First Citizens BancShares (FCNCA)

Updated April 24th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$1,976	**5 Year CAGR Estimate:**	9.2%	**Market Cap:**	$23 B
Fair Value Price:	$2,142	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	5/29/2026
% Fair Value:	92%	**5 Year Valuation Multiple Estimate:**	1.6%	**Dividend Payment Date:**	6/15/2026
Dividend Yield:	0.4%	**5 Year Price Target**	$3,004	**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 $23 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 April, First Citizens BancShares reported (4/23/26) financial results for the first quarter of fiscal 2026. Adjusted earnings-per-share dipped -2% sequentially, from $45.81 to $44.86, but exceeded the analysts' estimates by $5.63. The decrease resulted from lower net interest income and higher provisions for loan losses. Deposits grew 6% while loans grew 0.5%. Net interest margin shrank from 3.20% to 3.09% and net interest income decreased -6%. 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 seven quarters is in contrast to the expansion in most banks amid lower interest rates. We still expect earnings-per-share of approximately $180 in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$18.77	$26.96	$33.53	$41.05	$47.50	$53.88	$77.24	$175.22	$194.96	$177.88	***$180***	***$252.46***
DPS	$1.20	$1.25	$1.45	$1.60	$1.67	$1.88	$2.16	$3.89	$6.87	$7.95	***$8.40***	***$16.17***
Shares[1]	12.0	12.0	11.9	11.1	10.1	9.8	15.5	14.5	13.9	12.4	***12.0***	***11.0***

First Citizens BancShares has grown its earnings-per-share in 8 of the last 9 years, at a 28% 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 28% growth has partly resulted from the acquisition of the assets of Silicon Valley Bank. On the other hand, the earnings of First Citizens BancShares have remained stagnant in the last two years due to a high comparison base and weak net interest margin. We expect the bank to return to growth mode, with 7.0% average annual growth of earnings-per-share over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.7	13.4	12.6	11.6	9.4	14.6	9.5	6.4	9.2	11.0	***11.0***	***11.9***
Avg. Yld.	0.4%	0.3%	0.3%	0.3%	0.4%	0.2%	0.3%	0.3%	0.4%	0.4%	***0.4%***	***0.5%***

[1] In millions.

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First Citizens BancShares is currently trading at a price-to-earnings ratio of 11.0, which is lower than the 10-year average price-to-earnings ratio of 11.9 of the stock. We assume a fair earnings multiple of 11.9 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 1.6% annualized valuation tailwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	6%	5%	4%	4%	4%	3%	3%	2%	4%	4%	***5%***	***6%***

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 11.8%, 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.

