M&T Bank Corporation (NYSE:MTB) announces first quarter 2024 results

BUFFALO, N.Y., April 15, 2024 -- M&T Bank Corporation ("M&T" or "the Company") reports quarterly net income of \$531 million or \$3.02 of diluted earnings per common share.

(Dollars in millions, except per share data)	1Q24	4Q23	1Q23	
Earnings Highlights				
Net interest income	\$ 1,680	\$ 1,722	\$ 1,818	
Taxable-equivalent adjustment	12	13	14	
Net interest income - taxable-equivalent	1,692	1,735	1,832	
Provision for credit losses	200	225	120	
Noninterest income	580	578	587	
Noninterest expense	1,396	1,450	1,359	
Net income	531	482	702	
Net income available to common shareholders - diluted	505	457	676	
Diluted earnings per common share	3.02	2.74	4.01	
Return on average assets - annualized	1.01 %	.92 %	1.40 %	
Return on average common shareholders' equity - annualized	8.14	7.41	11.74	
Average Balance Sheet				
Total assets	\$ 211,478	\$ 208,752	\$ 202,599	
nterest-bearing deposits at banks	30,647	30,153	24,312	
nvestment securities	28,587	27,490	27,622	
Loans and leases, net of unearned discount	133,796	132,770	132,012	
Deposits	164,065	164,713	161,537	
Borrowings	16,001	13,057	11,505	
Selected Ratios				
Amounts expressed as a percent, except per share data)				
Net interest margin	3.52 %	3.61 %	4.04 %	
Efficiency ratio	60.8	62.1	55.5	
Net charge-offs to average total loans - annualized	.42	.44	.22	
Allowance for credit losses to total loans	1.62	1.59	1.49	
Nonaccrual loans to total loans	1.71	1.62	1.92	
Common equity Tier 1 ("CET1") capital ratio (1)	11.07	10.98	10.16	
Common shareholders' equity per share	\$ 150.90	\$ 150.15	\$ 140.88	

Financial Highlights

- The CET1 capital ratio increased 9 basis points to an estimated 11.07% atMarch 31, 2024, compared with 10.98% atDecember 31, 2023, highlighting the Company's improved capital position.
- Net interest margin of 3.52% in the recent quarter narrowed from 3.61% in the fourth quarter of 2023 reflecting higher liquidity, cash moving to investment securities and higher deposit and borrowing costs.
- · Growth in average commercial and industrial and consumer loans in the recent quarter was partially offset by a decline in average commercial real estate loans.
- Average deposits remained stable with a slowing mix shift to higher cost deposits. Average borrowings rose in the first quarter of 2024 as compared with the fourth quarter of 2023 due to increased borrowings from the Federal Home Loan Bank ("FHLB") of New York and the issuance of senior notes.
- · Provision for credit losses in the recent quarter reflects elevated levels of criticized commercial and industrial loans and loan growth.
- Expenses included \$99 million of seasonal salaries and employee benefits expense and a\$29 million estimated increase in the FDIC special assessment, reflecting the FDIC's higher loss estimate attributable to certain failed banks.

Chief Financial Officer Commentary

"We are off to a solid start in 2024 as we were able to grow certain sectors of our commercial and consumer loan portfolios, while continuing to shrink our commercial real estate exposure. Expenses were prudently managed in the recent quarter and our selective approach to allocating resources to our strategic priorities with utmost care has not wavered. M&T's liquidity and capital position strengthened, reflecting a stable deposit base, higher levels of borrowings and solid earnings after considering seasonal employee compensation expenses and an incremental FDIC special assessment. I thank my colleagues at M&T for their stewardship of shareholder capital and their continuous support of our mission to make a difference in the lives of our customers and the communities in which we serve."

- Daryl N. Bible, M&T's Chief Financial Officer

Contact:

Investor Relations:	Brian Klock	716.842.5138
Media Relations:	Frank Lentini	929.651.0447

Non-GAAP Measures (1)

					Change 1Q24 vs.			Change 1Q24 vs.
(Dollars in millions, except per share data)	1	Q24	4	Q23	4Q23	10	Q23	1Q23
Net operating income	\$	543	\$	494	10 %	\$	715	-24 %
Diluted net operating earnings per common share		3.09		2.81	10		4.09	-24
Annualized return on average tangible assets		1.08 %		.98 %			1.49 %	
Annualized return on average tangible common equity		12.67		11.70			19.00	
Efficiency ratio		60.8		62.1			55.5	
Tangible equity per common share	\$	99.54	\$	98.54	1	\$	88.81	12

⁽¹⁾ A reconciliation of non-GAAP measures is included in the tables that accompany this release.

M&T consistently provides supplemental reporting of its results on a "net operating" or "tangible" basis, from which M&T excludes the after-tax effect of amortization of core deposit and other intangible assets (and the related goodwill and core deposit and other intangible asset balances, net of applicable deferred tax amounts) and expenses associated with merging acquired operations into M&T (when incurred), since such items are considered by management to be "nonoperating" in nature.

Taxable-equivalent Net Interest Income

			Change 1Q24 vs.		Change 1Q24 vs.
(Dollars in millions)	1Q24	4Q23	4Q23	1Q23	1Q23
Average earning assets	\$ 193,135	\$ 190,536	1 %	\$ 184,069	5 %
Average interest-bearing liabilities	131,451	127,646	3	111,188	18
Net interest income— taxable-equivalent	1,692	1,735	-2	1,832	-8
Yield on average earning assets	5.74 %	5.73 %		5.16 %	
Cost of interest-bearing liabilities	3.26	3.17		1.86	
Net interest spread	2.48	2.56		3.30	
Net interest margin	3.52	3.61		4.04	

Taxable-equivalent net interest income decreased \$43 million, or 2%, from the fourth quarter of 2023.

