First Citizens BancShares (FCNCA)

Updated November 13th, 2025 by Aristofanis Papadatos

Key Metrics

Current Price:	$1,832	**5 Year CAGR Estimate:**	10.5%	**Market Cap:**	$22.6 B
Fair Value Price:	$2,108	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	11/28/2025
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.8%	**Dividend Payment Date:**	12/15/2025
Dividend Yield:	0.5%	**5 Year Price Target**	$2,957	**Years Of Dividend Growth:**	9
Dividend Risk Score:	A	**Sector:** Financials		**Rating:**	Buy

Overview & Current Events

First Citizens BancShares is a Top 20 U.S. financial institution and a member of the Fortune 500™, with more than $200 billion in assets. It is the financial holding company of First Citizens Bank and is headquartered in Raleigh, North Carolina. The bank has more than 500 branches and offices in 30 states and offers a wide range of banking services, including commercial lending and leasing as well as personalized service. First Citizens BancShares has a market capitalization of $22.6 billion.

On March 27th, 2023, the stock of First Citizens BancShares surged 52%. The extraordinary move was triggered by the acquisition of the deposits and loans of Silicon Valley Bank by First Citizens BancShares after the former went bankrupt due to a bank run amid the crisis of regional banks. In that deal, First Citizens BancShares acquired $72 billion of assets at a 23% discount.

In late October, First Citizens BancShares reported (10/23/25) financial results for the third quarter of fiscal 2025. Adjusted earnings-per-share edged down -0.4% sequentially, from $44.78 to $44.62, but exceeded the analysts' estimates by $3.13. The decrease resulted primarily from higher provisions for loan losses. Deposits grew 2% while loans grew 2.5%. Net interest margin remained flat at 3.26% and net interest income edged up 2%. We note that First Citizens BancShares is one of the most resilient banks during downturns, as it proved capable of acquiring the assets of Silicon Valley Bank while other banks were struggling during the downturn of regional banks in 2023. On the other hand, the absence of expansion of net interest margin in the last five quarters is in contrast to the expansion in most banks amid lower interest rates. We still expect annual earnings-per-share of $170.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$17.52	$18.77	$26.96	$33.53	$41.05	$47.50	$53.88	$77.24	$175.22	$194.96	***$170.0***	***$238.43***
DPS	$1.20	$1.20	$1.25	$1.45	$1.60	$1.67	$1.88	$2.16	$3.89	$6.87	***$8.40***	***$16.17***
Shares[1]	12.0	12.0	12.0	11.9	11.1	10.1	9.8	15.5	14.5	13.9	***13.5***	***13.0***

First Citizens BancShares has grown its earnings-per-share every single year over the last nine years, at a 31% average annual rate. A consistent growth rate is paramount, as it is a testament to the strength of the business model and the quality of management. Investors should not expect a similar growth rate going forward, as the 31% growth has partly resulted from the acquisition of the assets of Silicon Valley Bank. First Citizens BancShares grew its bottom line at a 24% average annual rate between 2014 and 2022. Its lowest growth rate was 7% in 2016. We assume 7.0% average annual growth of earnings-per-share over the next five years in order to have a margin of safety.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	13.6	15.7	13.4	12.6	11.6	9.4	14.6	9.5	6.4	9.2	***10.8***	***12.4***
Avg. Yld.	0.5%	0.4%	0.3%	0.3%	0.3%	0.4%	0.2%	0.3%	0.3%	0.4%	***0.5%***	***0.5%***

[1] In millions.

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First Citizens BancShares is currently trading at a price-to-earnings ratio of 10.8, which is lower than the 10-year average price-to-earnings ratio of 12.4 of the stock. We assume a fair earnings multiple of 12.4 for the stock, in line with its historical average. If the stock trades at our fair value estimate in five years, it will enjoy a 2.8% annualized valuation tailwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	7%	6%	5%	4%	4%	4%	3%	3%	2%	4%	***5%***	***7%***

First Citizens BancShares is a well-managed bank, which has always targeted a conservative capital ratio. The bank currently has a Tier 1 capital ratio of 12.2%, which results in the highest regulatory classification of "well capitalized." Moreover, its credit quality is strong, as there are very few non-performing loans in its portfolio.

