

FIRST CITIZENS BANCSHARES INC /DE/
Form S-4
July 17, 2014

As filed with the Securities and Exchange Commission on July 17, 2014.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FIRST CITIZENS BANCSHARES, INC.

(Name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	6023 (Primary Standard Industrial Classification Code)	56-1528994 (I.R.S. Employer Identification Number)
4300 Six Forks Road, Raleigh, North Carolina 27609 (919) 716-7000		

(Address and telephone number of principal executive offices)

Frank B. Holding, Jr.

Chairman and Chief Executive Officer

First Citizens BancShares, Inc.

4300 Six Forks Road, Raleigh, North Carolina 27609 (919) 716-7000

(Name, address and telephone number of agent for service)

With copies to:

Gerald F. Roach, Esq.	Barry P. Harris, IV, Esq.	William R. Lathan, Jr., Esq.
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Seth M. Huffstetler, Esq.	First Citizens Bancorporation, Inc.	Haynsworth Sinkler Boyd, P.A.
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101 North Tryon Street, Suite 1900	Columbia, South Carolina 29201	Suite 2200
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Phone: (704) 377-2536	Facsimile: (803) 931-1448	Phone: (803) 540-7819
Facsimile: (704) 378-4000		Facsimile: (803) 765-1243

Approximate date of commencement of the proposed sale of the securities to the public:

As soon as practicable after this Registration Statement has become effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 14e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate	
			Offering Price	Amount of Registration Fee(3)
Class A Common Stock	N/A	N/A	\$668,407,442.13	\$86,090.88
Class B Common Stock	N/A	N/A	N/A(4)	N/A(5)

(1)

Represents the maximum number of full shares of First Citizens BancShares, Inc. (North) common stock for each applicable row estimated to be issuable upon consummation of the transaction described herein. Pursuant to Rule 416, this registration statement also covers additional shares that may be issued as a result of stock splits, stock dividends or similar transactions.

- (2) Estimated solely for the purpose of determining the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rules 457(f) and 457(c) of the Securities Act based on the value of the shares of First Citizens Bancorporation, Inc. (South) voting common stock and South non-voting common stock expected to be exchanged for North Class A common stock and North Class B common stock in the merger, as established by the average of the high and low sale price of shares of South voting common stock on July 11, 2014 as quoted on the OTC Bulletin Board and the book value of shares of South non-voting common stock as of June 30, 2014.
- (3) Computed in accordance with Rules 457(f) and 457(c) of the Securities Act solely for the purpose of calculating the registration fee and based upon a rate of \$128.80 per \$1,000,000 of the proposed maximum aggregate offering price.
- (4) The proposed maximum aggregate offering price is calculated based upon the value of the shares of South voting common stock and South non-voting common stock as set forth in footnote (2) above.
- (5) The amount listed above represents the total aggregate registration fee payable.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell nor shall there be any sale of these securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY-SUBJECT TO COMPLETION DATED JULY 17, 2014

To the Shareholders of First Citizens BancShares, Inc. and First Citizens Bancorporation, Inc.:

We are pleased to report that First Citizens BancShares, Inc. (North) and First Citizens Bancorporation, Inc. (South) have entered into a definitive merger agreement that provides for the combination of our two companies. Under the merger agreement, South will merge with and into North, with North as the surviving company in the merger. We cannot complete the merger transaction without your approval. Holders of shares of North Class A common stock and North Class B common stock will vote to approve (i) the merger agreement, (ii) the issuance of North common stock in connection with the merger pursuant to the requirements of NASDAQ Listing Rules and (iii) an amendment to the North Restated Certificate of Incorporation to authorize additional shares of North Class A common stock to enable the issuance of such shares in connection with the merger, each at a special meeting of stockholders to be held on [], 2014. Holders of shares of South voting and non-voting common stock will vote to approve the merger agreement at a special meeting of shareholders to be held on [], 2014. This document, which serves as a joint proxy statement for the special meetings of North and South and as a prospectus for the shares of North common stock to be issued in the merger to South shareholders, gives you detailed information about the special meetings and the merger.

Under the terms of the merger agreement, each share of South common stock will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00 in cash, unless the holder of such share elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, 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. Cash will be paid in lieu of issuing fractional shares of North common stock.

The value of the shares of North common stock to be issued in the merger will fluctuate between now and the closing date of the merger. We will not know the final value of the per share merger consideration payable to holders of South common stock until after such holders make their elections after closing of the merger; however, (i) based on the closing price of North Class A common stock and the last sale price of North Class B common stock on June 9, 2014, the last trading day before the public announcement of the signing of the merger agreement, the value of the aggregate merger consideration payable to holders of South common stock was between \$607,010,000 and \$644,715,000, depending on whether all South shareholders receive shares of North Class A common stock and cash or elect to receive shares of North Class A common stock and shares of North Class B common stock and excluding shares of South common stock held by North, and (ii) based on the closing price of North Class A common stock and the last sale price of North Class B common stock on [], 2014, the last practicable date before the date of this document, the value of the aggregate merger consideration payable to holders of South common stock was between \$[] and \$[], depending on whether all South shareholders receive shares of North Class A common stock and cash or elect to receive shares of North Class A common stock and shares of North Class B common stock and excluding shares of South common stock held by North. South shareholders should obtain current sale prices for North common

stock. North Class A common stock trades on the NASDAQ Global Select Market under the symbol FCNCA. North Class B common stock trades on the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCNCB. South voting common stock trades on the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCBN. There is no established public trading market for South non-voting common stock.