- · Average borrowings rose \$2.9 billion and the rate paid on such borrowings increased 13 basis points.
- Average interest-bearing deposits increased \$861 million and the rates paid on such deposits rose 3 basis points.
- The yield on average loans and leases declined 1 basis point.
- Average investment securities increased \$1.1 billion and the rates earned on those securities increased 17 basis points.

Taxable-equivalent net interest income decreased \$140 million, or 8%, compared with the year-earlier first quarter.

- · Average interest-bearing deposits rose \$15.8 billion and the rates paid on those deposits increased 144 basis points.
- · Average borrowings increased \$4.5 billion and rates paid on such borrowings increased 64 basis points.
- · Yields earned on average interest-bearing deposits at banks and average loans and leases increased 85 basis points and 62 basis points, respectively.
- · Average interest-bearing deposits at banks and average loans and leases increased \$6.3 billion and \$1.8 billion, respectively.

Average Earning Assets

			Change 1Q24 vs.		Change 1Q24 vs.
(Dollars in millions)	1Q24	4Q23	4Q23	1Q23	1Q23
Interest-bearing deposits at banks	\$ 30,647	\$ 30,153	2 %	\$ 24,312	26 %
Trading account	105	123	-15	123	-14
Investment securities	28,587	27,490	4	27,622	3
Loans and leases, net of unearned discount					
Commercial and industrial	56,821	55,420	3	52,510	8
Real estate - commercial	32,696	33,455	-2	35,245	-7
Real estate - consumer	23,136	23,339	-1	23,770	-3
Consumer	21,143	20,556	3	20,487	3
Total loans and leases, net	133,796	132,770	1	132,012	1
Total earning assets	\$ 193,135	\$ 190,536	1	\$ 184,069	5

Average earning assets increased \$2.6 billion, or 1%, from the fourth quarter of 2023.

- Average interest-bearing deposits at banks increased \$494 million reflecting higher levels of borrowings partially offset by the purchase of investment securities and loan growth.
- Average loans and leases increased \$1.0 billion primarily reflective of growth in average commercial and industrial loans and leases and consumer loans, partially offset by
 declines in average commercial real estate and residential real estate loans. The growth in commercial and industrial loans spanned most industry types.
- Average investment securities rose \$1.1 billion primarily due to purchases of U.S. Treasury notes and fixed rate mortgage-backed securities during the first quarter of 2024.

Average earning assets increased \$9.1 billion, or 5%, from the year-earlier first quarter.

- Average interest-bearing deposits at banks increased \$6.3 billion reflecting a rise in average deposits and higher levels of borrowings, partially offset by loan growth and purchases of investment securities
- Average loans and leases increased \$1.8 billion predominantly due to higher average commercial and industrial loans and leases of \$4.3 billion reflecting lending activities to
 financial and insurance industry customers and motor vehicle and recreational finance dealers, partially offset by a \$2.5 billion decline in average commercial real estate loans.
- Average investment securities increased \$965 million due to the purchases of investment securities in 2023 and through the first quarter of 2024.

Average Interest-bearing Liabilities

						Change 1Q24 vs.			Change 1Q24 vs.
(Dollars in millions)	1Q	24		4Q2	23	4Q23	1Q	23	1Q23
Interest-bearing deposits									
Savings and interest-checking deposits	\$	94,867	;	\$	93,365	2 %	\$	88,053	8 %
Time deposits		20,583			21,224	-3		11,630	77
Total interest-bearing deposits		115,450			114,589	1		99,683	16
Short-term borrowings		6,228			5,156	21		4,994	25
Long-term borrowings		9,773			7,901	24		6,511	50
Total interest-bearing liabilities	\$	131,451	1	\$	127,646	3	\$	111,188	18

Average interest-bearing liabilities increased \$3.8 billion, or 3%, from the fourth quarter of 2023.

Average borrowings increased \$2.9 billion predominantly due to the issuance of senior notes in the first quarter of 2024 and higher levels of average borrowings from the FHLB of New York.

· Average interest-bearing deposits increased \$861 million, reflective of a \$1.6 billion increase in average non-brokered deposits.

Average interest-bearing liabilities increased \$20.3 billion, or 18%, from the first quarter of 2023.

- Average interest-bearing deposits rose \$15.8 billion, including a \$10.6 billion increase in average non-brokered deposits, reflecting customer demand for interest-bearing products amidst rising rates.
- Average borrowings increased \$4.5 billion reflecting the issuances of senior notes and other long-term debt since the first quarter of 2023 and increases in average borrowings from the FHLB of New York.

Provision for Credit Losses/Asset Quality

				Change 1Q24 vs.		Change 1Q24 vs.
(Dollars in millions)	1	Q24	 4Q23	4Q23	Q23	1Q23
At end of quarter						
Nonaccrual loans	\$	2,302	\$ 2,166	6 %	\$ 2,557	-10 %
Real estate and other foreclosed assets		38	39	_	44	-13
Total nonperforming assets		2,340	2,205	6	2,601	-10
Accruing loans past due 90 days or more (1)		297	339	-12	407	-27
Nonaccrual loans as % of loans outstanding		1.71 %	1.62 %		1.92 %	
Allowance for credit losses	\$	2,191	\$ 2,129	3	\$ 1,975	11
Allowance for credit losses as % of loans outstanding		1.62 %	1.59 %		1.49 %	
For the period						
Provision for credit losses	\$	200	\$ 225	-11	\$ 120	67
Net charge-offs		138	148	-7	70	97
Net charge-offs as % of average loans (annualized)		.42 %	.44 %		.22 %	

⁽¹⁾ Predominantly government-guaranteed residential real estate loans.