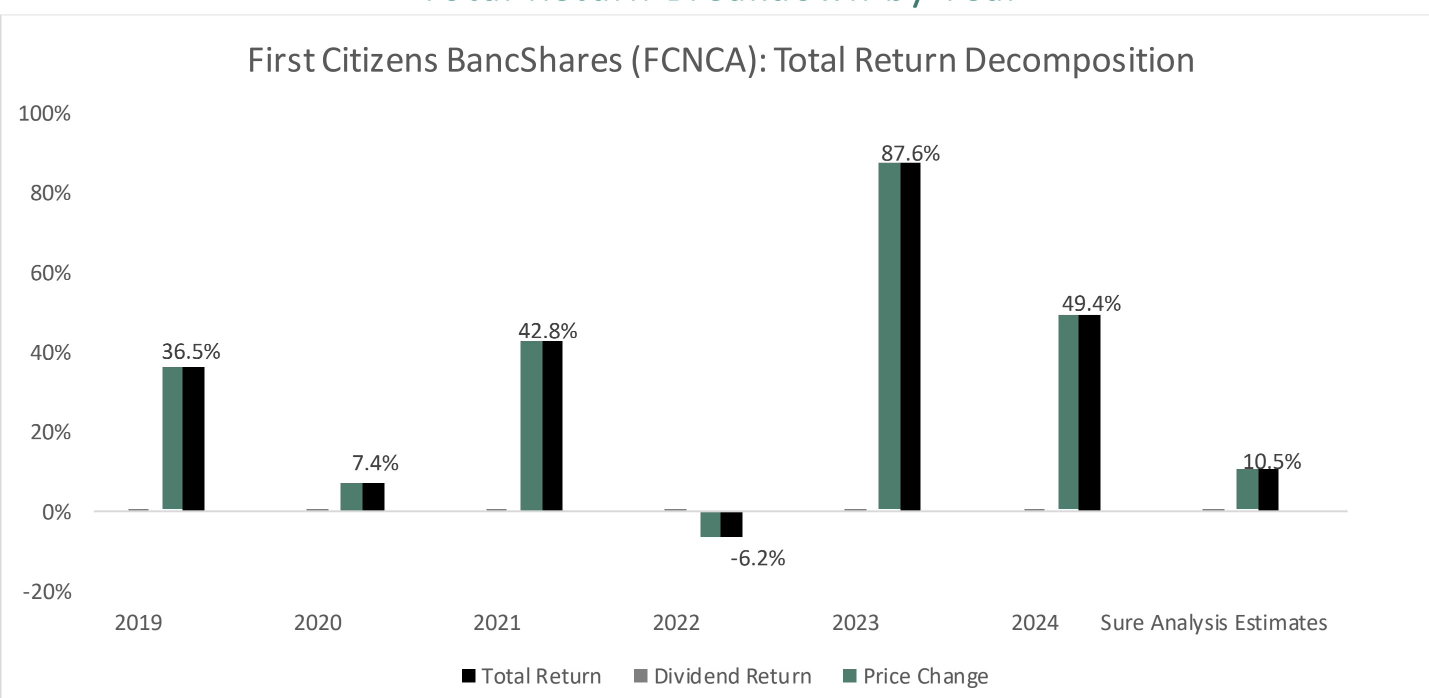
The merits of the prudent business strategy and the quality of management were evident during the pandemic and the fierce downturn of regional banks in 2023. While most banks saw their earnings decrease in 2020 and some banks struggled during the downturn of regional banks in 2023, First Citizens BancShares continued growing its earnings at full speed. We consider First Citizens BancShares one of the most resilient banks to recessions and downturns.

Income-oriented investors may dismiss the stock for its extremely low dividend yield of 0.5%. However, the low yield has resulted merely from an extremely low payout ratio of 5%. In other words, management prefers to reinvest earnings in the business instead of distributing them to shareholders. Given the explosive growth of the bank, this capital allocation policy has greatly benefited long-term shareholders. We applaud management for its capital allocation.

Final Thoughts & Recommendation

It is only natural that First Citizens BancShares is currently facing a deceleration in its business, after more than doubling its earnings-per-share in just two years. The stock has shed -23% off its peak in late 2024, partly due to business deceleration, and thus it has become highly attractive. It could offer a 10.5% average annual return over the next five years thanks to 7.0% growth of earnings-per-share, a 0.5% dividend and a 2.8% valuation gain. It receives a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,261	1,297	1,409	1,552	1,698	1,820	1,838	4,526	8,756	9730
SG&A Exp.	561	559	642	687	703	745	783	1,681	3,118	3511
D&A Exp.	111	111	114	120	128	133	143	533	(57)	130
Net Profit	210	225	324	400	457	492	547	1,098	11,466	2777
Net Margin	16.7%	17.4%	23.0%	25.8%	26.9%	27.0%	29.8%	24.3%	131.0%	28.5%
Free Cash Flow	143	149	270	313	457	243	(391)	1,865	1,232	1,453
Income Tax	122	126	220	103	135	126	154	264	611	815

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	31,476	32,991	34,528	35,409	39,824	49,958	58,309	109,298	213,758	223,720
Cash & Equivalents	534	540	336	327	377	362	9,453	5,543	34,517	22,178
Goodwill	231	229	224	309	418	401	388	511	683	595
Total Liabilities	28,604	29,978	31,193	31,920	36,238	45,728	53,571	99,636	192,503	201,492
Accounts Payable								57	137	134
Long-Term Debt	695	837	968	348	884	1,242	1,191	6,202	37,160	37,051
Shareholder's Equity	2,872	3,012	3,334	3,489	3,586	3,889	4,398	8,781	20,374	21,347
LTD/E Ratio	0.24	0.28	0.29	0.10	0.25	0.29	0.25	0.64	1.75	1.67

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.7%	0.7%	1.0%	1.1%	1.2%	1.1%	1.0%	1.3%	7.1%	1.3%
Return on Equity	7.6%	7.7%	10.2%	11.7%	12.9%	12.6%	12.2%	15.3%	74.2%	12.8%
ROIC	5.8%	6.1%	7.9%	9.8%	11.0%	9.9%	9.6%	10.1%	30.9%	4.7%
Shares Out.	12.0	12.0	12.0	11.9	11.1	10.1	9.8	15.5	14.5	14.3
Revenue/Share	105.02	107.99	117.31	130.04	152.38	180.97	187.24	291.06	602.22	678.40
FCF/Share	11.93	12.38	22.52	26.25	41.03	24.16	(39.83)	119.94	84.73	101.31

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.