



Second 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 June 30, 2007 and December 31, 2006 and its Consolidated Statements of Income for the quarters and six months ended June 30, 2007 and 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 June 30, 2007. Loans and leases, net of deferred fees, as of June 30, 2007 were \$3.99 billion compared to \$3.84 billion as of December 31, 2006. Total deposits as of June 30, 2007 were \$5.04 billion compared to \$4.83 billion as of December 31, 2006.

Net income. Net income for the quarter ended June 30, 2007 was \$14.10 million compared to \$13.06 million for the quarter ended June 30, 2006, an increase of 8.01%. The increase in net income for the quarter ended June 30, 2007 was driven primarily by increases in net interest income and noninterest income partially offset by an increase in noninterest expense. The components of net income are discussed in the sections below labeled net interest income, provision for loan and lease losses, noninterest income and noninterest expense.

Net interest income. During the second quarter of 2007, net interest income increased by \$3.16 million, or by 6.45% over the comparable quarter in 2006. The increase in net interest income was primarily due to average earning asset growth. Average earning assets grew by 11.06% from \$4.92 billion as of June 30, 2006 to \$5.47 billion as of June 30, 2007. Net interest margin decreased from 3.97% for the quarter ended June 30, 2006 to 3.81% for the quarter ended June 30, 2007. The decrease was primarily attributable to deposit costs rising at a faster pace than loan yields.

Provision for loan and lease losses. Provision for loan and lease losses increased by \$170 thousand primarily due to loan growth, partially offset by a decline in the ratio of the allowance for loan and lease losses to total loans ("allowance ratio") from 1.30% as of June 30, 2006 to 1.22% as of June 30, 2007. The allowance ratio is down from 1.28% as of March 31, 2007. The decline in the allowance ratio since the first quarter of 2007 was primarily due to a decrease in specific reserves of \$2.21 million related to two large commercial loans.

The net charge-off ratio was .23% for the quarter ended June 30, 2007 compared to .08% for the quarter ended June 30, 2006. The increase in the charge-off ratio was due to a charge-off of \$1.12 million during the quarter. Specific reserves of \$1.09 million were recorded on this loan in the prior year. The net charge-off ratio excluding this charge-off was .12% for the quarter ended June 30, 2007. Nonaccrual loans to total loans were .16% at June 30, 2007 compared to .33% at June 30, 2006.

Noninterest income. During the second quarter of 2007, noninterest income increased by \$1.61 million, or by 10.19% over the comparable quarter in 2006. The most significant components of the change in noninterest income were a \$737 thousand increase in commissions and fees from fiduciary activities, an \$817 thousand increase in mortgage income, and a \$257 thousand increase in bankcard discounts and fees partially offset by a decrease in gain (loss) on the sale of investment securities of \$332 thousand.

The \$737 thousand increase in commissions and fees from fiduciary activities was primarily due to an increase in brokerage income related to First Citizens Securities Corporation (“FCSC”) that commenced operations on November 1, 2006. The \$817 thousand increase in mortgage income was primarily due to increased mortgage production and the \$257 thousand increase in bankcard discounts and fees was primarily due to increased merchant volume.

Noninterest expense. Noninterest expense increased by \$2.96 million during the quarter, or by 6.86% over the comparable quarter in 2006. The most significant components of the change in noninterest expense were a \$2.41 million increase in salaries and employee benefits, a \$383 thousand increase in net occupancy expense, and a \$420 thousand increase in bankcard processing fees, partially offset by a decrease in other noninterest expense of \$432 thousand. The 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 increase in net occupancy expense was primarily due to an increase in depreciation expense. Most of this increase was related to placing the new headquarters building into service in May, 2006. The increase in bankcard processing fees was primarily due to an increase in merchant volume as discussed above. The decrease in other noninterest expense was primarily attributable to a decline in advertising costs.

Net income for the six months ended June 30, 2007. For the six months ended June 30, 2007, consolidated net income was \$26.05 million compared to \$27.05 million for the six months ended June 30, 2006, a decrease of 3.68%. The decrease in net income for the six months ended June 30, 2007 was primarily due to a \$7.47 million increase in noninterest expense partially offset by increases in noninterest income of \$2.04 million and net interest income after provision for loan and lease losses of \$4.03 million. Net interest income after provision for loan and leases losses, noninterest income and noninterest expense increased for similar reasons explained above for the quarter ended June 30, 2007.