M&T recorded a provision for credit losses of\$200 million in the first quarter of 2024 and\$225 million in the immediately preceding quarter, compared with\$120 million in the first quarter of 2023. The comparatively higher provisions for credit losses in the most recent two quarters as compared with the first quarter of 2023 reflect declines in commercial real estate values and higher interest rates contributing to a deterioration in the performance of loans to commercial borrowers, including nonautomotive dealers and healthcare facilities, as well as growth in certain sectors of M&T's commercial and industrial and consumer loan portfolios. Net charge-offs totaled \$138 million in 2024's first quarter as compared with \$148 million in 2023's final quarter and \$70 million in the year-earlier preceding quarter included a decline in commercial real estate loan net charge-offs, partially offset by an increase in net charge-offs of commercial and industrial and consumer loan net charge-offs with year-earlier first quarter, the recent quarter ret charge-offs reflect higher levels of commercial and industrial and consumer loan net charge-offs.

Nonaccrual loans were \$2.3 billion at March 31, 2024,\$136 million higher than December 31, 2023 but\$255 million lower than March 31, 2023. The higher level of nonaccrual loans at the recent quarter end as compared with the immediately preceding quarter end was largely attributable to an increase in commercial and industrial nonaccrual loans partially offset by a decrease in commercial real estate nonaccrual loans. The decrease in nonaccrual loans at March 31, 2024 as compared with year-earlier quarter was predominantly due to lower levels of commercial real estate nonaccrual loans, including net charge-offs, and residential real estate nonaccrual loans, partially offset by a rise in commercial and industrial nonaccrual loans.

Noninterest Income

					Change 1Q24 vs.			Change 1Q24 vs.
(Dollars in millions)	1Q2	24	4Q	23	4Q23	1Q23	3	1Q23
Mortgage banking revenues	\$	104	\$	112	-7 %	\$	85	23 %
Service charges on deposit accounts		124		121	2		113	9
Trust income		160		159	1		194	-17
Brokerage services income		29		26	10		24	20
Trading account and non-hedging derivative gains		9		11	-19		12	-21
Gain (loss) on bank investment securities		2		4	-35		_	_
Other revenues from operations		152		145	4		159	-5
Total	\$	580	\$	578	_	\$	587	-1

Noninterest income in the first quarter of 2024 was largely unchanged from 2023's fourth quarter.

- Other revenues from operations increased \$7 million resulting from a \$25 million distribution from Bayview Lending Group LLC ("BLG") received in the first quarter of 2024
 partially offset by declines in letter of credit and other credit-related fees, lower income earned from bank owned life insurance and a decline in merchant discount and credit
 card fees.
- Mortgage banking revenues decreased \$8 million reflecting a decline in gains on sale of commercial mortgage loans as a result of decreased origination volume, partially offset by higher residential mortgage banking revenues.

Noninterest income declined \$7 million, or 1%, as compared with the year-earlier first quarter.

- Trust income decreased \$34 million reflecting lower revenues associated with the Company's Collective Investment Trust ("CIT") business of approximately\$45 million following its sale in April 2023, partially offset by \$11 million of higher revenues mainly attributable to higher sales and fees from the Company's global capital markets business.
- Other revenues from operations declined \$7 million reflecting lower gains on the sale of leased equipment.
- Mortgage banking revenues rose \$19 million due to higher servicing income related to the bulk purchase of residential mortgage loan servicing rights at the end of the first quarter of 2023.
- Service charges on deposit accounts increased \$11 million predominantly due to a rise in commercial service charges.
- Brokerage services income increased \$5 million due to higher annuity sales.

Noninterest Expense

Change	Change
1Q24 vs.	1Q24 vs

(Dollars in millions)	1Q24	4Q23	4Q23	1Q23	1Q23
Salaries and employee benefits	\$ 833	\$ 724	15 %	\$ 808	3 %
Equipment and net occupancy	129	134	-4	127	2
Outside data processing and software	120	114	5	106	13
Professional and other services	85	99	-13	125	-31
FDIC assessments	60	228	-74	30	101
Advertising and marketing	20	26	-21	31	-35
Amortization of core deposit and other intangible assets	15	15	_	17	-13
Other costs of operations	134	110	21	115	16
Total	\$ 1,396	\$ 1,450	-4	\$ 1,359	3

Noninterest expense aggregated \$1.40 billion in the recent quarter, down from \$1.45 billion in the fourth quarter of 2023.

- FDIC assessments reflect a \$197 million estimated special assessment in the fourth quarter of 2023 and \$29 million of estimated incremental special assessment expense recorded in the first quarter of 2024 for the FDIC's updated loss estimates associated with certain failed banks.
- Professional and other services expenses decreased \$14 million reflecting the timing and level of consulting and legal-related fees.
- Salaries and employee benefits expense increased\$109 million reflecting annual merit increases and\$99 million of seasonally higher stock-based compensation, payroll-related taxes and other employee benefits expense.
- Other costs of operations increased \$24 million reflecting higher costs associated with the Company's supplemental executive retirement savings plan, losses on lease terminations related to certain vacated properties and incremental charitable contributions as compared with the fourth quarter of 2023.

Noninterest expense increased \$37 million from the first guarter of 2023.

- FDIC assessments increased \$30 million reflecting the \$29 million of estimated incremental special assessment expense recorded in the first quarter of 2024.
- Salaries and employee benefits expenses increased \$25 million reflecting higher salaries expense due to annual merit and other increases and a rise in incentive compensation, partially offset by lower staffing levels.
- Other costs of operations increased\$19 million as a result of higher amortization of capitalized servicing assets predominantly due to the bulk purchase of residential mortgage loan servicing rights at the end of the first quarter of 2023.
- · Outside data processing and software increased\$14 million due to higher software licensing and maintenance fees.
- · Professional and other services expense declined \$40 million reflecting lower sub-advisory fees as a result of the sale of the CIT business.
- · Advertising and marketing expense decreased \$11 million reflecting a general reduction in those related activities.

