,828	22,487	20,389
Total liabilities and stockholders' equity	\$ 220,567	\$ 219,827	\$ 213,765

Dollars in millions, except share per share data

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Notable Items ⁽¹⁾					
Noninterest income					
Rental income on operating lease equipment ⁽²⁾	\$ (158)	\$ (158)	\$ (146)	\$ (457)	\$ (438)
Realized (gain) loss on sale of investment securities, net	(4)	—	12	(4)	26
Fair value adjustment on marketable equity securities, net	(9)	2	1	(3)	20
Gain on sale of leasing equipment, net	(5)	(4)	(10)	(19)	(18)
Gain on acquisition	—	—	(12)	—	(9,891)
Loss on extinguishment of debt	—	—	—	2	—
Other noninterest income ⁽³⁾	—	—	8	(4)	8
Impact of notable items on adjusted noninterest income	\$ (176)	\$ (160)	\$ (147)	\$ (485)	\$ (10,293)
Noninterest expense					
Depreciation on operating lease equipment ⁽²⁾	(99)	(98)	(95)	(293)	(275)
Maintenance and other operating lease equipment expense ⁽²⁾	(59)	(60)	(51)	(164)	(163)
Professional fees ⁽⁴⁾	—	(1)	—	(4)	—
FDIC insurance special assessment	—	(2)	—	(11)	—
Acquisition-related expenses	(46)	(44)	(121)	(148)	(354)
Intangible asset amortization	(15)	(15)	(17)	(47)	(40)
Other noninterest expense ⁽⁵⁾	(8)	2	—	—	—
Impact of notable items on adjusted noninterest expense	\$ (227)	\$ (218)	\$ (284)	\$ (667)	\$ (832)
Day 2 provisions for loan and lease losses and off-balance sheet credit exposure	\$ —	\$ —	\$ —	\$ —	\$ (716)
Benefit for credit losses on investment securities available for sale	—	—	3	—	—
Impact of notable items on adjusted provision for credit losses	\$ —	\$ —	\$ 3	\$ —	\$ (716)
Impact of notable items on adjusted pre-tax income	\$ 51	\$ 58	\$ 134	\$ 182	\$ (8,745)
Income tax impact ⁽⁶⁾	15	10	58	45	293
Impact of notable items on adjusted net income	\$ 36	\$ 48	\$ 76	\$ 137	\$ (9,038)
Impact of notable items on adjusted diluted EPS	\$ 2.45	\$ 3.33	\$ 5.25	\$ 9.45	\$ (621.55)

(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 financial supplement 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 financial supplement for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures.

(3) Other noninterest income includes a gain on litigation settlement in the 2024-YTD period and a Silicon Valley Bridge Bank, N.A. purchase accounting adjustment related to FX translation in the 2023 QTD and YTD periods.

(4) Professional fees include expenses related to integration activities.

(5) Other noninterest expense consists of a technology fee in 3Q24 and a litigation reserve release in 2Q24.

(6) For the periods presented, the income tax impact may include tax discrete items and changes in the estimated annualized effective tax rate.

Dollars in millions, except share and per share data

Condensed Income Statements (unaudited) - Adjusted for Notable Items ⁽¹⁾	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest income	\$ 3,138	\$ 3,130	\$ 3,110	\$ 9,352	\$ 7,274
Interest expense	1,342	1,309	1,120	3,918	2,473
Net interest income	1,796	1,821	1,990	5,434	4,801
Provision for credit losses	117	95	195	276	410
Net interest income after provision for credit losses	1,679	1,726	1,795	5,158	4,391
Noninterest income	474	479	468	1,431	1,239
Noninterest expense	1,229	1,168	1,132	3,551	3,011
Income before income taxes	924	1,037	1,131	3,038	2,619
Income tax expense	249	282	303	824	705
Net income	\$ 675	\$ 755	\$ 828	\$ 2,214	\$ 1,914
Preferred stock dividends	15	16	15	46	44
Net income available to common stockholders	\$ 660	\$ 739	\$ 813	\$ 2,168	\$ 1,870
Basic earnings per common share	\$ 45.87	\$ 50.87	\$ 55.96	\$ 149.72	\$ 128.74
Diluted earnings per common share	45.87	50.87	55.92	149.71	128.64
Weighted average common shares outstanding (basic)	14,375,974	14,534,499	14,528,310	14,480,874	14,527,718
Weighted average common shares outstanding (diluted)	14,375,974	14,534,499	14,539,133	14,481,919	14,539,383

⁽¹⁾ The GAAP income statements and notable items are included previously in this financial supplement. The condensed adjusted income statements above (non-GAAP) exclude the impact of notable items. Refer to the non-GAAP reconciliation tables at the end of this financial supplement for a reconciliation of non-GAAP measures to the most directly comparable GAAP measure.

Dollars in millions

Loans and Leases by Class (end of period)	September 30, 2024	June 30, 2024	September 30, 2023
Commercial			
Commercial construction	\$ 4,924	\$ 4,484	\$ 3,946
Owner occupied commercial mortgages	16,372	16,233	15,148
Non-owner occupied commercial mortgages	16,078	15,580	14,243
Commercial and industrial	30,867	30,684	28,717
Leases	2,020	2,049	2,108
Total commercial	\$ 70,261	\$ 69,030	\$ 64,162
Consumer			
Residential mortgage	\$ 23,237	\$ 23,101	\$ 22,465
Revolving mortgage	2,455	2,351	2,067
Consumer auto	1,543	1,503	1,411
Consumer other	1,347	1,388	1,191
Total consumer	\$ 28,582	\$ 28,343	\$ 27,134
SVB			
Global fund banking	\$ 27,114	\$ 28,915	\$ 27,516
Investor dependent - early stage	1,128	1,179	1,718
Investor dependent - growth stage	2,434	2,627	3,948
Innovation C&I and cash flow dependent	9,176	9,247	8,724
Total SVB	\$ 39,852	\$ 41,968	\$ 41,906
Total loans and leases	\$ 138,695	\$ 139,341	\$ 133,202
Less: allowance for loan and lease losses	(1,678)	(1,700)	(1,673)
Total loans and leases, net of allowance for loan and lease losses	\$ 137,017	\$ 137,641	\$ 131,529
Deposits by Type (end of period)	September 30, 2024	June 30, 2024	September 30, 2023
Noninterest-bearing demand	\$ 39,396	\$ 40,016	\$ 43,141
Checking with interest	23,216	23,907	23,461
Money market	34,567	32,636	30,079
Savings	40,266	39,361	32,708
Time	14,129	15,159	16,844
Total deposits	\$ 151,574	\$ 151,079	\$ 146,233

Dollars in millions

Credit Quality and Allowance for Loan and Lease Losses (ALLL)	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Nonaccrual loans at period end	\$ 1,244	\$ 1,141	\$ 899		
Ratio of nonaccrual loans to total loans at period end	0.90 %	0.82 %	0.68 %		
Charge-offs	\$ (177)	\$ (159)	\$ (199)	\$ (464)	\$ (437)
Recoveries	32	27	23	84	54
Net charge-offs	\$ (145)	\$ (132)	\$ (176)	\$ (380)	\$ (383)
Net charge-off ratio	0.42 %	0.38 %	0.53 %	0.37 %	0.45 %
ALLL to loans ratio at period end	1.21 %	1.22 %	1.26 %		
ALLL at beginning of period	\$ 1,700	\$ 1,737	\$ 1,637	\$ 1,747	\$ 922
Initial PCD ALLL	—	—	—	—	220
Day 2 provision for loan and lease losses	—	—	—	—	462
Provision for loan and lease losses	123	95	212	311	452
Net charge-offs	(145)	(132)	(176)	(380)	(383)
ALLL at end of period	\$ 1,678	\$ 1,700	\$ 1,673	\$ 1,678	\$ 1,673

Dollars in millions

Average Balance Sheets, Yields and Rates	Three Months Ended								
	September 30, 2024			June 30, 2024			September 30, 2023		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
Loans and leases ⁽¹⁾⁽²⁾	\$ 137,602	\$ 2,430	7.03 %	\$ 135,965	\$ 2,422	7.15 %	\$ 131,653	\$ 2,426	7.30 %
Investment securities	38,189	354	3.70	36,445	327	3.60	24,388	177	2.90
Securities purchased under agreements to resell	241	4	5.34	236	3	5.37	223	3	5.28
Interest-earning deposits at banks	26,167	350	5.33	28,059	378	5.42	37,456	504	5.34
Total interest-earning assets ⁽²⁾	\$ 202,199	\$ 3,138	6.18 %	\$ 200,705	\$ 3,130	6.26 %	\$ 193,720	\$ 3,110	6.37 %
Operating lease equipment, net	\$ 9,028			\$ 8,888			\$ 8,617		
Cash and due from banks	717			750			911		
Allowance for loan and lease losses	(1,725)			(1,763)			(1,714)		
All other noninterest-earning assets	10,247			10,311			10,460		
Total assets	\$ 220,466			\$ 218,891			\$ 211,994		
Interest-bearing deposits									
Checking with interest	\$ 23,946	\$ 134	2.23 %	\$ 24,427	\$ 137	2.26 %	\$ 24,600	\$ 134	2.15 %
Money market	34,127	278	3.24	31,998	250	3.14	29,684	179	2.40
Savings	39,944	436	4.34	38,434	415	4.35	30,185	303	3.99
Time deposits	14,429	156	4.29	16,043	173	4.33	16,489	153	3.68
Total interest-bearing deposits	112,446	1,004	3.55	110,902	975	3.54	100,958	769	3.02
Borrowings:									
Securities sold under customer repurchase agreements	384	—	0.55	380	—	0.46	454	—	0.35
Short-term FHLB borrowings	—	—	—	—	—	—	—	—	—
Short-term borrowings	384	—	0.55	380	—	0.46	454	—	0.35
Federal Home Loan Bank borrowings	—	—	2.01	—	—	2.00	444	6	5.47
Senior unsecured borrowings	361	2	2.59	375	3	2.49	382	2	2.46
Subordinated debt	900	8	3.34	901	7	3.32	1,042	10	3.65
Other borrowings	35,803	328	3.66	35,824	324	3.61	35,831	333	3.71
Long-term borrowings	37,064	338	3.64	37,100	334	3.60	37,699	351	3.72
Total borrowings	37,448	338	3.61	37,480	334	3.56	38,153	351	3.68
Total interest-bearing liabilities	\$ 149,894	\$ 1,342	3.57 %	\$ 148,382	\$ 1,309	3.54 %	\$ 139,111	\$ 1,120	3.20 %
Noninterest-bearing deposits	\$ 39,026			\$ 39,344			\$ 43,085		
Credit balances of factoring clients	1,195			1,234			1,209		
Other noninterest-bearing liabilities	7,500			7,879			8,473		
Stockholders' equity	22,851			22,052			20,116		
Total liabilities and stockholders' equity	\$ 220,466			\$ 218,891			\$ 211,994		
Net interest income		\$ 1,796			\$ 1,821			\$ 1,990	
Net interest spread ⁽²⁾			2.61 %			2.72 %			3.17 %
Net interest margin ⁽²⁾			3.53 %			3.64 %			4.07 %

⁽¹⁾ Loans and leases include nonaccrual loans and loans held for sale. Interest income on loans and leases includes loan PAA income and loan fees.

⁽²⁾ The balance and rate presented are calculated net of average credit balances and deposits of factoring clients.

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

Dollars in millions

Average Balance Sheets, Yields and Rates	Nine Months Ended					
	September 30, 2024			September 30, 2023		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
Loans and leases ⁽¹⁾⁽²⁾	\$ 135,302	\$ 7,206	7.11 %	\$ 113,028	\$ 5,796	6.85 %
Investment securities	35,769	960	3.58	21,222	401	2.52
Securities purchased under agreements to resell	240	10	5.37	139	6	5.12
Interest-earning deposits at banks	29,192	1,176	5.38	27,794	1,071	5.15
Total interest-earning assets ⁽²⁾	\$ 200,503	\$ 9,352	6.22 %	\$ 162,183	\$ 7,274	5.99 %
Operating lease equipment, net	\$ 8,908			\$ 8,421		
Cash and due from banks	751			891		
Allowance for loan and lease losses	(1,762)			(1,420)		
All other noninterest-earning assets	10,087			17,354		
Total assets	\$ 218,487			\$ 187,429		
Interest-bearing deposits						
Checking with interest	\$ 24,112	\$ 401	2.22 %	\$ 21,783	\$ 274	1.68 %
Money market	32,358	760	3.14	26,686	407	2.04
Savings	38,296	1,242	4.33	23,410	601	3.44
Time deposits	15,712	504	4.28	14,404	350	3.25
Total interest-bearing deposits	110,478	2,907	3.51	86,283	1,632	2.53
Borrowings:						
Securities sold under customer repurchase agreements	398	1	0.49	455	1	0.32
Short-term FHLB borrowings	—	—	—	145	5	4.79
Short-term borrowings	398	1	0.49	600	6	1.40
Federal Home Loan Bank borrowings	—	—	2.00	3,084	120	5.22
Senior unsecured borrowings	371	7	2.53	686	11	2.16
Subordinated debt	904	23	3.32	1,045	29	3.59
Other borrowings	35,829	980	3.65	24,450	675	3.68
Long-term borrowings	37,104	1,010	3.63	29,265	835	3.80
Total borrowings	37,502	1,011	3.59	29,865	841	3.75
Total interest-bearing liabilities	\$ 147,980	\$ 3,918	3.53 %	\$ 116,148	\$ 2,473	2.84 %
Noninterest-bearing deposits	\$ 39,339			\$ 39,007		
Credit balances of factoring clients	1,178			1,129		
Other noninterest-bearing liabilities	7,793			14,143		
Stockholders' equity	22,197			17,002		
Total liabilities and stockholders' equity	\$ 218,487			\$ 187,429		
Net interest income		\$ 5,434			\$ 4,801	
Net interest spread ⁽²⁾			2.69 %			3.15 %
Net interest margin ⁽²⁾			3.62 %			3.95 %

⁽¹⁾ Loans and leases include nonaccrual loans and loans held for sale. Interest income on loans and leases includes loan PAA income and loan fees.

⁽²⁾ The balance and rate presented are calculated net of average credit balances and deposits of factoring clients.

