FIRST CITIZENS BANCSHARES INC /DE/ Form 10-Q May 10, 2010 Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended March 31, 2010

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Commission File Number: 001-16715

First Citizens BancShares, Inc.

(Exact name of Registrant as specified in its charter)

•

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Delaware (State or other jurisdiction of incorporation or organization) 56-1528994 (I.R.S. Employer Identification Number)

4300 Six Forks Road, Raleigh, North Carolina (Address of principle executive offices)

27609 (Zip code)

(919) 716-7000

(Registrant s telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days. Yes x No "

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the Registrant was required to submit and post such files) Yes "No"

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act:

Large accelerated filer x Accelerated filer " Non-accelerated filer " Smaller reporting company " Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No x

Class A Common Stock \$1 Par Value 8,756,778 shares

Class B Common Stock \$1 Par Value 1,677,675 shares

(Number of shares outstanding, by class, as of May 10, 2010)

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PART I

Item 1. Financial Statements (Unaudited)

First Citizens BancShares, Inc. and Subsidiaries

Consolidated Balance Sheets

Assets * 745,180 \$ 480,24 \$ 471,7 Cash and therom banks \$ 745,515 2,929,162 3,319,0 Investment securities available for sale 3,324 3,603 5.5 Leans held for sale 3,324 3,603 5.5 Leans held for sale 59,530 67,381 124,2 Loans and leases:		March 31* 2010	December 31# 2009	March 31* 2009		
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Overnight investments 866,562 723,260 760.0 Investment securities valiable for sale 3,375,158 2,929,162 3,310 Investment securities held to maturity 3,324 3,603 5,5 Loans held for sale 59,530 67,381 124,2 Loans and leases: 2,602,261 1,173,020 11,497,0 Not covered under loss share agreements 11,640,041 11,640,041 11,640,041 Less allowance for loan and lease losses 176,273 172,282 161,5 Net loans and leases 12,645,737 11,335,5 708,002 831,18 Overed under loss share agreements 109,783 93,774 100,783 93,774 Not covered under loss share agreements 109,783 93,774 10,2625 102,625 114,652,62						
Investment securities available for sale 3,375,158 2,929,162 3,319,0 Investment securities held to maturity 3,324 3,603 5,7 Loans held for sale 59,530 67,381 124,4 Covered under loss share agreements 2,602,261 1,173,020 Not covered under loss share agreements 11,664,099 11,497,0 Less allowance for loan and lease 176,273 172,282 161,5 Net loans and leases 176,273 172,282 161,5 Other real estate owned: 839,960 837,082 811,8 Covered under loss share agreements 109,783 93,774 11,335,5 Not covered under loss share agreements 109,783 93,774 102,625<				1 ,		
Investment securities held to maturity 3,324 3,603 5,5 Loans held for sale 59,530 67,381 124,2 Loans held for sale 59,530 67,381 124,2 Loans and leases: 2,602,261 1,173,020 Not covered under loss share agreements 11,640,041 11,644,999 11,497,0 Less allowance for loan and lease losses 176,273 172,282 161,5 Net loans and leases 12,645,737 11,335,5 Premises and equipment 839,960 837,802 811,8 Other real estate owned: 73,368 60,684 69,1 FDIC receivable for loss share agreements 109,783 93,774 Not covered under loss share agreements 102,625 102,625 102,625 102,625 Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 Goodwill 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,625 102,	5		,	760,628		
Loans held for sale 59,530 67,381 124,2 Loans and leases: 2,602,261 1,173,020 Not covered under loss share agreements 11,640,041 11,644,999 11,497,0 Less allowance for loan and lease losses 176,273 172,282 161,5 Net covered under loss share agreements 14,066,029 12,645,737 11,335,5 Premises and lequipment 839,960 837,082 811,8 Other real estate owned: 109,783 93,774 103,225 Covered under loss share agreements 199,783 93,774 102,625 10				3,319,025		
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Covered under loss share agreements 2,602,261 1,173,020 Not covered under loss share agreements 11,640,041 11,644,999 11,497,0 Less allowance for loan and lease losses 176,273 172,282 161,5 Net loans and leases 14,066,029 12,645,737 11,335,5 Premises and equipment 839,960 837,082 811,8 Other real estate owned: 09,783 93,774 Not covered under loss share agreements 109,783 93,774 Not covered under loss share agreements 667,455 249,842 Goodwill 102,625 102,625 102,625 Other raisets 23,327 225,703 177,42 Goodwill 102,625 102,625 102,63 17,214,52 Other assets 21,215,691 \$ 18,466,063 \$ 17,214,52 Liabilities 2 5,361 3,4 Deposits: Noninterest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,01 Total assets 17,843,827 15,337,567 14,229,53 11,452,45 541,12 544,405 641,5 <td></td> <td>59,530</td> <td>67,381</td> <td>124,246</td>		59,530	67,381	124,246		
