

CERTIFICATE OF INCORPORATION
OF
FIRST CITIZENS BANCSHARES, INC.

ARTICLE I

The name of the corporation is First Citizens BancShares, Inc.

ARTICLE II

The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, 19801, and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the corporation is to operate as a one-bank or as a multi-bank holding company and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The aggregate number of shares which the corporation shall have authority to issue is Twenty-Five Million One Hundred Fifty-Seven Thousand Eight Hundred Twenty-Eight (25,157,828) shares divided into six classes. The designation, the number of authorized shares and the par value of the shares of each class are as follows:

<u>Class</u>	<u>Number of Shares</u>	<u>Par Value Per Share</u>
Class A Common	20,000,000	\$ 1.00
Class B Common	5,000,000	\$ 1.00
Series C, 5% Cumulative Preferred	32,368	\$20.00
Series D, 5% Cumulative Convertible Preferred	8,000	\$100.00

<u>Class</u>	<u>Number of Shares</u>	<u>Par Value Per Share</u>
Series E, 9% Cumulative Convertible Preferred	82,200	\$40.00
Series F, 9% Cumulative Convertible Preferred	35,260	\$50.00

The preferences, limitations and relative rights of the shares of each class are as follows:

COMMON:

Class A Common - The Class A common stock has one (1) vote for each share outstanding and, as to dividends and liquidation, is subject to the specific preferences of the various classes of preferred stock and shall share with the Class B common stock as specified below.

Class B Common - The Class B common stock has sixteen (16) votes for each share outstanding and, as to dividends and liquidation, is subject to the specific preferences of the various classes of preferred stock and shall share with the Class A common stock as specified below.

Liquidation, Dividends, Spin-Offs, Distributions-In-Kind and Other Benefits (Except Voting) of Class A and Class B Common: As to liquidation, any amounts available after satisfaction of the specific preferences of the various classes of preferred stock shall be distributed between the outstanding Class A common stock and the outstanding Class B common stock pro rata based on the number of shares issued and outstanding of Class A common stock and Class B common stock.

Dividends, spin-offs, distributions-in-kind and all other like and similar benefits and transactions (except voting) shall be paid or distributed on the Class A common stock and the Class B common stock as declared from time to time by the Board of Directors; provided, however, that the dividends, spin-offs, distributions-in-kind and all other like and similar benefits and transactions shall be the same for each issued and outstanding share of Class A common stock and for each issued and outstanding share of Class B common stock as of the record date.

Neither Class A nor Class B common shall have class voting privileges except as required by law and each class shall have liquidation and dividend preferences and protection against dilution as provided below.

PREFERRED:

Series C, 5% Cumulative Preferred - Dividends are payable January 1 on a cumulative, annual basis in cash at the rate of five percent (5%) per annum of the par value (\$20) thereof. Shareholders of Series C are entitled to 8.40 votes for each share of Series C and the corporation may call at its discretion for redemption in cash all or part of Series C at a price equal to its par value plus accrued and unpaid dividends. Series C does not have class voting privileges except as required by law and has liquidation and dividend preferences and protection against dilution as provided below.

Series D, 5% Cumulative Convertible Preferred - Dividends are payable on November 1 on a cumulative, annual basis in cash at the rate of five percent (5%) per annum of the par value (\$1) thereof. Shareholders of Series D are entitled to 31.25 votes for each 1 share of Series D. Series D is convertible on a dollar-for-dollar basis of 16 shares of Series D for 25 shares of the corporation's \$1.00 par value Class B common stock, plus 16 shares of the corporation's \$1.00 par value Class A common stock, with proration. Such conversion privilege may be exercised at the option of a holder of Series D shares through October 31, 1986, at which time the conversion privilege shall cease. Series D is not callable for redemption prior to November 1, 1994, when the corporation shall call for redemption in cash at a price equal to its par value plus accrued and unpaid dividends all Series D shares remaining outstanding. Redemption shall be accomplished by prior written notice of at least thirty (30) days and once said notice is given and the effective date of redemption has passed, no further dividends shall accrue and the Series D shareholder shall have no further rights except to receive the redemption amount on the redemption date upon surrender of the shareholder's certificate. Series D does not have class voting privileges except as required by law and has liquidation and dividend preferences and protection against dilution as provided below.

Series E, 9% Cumulative Convertible Preferred - Dividends are payable June 15 and December 15 on a cumulative, semiannual basis in cash at the rate of nine percent (9%) per annum of the par value (\$40) thereof. Shareholders of Series E are entitled to 12.82 votes for each 1 share of Series E. Series E

convertible into \$1.00 par value Class B common stock of the corporation on a basis of 39 shares of Series E for 25 shares of the corporation's \$1.00 par value Class B common stock, plus 100 shares of the corporation's \$1.00 par value Class A common stock, with proration. Such conversion privilege may be exercised at the option of a holder of Series E shares through December 14, 1986, at which time the conversion privilege shall cease. Series E is not callable for redemption prior to December 15, 1988. From and after December 15, 1988, all or part of Series E may be called for redemption at a price equal to its par value plus accrued and unpaid dividends in cash and on December 15, 1996, the corporation shall call for redemption in cash at a price equal to its par value plus accrued and unpaid dividends all Series E remaining outstanding. Redemption shall be accomplished by prior written notice of at least thirty (30) days and once said notice is given and the effective date of redemption has passed, no further dividends shall accrue and the Series E shareholder shall have no further rights except to receive the redemption amount on the redemption date upon surrender of the shareholder's certificate(s). Series E does not have class voting privileges except as required by law and has liquidation and dividend preferences and protection against dilution as provided below.