Income Taxes

The Company's effective tax rate was 20.0% in the first quarter of 2024, compared with 22.9% and 24.2% in the fourth quarter of 2023 and first quarter of 2023, respectively. The first quarter of 2024 income tax expense reflects a net discrete tax benefit related to the resolution of a tax matter inherited from the acquisition of People's United Financial, Inc.

Capital

	1Q24		4Q23	1Q23
CET1	11.07 %	(1)	10.98 %	10.16 %
Tier 1 capital	12.37	(1)	12.29	11.48
Total capital	14.03	(1)	13.99	13.28
Tangible capital – common	8.03		8.20	7.58

⁽¹⁾ March 31, 2024 capital ratios are estimated.

M&T's capital ratios remained well above the minimum set forth by regulatory requirements. Cash dividends declared on M&T's common and preferred stock totaled\$219 million and \$25 million, respectively, for the quarter ended March 31, 2024. M&T did not repurchase any shares of its common stock in the first quarter of 2024 or the fourth quarter of 2023. In the first quarter of 2023, M&T repurchased 3,838,157 shares of its common stock in accordance with its capital plan for a total cost, including the share repurchase excise tax, of \$600 million.

The CET1 capital ratio for M&T was estimated at 11.07% as of March 31, 2024. M&T's total risk-weighted assets at March 31, 2024 are estimated to b\$155 billion.

Conference Call

Investors will have an opportunity to listen to M&T's conference call to discuss first quarter financial results today a8:00 a.m. Eastern Time. Those wishing to participate in the call may dial (800) 347-7315. International participants, using any applicable international calling codes, may dial (785) 424-1755. Callers should reference M&T Bank Corporation or the conference ID #MTBQ124. The conference call will be webcast live through M&T's website at https://ir.mtb.com/events-presentations. A replay of the call will be available through Monday April 22, 2024 by calling (800) 839-2385, or (402) 220-7203 for international participants. No conference ID or passcode is required. The event will also be archived and available by 3:00 p.m. today on M&T's website at https://ir.mtb.com/events-presentations.

About M&T

M&T is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, provides banking products and services in 12 states across the eastern U.S. from Maine to Virginia and Washington, D.C. Trust-related services are provided in select markets in the U.S. and abroad by M&T's Wilmington Trust-affiliated companies and by M&T Bank. For more information on M&T Bank, visit www.mtb.com.

Forward-Looking Statements

This news release and related conference call may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the rules and regulations of the SEC. Any statement that does not describe historical or current facts is a forward-looking statement, including statements based on current expectations, estimates and projections about M&T's business, and management's beliefs and assumptions.

Statements regarding the potential effects of events or factors specific to M&T and/or the financial industry as a whole, as well as national and global events generally, on M&T's business, financial condition, liquidity and results of operations may constitute forward-looking statements. Such statements are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond M&T's control.

Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," or "potential," by future conditional verbs such as "will," "would," "should," "could," or "may," or by variations of such words or by similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and may cause actual outcomes to differ materially from what is expressed or forecasted.

While there can be no assurance that any list of risks and uncertainties is complete, important factors that could cause actual outcomes and results to differ materially from those contemplated by forward-looking statements include the following, without limitation: economic conditions and growth rates, including inflation and market volatility; events and developments in the financial services industry, including industry conditions; changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity; prepayment speeds, loan originations, loan concentrations by type and industry, credit losses and market values on loans, collateral securing loans, and other assets; sources of liquidity; levels of client deposits; ability to contain costs and expenses; changes in M&T's credit ratings; the impact of the People's United Financial, Inc. acquisition; domestic or international political developments and other geopolitical events, including international conflicts and hostilities; changes and trends in the securities markets; common shares outstanding and common stock price volatility; fair value of and number of stock-based compensation awards to be issued in future periods; the impact of changes in market values on trust-related revenues; federal, state or local legislation and/or regulations affecting the financial services industry, or M&T and its subsidiaries individually or collectively, including tax policy; regulatory supervision and oversight, including monetary policy and capital requirements; governmental and public policy changes; political conditions, either nationally or in the states in which M&T and its subsidiaries do business; the outcome of pending and future litigation and governmental proceedings, including tax-related examinations and other matters; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board, regulatory agencies or legislation; increasing price, product and service competition by competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the mix of products and services; protection and validity of intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in large, multi-year contracts; continued availability of financing; financial resources in the amounts, at the times and on the terms required to support M&T and its subsidiaries' future businesses; and material differences in the actual financial results of merger, acquisition, divestment and investment activities compared with M&T's initial expectations, including the full realization of anticipated cost savings and revenue enhancements.

These are representative of the factors that could affect the outcome of the forward-looking statements. In addition, as noted, such statements could be affected by general industry and market conditions and growth rates, general economic and political conditions, either nationally or in the states in which M&T and its subsidiaries do business, and other factors.

M&T provides further detail regarding these risks and uncertainties in its Form 10-K for the year ended December 31, 2023, including in the Risk Factors section of such report, as well as in other SEC filings. Forward-looking statements speak only as of the date they are made, and M&T assumes no duty and does not undertake to update forward-looking statements.