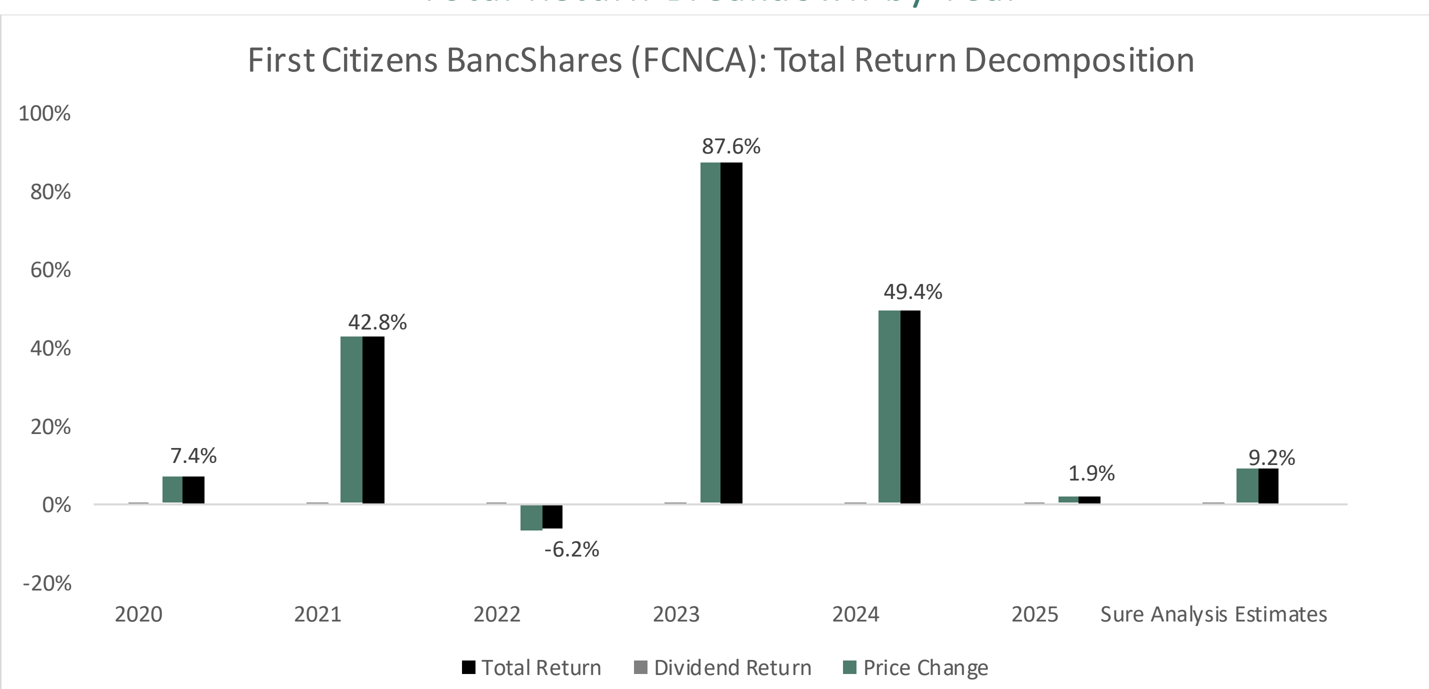
The merits of the prudent business strategy and the quality of management were evident during the pandemic and the fierce downturn of regional banks in 2023. While most banks saw their earnings decrease in 2020 and some banks struggled during the downturn of regional banks in 2023, First Citizens BancShares 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 0.4%. 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 -16% off its peak in late 2024, partly due to business deceleration, and thus it has become attractive. It could offer a 9.2% average annual return over the next five years thanks to 7.0% growth of earnings-per-share, a 0.4% dividend and a 1.6% valuation gain. It receives a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,297	1,409	1,552	1,698	1,820	1,838	4,526	8,756	9,730	9,541
SG&A Exp.	559	642	687	703	745	783	1,681	3,118	3,511	---
D&A Exp.	111	114	120	128	133	143	533	(57)	130	405
Net Profit	225	324	400	457	492	547	1,098	11,466	2,777	2206
Net Margin	17.4%	23.0%	25.8%	26.9%	27.0%	29.8%	24.3%	131.0%	28.5%	23.1%
Free Cash Flow	149	270	313	457	243	(391)	1,865	1,232	1,453	1,361
Income Tax	126	220	103	135	126	154	264	611	815	765

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	32,991	34,528	35,409	39,824	49,958	58,309	109,298	213,758	223,720	229,698
Cash & Equivalents	540	336	327	377	362	9,453	5,543	34,517	22,178	801
Goodwill	229	224	309	418	401	388	511	683	595	541
Total Liabilities	29,978	31,193	31,920	36,238	45,728	53,571	99,636	192,503	201,492	207,460
Accounts Payable							57	137	134	1,148
Long-Term Debt	837	968	348	884	1,242	1,191	6,202	37,160	37,051	35,784
Shareholder's Equity	3,012	3,334	3,489	3,586	3,889	4,398	8,781	20,374	21,347	20,863
LTD/E Ratio	0.28	0.29	0.10	0.25	0.29	0.25	0.64	1.75	1.67	1.67

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.7%	1.0%	1.1%	1.2%	1.1%	1.0%	1.3%	7.1%	1.3%	1.0%
Return on Equity	7.7%	10.2%	11.7%	12.9%	12.6%	12.2%	15.3%	74.2%	12.8%	9.9%
ROIC	6.1%	7.9%	9.8%	11.0%	9.9%	9.6%	10.1%	30.9%	4.7%	3.7%
Shares Out.	12.0	12.0	11.9	11.1	10.1	9.8	15.5	14.5	14.3	13.0
Revenue/Share	107.99	117.31	130.04	152.38	180.97	187.24	291.06	602.22	678.40	733.78
FCF/Share	12.38	22.52	26.25	41.03	24.16	(39.83)	119.94	84.73	101.31	104.67

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