Based on the current number of shares of South common stock outstanding, (i) if all South shareholders elect to receive only North Class A common stock and cash, North currently expects to issue up to 2,605,004 shares of North Class A common stock upon completion of the merger and (ii) if all South shareholders elect to

receive North Class A common stock and North Class B common stock, North currently expects to issue up to 2,331,479 shares of Class A common stock and 273,526 shares of North Class B common stock upon completion of the merger. However, the number of shares actually issued upon completion of the merger could change depending on the actual elections of South shareholders.

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended, referred to as the Internal Revenue Code or the Code. Assuming the merger qualifies as a reorganization, a holder of South common stock who receives only North common stock in the merger generally will not recognize gain for tax purposes in the merger. A holder of South common stock who receives cash in the merger will recognize gain for tax purposes up to the amount of cash received. In addition, a holder of South common stock may recognize gain or loss for tax purposes from the receipt of cash in lieu of a fractional share of North common stock that such holder of South common stock would otherwise be entitled to receive.

Holders of North Class A common stock do not have a right to seek appraisal for their shares of North Class A common stock; however, holders of North Class B common stock do have the right to seek appraisal for their shares of North Class B common stock under Delaware law, provided they comply with each of the requirements under Delaware law, including not voting in favor of the merger agreement and providing notice to North. For more information regarding appraisal rights, please see The Merger Appraisal Rights of Holders of North Class B Common Stock beginning on page [] of this joint proxy statement/prospectus.

South shareholders have dissenters' rights under South Carolina law entitling them to obtain payment in cash for the fair value of their shares, provided they comply with each of the requirements under South Carolina law, including not voting in favor of the merger agreement and providing notice to South. For more information regarding dissenters' rights, please see The Merger Dissenters' Rights of South Shareholders beginning on page [] of this joint proxy statement/prospectus.

Your vote is very important. To ensure your representation at the North or South special meeting, as applicable, please vote either electronically by telephone or through the Internet, or by completing, signing, dating and mailing the enclosed proxy card or broker's instruction form in the enclosed envelope. Whether or not you expect to attend the North or South special meeting, as applicable, please vote promptly. If you are a record shareholder, submitting a proxy card or voting electronically now will not prevent you from being able to vote in person at the applicable special meeting. Each of the North and South boards of directors has adopted and approved the merger agreement and the transactions contemplated by it, and recommends that its respective shareholders vote FOR approval of each of the proposals described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the appendices and the documents incorporated herein by reference, carefully because it contains important information about the special meetings and the merger. **In particular, you should read carefully the information set forth under Risk Factors beginning on page 24 of this joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the proposed merger.**

On behalf of the North and South boards of directors, thank you for your prompt attention to this important matter.

Sincerely,

Frank B. Holding, Jr.

Jim B. Apple

Chairman and Chief Executive Officer

First Citizens BancShares, Inc.

Chairman, Chief Executive Officer and President

First Citizens Bancorporation, Inc.

The shares of North common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of either North or South and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the North Carolina Office of the Commissioner of Banks, the South Carolina State Board of Financial Institutions nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2014, and is being first mailed to North stockholders and South shareholders on or about [], 2014.

FIRST CITIZENS BANCSHARES, INC.

4300 Six Forks Road

Raleigh, North Carolina 27609

(919) 716-7000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2014

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of First Citizens BancShares, Inc. (North) will be held at [] on [], 2014, at [] local time, for the following purposes:

1. Approval of Agreement and Plan of Merger. To consider and vote upon a proposal to approve the Agreement and Plan of Merger dated June 10, 2014 (the merger agreement) by and between First Citizens Bancorporation, Inc. (South) and North, pursuant to which South will merge with and into North, with North as the surviving company in the merger (the North merger proposal). You will find a copy of the merger agreement attached as Appendix A to this document.
2. Approval of Share Issuance. To consider and vote upon the issuance of up to 2,605,004 shares of North Class A common stock and up to 273,526 shares of North Class B common stock in connection with the merger agreement (the North share issuance proposal).
3. Approval of Amendment to Restated Certificate of Incorporation. To consider and vote upon an amendment to North s restated certificate of incorporation, as amended, that will increase the authorized number of shares of North Class A common stock from 11,000,000 to 16,000,000 shares to enable the issuance of shares of North Class A common stock in the merger (the North charter amendment proposal). You will find a copy of the form of proposed amendment to the North restated certificate of incorporation attached as Appendix F to this document.
4. Adjourn or Postpone the Special Meeting. To consider and vote upon a proposal of the North board of directors to adjourn or postpone the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the North merger proposal, the North share issuance proposal or the North charter amendment proposal (the North adjournment proposal).
5. Other Business. To transact such other business as may properly come before the special meeting or any adjournments or postponements thereof.