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

Dollars in millions, except share and per share data

		Three Months Ended			Nine Months Ended	
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Non-GAAP Reconciliations						
Net income and EPS						
Net income (GAAP)	a	\$ 639	\$ 707	\$ 752	\$ 2,077	\$ 10,952
Preferred stock dividends		15	16	15	46	44
Net income available to common stockholders (GAAP)	b	\$ 624	\$ 691	\$ 737	\$ 2,031	\$ 10,908
Total notable items, after income tax	c	36	48	76	137	(9,038)
Adjusted net income (non-GAAP)	d = (a+c)	675	755	828	2,214	1,914
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	\$ 660	\$ 739	\$ 813	\$ 2,168	\$ 1,870
Weighted average common shares outstanding						
Basic	f	14,375,974	14,534,499	14,528,310	14,480,874	14,527,718
Diluted	g	14,375,974	14,534,499	14,539,133	14,481,919	14,539,383
EPS (GAAP)						
Basic	b/f	\$ 43.42	\$ 47.54	\$ 50.71	\$ 140.27	\$ 750.79
Diluted	b/g	43.42	47.54	50.67	140.26	750.19
Adjusted EPS (non-GAAP)						
Basic	e/f	\$ 45.87	\$ 50.87	\$ 55.96	\$ 149.72	\$ 128.74
Diluted	e/g	45.87	50.87	55.92	149.71	128.64
Noninterest income and expense						
Noninterest income (GAAP)						
Noninterest income (GAAP)	h	\$ 650	\$ 639	\$ 615	\$ 1,916	\$ 11,532
Impact of notable items, before income tax		(176)	(160)	(147)	(485)	(10,293)
Adjusted noninterest income (non-GAAP)	i	\$ 474	\$ 479	\$ 468	\$ 1,431	\$ 1,239
Noninterest expense (GAAP)						
Noninterest expense (GAAP)	j	\$ 1,456	\$ 1,386	\$ 1,416	\$ 4,218	\$ 3,843
Impact of notable items, before income tax		(227)	(218)	(284)	(667)	(832)
Adjusted noninterest expense (non-GAAP)	k	\$ 1,229	\$ 1,168	\$ 1,132	\$ 3,551	\$ 3,011
Provision for credit losses						
Provision for credit losses						
Provision for credit losses		\$ 117	\$ 95	\$ 192	\$ 276	\$ 1,126
Less: day 2 provision for loan and lease losses and off-balance sheet exposure		—	—	—	—	716
Less: provision (benefit) for credit losses on investment securities available for sale		—	—	(3)	—	—
Adjusted provision for credit losses (non-GAAP)		\$ 117	\$ 95	\$ 195	\$ 276	\$ 410
PPNR						
Net income (GAAP)						
Net income (GAAP)	a	\$ 639	\$ 707	\$ 752	\$ 2,077	\$ 10,952
Plus:						
Provision for credit losses		117	95	192	276	1,126
Income tax expense		234	272	245	779	412
PPNR (non-GAAP)	l	\$ 990	\$ 1,074	\$ 1,189	\$ 3,132	\$ 12,490
Impact of notable items ⁽¹⁾		51	58	137	182	(9,461)
Adjusted PPNR (non-GAAP)	m	\$ 1,041	\$ 1,132	\$ 1,326	\$ 3,314	\$ 3,029

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

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

Dollars in millions

Non-GAAP Reconciliations (continued)		Three Months Ended			Nine Months Ended	
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
ROA						
Net income (GAAP)	a	\$ 639	\$ 707	\$ 752	\$ 2,077	\$ 10,952
Annualized net income	n = a annualized	2,544	2,842	2,983	2,775	14,642
Adjusted net income (non-GAAP)	d	675	755	828	2,214	1,914
Annualized adjusted net income	p = d annualized	2,684	3,036	3,286	2,958	2,560
Average assets	o	220,466	218,891	211,994	218,487	187,429
ROA	n/o	1.15 %	1.30 %	1.41 %	1.27 %	7.81 %
Adjusted ROA (non-GAAP)	p/o	1.22	1.39	1.55	1.35	1.37
PPNR ROA						
PPNR (non-GAAP)	l	\$ 990	\$ 1,074	\$ 1,189	\$ 3,132	\$ 12,490
Annualized PPNR	q = l annualized	3,942	4,316	4,717	4,184	16,699
Adjusted PPNR (non-GAAP)	m	1,041	1,132	1,326	3,314	3,029
Annualized adjusted PPNR	r = m annualized	4,141	4,552	5,261	4,427	4,049
PPNR ROA (non-GAAP)	q/o	1.79 %	1.97 %	2.23 %	1.91 %	8.91 %
Adjusted PPNR ROA (non-GAAP)	r/o	1.88	2.08	2.48	2.03	2.16
ROE and ROTCE						
Annualized net income available to common stockholders	s = b annualized	\$ 2,483	\$ 2,779	\$ 2,923	\$ 2,713	\$ 14,583
Annualized adjusted net income available to common stockholders	t = e annualized	\$ 2,623	\$ 2,974	\$ 3,225	\$ 2,896	\$ 2,501
Average stockholders' equity (GAAP)		\$ 22,851	\$ 22,052	\$ 20,116	\$ 22,197	\$ 17,002
Less: average preferred stock		881	881	881	881	881
Average common stockholders' equity	u	\$ 21,970	\$ 21,171	\$ 19,235	\$ 21,316	\$ 16,121
Less: average goodwill		346	346	346	346	346
Less: average other intangible assets		275	288	338	290	290
Average tangible common equity (non-GAAP)	v	\$ 21,349	\$ 20,537	\$ 18,551	\$ 20,680	\$ 15,485
ROE	s/u	11.30 %	13.13 %	15.20 %	12.73 %	90.46 %
Adjusted ROE (non-GAAP)	t/u	11.94	14.05	16.77	13.59	15.51
ROTCE (non-GAAP)	s/v	11.63	13.53	15.76	13.12	94.17
Adjusted ROTCE (non-GAAP)	t/v	12.29	14.48	17.39	14.00	16.15
Tangible common equity to tangible assets at period end						
Stockholders' equity (GAAP)	w	\$ 22,828	\$ 22,487	\$ 20,389		
Less: preferred stock		881	881	881		
Common equity	x	\$ 21,947	\$ 21,606	\$ 19,508		
Less: goodwill		346	346	346		
Less: other intangible assets		265	280	329		
Tangible common equity (non-GAAP)	y	\$ 21,336	\$ 20,980	\$ 18,833		
Total assets (GAAP)	z	220,567	219,827	213,765		
Tangible assets (non-GAAP)	aa	219,956	219,201	213,090		
Total equity to total assets (GAAP)	w/z	10.35 %	10.23 %	9.54 %		
Tangible common equity to tangible assets (non-GAAP)	y/aa	9.70	9.57	8.84		

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

Dollars in millions, except share and per share data

Non-GAAP Reconciliations (continued)		Three Months Ended			Nine Months Ended	
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Book value and tangible book value per common share at period end						
Common shares outstanding at period end	bb		14,179,208	14,529,735		14,520,103
Book value per share	x/bb	\$	1,547.81	\$ 1,487.00	\$	1,343.52
Tangible book value per common share (non-GAAP)	y/bb		1,504.75	1,443.92		1,297.00
Efficiency ratio						
Net interest income	cc	\$	1,796	\$ 1,821	\$ 1,990	\$ 5,434
Efficiency ratio (GAAP)	j / (h + cc)		59.49 %	56.36 %	54.34 %	57.38 %
Adjusted efficiency ratio (non-GAAP)	k / (i + cc)		54.15	50.77	46.04	51.72 %
Rental income on operating lease equipment						
Rental income on operating lease equipment (GAAP)		\$	262	\$ 259	\$ 248	\$ 776
Less: depreciation on operating lease equipment			99	98	95	293
Less: maintenance and other operating lease expenses			59	60	51	164
Adjusted rental income on operating lease equipment (non-GAAP)		\$	104	\$ 101	\$ 102	\$ 319
Net interest income & Net interest margin						
Net interest income (GAAP)	cc	\$	1,796	\$ 1,821	\$ 1,990	\$ 5,434
Loan PAA income	dd		107	145	275	415
Other PAA (expense) income	ee		(6)	(5)	(6)	(16)
Total PAA	ff = (dd + ee)	\$	101	\$ 140	\$ 269	\$ 399
Net interest income, excluding PAA (non-GAAP)	gg = (cc - ff)	\$	1,695	\$ 1,681	\$ 1,721	\$ 5,035
Annualized net interest income (GAAP)	hh = cc annualized	\$	7,147	\$ 7,322	\$ 7,894	\$ 7,259
Annualized net interest income, excluding PAA (non-GAAP)	ii = ee annualized		6,746	6,760	6,829	6,726
Average interest-earning assets	jj		202,199	200,705	193,720	200,503
NIM (GAAP)	hh/jj		3.53 %	3.64 %	4.07 %	3.62 %
NIM, excluding PAA (non-GAAP)	ii/jj		3.33	3.36	3.52	3.35

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



First Citizens BancShares, Inc.

Third Quarter 2024

Earnings Conference Call

October 24, 2024

Agenda

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Important Notices

Forward Looking Statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans, asset quality, future performance, and other strategic goals of 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 upcoming U.S. election), 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 recent 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 the 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 FDIC-assisted acquisition of certain assets and liabilities of Silicon Valley Bridge Bank, N.A. ("SVB acquisition") 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", 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	ID – Investor Dependent
ALLL – Allowance for Loan and Lease Losses	LFI – Large Financial Institution
AOCl – Accumulated Other Comprehensive Income	MSA – Metropolitan Statistical Area
Bps – Basis point(s); 1 bp = 0.01%	NCO – Net Charge-Off
C&I – Commercial and Industrial	NII – Net Interest Income
CET1 – Common Equity Tier 1	NIM – Net Interest Margin
CRE – Commercial Real Estate	NM – Not Meaningful
EOP – End of Period	NPL – Nonperforming Loans
EPS – Earnings Per Share	PAA – Purchase Accounting Accretion or Amortization
FDIC – Federal Deposit Insurance Corporation	PPNR – Pre-Provision Net Revenue
FFS – Fed Funds Sold	QTD – Quarter-to-date
FHLB – Federal Home Loan Bank	ROA – Return on Average Assets
FRB – Federal Reserve Bank	ROE – Return on Average Common Stockholders' Equity
FX – Foreign Exchange	ROTCE – Return on Tangible Common Stockholders' Equity
GAAP – United States Generally Accepted Accounting Principles	SLA – Shared Loss Agreement with the FDIC
HQLS – High-Quality Liquid Securities	TBV – Tangible Book Value
HTM – Held to Maturity	VC – Venture Capital
IBD – Interest-Bearing Deposits	YTD – Year-to-date





Third Quarter Overview & Strategic Priorities

Section I

Third Quarter 2024 Snapshot

Key Highlights:

- Repurchased \$700 million in Class A common shares (2.61% of Class A common) during 3Q24.
- While loans declined during the quarter due to higher repayments and lower draw activity in Global Fund Banking, we experienced **solid growth in the General and Commercial Banks**.
- Achieved **deposit growth in the General Bank**, concentrated in the Branch Network.
- **NIM remained resilient** despite headwinds from declining PAA.
- While the net charge-off ratio increased slightly over the linked quarter, **asset quality remained solid**.
- **Capital and liquidity positions remained strong** with the **CET1 ratio** ending the quarter at **13.24%**.
- Continue to **support associates and clients impacted by Hurricanes Helene and Milton**.

Financial Results:

Adjusted EPS ⁽¹⁾

\$45.87

Adjusted ROE / ROA ⁽¹⁾

11.94% / 1.22%

NIM

3.53%

Adjusted Efficiency Ratio ⁽¹⁾

54.15%

Loan / Deposit Growth ⁽²⁾

(1.8)% / 1.3%

CET1 Ratio ⁽³⁾

13.24%



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

(2) Loan and deposit growth percentages are annualized using end of period balances.

(3) The CET1 ratio represents a BancShares ratio and is preliminary pending completion of quarterly regulatory filings.



First Citizens Strategic Priorities

Risk Management

Client-Focused Business Model

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

Talent & Culture

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

Operational Efficiency

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

Regulatory Readiness

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





Third Quarter 2024 Financial Results

Section II

3Q24 Financial Results - Takeaways

1

Continued to maintain strong **CET1 ratio** while **returning capital to stockholders** through our share repurchase plan.

5

Credit quality remained stable, with **no emerging problems outside of pressure points** previously disclosed.

2

While **NII and NIM declined** during the quarter as anticipated, **NII was in line with our guidance** and **NIM remained resilient**.

6

Loans contracted during the quarter driven by lower draw activity and higher repayments in the **Global Fund Banking business**, **outpacing strong growth in the General and Commercial Banks**.

3

Expense growth was concentrated in areas which support the **build out of our risk management capabilities** to meet current and future LFI requirements.

7

Deposits grew at an annualized rate of 1.3% over the linked quarter due to **growth in the General Bank segment**. **SVB Commercial deposits remained stable** despite muted investment activity.

4

Achieved the lower end of our cost savings goal from the SVB acquisition.

Financial Highlights

	3Q24		2Q24		3Q23	
	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)	Reported	Adjusted (Non-GAAP)
EPS	\$ 43.42	\$ 45.87	\$ 47.54	\$ 50.87	\$ 50.67	\$ 55.92
ROE	11.30 %	11.94 %	13.13 %	14.05 %	15.20 %	16.77 %
ROTCE (non-GAAP)	11.63	12.29	13.53	14.48	15.76	17.39
ROA	1.15	1.22	1.30	1.39	1.41	1.55
PPNR ROA (non-GAAP)	1.79	1.88	1.97	2.08	2.23	2.48
NIM	3.53	3.53	3.64	3.64	4.07	4.07
NIM, ex PAA (non-GAAP)	3.33	3.33	3.36	3.36	3.52	3.52
Net charge-off ratio	0.42	0.42	0.38	0.38	0.53	0.53
Efficiency ratio	59.49	54.15	56.36	50.77	54.34	46.04



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				Increase (decrease)			
	3Q24	2Q24	3Q23	3Q24 vs. 2Q24		3Q24 vs. 3Q23	
				\$	%	\$	%
Net interest income	\$ 1,796	\$ 1,821	\$ 1,990	\$ (25)	(1.3)%	\$ (194)	(9.7)%
Noninterest income	650	639	615	11	1.8	35	5.7
Net revenue	2,446	2,460	2,605	(14)	(0.6)	(159)	(6.1)
Noninterest expense	1,456	1,386	1,416	70	5.0	40	2.9
Pre-provision net revenue ⁽¹⁾	990	1,074	1,189	(84)	(7.7)	(199)	(16.7)
Provision for credit losses	117	95	192	22	24.1	(75)	(38.8)
Income before income taxes	873	979	997	(106)	(10.7)	(124)	(12.4)
Income taxes	234	272	245	(38)	(14.0)	(11)	(4.6)
Net income	639	707	752	(68)	(9.5)	(113)	(14.9)
Preferred stock dividends	15	16	15	(1)	(1.6)	—	0.8
Net income available to common stockholders	\$ 624	\$ 691	\$ 737	\$ (67)	(9.7)%	\$ (113)	(15.3)%

Adjustments for notable items	3Q24	2Q24	3Q23
Noninterest income	\$ (176)	\$ (160)	\$ (147)
Noninterest expense	(227)	(218)	(284)
Provision for credit losses	—	—	3
Income taxes	15	10	58

Adjusted (Non-GAAP) ⁽¹⁾				Increase (decrease)			
	3Q24	2Q24	3Q23	3Q24 vs. 2Q24		3Q24 vs. 3Q23	
				\$	%	\$	%
Net interest income	\$ 1,796	\$ 1,821	\$ 1,990	\$ (25)	(1.3)%	\$ (194)	(9.7)%
Noninterest income	474	479	468	(5)	(1.0)	6	1.3
Net revenue	2,270	2,300	2,458	(30)	(1.3)	(188)	(7.6)
Noninterest expense	1,229	1,168	1,132	61	5.3	97	8.7
Pre-provision net revenue ⁽¹⁾	1,041	1,132	1,326	(91)	(8.0)	(285)	(21.5)
Provision for credit losses	117	95	195	22	24.1	(78)	(39.6)
Income before income taxes	924	1,037	1,131	(113)	(11.0)	(207)	(18.4)
Income taxes	249	282	303	(33)	(11.9)	(54)	(17.9)
Net income	675	755	828	(80)	(10.6)	(153)	(18.5)
Preferred stock dividends	15	16	15	(1)	(1.6)	—	0.8
Net income available to common stockholders	\$ 660	\$ 739	\$ 813	\$ (79)	(10.8)%	\$ (153)	(18.9)%



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

Net interest income and margin

(\$ in millions)



Highlights

3Q24 vs 2Q24

Net interest income declined by \$25 million due to a \$33 million increase in interest expense, partially offset by an \$8 million increase in interest income. The significant components of the changes follow:

- \$39 million decrease in accretion income,
- \$29 million increase in interest expense on deposits primarily due to a higher average balance, and
- \$28 million decrease in interest income on overnight investments due to a lower average balance as we continued to shift balances from cash into short-duration investment securities and a lower yield; partially offset by
- \$28 million increase in interest income on investment securities due to a higher average balance and yield, and
- \$46 million increase in interest income on loans due to higher average balances (ex loan accretion income).