Not covered under loss share agreements 11,640,041 11,644,999 11,497,4 Less allowance for loan and lease losses 176,273 172,282 161,5 Net loans and leases 14,066,029 12,645,737 11,335,5 Premises and equipment 839,960 837,082 811,8 Other real estate owned: 109,783 93,774 Rot covered under loss share agreements 109,783 93,774 Not covered under loss share agreements 60,844 69,1 Income earme ont collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 102,625 102,625 102,625 Goodwill 102,625 102,625 102,625 102,625 102,625 102,43 174,43 Other assets 223,827 225,703 177,4 174,43 11,452,4						
Less allowance for loan and lease losses 176,273 172,282 161,5 Net loans and leases 14,066,029 12,645,737 11,335,5 Premises and equipment 839,960 837,082 811,8 Other real estate owned: 73,368 40,007 32,7 Not covered under loss share agreements 48,366 40,007 32,7 Not covered under loss share agreements 687,455 249,842 60,044 69,1 FDIC receivable for loss share agreements 687,455 249,842 60,007 32,7 Other intangible assets 114,522 6,361 3,4 Other assets 12,26,25 102,625			, ,			
Net leases 14,066,029 12,645,737 11,335,5 Premises and equipment 839,960 837,082 811,8 Other real estate owned: 109,783 93,774 Covered under loss share agreements 109,783 93,774 Not covered under loss share agreements 48,366 40,607 32,7 Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 60,684 69,1 Goodwill 102,625	Not covered under loss share agreements	11,640,041	11,644,999	11,497,088		
Premises and equipment 839,960 837,082 811,8 Other real estate owned:	Less allowance for loan and lease losses	176,273	172,282	161,572		
Other real estate owned: 109,783 93,774 Covered under loss share agreements 148,368 40,607 32,7 Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 Goodwill 102,625 102,625 102,625 Other intagible assets 14,522 6,361 3,4 Other assets 223,827 225,703 177,4 Total assets \$21,215,691 \$ 18,466,063 \$ 17,214,2 Liabilities Deposits: \$ \$ 21,215,691 \$ 18,466,063 \$ 17,214,2 Interest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 \$ 2,777,0 Interest-bearing 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,667 14,229,5 Short-term boligations 922,207 797,366 733,66 Long-term obligations 922,207 797,366 733,67 Other liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 13,65,77 8,757 8,75 </td <td></td> <td>14,066,029</td> <td>12,645,737</td> <td>11,335,516</td>		14,066,029	12,645,737	11,335,516		
Covered under loss share agreements 109,783 93,774 Not covered under loss share agreements 48,368 40,607 32,7 Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 40,607 32,7 Goodwill 102,625 <td< td=""><td>Premises and equipment</td><td>839,960</td><td>837,082</td><td>811,872</td></td<>	Premises and equipment	839,960	837,082	811,872		
Not covered under loss share agreements 48,368 40,607 32,7 Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 Goodwill 102,625						
Income earned not collected 73,368 60,684 69,1 FDIC receivable for loss share agreements 687,455 249,842 02,625 114,52,4 Internet sering Internet sering I 4,081,205 I 2,122,153 I 1,452,45 14,081,205 I 2,122,153 I 1,452,45 142,205 641,5 12,122,153 I 1,452,45 641,5 12,122,153 I 1,452,45 641,5 12,122,153 I 1,452,45 641,5	Covered under loss share agreements	109,783	93,774			
FDIC receivable for loss share agreements $687,455$ $249,842$ Goodwill $102,625$ $102,625$ $102,625$ $102,625$ Other intangible assets $14,522$ $6,361$ $3,4$ Other assets $223,827$ $225,703$ $177,4$ Total assets $21,215,691$ \$ $18,466,063$ \$ $17,214,2$ LiabilitiesDeposits:Noninterest-bearing\$ $3,762,622$ \$ $3,215,414$ \$ $2,777,0$ Interest-bearing\$ $14,081,205$ $12,122,153$ $11,452,45$ Total deposits $17,843,827$ $15,337,567$ $14,229,5$ Short-term borrowings $594,121$ $642,405$ $641,5$ Long-term obligations $922,207$ $797,366$ $733,0$ Other liabilities $19,547,098$ $16,906,948$ $15,777,5$ Shareholders EquityCommon stock:Class & \$1 par value (8,756,778 shares issued for all periods) $8,757$ $8,757$ $8,757$ $8,757$ Class B \$1 par value (1,677,675 shares issued for all periods) $143,766$ $143,766$ $143,766$ <td>Not covered under loss share agreements</td> <td>48,368</td> <td>40,607</td> <td>32,787</td>	Not covered under loss share agreements	48,368	40,607	32,787		
Goodwill 102,625 102,625 102,625 Other intangible assets 14,522 6,361 3,4 Other assets 223,827 225,703 177,4 Total assets \$21,215,691 \$18,466,063 \$17,214,2 Liabilities Deposits: \$21,215,691 \$18,466,063 \$17,214,2 Noninterest-bearing \$3,762,622 \$3,215,414 \$2,777,0 Interest-bearing 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,5 Long-term obligations 922,207 797,366 733,0 Other liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 103,445 12,610 173,4 Common stock: 10,578 1,678 1,678 1,678 1,678 Class & \$1 par value (8,756,778 shares issued for all periods) 1,678 1,678 1,678 1,678 1,43,766	Income earned not collected	73,368	60,684	69,199		
Other intangible assets 14,522 6,361 3,4 Other assets 223,827 225,703 177,4 Total assets \$ 21,215,691 \$ 18,466,063 \$ 17,214,2 Liabilities Deposits:	FDIC receivable for loss share agreements	687,455	249,842			