The North board of directors has set [], 2014 as the record date for the North special meeting. Only stockholders of record at the close of business on [], 2014 are entitled to notice of, and to vote at, the special meeting.

Holders of North Class A common stock do not have a right to seek appraisal for their shares of North Class A common stock; however, holders of North Class B common stock who comply with the provisions of Delaware law relating to appraisal rights applicable to the merger are entitled to seek appraisal under the Delaware appraisal rights law, a copy of which is attached as Appendix B to this document.

The above proposals are described in more detail in the attached joint proxy statement/prospectus, which we urge you to read carefully in its entirety before you vote.

Your vote is very important. You are cordially invited to attend the North special meeting in person. However, even if you plan to attend the special meeting, to ensure your representation, please vote as promptly as possible, either electronically via telephone or the Internet, or by completing, signing, dating and mailing your proxy card or broker's instruction form in the enclosed envelope. If you are a record stockholder and choose to attend the special meeting, then you may vote your shares in person if you wish to do so, even if you have previously signed and returned your proxy card or voted electronically via telephone or the Internet. If you hold your shares through a broker or other nominee (commonly referred to as held in street name) and wish to attend the special meeting and vote in person, you must present proof of ownership and appropriate voting documents from your broker or other nominee. You may

revoke your proxy or broker's voting instructions at any time prior to the special meeting as specified in the accompanying joint proxy statement/prospectus or broker's instructions. If you have questions about the proposals or about voting your shares, please call our Corporate Secretary, Kathy Klotzberger, at (919) 716-7000.

The North board of directors has approved and adopted the merger agreement and the transactions contemplated thereby and has determined that the merger is advisable and in the best interest of North and its stockholders. **The North board of directors recommends that North stockholders vote FOR the North merger proposal, FOR the North share issuance proposal, FOR the North charter amendment proposal and FOR the North adjournment proposal.**

By Order of the Board of Directors

Frank B. Holding, Jr.

Chairman and Chief Executive Officer

First Citizens BancShares, Inc.

Raleigh, North Carolina

[], 2014

FIRST CITIZENS BANCORPORATION, INC.

1230 Main Street

Columbia, South Carolina 29201

(803) 733-2025

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2014

NOTICE IS HEREBY GIVEN that a Special Meeting of the Shareholders of First Citizens Bancorporation, Inc. (South) will be held at [] on [], 2014, at [], local time, for the following purposes:

1. Approval of Agreement and Plan of Merger. To consider and vote upon a proposal to approve the Agreement and Plan of Merger dated June 10, 2014 (the merger agreement) by and between South and First Citizens BancShares, Inc. (North), pursuant to which South will merge with and into North, with North as the surviving company in the merger (the South merger proposal). You will find a copy of the merger agreement attached as Appendix A to this document.
2. Adjourn or Postpone the Special Meeting. To consider and vote upon a proposal of the South board of directors to adjourn or postpone the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the South merger proposal (the South adjournment proposal).
3. Other Business. To transact such other business as may properly come before the special meeting or any adjournments or postponements thereof.

The South board of directors has set [], 2014 as the record date for the South special meeting. Only shareholders of record of South common stock at the close of business on [], 2014 are entitled to notice of, and to vote at, the special meeting. Holders of South non-voting common stock as of the record date are entitled to vote on the South merger proposal, but are not entitled to vote on the South adjournment proposal.

Holders of South common stock who comply with the provisions of South Carolina law relating to dissenters' rights applicable to the merger are entitled to assert dissenters' rights under the South Carolina dissenters' rights law, a copy of which is attached as Appendix C to this document.

The above proposals are described in more detail in the attached joint proxy statement/prospectus, which we urge you to read carefully in its entirety before you vote.

Your vote is very important. You are cordially invited to attend the South special meeting in person. However, even if you plan to attend the special meeting, to ensure your representation, please vote as promptly as possible, either electronically via telephone or the Internet, or by completing, signing, dating and mailing your proxy card or broker's instruction form in the enclosed envelope. If you are a record shareholder and choose to attend the special meeting, then you may vote your shares in person if you wish to do so, even if you have previously signed and returned your proxy card or voted electronically via telephone or the Internet. If you

hold your shares through a broker or other nominee (commonly referred to as held in street name) and wish to attend the special meeting and vote in person, you must present proof of ownership and appropriate voting documents from your broker or other nominee. You may revoke your proxy or broker s voting instructions at any time prior to the special meeting as specified in the accompanying joint proxy statement/prospectus or broker s instructions. If you have questions about the proposals or about voting your shares, please call our Corporate Secretary, Melissa A. Mendenall, at (803) 931-1320.

The South board of directors has approved and adopted the merger agreement and the transactions contemplated thereby and has determined that the merger is advisable and in the best interest of South and its shareholders. **The South board of directors recommends that South shareholders vote FOR the South merger proposal and FOR the South adjournment proposal.**

By Order of the Board of Directors

Jim B. Apple

Chairman, Chief Executive Officer and President

First Citizens Bancorporation, Inc.