Financial Highlights

Three	months ended
N	Jarch 31

(Dollars in millions, except per share, shares in thousands)	2024	2023	Change
<u>Performance</u>		-	
Net income	\$ 531	\$ 702	-24 %
Net income available to common shareholders	505	676	-25
Per common share:			
Basic earnings	3.04	4.03	-25
Diluted earnings	3.02	4.01	-25
Cash dividends	1.30	1.30	_
Common shares outstanding:			
Average - diluted (1)	167,084	168,410	-1
Period end (2)	166,724	165,865	1
Return on (annualized):			
Average total assets	1.01 %	1.40 %	
Average common shareholders' equity	8.14	11.74	
axable-equivalent net interest income	\$ 1,692	\$ 1,832	-8
ield on average earning assets	5.74 %	5.16 %	
Cost of interest-bearing liabilities	3.26	1.86	
let interest spread	2.48	3.30	
Contribution of interest-free funds	1.04	.74	
let interest margin	3.52	4.04	
Net charge-offs to average total net loans (annualized)	.42	.22	
let operating results (3)			
let operating income	\$ 543	\$ 715	-24
oiluted net operating earnings per common share	3.09	4.09	-24
Return on (annualized):			
Average tangible assets	1.08 %	1.49 %	
Average tangible common equity	12.67	19.00	
Efficiency ratio	60.8	55.5	
	At Ma	rch 31,	
<u>-oan quality</u>	2024	2023	Change
Nonacerual loans	\$ 2302	¢ 2.557	10.0/

		At Ma	aicii 51,		
<u>Loan quality</u>	20	024	2	023	Change
Nonaccrual loans	\$	2,302	\$	2,557	-10 %
Real estate and other foreclosed assets		38		44	-13
Total nonperforming assets	\$	2,340	\$	2,601	-10
Accruing loans past due 90 days or more (4)	\$	297	\$	407	-27
Government guaranteed loans included in totals above:					
Nonaccrual loans	\$	62	\$	42	47
Accruing loans past due 90 days or more		244		306	-20
Nonaccrual loans to total loans		1.71 %		1.92 %	
Allowance for credit losses to total loans		1.62		1.49	

- (1) Includes common stock equivalents.
- (2) Includes common stock issuable under deferred compensation plans.
- (3) Excludes amortization and balances related to goodwill and core deposit and other intangible assets and merger-related expenses which, except in the calculation of the efficiency ratio, are net of applicable income tax effects. Reconciliations of net income with net operating income appears herein.
- (4) Predominantly residential real estate loans.

Financial Highlights, Five Quarter Trend

	N	March 31,	Dec	cember 31,	Sept	ember 30,	J	une 30,	М	arch 31,
(Dollars in millions, except per share, shares in thousands)		2024		2023		2023		2023		2023
Performance										-
Net income	\$	531	\$	482	\$	690	\$	867	\$	702
Net income available to common shareholders		505		457		664		841		676
Per common share:										
Basic earnings		3.04		2.75		4.00		5.07		4.03
Diluted earnings		3.02		2.74		3.98		5.05		4.01
Cash dividends		1.30		1.30		1.30		1.30		1.30
Common shares outstanding:										
Average - diluted (1)		167,084		166,731		166,570		166,320		168,410
Period end (2)		166,724		166,149		165,970		165,894		165,865
Return on (annualized):										
Average total assets		1.01 %		.92 %		1.33 %		1.70 %		1.40 %
Average common shareholders' equity		8.14		7.41		10.99		14.27		11.74
Taxable-equivalent net interest income	\$	1,692	\$	1,735	\$	1,790	\$	1,813	\$	1,832
Yield on average earning assets		5.74 %		5.73 %		5.62 %		5.46 %		5.16 %
Cost of interest-bearing liabilities		3.26		3.17		2.83		2.43		1.86
Net interest spread		2.48		2.56		2.79		3.03		3.30
Contribution of interest-free funds		1.04		1.05		1.00		.88		.74
Net interest margin		3.52		3.61		3.79		3.91		4.04
Net charge-offs to average total net loans (annualized)		.42		.44		.29		.38		.22
Net operating results (3)										
Net operating income	\$	543	\$	494	\$	702	\$	879	\$	715
Diluted net operating earnings per common share		3.09		2.81		4.05		5.12		4.09
Return on (annualized):										
Average tangible assets		1.08 %		.98 %		1.41 %		1.80 %		1.49 %
Average tangible common equity		12.67		11.70		17.41		22.73		19.00
Efficiency ratio		60.8		62.1		53.7		48.9		55.5
	N	March 31,	Dec	ember 31,	Sept	ember 30,	J	une 30,	М	arch 31,
Loan quality		2024		2023		2023		2023		2023
Nonaccrual loans	\$	2,302	\$	2,166	\$	2,342	\$	2,435	\$	2,557
Real estate and other foreclosed assets		38		39		37		43		44
Total nonperforming assets	\$	2,340	\$	2,205	\$	2,379	\$	2,478	\$	2,601
Accruing loans past due 90 days or more (4)	\$	297	\$	339	\$	354	\$	380	\$	407
Government guaranteed loans included in totals above:	•	-			•		•		•	-
Nonaccrual loans	\$	62	\$	53	\$	40	\$	40	\$	42
Accruing loans past due 90 days or more	7	244	-	298	•	269	-	294	•	306
Nonaccrual loans to total loans		1.71 %		1.62 %		1.77 %		1.83 %		1.92 %
Allowance for credit losses to total loans		1.62		1.59		1.55		1.50		1.49

⁽¹⁾ Includes common stock equivalents.