Other assets 223,827 225,703 177,4 Total assets \$ 21,215,691 \$ 18,466,063 \$ 17,214,2 Liabilities Deposits: Noninterest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 Interest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 Interest-bearing \$ 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,5 Long-term obligations 922,207 797,366 733,0 Other liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity Common stock: Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 Class B \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 1,678 Surplus 143,766 143,766 143,76 143,76	Goodwill	102,625	102,625	102,625		
Other assets 223,827 225,703 177,4 Total assets \$ 21,215,691 \$ 18,466,063 \$ 17,214,2 Liabilities Deposits: Noninterest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 Interest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,5 Long-term obligations 922,207 797,366 733,0 Other liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity Common stock: Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 8,757 Surplus 143,766 143,766 143,76 143,766	Other intangible assets	14,522	6,361	3,423		
Liabilities Deposits: Noninterest-bearing Noninterest-bearing 14,081,205 12,122,153 Total deposits Total deposits Short-term borrowings Long-term obligations 922,207 797,366 733,0 Other liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity Common stock: Class A \$1 par value (8,756,778 shares issued for all periods) 1,678 1,678 1,678 1,678 1,678 1,43,766		223,827	225,703	177,400		
Deposits: \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 Interest-bearing 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,5 Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,44 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 2000 2000 2000 Common stock: 2000 2000 2000 2000 2000 Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 8,757 Surplus 143,766 143,766 143,766 143,766 143,766	Total assets	\$ 21,215,691	\$ 18,466,063	\$ 17,214,265		
Noninterest-bearing \$ 3,762,622 \$ 3,215,414 \$ 2,777,0 Interest-bearing 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,9 Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 2000 2000 2000 Common stock: 2000 2000 2000 2000 2000 Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 8,757 Surplus 143,766 143,766 143,766 143,766 143,766	Liabilities					
Interest-bearing 14,081,205 12,122,153 11,452,4 Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,9 Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 2000 2000 2000 Common stock: 2000 2000 2000 2000 2000 2000 Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 8,757 8,757 8,757 8,757 1,678 1,678 1,678 1,678 1,678 1,678 1,678 1,678 1,678 1,43,766 143,76						
Total deposits 17,843,827 15,337,567 14,229,5 Short-term borrowings 594,121 642,405 641,9 Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 2000 2000 2000 Common stock: 2000 2000 2000 2000 2000 Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 8,757 Surplus 143,766 143,766 143,766 143,766 143,766				\$ 2,777,067		
Short-term borrowings 594,121 642,405 641,5 Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity 2000000000000000000000000000000000000	Interest-bearing	14,081,205	12,122,153	11,452,481		
Long-term obligations 922,207 797,366 733,0 Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,5 Shareholders Equity Equity Equity Equity Common stock: 10,007,675 8,757 8,757 8,757 8,757 Class A \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 1,678 Surplus 143,766 143,766 143,766 143,766 143,766 143,766	Total deposits	17,843,827	15,337,567	14,229,548		
Other liabilities 186,943 129,610 173,4 Total liabilities 19,547,098 16,906,948 15,777,9 Shareholders Equity 2000	Short-term borrowings	594,121	642,405	641,912		
Total liabilities 19,547,098 16,906,948 15,777,9 Shareholders Equity 2000 <td>Long-term obligations</td> <td>922,207</td> <td>797,366</td> <td>733,056</td>	Long-term obligations	922,207	797,366	733,056		
Shareholders Equity Common stock: Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 Class B \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 Surplus 143,766 143,766 143,766 143,766	Other liabilities		129,610	173,472		
Shareholders Equity Common stock: Class A \$1 par value (8,756,778 shares issued for all periods) 8,757 8,757 8,757 Class B \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 Surplus 143,766 143,766 143,766 143,766	Total liabilities	19,547,098	16,906,948	15,777,988		
Common stock: 8,757	Shareholders Equity					
Class B \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 1,678 Surplus 143,766 143,766 143,766 143,766						
Class B \$1 par value (1,677,675 shares issued for all periods) 1,678 1,678 1,678 1,678 Surplus 143,766 143,766 143,766 143,766	Class A \$1 par value (8,756,778 shares issued for all periods)	8,757	8,757	8,757		
Surplus 143,766 143,766 143,7				1,678		
				143,766		
Retained earnings 1,539,251 1,429,863 1,331,5	Retained earnings	1,539,251	1,429,863	1,331,587		
				(49,511)		