Columbia, South Carolina

[], 2014

WHERE YOU CAN FIND MORE INFORMATION

First Citizens BancShares, Inc.

North files annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (SEC). You may read and copy any materials that North files with the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, North files reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from North by accessing North's website at www.firstcitizens.com. Copies can also be obtained, free of charge, by directing a written request to:

First Citizens BancShares, Inc.

4300 Six Forks Road

Raleigh, North Carolina 27609

Attn: Kathy A. Klotzberger, Corporate Secretary

Telephone: (919) 716-7000

In addition, if you are a North stockholder and you have any questions concerning the merger, the North special meeting or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of North common stock, please contact Kathy A. Klotzberger, Corporate Secretary, at the address above.

North has filed a Registration Statement on Form S-4 to register with the SEC up to 2,605,004 shares of North Class A common stock and up to 273,526 shares of North Class B common stock to be issued pursuant to the merger. This joint proxy statement/prospectus is a part of that Registration Statement on Form S-4. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the Registration Statement on Form S-4 or in the exhibits or schedules to the Registration Statement on Form S-4. You may read and copy the Registration Statement on Form S-4, including any amendments, schedules and exhibits, at the SEC's Public Reference Room at the address set forth above. The Registration Statement on Form S-4, including any amendments, schedules and exhibits, is also available, free of charge, by accessing the websites of the SEC and North or upon written or oral request to North at the address or telephone number set forth above.

Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the Registration Statement on Form S-4 or in North's other SEC filings. This joint proxy statement/prospectus incorporates important business and financial information about North that is not included in or delivered with this document, including incorporating by reference documents that North has previously filed with the SEC. These documents contain important information about North and its financial condition. See Documents Incorporated by Reference beginning on page [] of this joint proxy statement/prospectus. These documents are available, free of charge, by accessing the websites of the SEC and North or upon written or oral request to North at the address or telephone number set forth above.

To obtain timely delivery of these documents, you must request them no later than [], 2014 in order to receive them before the special meeting of stockholders.

First Citizens Bancorporation, Inc.

South does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and accordingly does not file documents and reports with the SEC.

If you are a South shareholder and have any questions concerning the merger, the South special meeting or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus, or need help voting your shares of South common stock, please contact South at:

First Citizens Bancorporation, Inc.

1230 Main Street

Columbia, South Carolina 29201

Attn: Melissa A. Mendenall, Corporate Secretary

Telephone: (803) 931-1320

Except where the context otherwise indicates, North supplied all information contained in, or incorporated by reference into, this joint proxy statement/prospectus relating to North, and South supplied all information contained in this joint proxy statement/prospectus relating to South.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to give any information or make any representation about the merger or North or South that differs from, or adds to, the information in this joint proxy statement/prospectus or in documents that are publicly filed with the SEC. Therefore, if anyone does give you different or additional information, you should not rely on it. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than the date of this joint proxy statement/prospectus, and you should not assume that any information incorporated by reference into this document is accurate as of any date other than the date of such other document, and neither the mailing of this joint proxy statement/prospectus to North stockholders or South shareholders nor the issuance of North common stock or the payment of cash by North in the merger shall create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

CERTAIN DEFINED TERMS

Unless the context otherwise requires throughout this document, **North** refers to First Citizens BancShares, Inc., **South** refers to First Citizens Bancorporation, Inc. and **the parties, we, and our** refer collectively to North and South. The parties refer to the proposed merger of South with and into North as the **merger** ; the merger of First Citizens Bank and Trust Company, Inc. (referred to as **South Bank**), with and into First-Citizens Bank & Trust Company (referred to as **North Bank**), as the **bank merger** ; and the Agreement and Plan of Merger, dated June 10, 2014, by and between North and South as the **merger agreement**.

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QUESTIONS AND ANSWERS ABOUT THE

MERGER AND THE SPECIAL MEETINGS

The following are answers to certain questions that you may have regarding the special meetings. North and South urge you to read carefully the remainder of this document because the information in this section may not provide all of the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q: Why am I receiving these materials?

A: North is sending these materials to its stockholders to help them decide how to vote their shares of North common stock with respect to the North merger proposal, the North share issuance proposal, the North charter amendment proposal and the other matters to be considered at the North special meeting described below. South is sending these materials to its shareholders to help them decide how to vote their shares of South common stock with respect to the South merger proposal and the other matters to be considered at the South special meeting described below.

The merger cannot be completed unless South shareholders approve the merger agreement and North stockholders approve the merger agreement, the issuance of North common stock in the merger and the related amendment to the North restated certificate of incorporation, as amended (the North charter). North is holding a special meeting of stockholders to vote on the merger agreement, the issuance of North common stock in the merger and the related amendment to the North charter, each as described in Information about the North Special Meeting beginning on page [] of this joint proxy statement/prospectus. South is holding a special meeting of shareholders to vote on the merger agreement as described in Information about the South Special Meeting beginning on page [] of this joint proxy statement/prospectus.

This joint proxy statement/prospectus constitutes a proxy statement and a prospectus of North and a proxy statement of South. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective shareholders. It is a prospectus because North will issue shares of its common stock in exchange for shares of South common stock in the merger.