Condensed Consolidated Statement of Income

	Three months of	ended	
	March 31	,	
(Dollars in millions)	2024	2023	Change
Interest income	\$ 2,745	\$ 2,327	18 %
Interest expense	1,065	509	109
Net interest income	1,680	1,818	-8
Provision for credit losses	200	120	67
Net interest income after provision for credit losses	1,480	1,698	-13
Other income			
Mortgage banking revenues	104	85	23
Service charges on deposit accounts	124	113	9
Trust income	160	194	-17
Brokerage services income	29	24	20
Trading account and non-hedging			
derivative gains	9	12	-21
Gain (loss) on bank investment securities	2	_	_
Other revenues from operations	152	159	-5
Total other income	580	587	-1
Other expense			
Salaries and employee benefits	833	808	3
Equipment and net occupancy	129	127	2
Outside data processing and software	120	106	13
Professional and other services	85	125	-31
FDIC assessments	60	30	101
Advertising and marketing	20	31	-35

⁽²⁾ Includes common stock issuable under deferred compensation plans.

⁽³⁾ Excludes amortization and balances related to goodwill and core deposit and other intangible assets and merger-related expenses which, except in the calculation of the efficiency ratio, are net of applicable income tax effects. Reconciliations of net income with net operating income appears herein.

⁽⁴⁾ Predominantly residential real estate loans.

Amortization of core deposit and other			
intangible assets	15	17	-13
Other costs of operations	134	115	16
Total other expense	1,396	1,359	3
Income before income taxes	664	926	-28
Applicable income taxes	133	224	-41
Net income	\$ 531	\$ 702	-24 %

Condensed Consolidated Statement of Income, Five Quarter Trend

					Three month	s ended				
	March	31,	Decembe	er 31,	Septemb	er 30,	June	30,	March	31,
(Dollars in millions)	2024	4	2023	3	202	3	202	23	202	:3
Interest income	\$	2,745	\$	2,740	\$	2,641	\$	2,516	\$	2,327
Interest expense		1,065		1,018		866		717		509
Net interest income		1,680		1,722		1,775		1,799		1,818
Provision for credit losses		200		225		150		150		120
Net interest income after provision for credit losses		1,480		1,497		1,625		1,649		1,698
Other income						,				
Mortgage banking revenues		104		112		105		107		85
Service charges on deposit accounts		124		121		121		119		113
Trust income		160		159		155		172		194
Brokerage services income		29		26		27		25		24
Trading account and non-hedging										
derivative gains		9		11		9		17		12
Gain (loss) on bank investment securities		2		4		_		1		_
Other revenues from operations		152		145		143		362		159
Total other income		580		578		560		803		587
Other expense										
Salaries and employee benefits		833		724		727		738		808
Equipment and net occupancy		129		134		131		129		127
Outside data processing and software		120		114		111		106		106
Professional and other services		85		99		89		100		125
FDIC assessments		60		228		29		28		30
Advertising and marketing		20		26		23		28		31
Amortization of core deposit and other										
intangible assets		15		15		15		15		17
Other costs of operations		134		110		153		149		115
Total other expense		1,396		1,450		1,278		1,293		1,359
Income before income taxes		664		625		907		1,159		926
Applicable income taxes		133		143		217		292		224
Net income	\$	531	\$	482	\$	690	\$	867	\$	702

Condensed Consolidated Balance Sheet

	March 3	31,	
(Dollars in millions)	2024	2023	Change
ASSETS			
Cash and due from banks	\$ 1,695	\$ 1,818	-7 %
Interest-bearing deposits at banks	32,144	22,306	44
Trading account	99	165	-40
Investment securities	28,496	28,443	_
Loans and leases, net of unearned discount:			
Commercial and industrial	57,897	53,934	7
Real estate - commercial	32,416	34,897	-7
Real estate - consumer	23,076	23,790	-3
Consumer	21,584	20,317	6
Total loans and leases, net	134,973	132,938	2
Less: allowance for credit losses	2,191	1,975	11
Net loans and leases	132,782	130,963	1
Goodwill	8,465	8,490	_
Core deposit and other intangible assets	132	192	-31
Other assets	11,324	10,579	7
Total assets	\$ 215,137	\$ 202,956	6 %
		_	
LIABILITIES AND SHAREHOLDERS' EQUITY			
Noninterest-bearing deposits	\$ 50,578	\$ 59,955	-16 %
Interest-bearing deposits	116,618	99,120	18
Total deposits	167,196	159,075	5
Short-term borrowings	4,795	6,995	-31
Accrued interest and other liabilities	4,527	4,046	12
Long-term borrowings	11,450	7,463	53
Total liabilities	187,968	177,579	6
Shareholders' equity:			
Preferred	2,011	2,011	_
Common	25,158	23,366	8

Total shareholders' equity	27,169	25,377	7
Total liabilities and shareholders' equity	\$ 215,137	\$ 202,956	6 %

