

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name First Citizens BancShares, Inc.		2 Issuer's employer identification number (EIN) 56-1528994	
3 Name of contact for additional information Kathleen Perkinson	4 Telephone No. of contact 919-716-2773	5 Email address of contact kathy.perkinson@firstcitizens.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4300 Six Forks Road		7 City, town, or post office, state, and Zip code of contact Raleigh, NC 27609	
8 Date of action 10/1/14		9 Classification and description See attachment	
10 CUSIP number See attachment	11 Serial number(s) N/A	12 Ticker symbol See attachment	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **See attachment**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See attachment**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See attachment**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

The merger is treated for federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, the income tax consequences to the former South shareholders are determined under sections 354, 356, 358, 1001 and 1221 of the Code.

18 Can any resulting loss be recognized? ► See attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

The merger was effective October 1, 2014 and therefore the federal income tax consequences of the merger are reportable in the taxable year that includes that date (e.g. the taxable year ending December 31, 2014 for taxpayers on a calendar tax year).

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ► <u>Kathleen E Perkinson</u>	Date ► <u>10/23/14</u>		
Paid Preparer Use Only	Print your name ► <u>Kathleen E Perkinson</u>	Title ► <u>Senior Vice President</u>		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ►	Firm's EIN ►		
	Firm's address ►	Phone no.		

First Citizens BancShares, Inc.
EIN: 56-1528994

Attachments to IRS Form 8937
Report of Organizational Actions Affecting Basis of Securities

Attachment to Part I, Items 9, 10 and 12

Item 9 Classification and description	Item 10 CUSIP number	Item 12 Ticker symbol
Class A Common Stock of First Citizens BancShares, Inc.	31946M103	FCNCA
Class B Common Stock of First Citizens BancShares, Inc.	31946M202	FCNCB

Attachment to Part II, Item 14

Effective October 1, 2014, First Citizens Bancorporation, Inc. (“South”) merged with and into First Citizens BancShares, Inc. (“North”) in a statutory merger treated as a “reorganization” within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended. Under the terms of the merger agreement, each share of South common stock has been converted into the right to receive 4.00 shares of North Class A common stock and \$50.00 in cash, unless the holder of such shares elects for each share of such holder’s South common stock to be converted into the right to receive 3.58 shares of North Class A common stock and 0.42 shares of North Class B common stock (the “Class B Election”). (North Class A common stock and North Class B common stock are referred to collectively herein as “North common stock.”) Cash will be paid in lieu of issuing fractional shares of North Class A common stock or North Class B common stock.

Attachment to Part II, Items 15 and 16

Each former South shareholder (other than a former South shareholder making the Class B Election with respect to all of its shares of South common stock) generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the North common stock and the cash received by such former South shareholder in the merger (excluding cash received in lieu of a fractional share of North common stock) exceeds such former South shareholder’s tax basis in its South common stock (excluding the portion thereof allocable to fractional shares of North common stock deemed to be received by such former South shareholder and exchanged for cash) and (2) the amount of cash received by such former South shareholder in the merger (excluding cash received in lieu of a fractional share of North common stock).

A former South shareholder must calculate gain or loss separately for each identifiable block of South common stock. A loss realized on one block of South common stock may not be used to offset a gain realized on another block of South common stock.

Each former South shareholder is required to determine the tax basis of the shares of North common stock it receives in the merger separately with respect to each identifiable block of South common stock surrendered in the merger and having a common tax basis. The aggregate tax basis of the shares of North common stock received by a former South shareholder

First Citizens BancShares, Inc.
EIN: 56-1528994

Attachments to IRS Form 8937

Report of Organizational Actions Affecting Basis of Securities

with respect to an identifiable block of South common stock will be the same as such holder's aggregate tax basis in that identifiable block of South common stock (excluding the portion thereof allocable to fractional shares of North common stock deemed to be received and exchanged for cash), increased by the amount of any gain recognized by such former South shareholder with respect to that identifiable block of South common stock (excluding gain with respect to cash received in lieu of fractional shares of North common stock), and reduced by the amount of cash received in the merger with respect to that identifiable block of South common stock (excluding cash received in lieu of fractional shares of North common stock).

Each former South shareholder not making the Class B Election must allocate the aggregate tax basis of shares of North common stock received by such former South shareholder with respect to each identifiable block of South common stock (as calculated pursuant to the preceding paragraph) equally among such shares of North common stock. Each former South shareholder making the Class B Election must allocate the aggregate tax basis of shares of North common stock received by such former South shareholder with respect to each identifiable block of South common stock between the North Class A common stock and the North Class B common stock received with respect to that identifiable block of South common stock in proportion to the respective aggregate fair market values of the total number of shares received within each class, with the tax basis allocated to each such class then being allocated equally among the shares in such class. On September 30, 2014, the last trading day prior to the effective date of the merger, the closing price of North Class A common stock was \$216.63 and the closing price of North Class B common stock was \$213.00.

The actual tax basis of shares of North common stock issued in the merger will differ with respect to each former South shareholder and, additionally, the tax basis may differ between shares of North common stock received with respect to separate identifiable blocks of South common stock owned by any former South shareholder. Therefore, each former South shareholder must determine the specific quantitative effect of the merger on its tax basis in the North common stock received in the merger.

Holders of South common stock who receive cash in lieu of fractional shares of North common stock in the merger will be treated as having received the fractional shares in the merger and as having then exchanged the fractional shares for cash. Such holders will generally recognize gain or loss equal to the difference between the tax basis of their South common stock allocable to the fractional shares of North common stock and the amount of cash received in lieu of such fractional shares of North common stock.

Attachment to Part II, Item 18

Former South shareholders cannot recognize any loss by reason of the merger, except with respect to cash received in lieu of a fractional share of North common stock. If a former South shareholder receives cash in lieu of a fractional share of North common stock, the former South shareholder will be treated as having received the fractional share of North common stock

First Citizens BancShares, Inc.

EIN: 56-1528994

Attachments to IRS Form 8937

Report of Organizational Actions Affecting Basis of Securities

pursuant to the merger and then having exchanged the fractional share of North common stock pursuant to the merger for cash. As a result, such former South shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and such former South shareholder's tax basis in the fractional share of North common stock deemed to have been received and exchanged.