NIM contracted by 11 basis points from 3.64% to 3.53%. NIM, ex PAA contracted by 3 basis points from 3.36% to 3.33%. See the following page for a rollforward of NIM between 2Q24 and 3Q24.

3Q24 vs 3Q23

Net interest income declined by \$194 million due to a \$222 million increase in interest expense, partially offset by a \$28 million increase in interest income. The significant components of the changes follow:

- \$235 million increase in interest expense on deposits due to a higher average balance and a higher rate paid,
- \$167 million decrease in accretion income, and
- \$154 million decrease in interest income on overnight investments due to the same reasons noted in the linked quarter explanation; partially offset by
- \$178 million increase in interest income on investment securities due to the same reasons noted in the linked quarter explanation,
- \$172 million increase in interest income on loans due to a higher average balance and yield (ex loan accretion income), and
- \$13 million decrease in interest expense on borrowings.

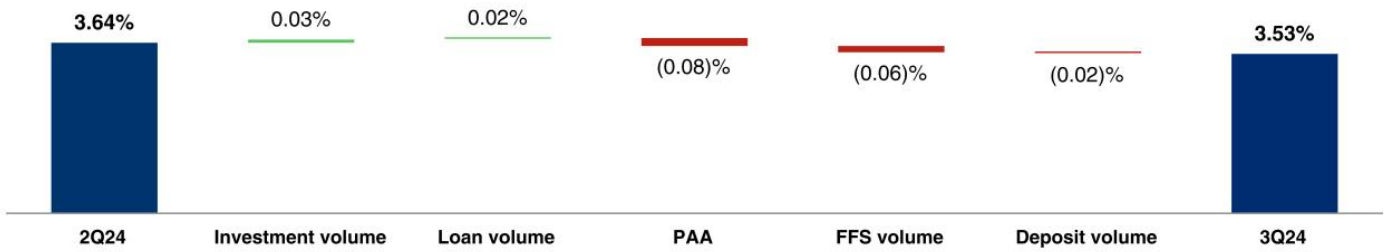
NIM contracted 54 basis points from 4.07% to 3.53%. NIM, ex PAA contracted by 19 basis points from 3.52% to 3.33%. See the following page for a rollforward of NIM between 3Q23 and 3Q24.



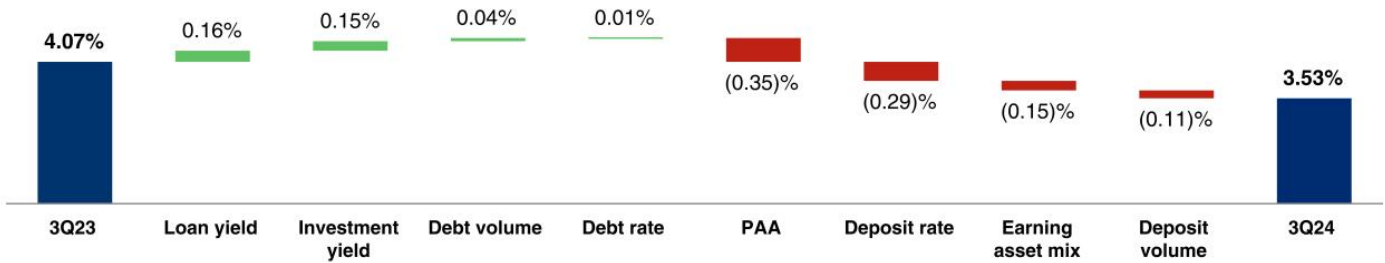
(1) Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

NIM Rollforward

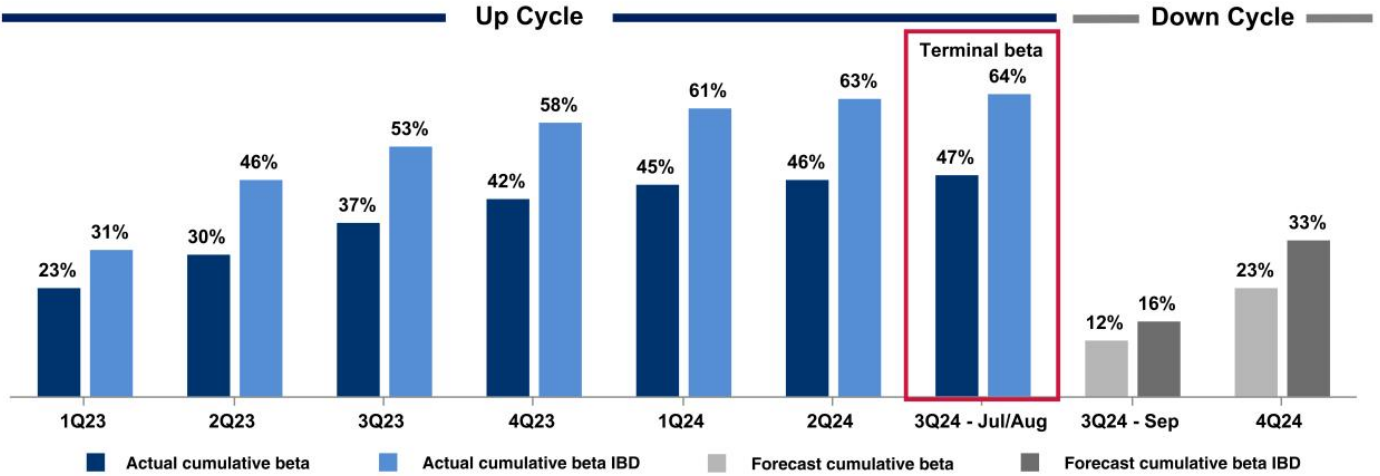
2Q24 to 3Q24 (-11 bps)



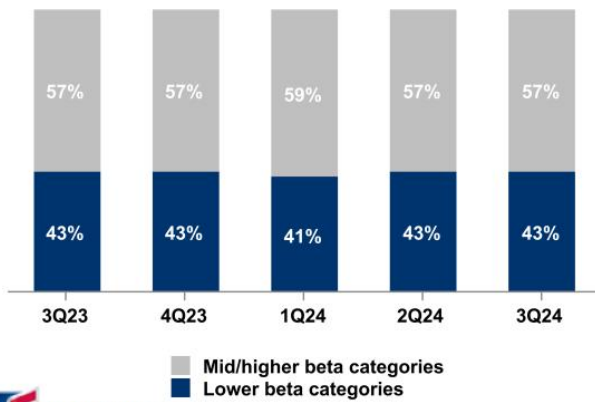
3Q23 to 3Q24 (-54 bps)



Historical and Forecasted Cumulative Deposit Beta



Total Deposits

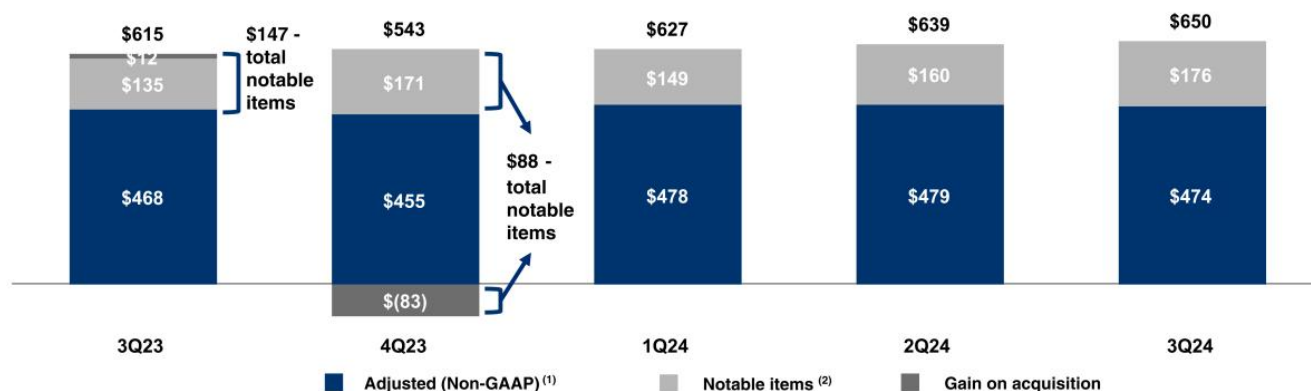


Highlights

- 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 fourth quarter as the full effect of the initial rate cut pulls through. Longer term, we expect betas on the way down to be similar to our cumulative up cycle betas.
- The composition of our deposit portfolio will provide a cost advantage as rates continue to decline.
- **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.

Noninterest income

(\$ in millions)



Highlights

3Q24 vs 2Q24

Noninterest income increased by \$11 million.

Adjusted noninterest income⁽¹⁾ decreased by \$5 million. Significant components included:

- \$18 million decrease in other noninterest income primarily due to fair value changes in customer derivative positions and other non-marketable investments; partially offset by
- \$4 million increase in fee income and other service charges primarily due to higher capital market fees,
- \$3 million increase in adjusted rental income on operating lease equipment due to continued strong utilization and an increase in the number of railcars, and
- \$6 million net increase spread among various noninterest income line items.

Notable items totaled \$176 million compared to \$160 million in the linked quarter. Refer to Section V of this presentation for notable item details.

3Q24 vs 3Q23

Noninterest income increased by \$35 million.

Adjusted noninterest income⁽¹⁾ increased by \$6 million. Significant components included:

- \$10 million increase in fee income and other service charges primarily due to the same reason noted in the linked quarter explanation,
- \$5 million increase in wealth management income due to higher trust assets under management, and
- \$5 million net increase spread among various noninterest income line items; partially offset by
- \$14 million decrease in other noninterest income primarily due to the same reason noted in the linked quarter explanation.

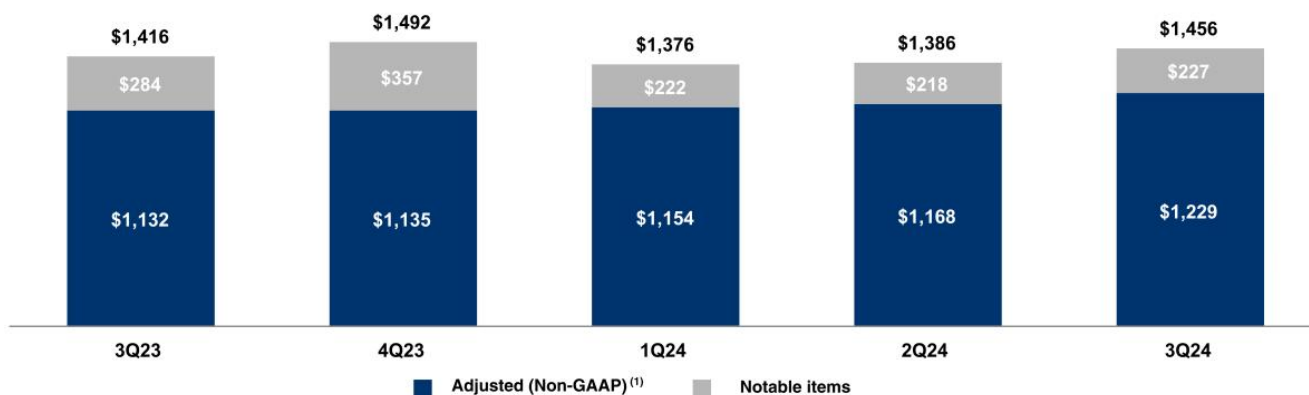
Notable items totaled \$176 million compared to \$147 million in the prior year quarter. Refer to Section V of this presentation for notable item details.



(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

3Q24 vs 2Q24

Noninterest expense increased by \$70 million.

Adjusted noninterest expense⁽¹⁾ increased by \$61 million. Significant components included:

- \$43 million increase in salaries and benefits primarily due to an additional working day in the quarter, net staff additions, increases in incentive accruals and temporary labor associated with technology projects, and
- \$19 million increase in professional fees primarily due to project expenses related to the continued build out of LFI regulatory capabilities; partially offset by
- \$6 million decrease in other noninterest expense spread among various accounts.

Notable items totaled \$227 million compared to \$218 million in the linked quarter. Refer to Section V of this presentation for notable item details.

Adjusted efficiency ratio⁽¹⁾ increased from 50.77% to 54.15%.

3Q24 vs 3Q23

Noninterest expense increased by \$40 million.

Adjusted noninterest expense⁽¹⁾ increased by \$97 million. Significant components included:

- \$61 million increase in salaries and benefits primarily due to net staff additions and temporary labor costs associated with technology projects,
- \$30 million increase in professional fees due to the same reason noted in the linked quarter explanation, and
- \$11 million increase in equipment expense; partially offset by
- \$5 million decrease in FDIC insurance expense, and
- \$3 million decrease in net occupancy expense.

Notable items totaled \$227 million compared to \$284 million in the prior year quarter. Refer to Section V of this presentation for notable items details.

Adjusted efficiency ratio⁽¹⁾ increased from 46.04% to 54.15%.