Condensed Consolidated Balance Sheet, Five Quarter Trend

(Dollars in millions) 2024 2023 2023 ASSETS Cash and due from banks \$ 1,695 \$ 1,731 \$ 1,769 Interest-bearing deposits at banks 32,144 28,069 30,114 Trading account 99 106 137 Investment securities 28,496 26,897 27,336 Loans and leases, net of unearned discount: 57,897 57,010 54,891 Real estate - commercial 32,416 33,003 33,741 Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 11,324 10,910 10,838 Total assets </th <th>\$ 1,848 27,107 137 27,917 54,699 34,634 23,762 20,249</th> <th>\$ 1,818 22,306 165 28,443 53,934 34,897 23,790 20,317</th>	\$ 1,848 27,107 137 27,917 54,699 34,634 23,762 20,249	\$ 1,818 22,306 165 28,443 53,934 34,897 23,790 20,317
Cash and due from banks \$ 1,695 \$ 1,731 \$ 1,769 Interest-bearing deposits at banks 32,144 28,069 30,114 Trading account 99 106 137 Investment securities 28,496 26,897 27,336 Loans and leases, net of unearned discount: 57,897 57,010 54,891 Real estate - commercial and industrial 57,897 57,010 54,891 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY <td>27,107 137 27,917 54,699 34,634 23,762 20,249</td> <td>22,306 165 28,443 53,934 34,897 23,790</td>	27,107 137 27,917 54,699 34,634 23,762 20,249	22,306 165 28,443 53,934 34,897 23,790
Interest-bearing deposits at banks 32,144 28,069 30,114 Trading account 99 106 137 Investment securities 28,496 26,897 27,336 Loans and leases, net of unearned discount: Commercial and industrial 57,897 57,010 54,891 Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$215,137 \$208,264 \$209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$50,578 \$49,294 \$53,787 Interest-bearing deposits \$16,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	27,107 137 27,917 54,699 34,634 23,762 20,249	22,306 165 28,443 53,934 34,897 23,790
Trading account 99 106 137 Investment securities 28,496 26,897 27,336 Loans and leases, net of unearned discount: Commercial and industrial 57,897 57,010 54,891 Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 116,618 113,980 </td <td>137 27,917 54,699 34,634 23,762 20,249</td> <td>165 28,443 53,934 34,897 23,790</td>	137 27,917 54,699 34,634 23,762 20,249	165 28,443 53,934 34,897 23,790
Investment securities 28,496 26,897 27,336	27,917 54,699 34,634 23,762 20,249	28,443 53,934 34,897 23,790
Loans and leases, net of unearned discount: Commercial and industrial 57,897 57,010 54,891 Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 166,18 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings </td <td>54,699 34,634 23,762 20,249</td> <td>53,934 34,897 23,790</td>	54,699 34,634 23,762 20,249	53,934 34,897 23,790
Commercial and industrial 57,897 57,010 54,891 Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128	34,634 23,762 20,249	34,897 23,790
Real estate - commercial 32,416 33,003 33,741 Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	34,634 23,762 20,249	34,897 23,790
Real estate - consumer 23,076 23,264 23,448 Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	23,762 20,249	23,790
Consumer 21,584 20,791 20,275 Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	20,249	
Total loans and leases, net 134,973 134,068 132,355 Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits \$ 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	,	20 317
Less: allowance for credit losses 2,191 2,129 2,052 Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	133,344	20,017
Net loans and leases 132,782 131,939 130,303 Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731		132,938
Goodwill 8,465 8,465 8,465 Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	1,998	1,975
Core deposit and other intangible assets 132 147 162 Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	131,346	130,963
Other assets 11,324 10,910 10,838 Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	8,465	8,490
Total assets \$ 215,137 \$ 208,264 \$ 209,124 LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	177	192
LIABILITIES AND SHAREHOLDERS' EQUITY Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	10,675	10,579
Noninterest-bearing deposits \$ 50,578 \$ 49,294 \$ 53,787 Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	\$ 207,672	\$ 202,956
Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731		
Interest-bearing deposits 116,618 113,980 110,341 Total deposits 167,196 163,274 164,128 Short-term borrowings 4,795 5,316 6,731	\$ 54,938	\$ 59,955
Short-term borrowings 4,795 5,316 6,731	107,120	99,120
	162,058	159,075
Accrued interest and other liabilities 4 527 4 516 4 946	7,908	6,995
7,010 4,010 11,010 11,010 11,010	4,488	4,046
Long-term borrowings 11,450 8,201 7,123	7,417	7,463
Total liabilities 187,968 181,307 182,928	181,871	177,579
Shareholders' equity:		
Preferred 2,011 2,011 2,011	2,011	2,011
Common 25,158 24,946 24,185	23,790	23,366
Total shareholders' equity 27,169 26,957 26,196	25,801	25,377
Total liabilities and shareholders' equity \$ 215,137 \$ 208,264 \$ 209,124		\$ 202,956

Condensed Consolidated Average Balance Sheet and Annualized Taxable-equivalent Rates

			Three months	ended			Change in bala	ance
	March 3	31,	Decembe	r 31,	March 3	31,	March 31, 2024	from
	2024		2023		2023		December 31,	March 31,
(Dollars in millions)	Balance	Rate	Balance	Rate	Balance	Rate	2023	2023
ASSETS								
Interest-bearing deposits at banks	\$ 30,647	5.49 %	\$ 30,153	5.48 %	\$ 24,312	4.64 %	2 %	26 %
Federal funds sold and agreements to resell securities	_	5.80	_	5.79	_	4.89	-78	-92
Trading account	105	3.42	123	3.80	123	2.32	-15	-14
Investment securities	28.587	3.30	27,490	3.13	27,622	3.00	4	3
Loans and leases, net of unearned discount:	20,007	0.00	27,100	00	27,022	0.00		Ū
Commercial and industrial	56,821	6.99	55,420	7.01	52,510	6.30	3	8
Real estate - commercial	32.696	6.36	33,455	6.54	35,245	5.89	-2	-7
Real estate - consumer	23,136	4.28	23,339	4.25	23,770	3.96	-1	-3
Consumer	21,143	6.54	20,556	6.42	20,487	5.67	3	3
Total loans and leases, net	133,796	6.32	132,770	6.33	132,012	5.70	1	1
Total earning assets	193,135	5.74	190,536	5.73	184,069	5.16	1	5
Goodwill	8,465		8,465		8,490		_	_
Core deposit and other intangible assets	140		154		201		-10	-30
Other assets	9,738		9,597		9,839		1	-1
Total assets	\$ 211,478		\$ 208,752		\$ 202,599		1 %	4 %
LIABILITIES AND SHAREHOLDERS' EQUITY								
Interest-bearing deposits								
Savings and interest-checking deposits	\$ 94.867	2.61	\$ 93.365	2.58	\$ 88.053	1.28	2 %	8 %
Time deposits	20.583	4.41	21,224	4.30	11.630	3.11	-3	77
Total interest-bearing deposits	115,450	2.93	114,589	2.90	99,683	1.49	1	16
Short-term borrowings	6.228	5.42	5,156	5.27	4,994	4.69	21	25
Long-term borrowings	9,773	5.81	7,901	5.70	6,511	5.27	24	50
Total interest-bearing liabilities	131,451	3.26	127,646	3.17	111,188	1.86	3	18
Noninterest-bearing deposits	48,615		50,124		61,854		-3	-21
Other liabilities	4,393		4,482		4,180		-2	5
Total liabilities	184,459		182,252		177,222		1	4

