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FIRST CITIZENS BANCSHARES INC /DE/  
Form 8-K  
April 27, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 26, 2004

First Citizens BancShares, Inc.  
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(Exact name of registrant as specified in its charter)

Delaware	0-16471	56-1528994
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)
3128 Smoketree Court; Raleigh, North Carolina		27604
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(Address of principal executive offices)		(Zip Code)

Registrant's phone number including area code: 919-716-7000  
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Item 7. Financial Statements and Exhibits.

(c) Exhibits. The following exhibit is being filed with this Report:

Exhibit No.	Exhibit Description
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99	Copy of press release dated April 26, 2004

Item 9. Regulation FD Disclosure (Being furnished under both Item 9 and Item 12).

On April 26, 2004, Registrant announced its results of operations for the quarter ended March 31, 2004. A copy of Registrant's press release issued this date is attached as Exhibit 99 to this Report and is incorporated by reference into this Report.

Disclosures About Forward Looking Statements

The discussions included in this Report and its exhibits may contain forward looking statements within the meaning of the Private Securities Litigation Act of 1995, including Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to

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differ materially. For the purposes of these discussions, any statements that are not statements of historical fact may be deemed to be forward looking statements. Such statements are often characterized by the use of qualifying words such as "expects," "anticipates," "believes," "estimates," "plans," "projects," or other statements concerning opinions or judgments of the Registrant and its management about future events. The accuracy of such forward looking statements could be affected by such factors as, including but not limited to, the financial success or changing conditions or strategies of the Registrant's customers or vendors, fluctuations in interest rates, actions of government regulators, the availability of capital and personnel or general economic conditions.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

First Citizens BancShares, Inc.

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(Registrant)

Date: April 26, 2004

By: /S/Kenneth A. Black

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Kenneth A. Black  
Vice President

Exhibit 99  
4/26/2004

For Immediate Release  
April 26, 2004

Contact: Barbara Thompson  
First Citizens Bank  
(919) 716-2716

FIRST CITIZENS REPORTS EARNINGS FOR FIRST QUARTER 2004

RALEIGH, N.C. - First Citizens BancShares Inc. (Nasdaq: FCNCA) reports earnings for the quarter ending March 31, 2004, of \$17.3 million compared to \$18.3 million for the corresponding period of 2003, a decrease of 5.3 percent, according to Lewis R. Holding, chairman of the board.

Per share income for the first quarter 2004 totaled \$1.66 compared to \$1.75 for the same period a year ago. First Citizens' current quarter results generated an annualized return on average assets of 0.56 percent and an annualized return on average equity of 6.72 percent, compared to respective returns of 0.62 percent and 7.61 percent for the same period of 2003.

The decline in net income for the first quarter resulted from higher noninterest expense and provision for loan losses, partially offset by increases in net interest and noninterest income. Noninterest expense was \$118.9 million during the first quarter of 2004, an increase of \$8.0 million or 7.2 percent. The continued growth and expansion of the IronStone Bank branch network significantly impacted the rate of increase in noninterest expenses. Salary expense increased \$2.9 million or 6.1 percent over the same period of 2003, while occupancy expense grew \$1.1 million or 10.7 percent over 2003. Other expenses increased \$2.1 million or 7.3 percent as compared to the same period of

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2003, due primarily to higher cardholder processing costs.

Net interest income increased \$3.6 million or 4.0 percent from the same period of 2003, due to strong growth in loan demand throughout First Citizens' markets. Gross loans increased \$290.4 million or 3.5 percent during the first quarter of 2004 and \$912.5 million or 11.8 percent since March 31, 2003. Average interest-earning assets increased \$397.7 million or 3.7 percent from the first quarter of 2003 to the first quarter of 2004.

The taxable-equivalent yield on interest earning assets fell from 4.95 percent during the first quarter of 2003 to 4.47 percent during the first quarter of 2004, a 48 basis point reduction. The lower asset yields resulted from continued repricing of loans to current market rates. Offsetting the yield reduction, the rate on total interest-bearing liabilities fell from 1.86 percent during the first quarter of 2003 to 1.36 percent during the same period of 2004, a 50 basis point reduction. The taxable-equivalent net yield stabilized during the past two quarters due to renewed loan growth. Noninterest income was \$61.5 million during the first quarter of 2004, a \$5.5 million or 9.8 percent increase over the same period of 2003. The 2004 increase includes a \$2.8 million increase in gains on securities transactions. Cardholder and merchant services income increased \$1.7 million or 14.1 percent during 2004. Growth was also noted in service-charge and trust income.