Q: Who are the members of the Holding family and what interests do they have in North and South?

A: For purposes of this joint proxy statement/prospectus, the Holding family includes Frank B. Holding, his spouse, Ella Ann Holding, their five adult children and their children's spouses, and their grandchildren. The five adult children of Frank B. Holding and Ella Ann Holding are Frank B. Holding, Jr., Hope H. Bryant, Olivia B. Holding, Claire H. Bristow and Carson H. Brice.

The Holding family beneficially owns shares representing a majority of the voting power of the outstanding shares of North common stock and a majority of the outstanding shares of South common stock.

Frank B. Holding previously served as Executive Vice Chairman of North, Vice Chairman of South and a director of North and South.

Frank B. Holding, Jr. is Chairman and Chief Executive Officer of North and a director of North and South.

Hope H. Bryant is Vice Chairman and a director of North.

Claire H. Bristow's spouse, Peter M. Bristow, is Executive Vice President and Chief Operating Officer and a director of South. Mr. Bristow is proposed to become President and Corporate Sales Executive of North and North Bank following the merger.

Q: Have the terms of the merger been evaluated by directors who are independent from the Holding family?

A: Yes. The North board of directors established an evaluation committee of the North board of directors comprised of independent directors Victor E. Bell, H. Lee Durham, Jr., and Lucius S. Jones (the North

Committee) to consider and negotiate the terms and conditions of the merger and to make a recommendation to the North board of directors.

The South board of directors established a special committee of the South board of directors comprised of independent directors M. Craig Garner, Jr. (Chairman), Robert Hoppe, Allen McIntyre and Kevin Marsh (the South Committee) to consider and negotiate the terms and conditions of the merger and to make a recommendation to the South board of directors.

See The Merger Background of the Merger beginning on page [] of this joint proxy statement/prospectus.

Q: What will South shareholders receive in the merger?

A: Under the terms of the merger agreement, each South shareholder will receive 4.0 shares of North Class A common stock and \$50.00 in cash for every share of South common stock the shareholder owns, unless such holder elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, to receive 3.58 shares of North Class A common stock and 0.42 shares of North Class B common stock for every share of South common stock that they own. Cash will be paid in lieu of fractional shares.

Q: What is the difference between the stockholder rights of the North Class A common stock and North Class B common stock?

A: The shares of North Class A common stock are entitled to one vote for each share outstanding on all questions presented to stockholders, and the shares of North Class B common stock are entitled to 16 votes for each share outstanding on all questions presented to stockholders.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: The value of the merger consideration described above may fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for North Class A common stock and North Class B common stock. Any fluctuation in the market price of North Class A common stock and North Class B common stock after the date of this joint proxy statement/prospectus will change the value of the shares of North common stock that South shareholders will receive.

Q: When do North and South expect to complete the merger?

A: North and South expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including after approvals are received at the respective special meetings of North and South and all required regulatory approvals are received. North and South currently expect to complete the merger in the fourth quarter of 2014. It is possible, however, that, as a result of factors outside of either company's control, the merger may be completed at a later time, or may not be completed at all.

Q: What happens if the merger is not completed?

A: If the merger is not completed for any reason, South shareholders will not receive any consideration for their shares of South common stock. Instead, South will remain a separate company and continue to be owned by its current shareholders.

Q: How will the merger consideration received by South shareholders affect North stockholders other than the Holding family?

A: As a result of North's issuance of new shares to South shareholders, current North stockholders other than the Holding family (who will also receive merger consideration for their shares of South common stock) will generally experience dilution in terms of percentage ownership of North and voting rights with respect to North. North stockholders who also own shares of South, including Holding family members, will experience less significant dilution or may actually experience an increase in voting control depending on the percentage of each entity owned.

Q: What am I being asked to vote on?

A: North Class A and Class B stockholders are being asked to vote on the following proposals:

a proposal to approve the merger agreement (the North merger proposal);

a proposal to approve the issuance of up to 2,605,004 shares of North Class A common stock and up to 273,526 shares of North Class B common stock in the merger (the North share issuance proposal);

a proposal to approve an amendment to the North charter to increase the authorized number of shares of Class A common stock from 11,000,000 to 16,000,000 shares to enable the issuance of shares of North Class A common stock in the merger (the North charter amendment proposal); and

a proposal to approve one or more adjournments of the North special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the foregoing proposals (the North adjournment proposal).

A more detailed description of each of these proposals can be found under Information about the North Special Meeting beginning on page [] of this joint proxy statement/prospectus.

South shareholders are being asked to vote on:

a proposal to approve the merger agreement (the South merger proposal); and

a proposal to approve one or more adjournments of the South special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the foregoing proposal (the South adjournment proposal).

Holders of South voting common stock will vote on both proposals. Holders of South non-voting common stock will vote only on the South merger proposal.

A more detailed description of each of these proposals can be found under Information about the South Special Meeting beginning on page [] of this joint proxy statement/prospectus.

Q: How do the boards of directors of North and South recommend that I vote?

