



Fourth Quarter 2006 Financial Commentary-Unaudited

The following financial commentary is intended to provide a summary analysis of First Citizens Bancorporation's ("Bancorporation") Consolidated Statements of Condition and Income as of December 31, 2006 and December 31, 2005 and for the quarters and years ended December 31, 2006 and 2005 (collectively, the "consolidated financial statements"). This financial commentary and the accompanying consolidated financial statements are unaudited.

Net income. Net income for the year ended December 31, 2006 was \$ 51.21 million compared to \$ 50.37 million for the year ended December 31, 2005, an increase of 1.67%. Net income for the fourth quarter of 2006 was \$ 11.32 million compared to \$ 14.17 million for the comparable quarter in 2005. The increase in net income for the year ended December 31, 2006 was driven primarily by an increase in net interest income partially offset by an increase in noninterest expense. The decrease in net income during the fourth quarter was primarily related to an increase in noninterest expense. The components of net income are discussed below in the sections labeled net interest income, provision for loan losses, noninterest income and noninterest expense.

Statement of condition. Total assets increased from \$ 5.43 billion as of December 31, 2005 to \$ 5.83 billion as of December 31, 2006. As of December 31, 2006, loans and leases, net of deferred fees, were \$ 3.84 billion compared to \$ 3.63 billion as of December 31, 2005.

As of December 31, 2006, total deposits were \$ 4.83 billion compared to \$ 4.49 billion as of December 31, 2005.

Net interest income. During the year, net interest income increased by \$ 17.85 million or by 9.98%. The increase in net interest income was primarily due to average earning asset growth and improved net interest margin. Average earning assets grew by 8.46% from \$4.59 billion as of December 31, 2005 to \$ 4.98 billion as of December 31, 2006. For the year, net interest margin increased from 3.89% to 3.94% primarily as a result of loan and investment yields increasing at a faster pace than rates paid on interest bearing deposits. Net interest income for the quarter increased by \$ 465 thousand over the comparable period in 2005. Net interest margin for the fourth quarter of 2006 was 3.83% compared to 4.08% for the comparable quarter in 2005. The decline in net interest margin during the quarter was primarily attributable to deposit costs rising at a faster pace than loan yields.

Provision for loan losses. Provision for loan losses increased by \$ 1.47 million for the year and by \$ 1.42 million for the quarter. The increase for the year and quarter was primarily due to loan growth partially offset by a decline in the ratio of the allowance for loan losses to total loans ("allowance ratio") which declined from 1.33% as of December 31, 2005 to 1.29% as of December 31, 2006. The decline in the allowance ratio was due to continued strength in credit quality trends including the net charge-off ratio. Net charge-offs remained low in 2006 with a .11% ratio to average loans as compared to .12% in 2005. The net charge-off ratio increased from .12% for the fourth quarter of 2005 to .16% for the current quarter. While the net charge-off ratio increased during the quarter, it remained below historical averages.

Noninterest income. For the year, noninterest income decreased by \$ 144 thousand, or by 0.23%. The most significant components of the change in noninterest income were a \$ 970 thousand decrease in gain on sale of investment securities and a \$ 570 thousand decrease in mortgage income partially offset by a \$ 538 thousand increase in commissions and fees from fiduciary activities. The \$ 570 thousand decline in mortgage income for the year was primarily due to an increase in mortgage servicing rights amortization expense. Mortgage servicing rights recapture of \$ 58 thousand was recorded for the year ended December 31, 2006 compared to recapture of \$ 1.18 million during the previous year, resulting in \$ 1.12 million of the decrease in mortgage income. The \$538 thousand increase in commissions and fees from fiduciary activities was primarily due an increase in investor services income. For the fourth quarter of 2006, noninterest income decreased by \$ 122 thousand.

Noninterest expense. During the year, noninterest expense increased by \$ 14.92 million, or by 9.46%. The most significant components of the change in noninterest expense were a \$ 7.15 million increase in salaries and employee benefits, a \$ 3.17 million increase in other noninterest expense, a \$ 1.62 million increase in net occupancy expense, and a \$ 1.43 million increase in furniture and equipment expense. The increase in salaries and employee benefits expense is primarily due to increases in salaries related to prior year acquisitions and an increase in incentive program expense. The increase in other noninterest expense relates to general and administrative expenses and was attributable to the bank's overall growth. The increase in net occupancy and furniture and equipment expenses is primarily due to a \$ 1.79 million increase in depreciation expense primarily related to placing the new corporate headquarters building into service in 2006.