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

Balance Sheet Highlights

(\$ in millions, except per share data)

SELECT PERIOD END BALANCES	3Q24	2Q24	3Q23	Increase (decrease)			
				3Q24 vs 2Q24 ⁽¹⁾		3Q24 vs 3Q23 ⁽¹⁾	
				\$	%	\$	%
Interest-earning deposits at banks	\$ 25,640	\$ 25,361	\$ 36,704	\$ 279	4.4 %	\$ (11,064)	(30.1)%
Investment securities	38,663	37,666	26,818	997	10.5	11,845	44.2
Loans and leases	138,695	139,341	133,202	(646)	(1.8)	5,493	4.1
Operating lease equipment, net ⁽²⁾	9,186	8,945	8,661	241	10.7	525	6.1
Deposits	151,574	151,079	146,233	495	1.3	5,341	3.7
Noninterest-bearing deposits	39,396	40,016	43,141	(620)	(6.2)	(3,745)	(8.7)
Borrowings	37,161	37,458	37,712	(297)	(3.2)	(551)	(1.5)
Tangible common stockholders' equity (non-GAAP) ⁽³⁾	21,336	20,980	18,833	356	6.8	2,503	13.3
Common stockholders' equity	21,947	21,606	19,508	341	6.3	2,439	12.5
Total stockholders' equity	22,828	22,487	20,389	341	6.0	2,439	12.0

KEY METRICS	3Q24	2Q24	3Q23	Increase (decrease)	
				3Q24 vs 2Q24	3Q24 vs 3Q23
CET1 capital ratio	13.24 %	13.33 %	13.24 %	(0.09)%	— %
Book value per common share	\$ 1,547.81	\$ 1,487.00	\$ 1,343.52	\$ 60.81	\$ 204.29
Tangible book value per common share (non-GAAP) ⁽³⁾	1,504.75	1,443.92	1,297.00	60.83	207.75
Tangible capital to tangible assets (non-GAAP) ⁽³⁾	9.70 %	9.57 %	8.84 %	0.13 %	0.86 %
Loan to deposit ratio	91.50	92.23	91.09	(0.73)	0.41
ALLL to total loans and leases	1.21	1.22	1.26	(0.01)	(0.05)
Noninterest-bearing deposits to total deposits	25.99	26.49	29.50	(0.50)	(3.51)
Total liquid assets (available cash + HQLS)	\$ 58,359	\$ 56,907	\$ 57,019	\$ 1,452	\$ 1,340
Total liquidity (liquid assets & contingent sources) ⁽⁴⁾	88,001	88,552	95,042	(551)	(7,041)
Total liquidity / uninsured deposits ⁽⁴⁾	150 %	155 %	170 %	(5.00)%	(20.00)%



(1) Percent change is annualized (where applicable) and is calculated using unrounded numbers.

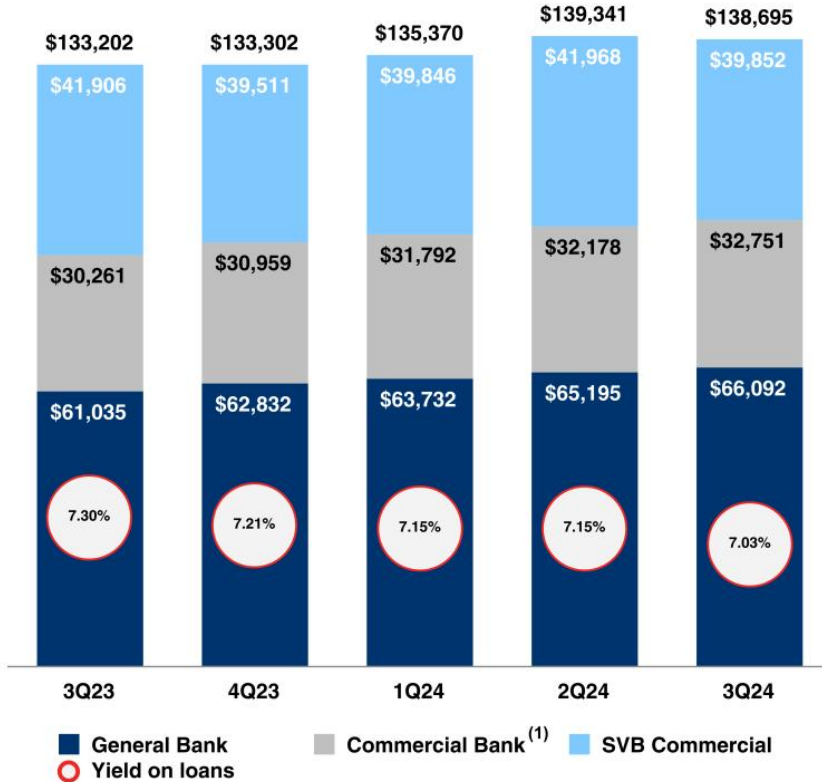
(2) Operating lease equipment, net includes \$8.4 billion of rail assets.

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

(4) Total liquidity for 3Q24, 2Q24 and 3Q23 includes immediately available capacity under the FDIC line of credit as of each period end. For more information, refer to slide 37.

Loans and Leases

(\$ in millions, period end balances)



Highlights

3Q24 vs 2Q24

- Total loans decreased \$646 million or by 0.5% sequentially, driven by a \$2.1 billion decline in SVB Commercial, partially offset by growth of \$897 and \$573 million in the General Bank and Commercial Bank, respectively.
- The decrease in the SVB Commercial segment was driven primarily by declines in Global Fund Banking as repayment levels outpaced loan origination and draw activity on lines of credit.
- General Bank growth was driven primarily by business and commercial loans, while growth in the Commercial Bank was concentrated in several of our Industry Verticals, including Tech Media and Telecom and Healthcare.

3Q24 vs 3Q23

- Total loans increased \$5.5 billion or by 4.1%. The increase in loans was driven by a \$5.1 billion (8.3%) increase in the General Bank and a \$2.5 billion (8.2%) increase in the Commercial Bank, partially offset by a \$2.1 billion (4.9%) decrease in the SVB Commercial segment primarily driven by lower loans in the Tech and Healthcare business.
- Loan growth in the General Bank was due primarily to business and commercial loans. Loan growth in the Commercial Bank was primarily concentrated in Industry Verticals, Real Estate Finance and Equipment Finance.



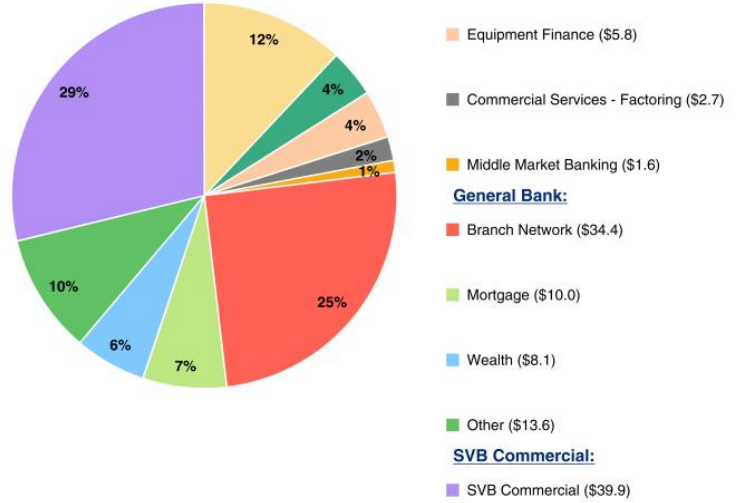
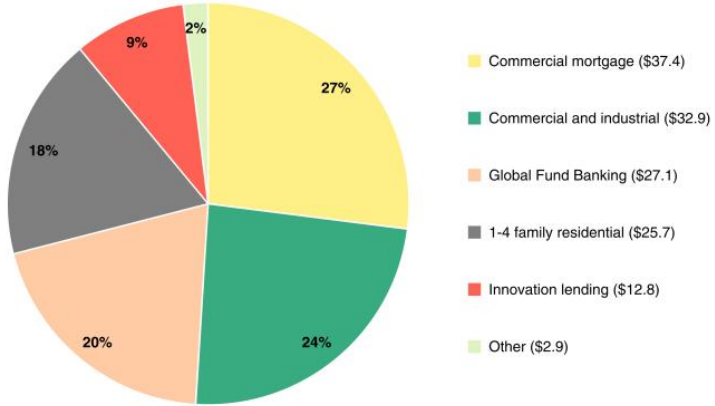
(1) Commercial Bank includes a small amount of Rail loans (less than \$100 million in all periods). Rail operating lease assets are not included in the loan totals.

3Q24 Loans and Leases Composition

(\$ in billions, period end balances)

Class

Segment



Commercial Bank:

- Commercial Finance (\$16.4)
- Real Estate Finance (\$6.2)
- Equipment Finance (\$5.8)
- Commercial Services - Factoring (\$2.7)
- Middle Market Banking (\$1.6)

General Bank:

- Branch Network (\$34.4)
- Mortgage (\$10.0)
- Wealth (\$8.1)
- Other (\$13.6)

SVB Commercial:

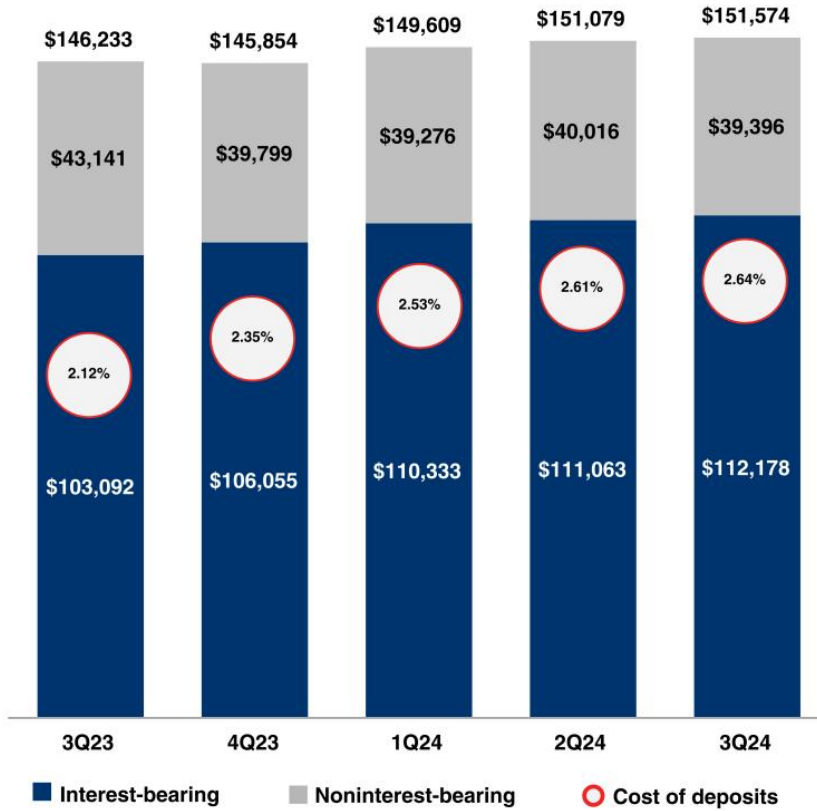
- SVB Commercial (\$39.9)



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

3Q24 vs. 2Q24

- Total deposits increased \$495 million or by 0.3% sequentially, driven by a \$690 million increase in the General Bank due to growth in the Branch Network and a \$54 million increase in SVB Commercial. These increases were partially offset by a \$165 million decline in the Direct Bank.

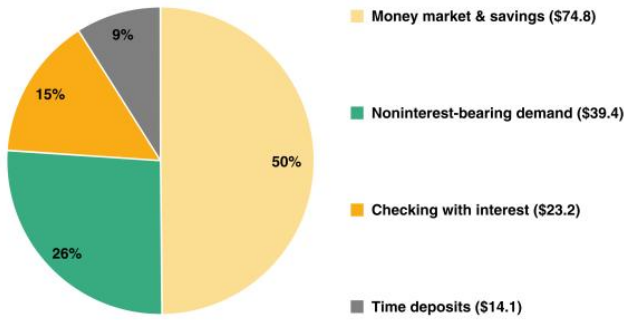
3Q24 vs. 3Q23

- Total deposits grew \$5.3 billion (3.7%) driven primarily by growth in the Direct Bank of \$3.9 billion and a \$3.1 billion increase in the General Bank due to growth in the Branch Network and Wealth. These increases were partially offset by decreases of \$616 and \$291 million in the Commercial Bank and SVB Commercial segments, respectively.

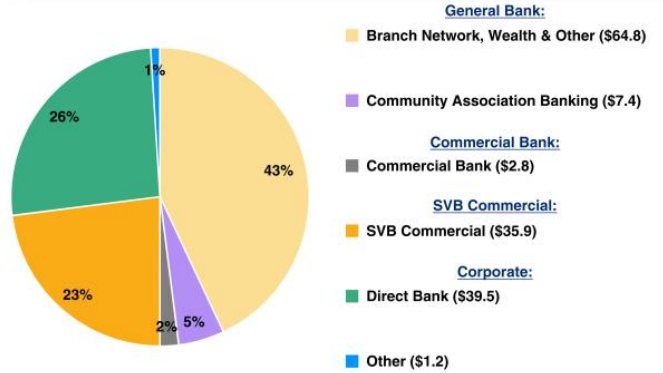
3Q24 Deposit Composition

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

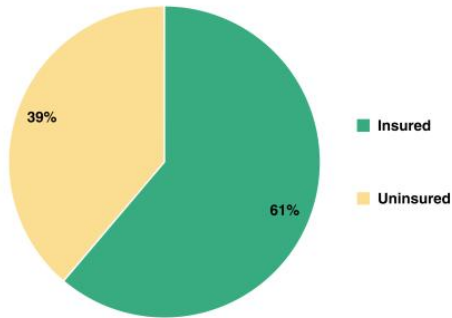
Type



Segment



Insured vs Uninsured



Average Account Size and Insured by Segment

	Total deposits	Average size	Insured %
General Bank	\$ 72.2	\$ 35,124	64%
Commercial Bank	2.8	232,366	16%
SVB Commercial	35.9	502,200	28%
Corporate	40.7	56,462	92%
Total	\$ 151.6	\$ 53,015	61%



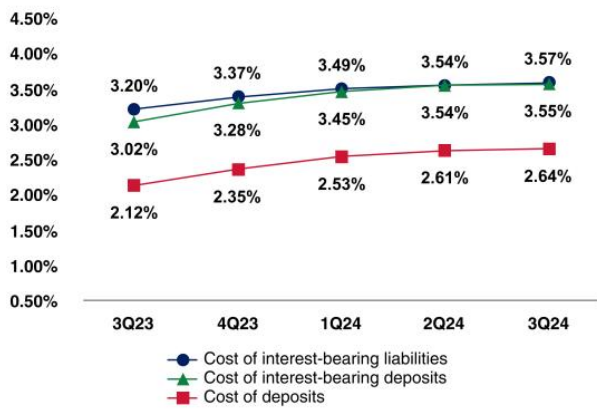
Note – Totals may not foot due to rounding.

