



Fourth Quarter 2007 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 December 31, 2007 and December 31, 2006 and its Consolidated Statements of Income for the quarters and years ended December 31, 2007 and December 31, 2006 (collectively, the "consolidated financial statements"). The consolidated financial statements which follow this financial commentary are unaudited.

Statement of condition. Total assets increased from \$5.83 billion as of December 31, 2006 to \$6.08 billion as of December 31, 2007. Loans and leases, net of deferred fees, as of December 31, 2007 were \$4.21 billion compared to \$3.84 billion as of December 31, 2006. Total deposits as of December 31, 2007 were \$5.02 billion compared to \$4.83 billion as of December 31, 2006.

Net income. Net income for the year ended December 31, 2007 was \$53.82 million compared to \$51.21 million for the year ended December 31, 2006, an increase of 5.09%. Net income for the fourth quarter of 2007 was \$12.40 million compared to \$11.32 million for the comparable quarter in 2006. The increase in net income for the quarter and year ended December 31, 2007 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.

Net interest income. During the year, net interest income increased by \$12.82 million, or by 6.52%. The increase in net interest income was primarily due to average earning asset growth. Average earning assets grew by 9.09% from \$4.98 billion as of December 31, 2006 to \$5.44 billion as of December 31, 2007. Net interest margin declined from 3.93% for the year ended December 31, 2006 to 3.84% for the year ended December 31, 2007. The decrease was primarily attributable to deposit costs rising at a faster pace than loan yields. Net interest margin for the fourth quarter of 2007 was 3.92% compared to 3.82% for the fourth quarter of 2006. The improvement was primarily related to an increase in the yield on investments and a decline in the cost of securities sold under agreements to repurchase and public fund deposits.

Provision for loan losses. For the year, provision for loan losses totaled \$9.38 million representing a \$3.81 million increase for the year. The \$9.38 million in provision for loan losses covered net charge-offs totaling \$6.06 million. For the year, the net charge-off ratio increased from .11% to .15%. Net charge-offs included a \$1.12 million charge-off related to a loan on which specific reserves of \$1.09 million were established in the prior year. Without this charge-off, the net charge-off ratio for the year ended would have been .12%, up one basis point from the prior year.

For the fourth quarter, provision for loan losses totaled \$4.98 million, representing a \$2.83 million increase over the fourth quarter of 2006. The \$4.98 million in provision for loan losses was recognized against net charge-offs totaling \$2.27 million. For the fourth quarter of 2007, the net

charge-off ratio was .22%, up from .16% in the fourth quarter of last year. As a result of the increase in net charge-offs and the general downturn in the real estate market, the allowance ratio was increased from 1.22% as of September 30, 2007 to 1.25% as of December 31, 2007.

The allowance ratio of 1.25% is down from 1.29% as of December 31, 2006. The primary reason for the decline is due to the reduction of specific reserves related to the loan discussed in the first paragraph of this section. Nonaccrual loans to total loans were .24% at December 31, 2007 compared to .22% at December 31, 2006.

Noninterest income. For the year, noninterest income increased by \$8.37 million, or by 13.53%. The most significant components of the change in noninterest income were a \$3.50 million increase in commissions and fees from fiduciary activities, a \$2.30 million increase in service charges on deposits, and a \$2.19 million increase in mortgage income. The \$3.50 million increase in commissions and fees from fiduciary activities was primarily due to a \$3.07 million increase in brokerage income related to First Citizens Securities Corporation (“FCSC”) that commenced operations on November 1, 2006. The \$2.30 million increase in service charges on deposits was primarily due to an increase in overdraft fee income. The \$2.19 million increase in mortgage income was primarily due to increased mortgage production.

For the fourth quarter of 2007, noninterest income increased by \$3.18 million, or by 20.27%. This increase was primarily driven by a \$1.31 million increase in service charges on deposits, an \$808 thousand increase in commissions and fees from fiduciary activities, and a \$477 thousand increase in mortgage income. Increases in these items were for similar reasons as described above for the year.

Noninterest expense. For the year, noninterest expense increased by \$13.23 million, or by 7.67%. The most significant components of the increase in noninterest expense were an \$8.55 million increase in salaries and employee benefits, a \$1.64 million increase in bankcard processing fees, and a \$1.63 million increase in other noninterest expense. The \$8.55 million increase in salaries and employee benefits expense was primarily due to increases in wages, commissions related to FCSC, and an increase in incentive program expense. The \$1.64 million increase in bankcard processing fees was primarily due to increased merchant sales volume. The \$1.63 million increase in other noninterest expense relates to general and administrative expenses and was attributable to the bank’s overall growth.