For the fourth quarter of 2006, noninterest expense increased by \$ 3.62 million, or by 8.65%, primarily driven by a \$ 2.39 million increase in salaries and employee benefits.

The Board of Directors of Bancorporation declared a quarterly common stock dividend of \$0.35 per share for shareholders of record as of February 15, 2007, payable February 23, 2007.

First Citizens Bancorporation, Inc. is a two-bank financial holding company headquartered in Columbia, South Carolina, with \$5.83 billion in total consolidated assets as of December 31, 2006.

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONDITION - UNAUDITED

(Dollars in thousands)

	December 31, 2006	December 31, 2005
ASSETS		
Cash and due from banks	\$ 214,343	\$ 218,933
Investment securities	1,089,828	1,026,340
Federal funds sold	292,000	170,000
Loans and leases, net	3,839,990	3,628,259
Less: Allowance for loan losses	(49,427)	(48,090)
Net loans and leases	3,790,563	3,580,169
Premises and equipment, net	211,228	196,504
Interest receivable	26,116	22,400
Intangible assets	33,554	38,873
Goodwill	112,444	112,444
Other assets	55,832	67,406
Total assets	\$ 5,825,908	\$ 5,433,069
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Demand	\$ 854,221	\$ 828,723
Time and savings	3,975,960	3,659,274
Total deposits	4,830,181	4,487,997
Securities sold under repurchase agreements	301,396	254,734
Short-term borrowings	3,256	9,493
Long-term debt	217,578	227,614
Other liabilities	44,576	35,856
Total liabilities	5,396,987	5,015,694
STOCKHOLDERS' EQUITY		
Preferred stock	3,105	3,111
Common stock	4,264	4,495
Surplus	65,081	65,081
Undivided profits	345,039	328,350
Accumulated other comprehensive income	11,432	16,338
Total stockholders' equity	428,921	417,375
Total liabilities and stockholders' equity	\$ 5,825,908	\$ 5,433,069

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED

Quarter-to-date and Year-to-date Actual

(Dollars in thousands, except per share data)

	For the quarter ended December 31,		For the year ended December 31,	
	2006	2005	2006	2005
Interest income:				
Interest and fees on loans	\$71,796	\$63,070	\$271,523	\$222,520
Interest on investment securities:				
Taxable	11,213	8,155	41,489	27,855
Non-taxable	61	97	281	443
Federal funds sold	3,724	1,626	10,938	6,287
Total interest income	86,794	72,948	324,231	257,105
Interest expense:				
Interest on deposits	29,264	17,728	99,142	58,754
Interest on securities sold under agreements to repurchase	3,822	2,555	13,486	7,264
Interest on borrowings	4,023	3,445	15,008	12,338
Total interest expense	37,109	23,728	127,636	78,356
Net interest income	49,685	49,220	196,595	178,749
Provision for loan losses	2,153	738	5,571	4,106
Net interest income after provision for loan losses	47,532	48,482	191,024	174,643
Noninterest income:				
Service charges on deposits	9,241	9,373	36,878	36,614
Commissions and fees from fiduciary activities	1,333	1,087	4,086	3,548
Mortgage income	1,395	1,284	5,540	6,110
Bankcard discount and fees	1,897	1,770	7,815	7,230
Gain on sale of investment securities	-	746	250	1,220
Other	1,844	1,572	7,294	7,285
Total noninterest income	15,710	15,832	61,863	62,007
Noninterest expense:				
Salaries and employee benefits	22,941	20,555	85,493	78,347
Net occupancy expense	3,734	2,846	14,651	13,034
Furniture and equipment expense	2,873	2,487	10,915	9,483
Bankcard fees	2,266	2,088	8,985	8,198
Data processing fees	3,937	3,501	15,298	13,738
Amortization expense	1,893	2,294	7,843	8,638
Other	7,849	8,101	29,368	26,196
Total noninterest expense	45,493	41,872	172,553	157,634
Income before income tax expense	17,749	22,442	80,334	79,016
Income tax expense	6,434	8,277	29,121	28,643
Net income	\$11,315	\$14,165	\$51,213	\$50,373
Net income per common share	\$ 13.19	\$ 15.71	\$ 59.56	\$ 55.85
Weighted average common shares outstanding	854,804	898,914	857,019	898,914