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Total shareholders equity	1,668,593	1,559,115	1,436,277
Total liabilities and shareholders equity	\$ 21,215,691	\$ 18,466,063	\$ 17,214,265

* Unaudited

Derived from the 2009 Annual Report on Form 10-K.

See accompanying Notes to Consolidated Financial Statements.

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First Citizens BancShares, Inc. and Subsidiaries

Consolidated Statements of Income

	Three Months 2010			
	(thousands, except sha	are and per share data)		
Interest income	¢ 197.074	¢ 156.594		
Loans and leases Investment securities:	\$ 187,074	\$ 156,584		
U. S. Government	9,350	21.150		
		21,159		
Residential mortgage backed securities	1,564 2,135	1,148 278		
Corporate bonds State, county and municipal	33	51		
Other	55 70	207		
Other	70	207		
Total investment securities interest and dividend income	13,152	22,843		
Overnight investments	474	225		
Total interest income	200,700	179,652		
Interest expense				
Deposits	38,116	52,946		
Short-term borrowings	756	1,321		
Long-term obligations	10,792	9,580		
Total interest expense	49,664	63,847		
Net interest income	151,036	115,805		
Provision for loan and lease losses	16,930	17,976		
Net interest income after provision for loan and lease losses	134,106	97,829		
Noninterest income				
Gain on acquisitions	137,649			
Cardholder and merchant services	23,788	21,492		
Service charges on deposit accounts	18,827	17,851		
Wealth management services	11,734	10,772		
Fees from processing services	7,223	7,552		
Securities gains	1,131			
Other service charges and fees	4,648	4,349		
Mortgage income	1,411	3,452		
Insurance commissions	2,806	2,470		
ATM income	1,655	1,729		
Other	2,726	25		
Total noninterest income	213,598	69,692		
Noninterest expense				
Salaries and wages	72,160	65,546		
Employee benefits	18,311	17,319		
Occupancy expense	17,836	15,406		
Equipment expense	15,815	14,723		
FDIC insurance expense	4,060	3,324		
Foreclosure-related expenses	3,206	104		
Other	41,562	38,818		

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Total noninterest expense	172,950	155,240
Income before income taxes	174,754	12,281
Income taxes	67,140	3,618
Net income	\$ 107,614	\$ 8,663
Average shares outstanding	10,434,453	10,434,453
Net income per share	\$ 10.31	\$ 0.83

See accompanying Notes to Consolidated Financial Statements.

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First Citizens BancShares, Inc. and Subsidiaries

Consolidated Statements of Changes in Shareholders Equity

	Class A Common Stock	Class B Common Stock	Surplus (thousands, ex	Retained Surplus Earnings Isands, except share and J		cumulated Other prehensive ome (loss) are data)	Total Shareholders Equity
Balance at December 31, 2008	\$ 8,757	\$ 1,678	\$ 143,766	\$ 1,326,054	\$	(36,880)	\$ 1,443,375
Comprehensive loss:							
Net income				8,663			8,663
Change in unrealized securities gains arising during period, net of \$8,430 deferred tax benefit Change in unrecognized loss on cash flow hedge, net of						(13,013)	(13,013)
\$249 deferred tax						382	382
Total comprehensive loss						502	(3,968)
Cash dividends of \$0.30 per share				(3,130)			(3,130)
Balance at March 31, 2009	\$ 8,757	\$ 1,678	\$ 143,766	\$ 1,331,587	\$	(49,511)	\$ 1,436,277