For the fourth quarter of 2007, noninterest expense increased by \$3.19 million, or 7.02%, primarily driven by a \$1.27 million increase in salaries and employee benefits and a \$1.67 million increase in other noninterest expense.

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, 2008, payable February 25, 2008.

First Citizens Bancorporation, Inc. is a two-bank financial holding company headquartered in Columbia, South Carolina, with \$6.08 billion in total consolidated assets as of December 31, 2007.

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONDITION - UNAUDITED

(Dollars in thousands)

	December 31, 2007	December 31, 2006
ASSETS		
Cash and due from banks	\$ 206,571	\$ 214,343
Investment securities	1,061,174	1,089,828
Federal funds sold	218,727	292,000
Loans and leases, net	4,205,277	3,839,990
Less: Allowance for loan and lease losses	(52,748)	(49,427)
Net loans and leases	4,152,529	3,790,563
Premises and equipment, net	215,086	211,228
Interest receivable	28,307	26,116
Intangible assets	27,989	33,554
Goodwill	112,444	112,444
Other assets	56,401	55,832
Total assets	\$ 6,079,228	\$ 5,825,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Demand	\$ 829,364	\$ 854,221
Time and savings	4,187,789	3,975,960
Total deposits	5,017,153	4,830,181
Securities sold under agreements to repurchase	313,926	301,396
Short-term borrowings	22,640	3,256
Long-term debt	191,518	217,578
Other liabilities	47,020	44,576
Total liabilities	5,592,257	5,396,987
STOCKHOLDERS' EQUITY		
Preferred stock	3,105	3,105
Common stock	4,256	4,264
Surplus	65,081	65,081
Undivided profits	397,289	345,039
Accumulated other comprehensive income	17,240	11,432
Total stockholders' equity	486,971	428,921
Total liabilities and stockholders' equity	\$ 6,079,228	\$ 5,825,908

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		For the year ended	
	December 31,		December 31,	
	2007	2006	2007	2006
Interest income:				
Interest and fees on loans	\$77,980	\$71,796	\$301,392	\$271,523
Interest on investment securities:				
Taxable	12,305	11,213	50,176	41,489
Non-taxable	40	61	182	281
Federal funds sold	2,841	3,724	17,739	10,938
Total interest income	93,166	86,794	369,489	324,231
Interest expense:				
Interest on deposits	32,501	29,264	130,435	99,142
Interest on securities sold under agreements to repurchase	2,718	3,822	13,728	13,486
Interest on borrowings	3,915	4,023	15,909	15,008
Total interest expense	39,134	37,109	160,072	127,636
Net interest income	54,032	49,685	209,417	196,595
Provision for loan losses	4,982	2,153	9,381	5,571
Net interest income after provision for loan losses	49,050	47,532	200,036	191,024
Noninterest income:				
Service charges on deposits	10,546	9,241	39,176	36,878
Commissions and fees from fiduciary activities	2,141	1,333	7,581	4,086
Mortgage income	1,872	1,395	7,732	5,540
Bankcard discount and fees	2,071	1,897	8,634	7,815
Gain (loss) on sale of investment securities	326	-	(1,153)	250
Other	1,938	1,844	8,265	7,294
Total noninterest income	18,894	15,710	70,235	61,863
Noninterest expense:				
Salaries and employee benefits	24,211	22,941	94,045	85,493
Net occupancy expense	3,258	3,734	14,928	14,651
Furniture and equipment expense	2,980	2,873	11,312	10,915
Bankcard fees	2,635	2,266	10,629	8,985
Data processing fees	4,279	3,937	16,581	15,298
Amortization expense	1,807	1,893	7,292	7,843
Other	9,517	7,849	30,996	29,368
Total noninterest expense	48,687	45,493	185,783	172,553
Income before income tax expense	19,257	17,749	84,488	80,334
Income tax expense	6,860	6,434	30,669	29,121
Net income	\$12,397	\$11,315	\$53,819	\$51,213
Net income per common share	\$ 14.51	\$ 13.19	\$ 62.96	\$ 59.56
Weighted average common shares outstanding	851,341	854,804	852,149	857,019