Series F, 9% Cumulative Convertible Preferred - Dividends are payable June 15 and December 15 on a cumulative, semiannual basis in cash at the rate of nine percent (9%) per annum of the par value (\$50) thereof. Shareholders of Series F are entitled to 16.13 votes for each 1 share of Series F. Series F is convertible into \$1.00 par value Class B common stock of the corporation on a basis of 31 shares of Series F for 25 shares of the corporation's \$1.00 par value Class B common stock, plus 100 shares of the corporation's \$1.00 par value Class A common stock, with proration. Such conversion privilege may be exercised at the option of a holder of Series F shares through December 14, 1986, at which time the conversion privilege shall cease. Series F is not callable for redemption prior to December 15, 1988. From and after December 15, 1988, all or part of Series F may be called for redemption at a price equal to its par value plus accrued and unpaid dividends in cash and on December 15, 1996, the corporation shall call for redemption in cash at a price equal to its par value plus accrued and unpaid dividends all Series F remaining outstanding. Redemption shall be accomplished by prior written notice of at least thirty (30) days and once said notice is given and the effective date of redemption has passed, no further dividends shall accrue and the Series F shareholder shall have no further rights except to receive the redemption amount on the redemption date upon surrender of the shareholder's certificate(s). Series F does

not have class voting privileges except as required by law and has liquidation and dividend preferences and protection against dilution as provided below.

Dividend and Liquidation Preferences: The dividend preferences for the Series C, Series D, Series E and Series F preferred stock provide for the cumulative payment of dividends in the amount stated in each class which shall be paid before dividends are declared and paid on the Class A common stock and the Class B common stock. Each share within each class of preferred stock shall share pro rata in all amounts declared available for the payment of preferred dividends based on the then outstanding cumulative amount due on each share. Upon liquidation, the amounts available for distribution to shareholders shall be applied first to the preferred shareholders' cumulative dividends due which will be allocated pro rata based on the then outstanding cumulative amounts due for each share of preferred stock; then pro rata based on the par value of each share of all of the classes of preferred stock; then to the common dividends declared and due which shall be paid pro rata based on the number of issued and outstanding shares of Class A common stock and Class B common stock; and then to the outstanding Class A common shares and Class B common shares pro rata based on the number of issued and outstanding shares of Class A common stock and Class B common stock.

Protection Against Dilution: The voting privilege of the Series C, Series D, Series E and Series F preferred stock will be proportionately amended in the event of a change in the Class A or Class B common stock outstanding by reason of stock splits (either direct or reverse) of the Class A or Class B common stock, stock dividends or other in kind dividends of the Class A or Class B common stock or other voting shares, or other like transactions. The exchange ratio for and the benefits to be received upon conversion to Class B common stock of the Series D, Series E and Series F preferred stock will be proportionately amended in the event of a change in the Class B common stock outstanding by reason of stock splits (either direct or reverse) of the Class B common stock, stock dividends of the Class A or Class B common stock or other voting shares, or other like transactions not included in the amended provisions set forth above; provided, however, that until converted, benefits (other than voting rights) due on conversion will not be available nor begin to accrue.

Fractional Shares: The conversion privilege of the Series D, Series E and Series F preferred stock to Class A common stock and Class B common stock of the corporation pertains to full

shares of Class A common stock and Class B common stock only and the shareholders of Series D, Series E and Series F preferred stock shall have the sole responsibility to hold, sell, or otherwise dispose of any shares of Series D, Series E or Series F preferred stock in a number less than sufficient to convert into full shares of Class A common stock and Class B common stock of the corporation. Upon tender for conversion, the corporation shall issue to the tendering shareholder the number of full shares of Class A common stock and Class B common stock to which such shareholder's holding of that particular class of convertible preferred stock would entitle him and for any fraction of a full share of such class of convertible preferred stock remaining after conversion, the corporation shall pay such shareholder at the rate of the par value of such tendered preferred stock plus accrued dividends, the responsibility remaining with the shareholder to handle any full shares of the said class of preferred stock remaining in any manner the said shareholder desires. No certificates for fractional shares shall be issued in any event.

ARTICLE V

In furtherance, and not in limitation of the powers conferred upon the Board of Directors by law, the Board of Directors shall have the power to make, adopt, alter, amend and repeal, from time to time, the Bylaws of the corporation, subject to the rights of the shareholders entitled to vote with respect thereto to alter or repeal Bylaws made by the Board of Directors.

ARTICLE VI

No Director shall be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a Director for any act or omission, except that he may be liable (i) for any breach of the Director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of Delaware or (iv) for any transaction from which the Director derived an improper personal benefit. The corporation shall, to the full extent

permitted by Section 145 of the General Corporation Law of Delaware, indemnify all persons whom it may indemnify pursuant thereto.

ARTICLE VII

The name and mailing address of the sole incorporator of the corporation are:

<u>Name</u>	<u>Address</u>
David L. Ward, Jr.	Post Office Box 867 New Bern, North Carolina 28560

ARTICLE VIII

The name and mailing address of each person who is to serve as a director until the first annual meeting of shareholders or until his successor is elected and qualifies are as follows:

<u>Name</u>	<u>Address</u>
Lewis R. Holding	Post Office Box 151 Raleigh, North Carolina 27602
Frank B. Holding	Post Office Box 1377 Smithfield, North Carolina 27577
George H. Broadrick	Post Office Box 151 Raleigh, North Carolina 27602
William M. Sanders, III	4901 Fayetteville Road Raleigh, North Carolina 27603
David L. Ward, Jr.	Post Office Box 867 New Bern, North Carolina 28560

ARTICLE IX

The principal place of business of the corporation shall be 20 East Martin Street, City of Raleigh, County of Wake, State of North Carolina 27601.