The Board of Directors of Bancorporation declared a quarterly common stock dividend of \$ 0.35 per share for shareholders of record as of August 15, 2007, payable August 24, 2007.

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 June 30, 2007.

FIRST CITIZENS BANCORPORATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONDITION - UNAUDITED

(Dollars in thousands)

	June 30, 2007	December 31, 2006
ASSETS		
Cash and due from banks	\$ 220,899	\$ 214,343
Investment securities	1,063,397	1,089,828
Federal funds sold	429,818	292,000
Loans and leases, net	3,985,156	3,839,990
Less: Allowance for loan and lease losses	(48,634)	(49,427)
Net loans and leases	3,936,522	3,790,563
Premises and equipment, net	208,645	211,228
Interest receivable	26,354	26,116
Intangible assets	30,533	33,554
Goodwill	112,444	112,444
Other assets	54,625	55,832
Total assets	\$ 6,083,237	\$ 5,825,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Demand	\$ 894,864	\$ 854,221
Time and savings	4,141,295	3,975,960
Total deposits	5,036,159	4,830,181
Securities sold under agreements to repurchase	331,060	301,396
Short-term borrowings	4,900	3,256
Long-term debt	213,562	217,578
Other liabilities	43,192	44,576
Total liabilities	5,628,873	5,396,987
STOCKHOLDERS' EQUITY		
Preferred stock	3,105	3,105
Common stock	4,259	4,264
Surplus	65,081	65,081
Undivided profits	369,728	345,039
Accumulated other comprehensive income	12,191	11,432
Total stockholders' equity	454,364	428,921
Total liabilities and stockholders' equity	\$ 6,083,237	\$ 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	
	June 30,		June 30,	
	2007	2006	2007	2006
Interest income:				
Interest and fees on loans	\$74,311	\$66,272	\$146,252	\$129,925
Interest on investment securities:				
Taxable	12,927	10,203	25,545	19,406
Non-taxable	44	72	101	156
Federal funds sold	5,386	2,535	10,219	4,843
Total interest income	92,668	79,082	182,117	154,330
Interest expense:				
Interest on deposits	32,717	23,116	64,856	44,226
Interest on securities sold under agreements to repurchase	3,822	3,253	7,427	5,940
Interest on borrowings	3,994	3,737	7,998	6,967
Total interest expense	40,533	30,106	80,281	57,133
Net interest income	52,135	48,976	101,836	97,197
Provision for loan losses	1,298	1,128	2,160	1,551
Net interest income after provision for loan losses	50,837	47,848	99,676	95,646
Noninterest income:				
Service charges on deposits	9,356	9,230	18,340	18,249
Commissions and fees from fiduciary activities	1,762	1,025	3,373	1,811
Mortgage income	2,095	1,278	3,855	2,634
Bankcard discount and fees	2,273	2,016	4,196	3,802
Gain (loss) on sale of investment securities	2	334	(1,479)	250
Other	1,914	1,910	4,212	3,710
Total noninterest income	17,402	15,793	32,497	30,456
Noninterest expense:				
Salaries and employee benefits	22,998	20,585	46,046	40,925
Net occupancy expense	3,977	3,594	7,980	7,108
Furniture and equipment expense	2,816	2,793	5,630	5,284
Bankcard fees	2,719	2,299	5,219	4,317
Data processing fees	4,122	3,843	8,105	7,533
Amortization expense	1,828	1,953	3,656	3,984
Other	7,659	8,091	14,513	14,525
Total noninterest expense	46,119	43,158	91,149	83,676
Income before income tax expense	22,120	20,483	41,024	42,426
Income tax expense	8,016	7,425	14,974	15,380
Net income	\$14,104	\$13,058	\$26,050	\$27,046
Net income per common share	\$ 16.49	\$ 15.21	\$ 30.45	\$ 31.40
Weighted average common shares outstanding	852,731	855,808	852,823	858,675