Funding Mix

(\$ in millions)

	Period End Balances										Increase (decrease)	
	3Q24		2Q24		1Q24		4Q23		3Q23		3Q24 vs. 2Q24	3Q24 vs. 3Q23
Total deposits	\$ 151,574	80.3 %	\$ 151,079	80.1 %	\$ 149,609	79.9 %	\$ 145,854	79.5 %	\$ 146,233	79.5 %	\$ 495	\$ 5,341
Securities sold under customer repurchase agreements	391	0.2	386	0.2	395	0.2	485	0.3	453	0.2	5	(62)
Purchase money note	35,803	19.0	35,790	19.0	35,858	19.2	35,846	19.5	35,833	19.5	13	(30)
FHLB borrowings	—	—	—	—	—	—	—	—	—	—	—	—
Subordinated debt	901	0.5	900	0.5	903	0.5	938	0.5	1,040	0.6	1	(139)
Senior unsecured borrowings	59	—	374	0.2	375	0.2	377	0.2	377	0.2	(315)	(318)
Other borrowings	7	—	8	—	9	—	8	—	9	—	(1)	(2)
Total deposits and borrowed funds	\$ 188,735	100 %	\$ 188,537	100 %	\$ 187,149	100 %	\$ 183,508	100 %	\$ 183,945	100 %	\$ 198	\$ 4,790

Cost of funds



Highlights

3Q24 vs 2Q24

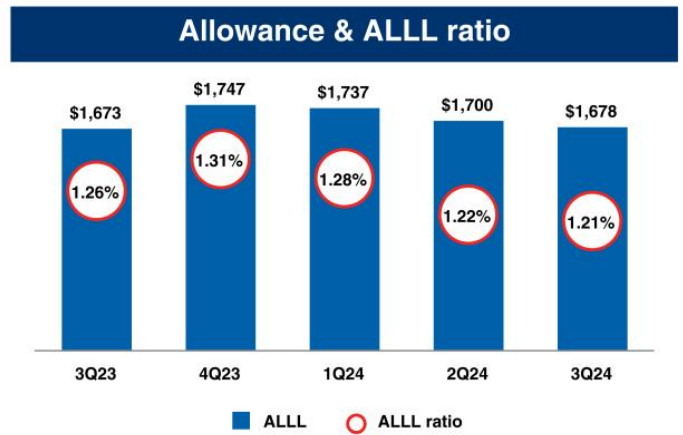
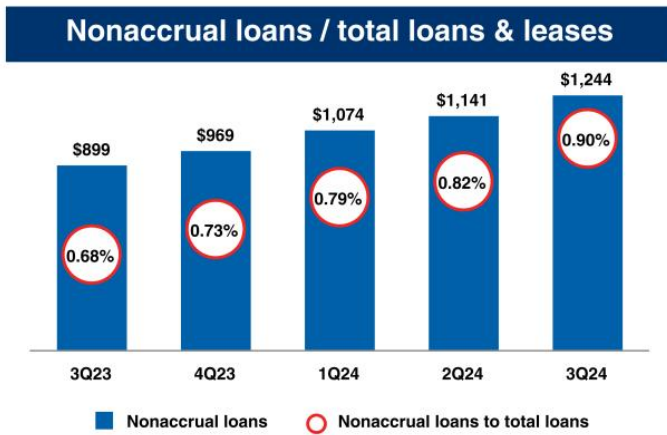
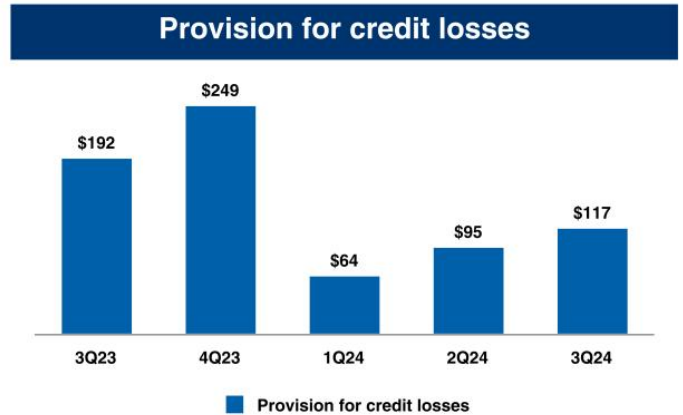
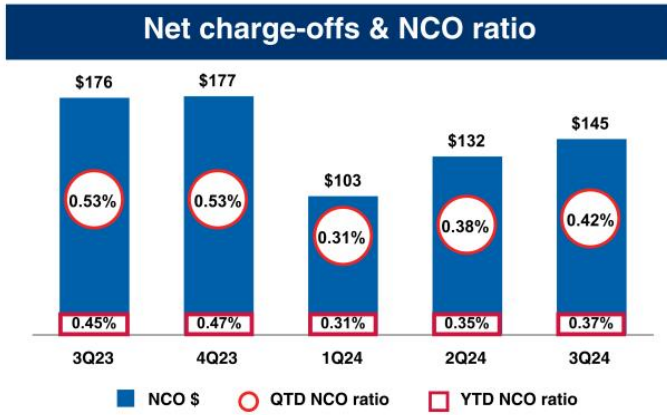
- Funding mix remained stable with approximately 80% of our funding provided by our deposit base.
- While the cost of deposits increased by 3 basis points given the delayed impact of the rate cuts, we believe the cost of deposits has peaked.



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

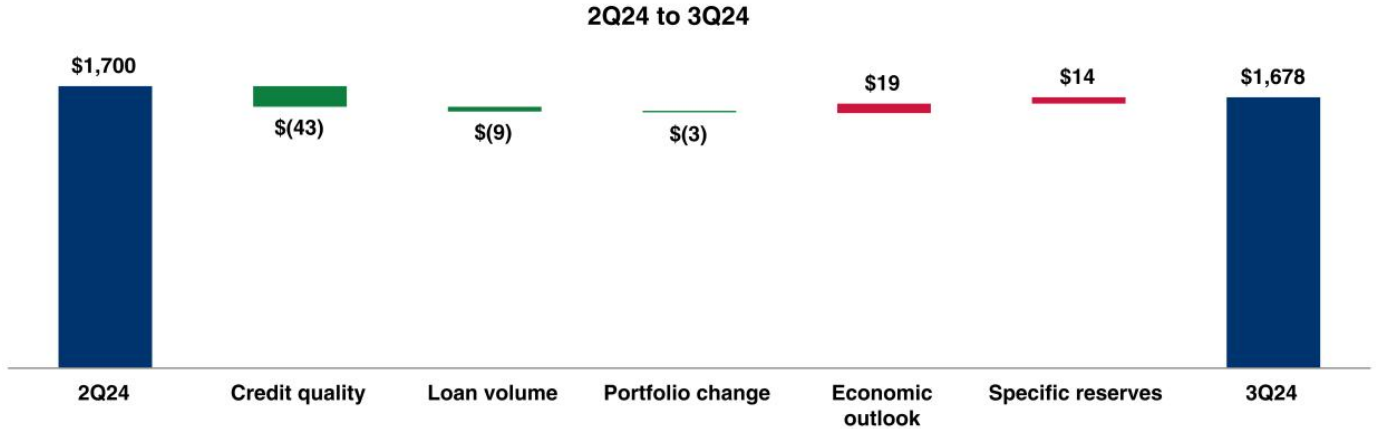
Credit Quality Trends and Allowance

(\$ in millions)

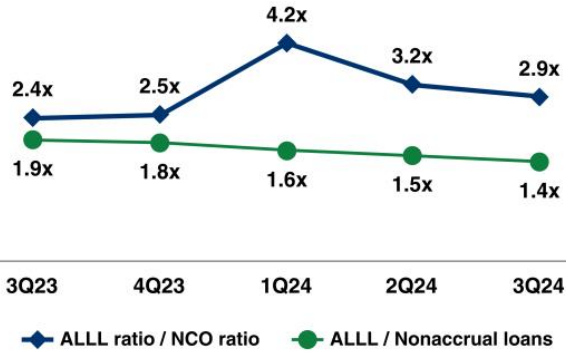


Allowance for loan and lease losses

(\$ in millions)



ALLL Coverage



Highlights

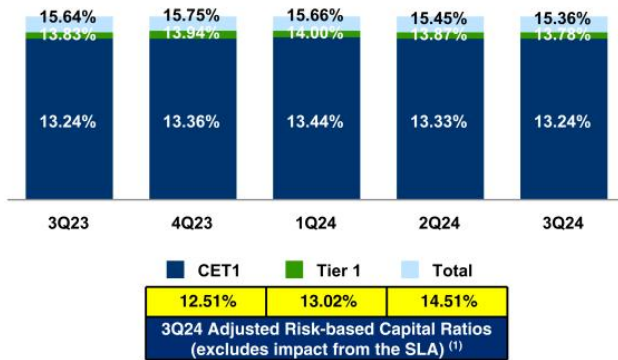
3Q24 vs 2Q24

- ALLL decreased \$22 million compared to the linked quarter.
- The decrease from the linked quarter was primarily the result of changes in credit quality in our commercial portfolios, partially offset by the estimate related to Hurricane Helene as well as lower loan balances.
- These factors were partially offset by changes in the macroeconomic forecast and higher specific reserves.
- The ALLL covered annualized quarterly net charge-offs 2.9 times.
- The ALLL provided 1.4 times coverage of nonaccrual loans.



Capital

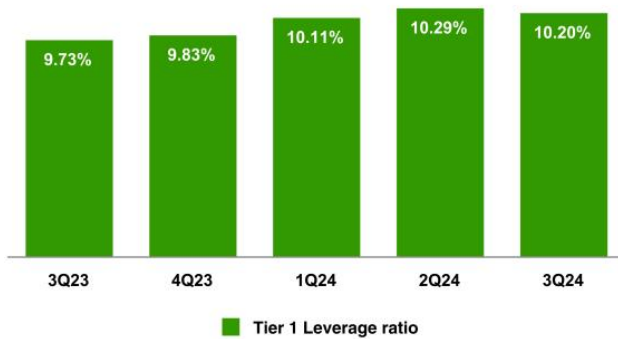
Risk-based capital ratios



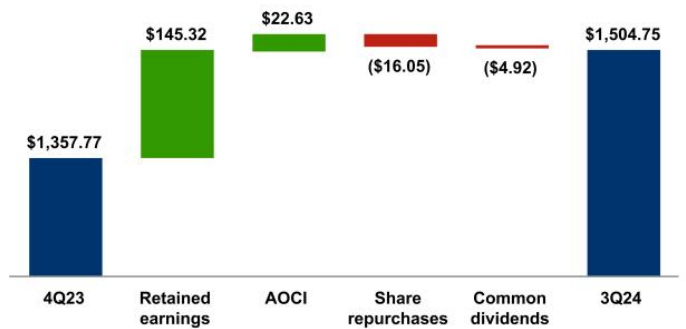
Capital ratio rollforward

	Risk-Based Capital			Tier 1 Leverage
	Total	Tier 1	CET1	
December 31, 2023	15.75%	13.94%	13.36%	9.83%
Net income	1.29%	1.29%	1.29%	0.93%
Change in risk-weighted/average assets	-0.55%	-0.49%	-0.47%	-0.17%
Shared loss agreement coverage runoff	-0.58%	-0.52%	-0.50%	0.00%
Share repurchases	-0.43%	-0.43%	-0.43%	-0.32%
Sub debt phase-out	-0.06%	0.00%	0.00%	0.00%
Common dividends	-0.04%	-0.04%	-0.04%	-0.03%
Preferred dividends	-0.03%	-0.03%	-0.03%	-0.02%
Other	0.01%	0.06%	0.06%	-0.02%
September 30, 2024	15.36%	13.78%	13.24%	10.20%
Change since December 31, 2023	-0.39%	-0.16%	-0.12%	0.37%

Tier 1 Leverage ratio



Tangible book value per share ⁽¹⁾



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 28% of the repurchase plan through 10/22/24

(\$ in millions)



Repurchase Summary (through 10/22/24)

Period	Shares	Average Price	Total Cost (\$ in millions)	Repurchase Completed
3Q24	353,058	\$ 1,982.62	\$ 700.0	20 %
10/01/24 to 10/22/24	135,709	1,985.05	269.4	8
Total	488,767	\$ 1,983.30	\$ 969.4	28 %

Highlights

- We have repurchased 3.61% of Class A common shares and 3.36% of total common shares as of October 22, 2024.
- 3Q24 included two months of repurchase activity as we commenced the buyback program following board approval in late July.
- Despite share repurchase activity, our adjusted CET1 ratio ⁽¹⁾ increased slightly from the linked quarter, as strong earnings and slower loan growth offset the impact of repurchases for the quarter.
- The average repurchase price to date is \$1,983.30 and the estimated TBV earn back is approximately 3 years.



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



Financial Outlook

Section III

Key Earnings Estimate Assumptions

Metric	3Q24	4Q24 - Projected	FY24 - Projected
Loans and leases - EOP	\$138.7 billion	\$138 billion - \$140 billion	\$138 billion - \$140 billion
Deposits - EOP	\$151.6 billion	\$150 billion - \$153 billion	\$150 billion - \$153 billion
Interest rates		Zero to three 25 bps cuts in 4Q24	Zero to three 25 bps cuts in 4Q24
Net interest income	\$1.8 billion	\$1.65 billion - \$1.75 billion	\$7.08 billion - \$7.18 billion
Net charge-off ratio (annualized where applicable)	42 bps	40 - 50 bps	37 - 40 bps
Adjusted noninterest income	\$474 million ⁽¹⁾	\$460 million - \$480 million	\$1.89 billion - \$1.91 billion
Adjusted noninterest expense	\$1.23 billion ⁽¹⁾	\$1.21 billion - \$1.24 billion	\$4.76 billion - \$4.79 billion
Effective tax rate	26.8%	27.0% - 28.0%	27.0% - 28.0%

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



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



Appendix

Section IV

BancShares Balance Sheets (unaudited)

(\$ in millions)

