



First Quarter 2008 Financial Commentary - Unaudited

The following financial commentary is intended to provide an executive summary of First Citizens Bancorporation's ("Bancorporation") Consolidated Statements of Condition as of March 31, 2008 and December 31, 2007 and Consolidated Statements of Income for the quarters ended March 31, 2008 and 2007 (collectively, the "consolidated financial statements"). The consolidated financial statements which follow this financial commentary are unaudited.

Statement of condition. Total assets increased from \$6.08 billion as of December 31, 2007 to \$6.40 billion as of March 31, 2008. Loans and leases, net of deferred fees, as of March 31, 2008 were \$4.26 billion compared to \$4.21 billion as of December 31, 2007. Total deposits as of March 31, 2008 were \$5.33 billion compared to \$5.02 billion as of December 31, 2007.

Net income. Net income for the quarter ended March 31, 2008 was \$15.09 million compared to \$11.95 million for the quarter ended March 31, 2007. The increase in net income for the quarter ended March 31, 2008 was driven primarily by increases in net interest income and noninterest income, partially offset by increases in provision for loan losses and noninterest expense. The components of net income are discussed in the sections below labeled net interest income, provision for loan losses, noninterest income and noninterest expense. During the quarter, noninterest income was increased by adjustments totaling \$3.34 million and noninterest expense was decreased by a reversal totaling \$607 thousand. These adjustments were made in accordance with generally accepted accounting principles and are discussed in the noninterest income and noninterest expense sections below.

Net interest income. Net interest income increased by \$3.14 million during the first quarter, or by 6.32%, from \$49.70 million to \$52.84 million. The increase in net interest income was due to average earning asset growth, partially offset by a decline in net interest margin. Average earning assets grew by 7.52% from \$5.36 billion as of March 31, 2007 to \$5.77 billion as of March 31, 2008. Net interest margin declined from 3.73% for the quarter ended March 31, 2007 to 3.67% for the quarter ended March 31, 2008. The decrease was primarily attributable to loan yields declining at a faster pace than deposit costs.

Provision for loan losses. Provision for loan losses increased from \$862 thousand to \$3.07 million or by \$2.21 million during the first quarter. The increase in provision expense was due primarily to an increase in the amount of net charge-offs from \$658 thousand for the first quarter of last year to \$1.72 million for the first quarter of this year. Provision expense was also impacted by loan growth.

The net charge-off ratio increased to .16% during the first quarter from .07% during the first quarter of 2007. Nonaccrual loans to total loans were .33% at March 31, 2008 compared to .22% at March 31, 2007. Primarily as a result of the increases in the net charge-off and nonaccrual ratios, the allowance ratio was increased from 1.25% as of December 31, 2007 to 1.27% as of March 31, 2008.

Noninterest income. Noninterest income increased from \$15.10 million to \$22.04 million or by \$6.95 million. The most significant components of the change in noninterest income were a \$2.04 million increase in gain on sale of investment securities, a \$1.69 million increase in mortgage income, a \$1.44 million increase in other noninterest income, and a \$1.16 million increase in service charges on deposits. The \$ 22.04 million in noninterest income included nonrecurring income of \$3.34 million.

The \$2.04 million increase in gain on sale of investment securities was due to a \$562 thousand gain on the sale of securities in the first quarter of 2008 compared to a \$1.48 million loss recognized in the first quarter of 2007. In both quarters, United States agency securities were sold to reposition the investment portfolio to increase overall future income on the investment portfolio.

During the first quarter, generally accepted accounting principles surrounding the accounting for written mortgage commitments changed for commitments issued after January 1, 2008. The change required Bancorporation to recognize the value associated with the servicing of mortgage loans and with the fees collected (net of costs) in the fair value of the written mortgage commitments. This adjustment accounted for \$1.30 million of the \$1.69 million increase in mortgage income. The remaining increase was due to an increase in mortgage production during the quarter.

The \$1.44 million increase in other noninterest income was primarily due to a \$1.48 million gain on the partial redemption of Bancorporation's equity interest in Visa, Inc. ("Visa"). The redemption was the result of Visa's initial public offering in the first quarter of 2008. This redemption approximates 38.66% of Bancorporation's ownership interest in Visa. In addition, Bancorporation reversed \$607 thousand of previously established indemnification liabilities related to Visa litigation during the quarter that were established during the fourth quarter of 2007. The reversal is reflected as a reduction in other noninterest expense.