Shareholders' equity	27,019	26,500	25,377	2	6
Total liabilities and shareholders' equity	\$ 211,478	\$ 208,752	\$ 202,599	1 %	4 %
Net interest spread	2.48	2.56	3.30		
Contribution of interest-free funds	1.04	1.05	.74		
Net interest margin	3.52	% 3.61 %	4.04 %	%	

Reconciliation of Quarterly GAAP to Non-GAAP Measures, Five Quarter Trend

					Three months ended						
		March 31,	D	December 31,	Se	eptember 30,		June 30,		March 31,	
		2024		2023		2023		2023		2023	
Dollars in millions, except per share)											
ncome statement data											
Net income											
Net income	\$	531	\$	482	\$	690	\$	867	\$	702	
Amortization of core deposit and other intangible assets (1)		12		12		12		12		13	
Net operating income	\$	543	\$	494	\$	702	\$	879	\$	715	
Earnings per common share											
Diluted earnings per common share	\$	3.02	\$	2.74	\$	3.98	\$	5.05	\$	4.01	
Amortization of core deposit and other intangible assets (1)		.07		.07		.07		.07		.08	
Diluted net operating earnings per common share	\$	3.09	\$	2.81	\$	4.05	\$	5.12	\$	4.09	
Other expense								-			
Other expense	\$	1,396	\$	1,450	\$	1,278	\$	1,293	\$	1,359	
Amortization of core deposit and other intangible assets		(15)		(15)		(15)		(15)		(17)	
Noninterest operating expense	\$	1,381	\$	1,435	\$	1,263	\$	1,278	\$	1,342	
Efficiency ratio		-									
Noninterest operating expense (numerator)	\$	1,381	\$	1,435	\$	1,263	\$	1,278	\$	1,342	
Faxable-equivalent net interest income	\$	1,692	\$	1,735	\$	1,790	\$	1,813	\$	1,832	
Other income	Ψ	580	Ψ	578	*	560	*	803	Ψ	587	
Less: Gain (loss) on bank investment securities		2		4		_		1		_	
Denominator	\$	2,270	\$	2,309	\$	2,350	\$	2,615	\$	2,419	
		60.8 %		62.1 %		53.7 %		48.9 %	<u> </u>	55.5	
Efficiency ratio		00.0 /6		02.1 /6		33.7 /6		40.9 /6		55.5	
Balance sheet data											
Average assets	Φ	011 470	Φ	000.750	Φ	00F 704	Φ	004.070	Φ	202 500	
Average assets	\$	211,478	\$	208,752	\$	205,791	\$	204,376	\$	202,599	
Goodwill		(8,465)		(8,465)		(8,465)		(8,473)		(8,490)	
Core deposit and other intangible assets		(140)		(154)		(170)		(185)		(201)	
Deferred taxes	_	33	_	39	_	43	_	46	_	49	
Average tangible assets	\$	202,906	\$	200,172	\$	197,199	\$	195,764	\$	193,957	
Average common equity											
Average total equity	\$	27,019	\$	26,500	\$	26,020	\$	25,685	\$	25,377	
Preferred stock		(2,011)		(2,011)		(2,011)		(2,011)		(2,011)	
Average common equity		25,008		24,489		24,009		23,674		23,366	
Goodwill		(8,465)		(8,465)		(8,465)		(8,473)		(8,490)	
Core deposit and other intangible assets		(140)		(154)		(170)		(185)		(201)	
Deferred taxes		33		39		43		46		49	
Average tangible common equity	\$	16,436	\$	15,909	\$	15,417	\$	15,062	\$	14,724	
At end of quarter											
Total assets											
Total assets	\$	215,137	\$	208,264	\$	209,124	\$	207,672	\$	202,956	
Goodwill		(8,465)		(8,465)		(8,465)		(8,465)		(8,490)	
Core deposit and other intangible assets		(132)		(147)		(162)		(177)		(192)	
Deferred taxes		34		37		41		44		47	
Total tangible assets	\$	206,574	\$	199,689	\$	200,538	\$	199,074	-\$	194,321	
Total common equity	Ψ	200,077	Ψ	100,000	<u> </u>	200,000	<u> </u>	100,074	<u> </u>	107,021	
otal common equity otal equity	\$	27,169	\$	26,957	\$	26,197	\$	25,801	\$	25,377	
otal equity Preferred stock	Φ	(2,011)	Φ	(2,011)	Φ	(2,011)	Ф	(2,011)	Φ		
Common equity		* * *		* ' '						(2,011)	
. ,		25,158		24,946		24,186		23,790		23,366	
Goodwill		(8,465)		(8,465)		(8,465)		(8,465)		(8,490)	
Core deposit and other intangible assets		(132)		(147)		(162)		(177)		(192)	
Deferred taxes	Ф.	34	Φ.	37	Φ.	41	Φ.	44	•	14 721	
Total tangible common equity	\$	16,595	\$	16,371	\$	15,600	\$	15,192	\$	14,731	

(1) After any related tax effect.