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
ASSETS					
Cash and due from banks	\$ 862	\$ 764	\$ 698	\$ 908	\$ 791
Interest-earning deposits at banks	25,640	25,361	30,792	33,609	36,704
Securities purchased under agreements to resell	455	392	394	473	549
Investment in marketable equity securities	82	78	79	84	75
Investment securities available for sale	28,190	27,053	24,915	19,936	16,661
Investment securities held to maturity	10,391	10,535	10,050	9,979	10,082
Assets held for sale	68	92	86	76	58
Loans and leases	138,695	139,341	135,370	133,302	133,202
Allowance for loan and lease losses	(1,678)	(1,700)	(1,737)	(1,747)	(1,673)
Loans and leases, net of allowance for loan and lease losses	137,017	137,641	133,633	131,555	131,529
Operating lease equipment, net	9,186	8,945	8,811	8,746	8,661
Premises and equipment, net	1,974	1,938	1,906	1,877	1,768
Goodwill	346	346	346	346	346
Other intangible assets, net	265	280	295	312	329
Other assets	6,091	6,402	5,831	5,857	6,212
Total assets	\$ 220,567	\$ 219,827	\$ 217,836	\$ 213,758	\$ 213,765
LIABILITIES					
Deposits:					
Noninterest-bearing	\$ 39,396	\$ 40,016	\$ 39,276	\$ 39,799	\$ 43,141
Interest-bearing	112,178	111,063	110,333	106,055	103,092
Total deposits	151,574	151,079	149,609	145,854	146,233
Credit balances of factoring clients	1,250	1,175	1,152	1,089	1,282
Short-term borrowings	391	386	395	485	453
Long-term borrowings	36,770	37,072	37,145	37,169	37,259
Total borrowings	37,161	37,458	37,540	37,654	37,712
Other liabilities	7,754	7,628	7,687	7,906	8,149
Total liabilities	197,739	197,340	195,988	192,503	193,376
STOCKHOLDERS' EQUITY					
Preferred stock	881	881	881	881	881
Common stock	14	15	15	15	15
Additional paid in capital	3,389	4,099	4,099	4,108	4,106
Retained earnings	18,703	18,102	17,435	16,742	16,267
Accumulated other comprehensive loss	(159)	(610)	(582)	(491)	(880)
Total stockholders' equity	22,828	22,487	21,848	21,255	20,389
Total liabilities and stockholders' equity	\$ 220,567	\$ 219,827	\$ 217,836	\$ 213,758	\$ 213,765



BancShares Income Statements (unaudited)

(\$ in millions)

	3Q24	2Q24	1Q24	4Q23	3Q23
INTEREST INCOME					
Interest and fees on loans	\$ 2,430	\$ 2,422	\$ 2,354	\$ 2,391	\$ 2,426
Interest on investment securities	358	330	282	241	180
Interest on deposits at banks	350	378	448	485	504
Total interest income	3,138	3,130	3,084	3,117	3,110
INTEREST EXPENSE					
Deposits	1,004	975	928	865	769
Borrowings	338	334	339	341	351
Total interest expense	1,342	1,309	1,267	1,206	1,120
Net interest income	1,796	1,821	1,817	1,911	1,990
Provision for credit losses	117	95	64	249	192
Net interest income after provision for credit losses	1,679	1,726	1,753	1,662	1,798
NONINTEREST INCOME					
Rental income on operating lease equipment	262	259	255	252	248
Fee income and other service charges	81	77	75	80	71
Client investment fees	55	54	50	51	52
Wealth management services	54	52	51	48	49
International fees	29	30	28	30	30
Service charges on deposit accounts	45	44	44	44	44
Factoring commissions	19	19	17	22	21
Cardholder services, net	42	40	40	36	41
Merchant services, net	12	12	12	12	12
Insurance commissions	14	13	15	14	13
Realized gain (loss) on sale of investment securities, net	4	—	—	—	(12)
Fair value adjustment on marketable equity securities, net	9	(2)	(4)	9	(1)
Gain on sale of leasing equipment, net	5	4	10	2	10
Gain on acquisition	—	—	—	(83)	12
Loss on extinguishment of debt	—	—	(2)	—	—
Other noninterest income	19	37	36	26	25
Total noninterest income	650	639	627	543	615
NONINTEREST EXPENSE					
Depreciation on operating lease equipment	99	98	96	96	95
Maintenance and other operating lease expenses	59	60	45	59	51
Salaries and benefits	788	745	744	714	727
Net occupancy expense	62	58	62	65	65
Equipment expense	128	126	114	114	117
Professional fees	42	24	25	28	12
Third-party processing fees	55	58	60	66	54
FDIC insurance expense	31	33	41	82	36
Marketing expense	20	18	14	24	22
Acquisition-related expenses	46	44	58	116	121
Intangible asset amortization	15	15	17	17	17
Other noninterest expense	111	107	100	111	99
Total noninterest expense	1,456	1,386	1,376	1,492	1,416
Income before income taxes	873	979	1,004	713	997
Income tax expense	234	272	273	199	245
Net income	\$ 639	\$ 707	\$ 731	\$ 514	\$ 752
Preferred stock dividends	\$ 15	\$ 16	\$ 15	\$ 15	\$ 15
Net income available to common stockholders	\$ 624	\$ 691	\$ 716	\$ 499	\$ 737



Noninterest income

(\$ in millions)

						3Q24 Change vs	
	3Q24	2Q24	1Q24	4Q23	3Q23	\$	%
Rental income on operating lease equipment	\$ 262	\$ 259	\$ 255	\$ 252	\$ 248	\$ 3	1.3 %
Fee income and other service charges	81	77	75	80	71	4	6.5
Client investment fees	55	54	50	51	52	1	1.2
Wealth management services	54	52	51	48	49	2	4.0
International fees	29	30	28	30	30	(1)	(0.8)
Service charges on deposit accounts	45	44	44	44	44	1	0.2
Factoring commissions	19	19	17	22	21	—	(0.1)
Cardholder services, net	42	40	40	36	41	2	5.1
Merchant services, net	12	12	12	12	12	—	(2.6)
Insurance commissions	14	13	15	14	13	1	0.6
Realized gain (loss) on sale of investment securities, net	4	—	—	—	(12)	4	100.0
Fair value adjustment on marketable equity securities, net	9	(2)	(4)	9	(1)	11	633.7
Gain on sale of leasing equipment, net	5	4	10	2	10	1	42.2
Gain on acquisition	—	—	—	(83)	12	—	—
Loss on extinguishment of debt	—	—	(2)	—	—	—	—
Other noninterest income	19	37	36	26	25	(18)	(47.7)
Total noninterest income - GAAP	\$ 650	\$ 639	\$ 627	\$ 543	\$ 615	\$ 11	1.8 %
Depreciation on operating lease equipment	\$ (99)	\$ (98)	\$ (96)	\$ (96)	\$ (95)	(1)	(1.0)%
Maintenance and other operating lease expenses	(59)	(60)	(45)	(59)	(51)	1	1.9
Realized gain (loss) on sale of investment securities, net	(4)	—	—	—	12	(4)	(100.0)
Fair value adjustment on marketable equity securities, net	(9)	2	4	(9)	1	(11)	(633.7)
Gain on sale of leasing equipment, net	(5)	(4)	(10)	(2)	(10)	(1)	(42.2)
Gain on acquisition	—	—	—	83	(12)	—	—
Loss on extinguishment of debt	—	—	2	—	—	—	—
Other noninterest income	—	—	(4)	(5)	8	—	—
Total notable items	\$ (176)	\$ (160)	\$ (149)	\$ (88)	\$ (147)	\$ (16)	(10.0)%
Rental income on operating lease equipment	\$ 104	\$ 101	\$ 114	\$ 97	\$ 102	\$ 3	3.5 %
Fee income and other service charges	81	77	75	80	71	4	6.5
Client investment fees	55	54	50	51	52	1	1.2
Wealth management services	54	52	51	48	49	2	4.0
International fees	29	30	28	30	30	(1)	(0.8)
Service charges on deposit accounts	45	44	44	44	44	1	0.2
Factoring commissions	19	19	17	22	21	—	(0.1)
Cardholder services, net	42	40	40	36	41	2	5.1
Merchant services, net	12	12	12	12	12	—	(2.6)
Insurance commissions	14	13	15	14	13	1	0.6
Other noninterest income	19	37	32	21	33	(18)	(47.7)
Total noninterest income - adjusted (Non-GAAP) ⁽¹⁾	\$ 474	\$ 479	\$ 478	\$ 455	\$ 468	\$ (5)	(1.0)%



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

Noninterest expense

(\$ in millions)

						3Q24 Change vs	
						2Q24	
	3Q24	2Q24	1Q24	4Q23	3Q23	\$	%
Depreciation on operating lease equipment	\$ 99	\$ 98	\$ 96	\$ 96	\$ 95	\$ 1	1.0 %
Maintenance and other operating lease expenses	59	60	45	59	51	(1)	(1.9)
Salaries and benefits	788	745	744	714	727	43	5.6
Net occupancy expense	62	58	62	65	65	4	7.2
Equipment expense	128	126	114	114	117	2	1.9
Professional fees	42	24	25	28	12	18	75.9
Third-party processing fees	55	58	60	66	54	(3)	(5.7)
FDIC insurance expense	31	33	41	82	36	(2)	(6.4)
Marketing expense	20	18	14	24	22	2	14.9
Acquisition-related expenses	46	44	58	116	121	2	4.7
Intangible asset amortization	15	15	17	17	17	—	(1.9)
Other noninterest expense	111	107	100	111	99	4	4.1
Total noninterest expense - GAAP	\$ 1,456	\$ 1,386	\$ 1,376	\$ 1,492	\$ 1,416	\$ 70	5.0 %
Depreciation on operating lease equipment	\$ (99)	\$ (98)	\$ (96)	\$ (96)	\$ (95)	\$ (1)	(1.0)%
Maintenance and other operating lease expenses	(59)	(60)	(45)	(59)	(51)	1	1.9
Professional fees	—	(1)	(3)	(5)	—	1	100.0
FDIC insurance expense	—	(2)	(9)	(64)	—	2	100.0
Acquisition-related expenses	(46)	(44)	(58)	(116)	(121)	(2)	(4.7)
Intangible asset amortization	(15)	(15)	(17)	(17)	(17)	—	1.9
Other noninterest expense	(8)	2	6	—	—	(10)	(500.0)
Total notable items	\$ (227)	\$ (218)	\$ (222)	\$ (357)	\$ (284)	\$ (9)	(4.1)%
Salaries and benefits	\$ 788	\$ 745	\$ 744	\$ 714	\$ 727	\$ 43	5.6 %
Net occupancy expense	62	58	62	65	65	4	7.2
Equipment expense	128	126	114	114	117	2	1.9
Professional fees	42	23	22	23	12	19	84.7
Third-party processing fees	55	58	60	66	54	(3)	(5.7)
FDIC insurance expense	31	31	32	18	36	—	—
Marketing expense	20	18	14	24	22	2	14.9
Other noninterest expense	103	109	106	111	99	(6)	(4.6)
Total noninterest expense - adjusted (Non-GAAP) ⁽¹⁾	\$ 1,229	\$ 1,168	\$ 1,154	\$ 1,135	\$ 1,132	\$ 61	5.3 %

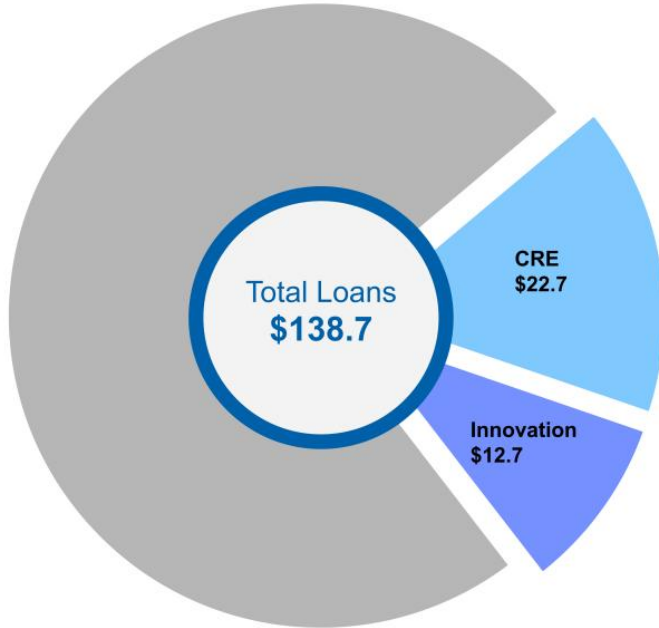


(1) Non-GAAP measure: see Section V entitled Non-GAAP Reconciliations.

Loan Portfolios in Focus

(\$ in billions, as of September 30, 2024)

Total Loans



CRE Portfolio Composition

	Balance	% of total loans
Multi-Family	\$ 5.7	4.1 %
Medical Office	3.7	2.7
General Office	2.5	1.8
Commercial Bank	0.8	0.6
Other	1.7	1.2
Industrial / Warehouse	3.5	2.6
Retail	2.0	1.4
Hotel/Motel	0.9	0.6
Other	4.4	3.2
Total	\$ 22.7	16.4 %

Innovation Portfolio Composition

	Balance	% of total loans
Innovation C&I and cash flow dependent	\$ 9.2	6.6 %
Investor dependent - growth stage	2.4	1.8
Investor dependent - early stage	1.1	0.8
Total	\$ 12.7	9.2 %

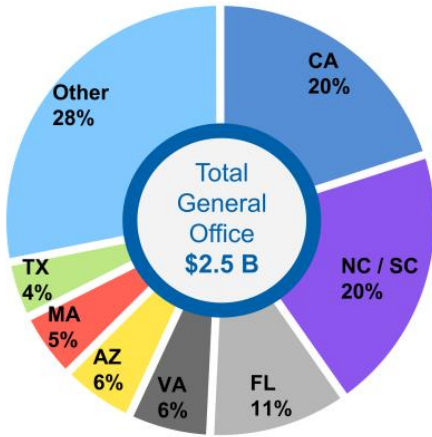


Note – The definition of CRE in these tables is aligned with supervisory guidance on commercial real estate and includes the following: construction loans (1.a.1 and 1.a.2), loans where the primary repayment is from 3rd party rental income (1.d and 1.e.2), and loans not secured by real estate but for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

General Office CRE Portfolio

(as of September 30, 2024)

Geographic Diversification



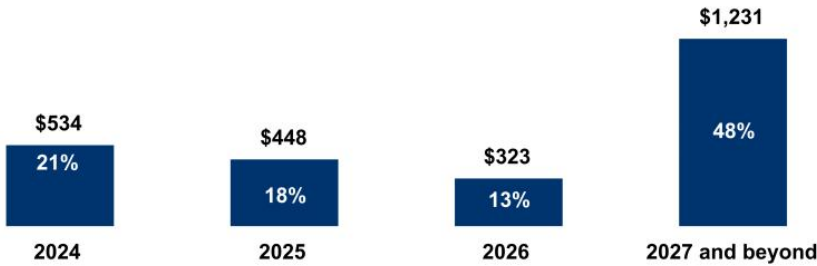
Los Angeles	\$ 327
Phoenix	\$ 143
Boston	\$ 129
San Francisco	\$ 113
Charlotte	\$ 109
Percent of total loans	0.6 %

General Office Portfolio Metrics

% of total loans	1.8 %
% of CRE loans	11.2 %
Average loan amount	\$2 MM
NCO ratio (YTD)	3.77 %
Delinquencies/Loans	12.61 %
NPLs/Loans	13.61 %
Criticized loans/Loans	23.95 %
ALLL ratio ⁽¹⁾	4.89 %

Loan Maturity Schedule

(\$ in millions)



(1) There are approximately \$0.8 billion of general office loans in the Commercial Bank which has experienced recent portfolio stress. The ALLL ratio on this portfolio totaled 9.99%.