The \$1.16 million increase in service charges on deposits was primarily related to an increase in overdraft fee income.

Noninterest expense. Noninterest expense increased by \$3.09 million during the first quarter, or by 6.87%, from \$45.03 million to \$48.12 million. The most significant components of the change in noninterest expense were a \$2.25 million increase in salaries and employee benefits, a \$384 thousand increase in other noninterest expense, and a \$384 thousand increase in data processing fees. The increase in salaries and employee benefits expense was primarily due to an increase in wages. The increase in other noninterest expense was primarily due to an increase in general and administrative expenses and was offset by the \$607 thousand reversal discussed in the noninterest income section above.

The Board of Directors of Bancorporation declared a quarterly common stock dividend of \$0.35 per share for shareholders of record as of May 15, 2008, payable May 23, 2008.

First Citizens Bancorporation, Inc. is a two-bank financial holding company headquartered in Columbia, South Carolina, with \$6.40 billion in total consolidated assets as of March 31, 2008.

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONDITION - UNAUDITED

(Dollars in thousands)

	March 31, 2008	December 31, 2007
ASSETS		
Cash and due from banks	\$ 205,240	\$ 206,571
Investment securities	1,035,020	1,061,174
Federal funds sold	517,103	218,727
Loans and leases, net	4,258,792	4,205,277
Less: Allowance for loan and lease losses	(54,101)	(52,748)
Net loans and leases	4,204,691	4,152,529
Premises and equipment, net	215,690	215,086
Interest receivable	27,302	28,307
Intangible assets	26,339	27,989
Goodwill	112,444	112,444
Other assets	60,872	56,401
Total assets	\$ 6,404,701	\$ 6,079,228
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Demand	\$ 876,013	\$ 829,364
Time and savings	4,455,759	4,187,789
Total deposits	5,331,772	5,017,153
Securities sold under agreements to repurchase	300,213	313,926
Short-term borrowings	22,990	22,640
Long-term debt	189,610	191,518
Other liabilities	53,920	47,020
Total liabilities	5,898,505	5,592,257
STOCKHOLDERS' EQUITY		
Preferred stock	3,105	3,105
Common stock	4,256	4,256
Surplus	65,081	65,081
Undivided profits	411,954	397,289
Accumulated other comprehensive income	21,800	17,240
Total stockholders' equity	506,196	486,971
Total liabilities and stockholders' equity	\$ 6,404,701	\$ 6,079,228

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED

Quarter-to-date Actual

(Dollars in thousands, except per share data)

	For the quarter ended	
	March 31,	
	2008	2007
Interest income:		
Interest and fees on loans	\$75,251	\$71,941
Interest on investment securities:		
Taxable	11,495	12,618
Non-taxable	39	56
Federal funds sold	3,406	4,833
Total interest income	90,191	89,448
Interest expense:		
Interest on deposits	32,070	32,139
Interest on securities sold under agreements to repurchase	1,505	3,605
Interest on borrowings	3,774	4,003
Total interest expense	37,349	39,747
Net interest income	52,842	49,701
Provision for loan losses	3,073	862
Net interest income after provision for loan losses	49,769	48,839
Noninterest income:		
Service charges on deposits	10,144	8,986
Commissions and fees from fiduciary activities	2,095	1,611
Mortgage income	3,452	1,760
Bankcard discount and fees	2,051	1,923
Gain (loss) on sale of investment securities	562	(1,481)
Other	3,740	2,296
Total noninterest income	22,044	15,095
Noninterest expense:		
Salaries and employee benefits	25,294	23,048
Net occupancy expense	3,748	4,003
Furniture and equipment expense	2,973	2,814
Bankcard fees	2,677	2,499
Data processing fees	4,368	3,984
Amortization expense	1,826	1,828
Other	7,238	6,855
Total noninterest expense	48,124	45,031
Income before income tax expense	23,689	18,903
Income tax expense	8,599	6,957
Net income	\$15,090	\$11,946
Net income per common share	\$ 17.68	\$ 13.96
Weighted average common shares outstanding	851,221	852,858