A: The North board of directors recommends that North stockholders vote **FOR** the North merger proposal, **FOR** the North share issuance proposal, **FOR** the North charter amendment proposal and **FOR** the North adjournment proposal. For a discussion of interests of North's directors and executive officers in the merger that may be different from, or in addition to, the interests of North stockholders generally, see The Merger Interests of North and/or North Bank's Directors and Executive Officers in the Merger, beginning on page [] of this joint proxy

statement/prospectus.

The South board of directors recommends that South shareholders vote **FOR** the South merger proposal and **FOR** the South adjournment proposal. For a discussion of interests of South's directors and executive officers in the merger that may be different from, or in addition to, the interests of South shareholders generally, see The Merger Interests of South and/or South Bank's Directors and Executive Officers in the Merger, beginning on page [] of this joint proxy statement/prospectus.

Q: Who can vote at the special meetings?

A: Holders of North Class A common stock and holders of North Class B common stock as of [], 2014, the record date established by the North board of directors, can vote on all matters at the North special meeting. Holders of South voting and non-voting common stock as of the close of business on [], 2014, the record date established by the South board of directors, can vote on the South merger proposal. Only holders of South voting common stock as of the close of business on the South record date can vote on the South adjournment proposal.

Q: What constitutes a quorum for the North special meeting?

A: The presence at the North special meeting, in person or by proxy, of the holders of shares representing a majority of the total votes entitled to be cast by holders of outstanding shares of North Class A common stock and North Class B common stock at its special meeting is necessary to constitute a quorum for the transaction of business at the North special meeting, and the presence at the North special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of North Class A common stock is necessary to constitute a quorum for action on the North charter amendment proposal. Shares of North common stock represented at the special meeting but not voted, including shares that a stockholder abstains from voting and shares held in street name with a broker or other nominee for which a stockholder provides voting instructions for one or more, but not all, proposals to be voted on, will be counted for purposes of establishing a quorum. Once a share of North common stock is represented at the special meeting on any proposal, it will be counted for the purpose of determining a quorum for all proposals voted on, not only at the special meeting but also at any adjournment or postponement of the special meeting.

Q: What constitutes a quorum for the South special meeting?

A: The presence at the South special meeting, in person or by proxy, of the holders of a majority of the aggregate outstanding shares of the total South voting and non-voting common stock entitled to vote at its special meeting, as well as a majority of the outstanding shares of South voting common stock entitled to vote as a group at the special meeting and a majority of the outstanding shares of South non-voting common stock entitled to vote as a group at the meeting, is necessary to constitute a quorum for the transaction of business at the South special meeting. Shares of South common stock represented at the special meeting but not voted, including shares that a shareholder abstains from voting and shares held in street name with a broker or other nominee for which a shareholder provides voting instructions for one, but not both, proposals to be voted on, will be counted for purposes of establishing a quorum. Once a share of South common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum not only at the special meeting but also at any adjournment or postponement of the special meeting.

Q: What vote is required to approve the North proposals?

A: The North merger proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North share issuance proposal will be approved if a majority of the total votes actually cast at the North special meeting by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North charter amendment proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of: (i) North Class A common stock and North Class B common stock, voting as a group, and (ii) North Class A common stock, voting as a separate group, in each case are cast in favor of such proposal. The North adjournment proposal will be approved if a majority of the total votes entitled to be cast by holders of shares of North Class A common stock and North Class B common stock represented at the North special meeting, in person or by proxy, and voting as a group, are cast in favor of such proposal.

For the North merger proposal, the North charter amendment proposal and the North adjournment proposal, if a North stockholder fails to vote, responds by proxy with an abstain vote or fails to instruct his, her or its broker or other nominee with respect to any of such proposals, it will have the same effect as a vote cast **AGAINST** such proposal. If

a North stockholder is not present in person at the North special meeting, does not respond by proxy or fails to instruct his, her or its broker or other nominee with respect to any of such proposals, it will have the same effect as a vote **AGAINST** the North merger proposal, the North charter amendment proposal and the North adjournment proposal.

For the North share issuance proposal, if a North stockholder fails to vote, responds by proxy with an abstain vote or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will

have no effect on the vote count for such proposal. If a North stockholder is not present in person at the North special meeting, does not respond by proxy or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will have no effect on the vote count for such proposal.

Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Frank B. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of North and in management positions with North, and certain family entities, hold, in the aggregate, approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock.

In addition to the above shares, (i) South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock) and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of North Class A common stock and approximately 2.4% of the outstanding shares of North Class B common stock. Those shares held by South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock.

Q: What vote is required to approve the South proposals?

A: Under the provisions of the South Carolina Business Corporation Act, to be adopted, the South merger proposal must be approved by: (i) two-thirds of the South voting and non-voting common stock entitled to be cast on the merger, voting as a group, (ii) two-thirds of the South voting common stock entitled to be cast on the merger, voting as a separate group, and (iii) two-thirds of the South non-voting common stock entitled to be cast on the merger, voting as a separate group. In addition, it is a condition to the merger that a majority of the votes entitled to be cast on the merger by persons who are minority holders of South common stock not be cast against the South merger proposal. The term minority holders was negotiated by the North Committee and the South Committee, on the basis of South's share records and related information, to include, generally, South shareholders who were not members of the Frank B. Holding family and South shareholders who were not affiliated with Mr. Holding or his family. The South adjournment proposal will be approved if the votes cast by South voting common stock in favor of the South adjournment proposal exceed the votes cast against the South adjournment proposal. The South non-voting common stock is not entitled to vote on the South adjournment proposal.