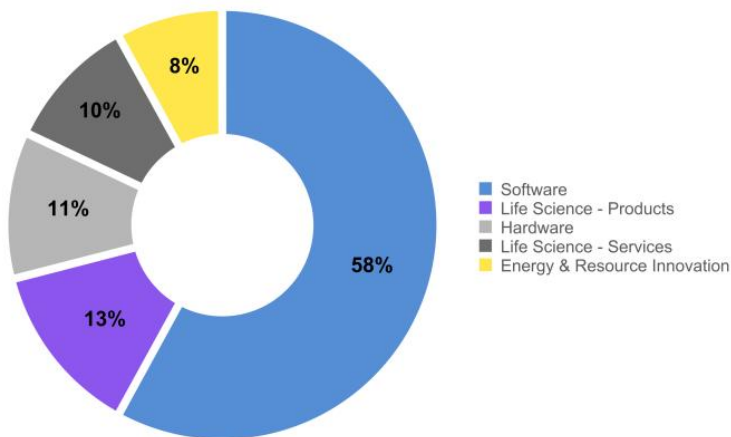
SVB Investor Dependent Portfolio

(as of September 30, 2024)

Portfolio Characteristics

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

Client Industry Concentration



Portfolio Metrics

	Early Stage	Growth Stage
Loan balance	\$1.1 B	\$2.4 B
% of Innovation loans	8.9 %	19.1 %
% of ID loans	31.7 %	68.3 %
Avg. loan size	\$283 K	\$3.7 MM
Median loan size	\$31 K	\$750 K
NCO ratio (YTD)	8.74 %	1.32 %
NPLs/Loans	4.96 %	1.46 %
Criticized loans/Loans	25.83 %	13.71 %
ALLL ratio	8.44 %	4.32 %

Estimated Liquidity Available for Uninsured Deposits

(\$ in millions)

		September 30, 2024	June 30, 2024	September 30, 2023
Liquid assets:				
Available cash		\$ 24,705	\$ 24,480	\$ 35,896
High quality liquid securities		33,654	32,427	21,123
Total liquid assets	(a)	\$ 58,359	\$ 56,907	\$ 57,019
Contingent liquidity:				
FDIC credit facility ⁽¹⁾		\$ 8,126	\$ 11,335	\$ 19,409
FHLB facility		15,795	14,684	13,525
FRB facility		5,621	5,526	4,989
Line of credit		100	100	100
Total contingent sources	(b)	\$ 29,642	\$ 31,645	\$ 38,023
Total liquidity	(a + b)	\$ 88,001	\$ 88,552	\$ 95,042
Total uninsured deposits	(c)	\$ 58,592	\$ 57,148	\$ 55,774
Coverage ratio of liquidity to uninsured deposits	(a + b) / c	150 %	155 %	170 %
Coverage ratio of liquidity to uninsured deposits (FDIC max)	(a + b) / c ⁽²⁾	256 %	258 %	261 %



(1) The FDIC credit facility shown for 3Q24, 2Q24 and 3Q23 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)

	3Q24 ⁽¹⁾			
	Carrying value ⁽²⁾	% of Portfolio	Yield ⁽³⁾	Duration in years
AFS Portfolio				
U.S. Treasury	\$ 11,817	31 %	4.33 %	0.9
Government agency	85	—	5.01	0.3
Commercial mortgage-backed securities	2,778	7	4.24	2.3
Residential mortgage-backed securities	13,016	34	4.14	3.4
Corporate bonds	477	1	6.47	0.9
Municipal bonds	17	—	8.14	0.1
Total AFS portfolio	\$ 28,190	73 %	4.27 %	2.2
HTM portfolio				
U.S. Treasury	\$ 482	1 %	1.38 %	2.6
Government agency	1,512	4	1.53	2.9
Commercial mortgage-backed securities	3,429	9	2.38	3.2
Residential mortgage-backed securities	4,667	12	2.44	6.0
Other investments	301	1	1.56	4.3
Total HTM portfolio	\$ 10,391	27 %	2.21 %	4.5
Grand total	\$ 38,581	100 %	3.71 %	2.8



- (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)

	3Q24			2Q24			3Q23			2Q24			3Q23		
	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⁾	\$137,602	\$ 2,430	7.03 %	\$135,965	\$ 2,422	7.15 %	\$131,653	\$ 2,426	7.30 %	\$ 1,637	\$ 8	(0.12)%	\$ 5,949	\$ 4	(0.27)%
Investment securities	38,189	354	3.70	36,445	327	3.60	24,388	177	2.90	1,744	27	0.10	13,801	177	0.80
Securities purchased under agreements to resell	241	4	5.34	236	3	5.37	223	3	5.28	5	1	(0.03)	18	1	0.06
Interest-earning deposits at banks	26,167	350	5.33	28,059	378	5.42	37,456	504	5.34	(1,892)	(28)	(0.09)	(11,289)	(154)	(0.01)
Total interest-earning assets ⁽¹⁾	\$202,199	\$ 3,138	6.18 %	\$200,705	\$ 3,130	6.26 %	\$193,720	\$ 3,110	6.37 %	\$ 1,494	\$ 8	-0.08 %	\$ 8,479	\$ 28	-0.19 %
Interest-bearing deposits	\$112,446	\$ 1,004	3.55 %	\$110,902	\$ 975	3.54 %	\$100,958	\$ 769	3.02 %	\$ 1,544	\$ 29	0.01 %	\$ 11,488	\$ 235	0.53 %
Securities sold under customer repurchase agreements	384	—	0.55	380	—	0.46	454	—	0.35	4	—	0.09	(70)	—	0.20
Other short-term borrowings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Long-term borrowings	37,064	338	3.64	37,100	334	3.60	37,699	351	3.72	(36)	4	0.04	(635)	(13)	(0.08)
Total borrowings	\$ 37,448	\$ 338	3.61 %	\$ 37,480	\$ 334	3.56 %	\$ 38,153	\$ 351	3.68 %	\$ (32)	\$ 4	0.05 %	\$ (705)	\$ (13)	(0.07)%
Total interest-bearing liabilities	\$149,894	\$ 1,342	3.57 %	\$148,382	\$ 1,309	3.54 %	\$139,111	\$ 1,120	3.20 %	\$ 1,512	\$ 33	0.03 %	\$ 10,783	\$ 222	0.37 %
Net interest income		\$ 1,796			\$ 1,821			\$ 1,990			\$ (25)			\$ (194)	
Net interest spread ⁽¹⁾			2.61 %			2.72 %			3.17 %			(0.11)%			(0.56)%
Net interest margin ⁽¹⁾			3.53 %			3.64 %			4.07 %			(0.11)%			(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	Increase (decrease)							
				3Q24 vs. 2Q24		3Q24 vs. 3Q23		
	3Q24	2Q24	3Q23	\$	%	\$	%	
Net interest income	\$ 274	\$ 279	\$ 249	\$ (5)	(2.0)%	\$ 25	10.1 %	
Noninterest income	133	131	139	2	1.6	(6)	(4.3)	
Net revenue	407	410	388	(3)	(0.7)	19	4.9	
Noninterest expense	227	221	205	6	2.5	22	10.6	
Pre-provision net revenue ⁽¹⁾	180	189	183	(9)	(4.8)	(3)	(1.6)	
Provision for credit losses	29	22	132	7	29.2	(103)	(78.1)	
Income before income taxes	151	167	51	(16)	(9.3)	100	195.3	
Income tax expense	41	44	14	(3)	(6.8)	27	199.1	
Net income	\$ 110	\$ 123	\$ 37	\$ (13)	(10.2)%	\$ 73	193.8 %	
Period end Balance Sheet ⁽²⁾								
Loans and leases	\$ 32,689	\$ 32,116	\$ 30,220	\$ 573	7.1 %	\$ 2,469	8.2 %	
Deposits	2,754	2,958	3,370	(204)	(27.5)	(616)	(18.3)	
Other Key Metrics								
Factoring volume	\$ 6,094	\$ 5,261	\$ 6,528	\$ 833	15.8 %	\$ (434)	(6.6)%	

Highlights

- The Commercial Bank segment achieved strong loan growth during the quarter, 7.1% annualized over the linked quarter, largely driven by strong origination volume in our Industry Verticals, including Tech Media and Telecom and Healthcare.
- Factoring volume totaled \$6.1 billion, an increase of 15.8% from the linked quarter due to seasonal trends, but a decrease of 6.6% from the prior year quarter as clients are being conservative with inventory levels as consumer spend on discretionary goods continues to lag spend on travel and services.
- Segment revenue decreased \$3 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.

General Bank Segment

(\$ in millions)

Income Statement				Increase (decrease)			
	3Q24	2Q24	3Q23	3Q24 vs. 2Q24		3Q24 vs. 3Q23	
				\$	%	\$	%
Net interest income	\$ 768	\$ 738	\$ 681	\$ 30	4.1 %	\$ 87	12.9 %
Noninterest income	149	152	135	(3)	(2.2)	14	9.3
Net revenue	917	890	816	27	3.0	101	12.4
Noninterest expense	517	497	482	20	4.2	35	7.4
Pre-provision net revenue ⁽¹⁾	400	393	334	7	1.8	66	19.8
Provision for credit losses	38	55	24	(17)	(30.9)	14	56.7
Income before income taxes	362	338	310	24	6.8	52	16.4
Income tax expense	99	93	85	6	6.4	14	15.0
Net income	\$ 263	\$ 245	\$ 225	\$ 18	7.0 %	\$ 38	17.0 %
Period end Balance Sheet ⁽²⁾							
Loans and leases	\$ 66,092	\$ 65,195	\$ 61,035	\$ 897	5.5 %	\$ 5,057	8.3 %
Deposits	72,169	71,479	69,108	690	3.8	3,061	4.4
Other Key Metrics							
Number of branches	540	542	555	(2)	(0.4)%	(15)	(2.7)%
Wealth management assets under management (\$B)	\$ 53.5	\$ 51.8	\$ 47.5	\$ 1.7	3.3	\$ 6.0	12.6
Card volume	4,362	4,449	4,312	(87)	(2.0)	50	1.2
Merchant volume	1,770	1,810	1,725	(40)	(2.2)	45	2.6

Highlights

- The General Bank segment achieved strong loan growth during the quarter, 5.5% annualized over the linked quarter, driven primarily by business and commercial loan production in the Branch Network, along with strong production in Wealth.
- Deposits increased \$690 million compared to the linked quarter driven by growth in the Branch Network.
- Segment revenue increased \$27 million compared to the linked quarter as net interest income increased \$30 million reflecting balance sheet growth, and noninterest income decreased by \$3 million. Noninterest expense increased \$20 million.



(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				Increase (decrease)						
	3Q24	2Q24	3Q23	3Q24 vs. 2Q24		3Q24 vs. 3Q23				
	\$	\$	\$	\$	%	\$	%	\$	%	
Net interest income	\$ 583	\$ 577	\$ 537	\$ 6	1.2 %	\$ 46	8.6 %			
Noninterest income	139	139	141	—	—	(2)	(0.6)			
Net revenue	722	716	678	6	0.8	44	6.5			
Noninterest expense	393	387	413	6	1.7	(20)	(4.6)			
Pre-provision net revenue ⁽¹⁾	329	329	265	—	—	64	24.2			
Provision for credit losses	50	18	39	32	195.1	11	30.0			
Income before income taxes	279	311	226	(32)	(10.3)	53	23.3			
Income tax expense	75	85	61	(10)	(11.3)	14	22.3			
Net income	\$ 204	\$ 226	\$ 165	\$ (22)	(9.9)%	\$ 39	0.4 %			
Period end Balance Sheet ⁽²⁾										
Loans and leases	\$ 39,852	\$ 41,968	\$ 41,906	\$ (2,116)	(20.1)%	\$ (2,054)	(4.9)%			
Deposits	35,945	35,891	36,236	54	0.6	(291)	(0.8)			
Other Key Metrics										
Off balance sheet client funds	\$ 57,860	\$ 59,255	\$ 59,840	\$ (1,395)	(2.4)%	\$ (1,980)	(3.3)%			
Card volume	1,138	1,191	1,380	(53.0)	(4.5)	(242)	(17.5)%			
Merchant volume	1,954	1,767	1,536	187	10.6	418	27.2 %			

Highlights

- SVB Commercial segment loans decreased \$2.1 billion driven by declines in Global Fund Banking as repayment levels outpaced loan origination and draw activity on lines of credit.
- Deposit balances were relatively stable compared to the linked quarter, while off balance sheet client funds declined by \$1.4 billion. The decrease in total client funds reflects slower VC investment activity and continued client cash burn.
- Segment revenue increased \$6 million driven by higher net interest income from higher average loan balances, partially offset by higher interest expense from a shift to interest-bearing deposits. Noninterest income was flat compared to the linked quarter. Noninterest expense increased \$6 million.
- Provision for credit losses increased by \$32 million from the linked quarter, driven by higher specific reserves in our investor dependent portfolios.



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 and deposit growth percentages are annualized using end of period balances.

Rail Segment

(\$ in millions)

Income Statement				Increase (decrease)			
	3Q24	2Q24	3Q23	3Q24 vs. 2Q24		3Q24 vs. 3Q23	
	\$	\$	\$	\$	%	\$	%
Rental income on operating leases	\$ 205	\$ 201	\$ 190	\$ 4	1.6 %	\$ 15	7.9 %
Less: depreciation on operating lease equipment	52	51	49	1	2.5	3	6.4
Less: maintenance and other operating lease expenses	59	60	51	(1)	(1.9)	8	16.0
Adjusted rental income on operating lease equipment ⁽¹⁾	94	90	90	4	3.5	4	4.1
Interest expense, net	48	45	40	3	4.4	8	19.4
Noninterest income	2	2	4	—	—	(2)	(46.2)
Noninterest expense	19	18	16	1	0.5	3	14.3
Income before income taxes	29	29	38	—	—	(9)	(21.6)
Income tax expense	8	8	10	—	—	(2)	(24.4)
Net income	\$ 21	\$ 21	\$ 28	\$ —	—%	\$ (7)	(20.6)%
Period end Balance Sheet ⁽²⁾							
Operating lease equipment, net	\$ 8,419	\$ 8,178	\$ 7,922	\$ 241	11.7 %	\$ 497	6.3 %
Other Key Metrics							
Railcars and locomotives ⁽³⁾	125,600	123,200	122,500	2,400	1.9 %	3,100	2.5 %
Utilization	98.1 %	98.8 %	98.7 %	nm	(0.7)	nm	(0.6)
Renewal rate to previous rate	130 %	122 %	138 %	nm	8.0	nm	(8.0)

Highlights

- The fleet is effectively fully utilized, with a utilization rate of 98.1%.
- Favorable renewal repricing trends continued, up 30% over the expiring rate for the quarter, with gains in both freight cars (+31%) and tank cars (+29%).
- Adjusted rental income on operating lease equipment increased \$4 million from the linked quarter, driven by fleet growth during the quarter.
- Short-term outlook continues to be positive for maintaining strong utilization and repricing. Further improvement in conditions could be limited if velocity improves and/or economic softness seeps into the rail commodity markets.
- The Rail portfolio is driven by the industrial sector business cycle, and financial performance generally lags the economic cycle.