The provision for loan losses was \$7.8 million during the first quarter of 2004, an increase of \$2.3 million or 41.1 percent over the same period of 2003. The higher provision for loan losses resulted from reserves established due to growth in the loan portfolio and higher net charge-offs. Net charge-offs during the first quarter of 2004 totaled \$5.2 million compared to \$4.7 million during the first quarter of 2003. Net charge-offs in both periods represent 0.25 percent of average loans. As of March 31, 2004, First Citizens had total assets of \$12.71 billion. Two of BancShares' major subsidiaries are First Citizens Bank with 337 branches in North Carolina, Virginia and West Virginia, and IronStone Bank with 45 branches in Florida, Georgia, Texas, Arizona and California. For more information, visit the First Citizens web site at [firstcitizens.com](http://firstcitizens.com).

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This news release may contain forward-looking statements. A discussion of factors that could cause First Citizens' actual results to differ materially from those expressed in such forward-looking statements is included in First Citizens' filings with the SEC.

### CONDENSED STATEMENTS OF INCOME

(thousands, except share data; unaudited)

	Three Mo
	20
Interest income	\$ 123,6
Interest expense	31,2
Net interest income	92,4
Provision for loan losses	7,8
Net interest income after provision for loan losses	84,6
Noninterest income	61,5
Noninterest expense	118,8

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Income before income taxes	27,2
Income taxes	9,9
Net income	\$ 17,3
Taxable-equivalent net interest income	\$ 92,7
Net income per share	\$ 1.
Cash dividends per share	0.2
Profitability Information (annualized)	
Return on average assets	0.
Return on average equity	6.
Taxable-equivalent net yield on interest-earning assets	3.

CONDENSED BALANCE SHEETS

(thousands, except share data; unaudited)	March 31 2004	December 2003
Cash and due from banks	\$ 639,658	\$ 790,1
Investment securities	2,150,738	2,469,4
Loans	8,616,987	8,326,5
Reserve for loan losses	(121,957)	(119,3
Other assets	1,421,529	1,093,0
Total assets	\$12,706,955	\$12,559,9
Deposits	\$10,795,536	\$10,711,3
Other liabilities	864,336	819,2
Shareholders' equity	1,047,083	1,029,3
Total liabilities and shareholders' equity	\$12,706,955	\$12,559,9
Book value per share	\$ 100.33	\$ 98.
Tangible book value per share	89.25	87.

SELECTED AVERAGE BALANCES

(thousands, except shares outstanding; unaudited)	Three Mo ended 3/31/04
Total assets	\$12,508,2
Investment securities	2,340,9
Loans	8,454,5
Interest-earning assets	11,138,8
Deposits	10,634,8

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Interest-bearing liabilities	9,210,2
Shareholders' equity	1,037,2
Shares outstanding	10,436,3

ASSET QUALITY

(dollars in thousands; unaudited)	March 31 2004	December 3 2003
Nonaccrual loans	\$ 13,969	\$ 18,1
Other real estate	6,202	5,9
<b>Total nonperforming assets</b>	<b>\$ 20,171</b>	<b>\$ 24,1</b>
Accruing loans 90 days or more past due	\$ 16,220	\$ 11,4
Nonperforming assets to gross loans plus other real estate	0.23%	0.
Reserve for loan losses to gross loans	1.42	1.
Net charge-offs to average total loans (annualized)	0.25	0.

CAPITAL INFORMATION

(dollars in thousands; unaudited)	March 31 2004	December 2003
Tier 1 capital	\$ 1,167,526	\$ 1,152,3
Total capital	1,292,265	1,273,6
Risk-weighted assets	9,257,813	8,951,4
Tier 1 capital ratio	12.61%	12.
Total capital ratio	13.96	14.
Leverage capital ratio	9.42	9.