(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	Increase (decrease)							
				3Q24 vs. 2Q24		3Q24 vs. 3Q23		
	3Q24	2Q24	3Q23	\$	%	\$	%	
Net interest income	\$ 219	\$ 272	\$ 563	\$ (53)	(19.6)%	\$ (344)	(61.2)%	
Noninterest income	22	14	6	8	50.5	16	314.6	
Net revenue	241	286	569	(45)	(15.7)	(328)	(57.6)	
Noninterest expense	189	152	200	37	23.9	(11)	(5.7)	
Pre-provision net revenue ⁽¹⁾	52	134	369	(82)	(61.2)	(317)	(85.9)	
Provision (benefit) for credit losses	—	—	(3)	—	—	3	100.1	
Income before income taxes	52	134	372	(82)	(61.5)	(320)	(86.1)	
Income tax expense (benefit)	11	42	75	(31)	(74.4)	(64)	(85.2)	
Net income	\$ 41	\$ 92	\$ 297	\$ (51)	(55.5)%	\$ (256)	(86.3)%	
Period end Balance Sheet ⁽²⁾								
Investment securities	\$ 38,663	\$ 37,666	\$ 26,818	\$ 997	10.5 %	\$ 11,845	44.2 %	
Direct Bank deposits	39,504	39,669	35,647	(165)	(1.7)	3,857	10.8	

Highlights

- Net interest income decreased \$53 million compared to the linked quarter driven primarily by lower purchase accounting accretion and lower interest income from overnight investments, partially offset by increased interest income from higher investment securities.
- Noninterest expense increased \$37 million driven primarily by net staff additions, temporary labor and professional fees, associated with technology projects and continued build out of LFI regulatory capabilities.
- Direct Bank deposits were relatively flat compared to the linked quarter.



(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)

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Loans and leases (including off balance sheet exposure) ⁽¹⁾					
Beginning balance - unamortized fair value mark	\$ (1,857)	\$ (2,005)	\$ (2,173)	\$ (2,378)	\$ (2,731)
Other	4	3	5	7	78
Accretion	107	145	163	198	275
Ending balance	\$ (1,746)	\$ (1,857)	\$ (2,005)	\$ (2,173)	\$ (2,378)
Core deposits and other intangibles					
Beginning balance	\$ 280	\$ 295	\$ 312	\$ 329	\$ 347
Amortization	(16)	(15)	(17)	(17)	(18)
Ending balance	\$ 264	\$ 280	\$ 295	\$ 312	\$ 329
Deposits ⁽²⁾					
Beginning balance - unamortized fair value mark	\$ (4)	\$ (7)	\$ (11)	\$ (16)	\$ (22)
Amortization	2	3	4	5	6
Ending balance	\$ (2)	\$ (4)	\$ (7)	\$ (11)	\$ (16)
Borrowings ⁽²⁾					
Beginning balance - unamortized fair value mark	\$ 143	\$ 151	\$ 161	\$ 169	\$ 181
Amortization	(8)	(8)	(8)	(8)	(12)
Other	—	—	(2)	—	—
Ending balance	\$ 135	\$ 143	\$ 151	\$ 161	\$ 169

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.





Non-GAAP Reconciliations

Section V

Notable Items ⁽¹⁾

(\$ in millions, except per share data)

	3Q24	2Q24	1Q24	4Q23	3Q23
Rental income on operating lease equipment ⁽²⁾	\$ (158)	\$ (158)	\$ (141)	\$ (155)	\$ (146)
Realized (gain) loss on sale of investment securities, net	(4)	—	—	—	12
Fair value adjustment on marketable equity securities, net	(9)	2	4	(9)	1
Gain (loss) on sale of leasing equipment, net	(5)	(4)	(10)	(2)	(10)
Gain on acquisition, net of tax	—	—	—	83	(12)
Loss on extinguishment of debt	—	—	2	—	—
Other noninterest income ⁽³⁾	—	—	(4)	(5)	8
Impact of notable items on adjusted noninterest income	\$ (176)	\$ (160)	\$ (149)	\$ (88)	\$ (147)
Depreciation on operating lease equipment ⁽²⁾	\$ (99)	\$ (98)	\$ (96)	\$ (96)	\$ (95)
Maintenance and other operating lease expenses ⁽²⁾	(59)	(60)	(45)	(59)	(51)
Professional fees ⁽⁴⁾	—	(1)	(3)	(5)	—
FDIC insurance special assessment	—	(2)	(9)	(64)	—
Acquisition-related expenses	(46)	(44)	(58)	(116)	(121)
Intangible asset amortization	(15)	(15)	(17)	(17)	(17)
Other noninterest expense ⁽⁵⁾	(8)	2	6	—	—
Impact of notable items on adjusted noninterest expense	\$ (227)	\$ (218)	\$ (222)	\$ (357)	\$ (284)
Benefit for credit losses on investment securities AFS	—	—	—	—	3
Impact of notable items on adjusted provision for credit losses	\$ —	\$ —	\$ —	\$ —	\$ 3
Impact of notable items on adjusted pre-tax income	\$ 51	\$ 58	\$ 73	\$ 269	\$ 134
Income tax impact ⁽⁶⁾	15	10	20	90	58
Impact of notable items on adjusted net income	\$ 36	\$ 48	\$ 53	\$ 179	\$ 76
Impact of notable items on adjusted diluted EPS	\$ 2.45	\$ 3.33	\$ 3.66	\$ 12.25	\$ 5.25

(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 litigation settlement in 1Q24, a gain on sale of insurance accounts in 4Q23, and a SVB Acquisition accounting adjustment related to FX translation in 3Q23.

(4) Professional fees include expenses related to integration activities.

(5) Other noninterest expense consists of 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.



Non-GAAP Reconciliations

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

Non-GAAP Reconciliations		3Q24	2Q24	3Q23
Net income and EPS				
Net income (GAAP)	a	\$ 639	707	752
Preferred stock dividends		15	16	15
Net income available to common stockholders (GAAP)	b	624	691	737
Total notable items, after income tax	c	36	48	76
Adjusted net income (non-GAAP)	d = (a+c)	675	755	828
Adjusted net income available to common stockholders (non-GAAP)	e = (b+c)	\$ 660	739	813
Weighted average common shares outstanding				
Basic	f	14,375,974	14,534,499	14,528,310
Diluted	g	14,375,974	14,534,499	14,539,133
EPS (GAAP)				
Basic	b/f	\$ 43.42	47.54	50.71
Diluted	b/g	43.42	47.54	50.67
Adjusted EPS (non-GAAP)				
Basic	e/f	\$ 45.87	50.87	55.96
Diluted	e/g	45.87	50.87	55.92
Noninterest income and expense				
Noninterest income (GAAP)	h	\$ 650	639	615
Impact of notable items, before income tax		(176)	(160)	(147)
Adjusted noninterest income (non-GAAP)	i	\$ 474	479	468
Noninterest expense (GAAP)	j	\$ 1,456	1,386	1,416
Impact of notable items, before income tax		(227)	(218)	(284)
Adjusted noninterest expense (non-GAAP)	k	\$ 1,229	1,168	1,132
Provision for credit losses				
		\$ 117	95	192
Less: provision (benefit) for credit losses on investment securities available for sale		—	—	(3)
Adjusted provision for credit losses (non-GAAP)		\$ 117	95	195

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



Non-GAAP Reconciliations

(\$ in millions)

Non-GAAP Reconciliations		3Q24	2Q24	3Q23
PPNR				
Net income (GAAP)	a	\$ 639	707	752
Plus: provision for credit losses		117	95	192
Plus: income tax expense		234	272	245
PPNR (non-GAAP)	l	\$ 990	1,074	1,189
Impact of notable items ⁽¹⁾		51	58	137
Adjusted PPNR (non-GAAP)	m	\$ 1,041	1,132	1,326
ROA				
Net income (GAAP)	a	\$ 639	707	752
Annualized net income	n = a annualized	2,544	2,842	2,983
Adjusted net income (non-GAAP)	d	675	755	828
Annualized adjusted net income	p = d annualized	2,684	3,036	3,286
Average assets	o	220,466	218,891	211,994
ROA	n/o	1.15 %	1.30 %	1.41 %
Adjusted ROA (non-GAAP)	p/o	1.22	1.39	1.55
PPNR ROA				
PPNR (non-GAAP)	l	\$ 990	1,074	1,189
Annualized PPNR	q = l annualized	3,942	4,316	4,717
Adjusted PPNR (non-GAAP)	m	1,041	1,132	1,326
Annualized adjusted PPNR	r = m annualized	4,141	4,552	5,261
PPNR ROA (non-GAAP)	q/o	1.79 %	1.97 %	2.23 %
Adjusted PPNR ROA (non-GAAP)	r/o	1.88	2.08	2.48

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

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



Non-GAAP Reconciliations

(\$ in millions)

Non-GAAP Reconciliations		3Q24	2Q24	3Q23
ROE and ROTCE				
Annualized net income available to common stockholders	s = b annualized	\$ 2,483	2,779	2,923
Annualized adjusted net income available to common stockholders	t = e annualized	\$ 2,623	2,974	3,225
Average stockholders' equity (GAAP)		\$ 22,851	22,052	20,116
Less: average preferred stock		881	881	881
Average common stockholders' equity	u	\$ 21,970	21,171	19,235
Less: average goodwill		346	346	346
Less: average other intangible assets		275	288	338
Average tangible common equity (non-GAAP)	v	\$ 21,349	20,537	18,551
ROE	s/u	11.30 %	13.13 %	15.20 %
Adjusted ROE (non-GAAP)	t/u	11.94	14.05	16.77
ROTCE (non-GAAP)	s/v	11.63	13.53	15.76
Adjusted ROTCE (non-GAAP)	t/v	12.29	14.48	17.39
Tangible common equity to tangible assets				
Stockholders' equity (GAAP)	w	\$ 22,828	22,487	20,389
Less: preferred stock		881	881	881
Common equity	x	\$ 21,947	21,606	19,508
Less: goodwill		346	346	346
Less: other intangible assets		265	280	329
Tangible common equity (non-GAAP)	y	\$ 21,336	20,980	18,833
Total assets (GAAP)	z	220,567	219,827	213,765
Tangible assets (non-GAAP)	aa	219,956	219,201	213,090
Total equity to total assets (GAAP)	w/z	10.35 %	10.23 %	9.54 %
Tangible common equity to tangible assets (non-GAAP)	y/aa	9.70	9.57	8.84

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		3Q24	2Q24	3Q23
Book value and tangible book value per common share				
Common shares outstanding at period end	bb	14,179,208	14,529,735	14,520,103
Book value per share	x/bb	\$ 1,547.81	1,487.00	1,343.52
Tangible book value per common share (non-GAAP)	y/bb	1,504.75	1,443.92	1,297.00
Efficiency ratio				
Net interest income	cc	\$ 1,796	1,821	1,990
Efficiency ratio (GAAP)	j / (h + cc)	59.49 %	56.36 %	54.34 %
Adjusted efficiency ratio (non-GAAP)	k / (i + cc)	54.15	50.77	46.04
Rental income on operating lease equipment				
Rental income on operating lease equipment (GAAP)		\$ 262	259	248
Less: depreciation on operating lease equipment		99	98	95
Less: maintenance and other operating lease expenses		59	60	51
Adjusted rental income on operating lease equipment (non-GAAP)		\$ 104	101	102
Rental income on operating lease equipment: Rail segment				
Rental income on operating lease equipment		\$ 205	201	190
Less: depreciation on operating lease equipment		52	51	49
Less: maintenance and other operating lease expenses		59	60	51
Adjusted rental income on operating lease equipment (non-GAAP)		\$ 94	90	90
Income tax expense				
Income tax expense (GAAP)		\$ 234	272	245
Impact of notable items		15	10	58
Adjusted income tax expense (non-GAAP)		\$ 249	282	303

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



Non-GAAP Reconciliations

(\$ in millions)

Non-GAAP Reconciliations	3Q24	2Q24	3Q23
PPNR: Commercial Bank Segment			
Segment net income (GAAP)	\$ 110	123	37
Plus: provision for credit losses	29	22	132
Plus: income tax expense	41	44	14
PPNR (non-GAAP)	\$ 180	189	183
PPNR: General Bank Segment			
Segment net income (GAAP)	\$ 263	245	225
Plus: provision for credit losses	38	55	24
Plus: income tax expense	99	93	85
PPNR (non-GAAP)	\$ 400	393	334
PPNR: SVB Commercial Segment			
Segment net income (GAAP)	\$ 204	226	165
Plus: provision for credit losses	50	18	39
Plus: income tax expense	75	85	61
PPNR (non-GAAP)	\$ 329	329	265
PPNR: Corporate			
Net income (GAAP)	\$ 41	92	297
Plus: provision for credit losses	—	—	(3)
Plus: income tax expense (benefit)	11	42	75
PPNR (non-GAAP)	\$ 52	134	369
Total Risk Based Capital Ratio			
Total risk based capital ratio (GAAP)	15.36 %		
Less: impact of FDIC Shared Loss Agreement	0.85		
Adjusted total risk based capital ratio (non-GAAP)	14.51 %		
CET1 Capital Ratio			
CET1 capital ratio (GAAP)	13.24 %		
Less: impact of FDIC Shared Loss Agreement	0.73		
Adjusted CET1 capital ratio (non-GAAP)	12.51 %		
Tier 1 Capital Ratio			
Tier 1 capital ratio (GAAP)	13.78 %		
Less: impact of FDIC Shared Loss Agreement	0.76		
Adjusted Tier 1 capital ratio (non-GAAP)	13.02 %		



Non-GAAP Reconciliations

(\$ in millions)

Non-GAAP Reconciliations		3Q24	2Q24	1Q24	4Q23	3Q23
Net interest income & Net interest margin						
Net interest income (GAAP)	cc	\$ 1,796	1,821	1,817	1,911	1,990
Loan PAA income	dd	107	145	163	198	275
Other PAA (expense) income	ee	(6)	(5)	(4)	(4)	(6)
Total PAA	ff = (dd + ee)	\$ 101	140	159	194	269
Net interest income, excluding PAA (non-GAAP)	gg = (cc - ff)	\$ 1,695	1,681	1,658	1,717	1,721
Annualized net interest income (GAAP)	hh = cc annualized	\$ 7,147	7,322	7,308	7,584	7,894
Annualized net interest income, excluding PAA (non-GAAP)	ii = ee annualized	6,746	6,760	6,670	6,813	6,829
Average interest-earning assets	jj	202,199	200,705	198,587	196,253	193,720
NIM (GAAP)	hh/jj	3.53 %	3.64 %	3.67 %	3.86 %	4.07 %
NIM, excluding PAA (non-GAAP)	ii/jj	3.33	3.36	3.35	3.47	3.52