For the South merger proposal, if a South shareholder fails to vote, responds by proxy with an abstain vote or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will have the same effect as a vote cast **AGAINST** such proposal. If a South shareholder is not present in person at the South special meeting, does not respond by proxy or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will have the same effect as a vote **AGAINST** the South merger proposal.

For the South adjournment proposal, if a South shareholder fails to vote, responds by proxy with an "abstain" vote or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will have no effect on the vote count for such proposal. If a South shareholder is not present in person at the South special meeting, does not respond by proxy or fails to instruct his, her or its broker or other nominee with respect to such proposal, it will have no effect on the vote count for such proposal.

Members of the Holding family, including those members who serve as directors of North and in management positions with North, and certain family entities, hold, in the aggregate, approximately 48.4% of the outstanding shares of South's voting common stock and approximately 16.8% of the outstanding shares of South's non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South's common stock.

In addition to the above shares, (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock) and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 8.8% of the outstanding shares of South voting common stock and approximately 14.1% of South non-voting common stock. Those shares held by North and the other entities amount to approximately 13.7% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

Q: Is completion of the merger subject to any conditions?

A: Yes. North and South are not required to complete the merger unless a number of conditions are satisfied or, where permissible, waived by the board of directors of the party or parties for whom the condition exists. These conditions include, among others, (i) the adoption of the merger agreement by North stockholders and South shareholders, (ii) the approval of the North charter amendment proposal by North stockholders, (iii) receipt of approval of various governmental authorities without the imposition of a burdensome condition, (iv) the authorization for listing on the NASDAQ Global Select Market of the shares of North Class A common stock to be issued in the merger, (v) the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and the absence of any stop order suspending the effectiveness of this registration statement (or proceedings for that purpose initiated or threatened by the SEC and not withdrawn), (vi) the absence of any order, injunction or decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement, (vii) the absence of any statute, rule, regulation, order, injunction or decree enacted, entered, promulgated or enforced by any governmental entity that prohibits or makes illegal consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement, (viii) the accuracy of the representations and warranties of each other party in the merger agreement as of the day on which the merger is completed, subject to the materiality standards provided in the merger agreement and the performance of the other party in all material respects of all obligations required to be performed by it at or prior to the effective time of the merger under the merger agreement (and the receipt by each party of certificates from the other party to such effect), (ix) receipt by each party of an opinion of legal counsel as to certain tax matters, (x) the absence of any events or occurrences that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on the other party, and (xi) a majority of the shares held by the minority holders of South common stock must not have voted against the merger. See Information about South Security Ownership of South Management and Certain South Beneficial Owners beginning on page [] of this joint proxy statement/prospectus. For a more complete summary of the conditions that must be satisfied (or, where permissible, waived) prior to completion of the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page [] of this joint proxy statement/prospectus.

Q: If my North or South shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: Your broker or other nominee will not vote your shares unless you give voting instructions to your broker or other nominee. If your shares are held in street name through a broker or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Please follow the voting instructions provided by your broker or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to North or South or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee.

Brokers or other nominees who hold shares in street name for a beneficial owner typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers or other nominees are not allowed to exercise their voting discretion on matters that are determined to be non-routine without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the applicable special meeting but with respect to which the broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker or other nominee does not have discretionary voting power on such proposal.

If you are a North stockholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the North merger proposal, the North share issuance proposal, the North charter amendment proposal or the North adjournment proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** the North merger proposal, the North charter amendment proposal and the North adjournment proposal and no effect on the North share issuance proposal.

If you are a South shareholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the South merger proposal or the South adjournment proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** the South merger proposal and no effect on the South adjournment proposal.

Q: What will happen if I return my proxy card without indicating how to vote?

A: If you submit your proxy via the Internet, by telephone or by mail, the persons named on your proxy card will vote your shares in the manner you requested if you correctly submitted your proxy. If you sign your proxy card and return it without indicating how to vote on any particular proposal, the shares of common stock represented by your proxy will be voted in favor of that proposal. Notwithstanding the foregoing, North and South urge their respective shareholders to properly complete, date, and sign the enclosed proxy card and return it in the enclosed envelope to ensure that your shares will be represented at the special meetings.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, North stockholders should vote by telephone or on the Internet, or complete, sign and date the enclosed proxy card or broker's voting instruction form and return it in the enclosed envelope as soon as possible so that their shares will be represented at North's special meeting.

After carefully reading and considering the information contained in this joint proxy statement/prospectus, South shareholders should vote by telephone or the Internet, or complete, sign and date the enclosed proxy card or broker's voting instruction form and return it in the enclosed envelope as soon as possible so that their shares will be represented at South's special meeting.

Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Q: How do I cast my vote?

A: If you are a stockholder of record of North as of the record date for the North special meeting, which is [], 2014 (the North record date), you may cast your vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You may also cast your vote in person at North's special meeting.

If you are a shareholder of record of South as of the record date for the South special meeting, which is [], 2014 (the South record date), you may vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You may also cast your vote in person at South's special meeting.

If your North or South shares are held in street name through a broker or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Please follow the voting instructions provided by your broker or nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to North or South or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your broker or nominee.

Q: What if I hold shares in both North and South?

A: If you are both a North stockholder and a South shareholder, you will receive separate packages of proxy materials from each company. A vote as a North stockholder for any of the North proposals will not constitute a vote as a South shareholder for any South proposal, or vice versa. Therefore, please mark, sign, date and return all proxy cards and/or voting instructions that you receive from North or South, or vote over the Internet or by telephone.

Q: When are the North special meeting and the South special meeting, and where will each be held?

A: The special meeting of North stockholders will be held at [], at [] time, on [], 2014. All stockholders of North as of the North record date, or their duly appointed proxies, may attend the North special meeting.

The special meeting of South shareholders will be held at [], at [] time, on [], 2014. All shareholders of South as of the South record date, or their duly appointed proxies, may attend the South special meeting.

Q: What happens if I sell my North shares after the record date but before the North special meeting?

A: The North record date is earlier than the date of the North special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your shares of North Class A common stock or North Class B common stock after the record date but before the date of the North special meeting, you will retain your right to vote at the North special meeting.

Q: What happens if I sell my South shares after the South record date but before the South special meeting?

A: The South record date is earlier than the date of the South special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your shares of South common stock after the record date but before the date of the South special meeting, you will retain your right to vote at the South special meeting; however, you will not have the right to receive the merger consideration to be received by South shareholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

Q: Can North stockholders exercise appraisal rights in connection with the merger?

A: Under the Delaware General Corporation Law (DGCL), holders of North Class A common stock are not entitled to appraisal rights in connection with the merger.

Under the DGCL, holders of North Class B common stock who want to seek appraisal of the fair value of their shares must provide North with a written demand for appraisal prior to the vote on the North merger proposal at the North special meeting, stating, among other things, that you will exercise your right to seek appraisal if the merger is completed. Also, you may not vote in favor of the North merger proposal and must follow other procedures, both before and after the North special meeting, as described in Appendix B to this joint proxy statement/prospectus. Note that, if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the North merger proposal, then your shares will automatically be voted in favor of the North merger proposal and you will lose all appraisal rights available under the DGCL. A summary of these provisions can be found under The Merger Appraisal Rights of Holders of North Class B Common Stock beginning on page [] of this joint proxy statement/prospectus. Due to the complexity of the procedures for exercising appraisal rights, holders of North Class B common stock who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable DGCL provisions will result in the loss of appraisal rights.

Q: Can South shareholders exercise dissenters rights in connection with the merger?

A: Yes. If you are a South shareholder and you want to exercise dissenters rights and obtain payment of the fair value of shares of South common stock in cash instead of the merger consideration, then you must provide South with written notice prior to the South special meeting stating, among other things, that you will exercise your right to dissent if the merger is completed. Also, you may not vote in favor of the South merger proposal and must follow other procedures, both before and after the South special meeting, as described in Appendix C to this joint proxy statement/prospectus. Note that, if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the South merger proposal, then your shares will automatically be voted in favor of the South merger proposal and you will lose all dissenters rights available under South Carolina law. A summary of these provisions can be found under The Merger Dissenters Rights of South Shareholders beginning on page [] of this joint proxy statement/prospectus. Due to the complexity of the procedures for exercising dissenters rights, South shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable South Carolina law provisions will result in the loss of the right to dissent.

Q: Can I attend the North or South special meeting and vote my shares in person, and, if so, do I need to bring identification or anything else with me?

A: Yes. All shareholders of North and South, including shareholders of record and shareholders who hold their shares through brokers or other nominees or any other holder of record, are invited to attend their respective special meetings. Holders of record of North and South common stock can vote in person at the North special meeting and South special meeting, respectively. If you are not a shareholder of record, you must obtain a legal proxy, executed in your favor, from the record holder of your shares, such as a broker or

other nominee, to be able to vote in person at the special meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. North and South reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the North or South special meeting is prohibited without North's or South's express written consent, respectively.

Q: Can I change my vote?

A: North stockholders: Yes. If you are a holder of record of North common stock, you may revoke any proxy at any time before it is voted by (i) signing and returning a proxy card with a later date, (ii) delivering a written revocation letter to North's corporate secretary, (iii) submitting a valid, later-dated proxy via the Internet or by telephone before [] (Eastern Time) on [], 2014, or by mail that is received prior to the applicable special meeting or (iv) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by North after the vote will not affect the vote. North's corporate secretary's mailing address is: Corporate Secretary, First Citizens BancShares, Inc., 4300 Six Forks Road, Raleigh, North Carolina 27609. If you hold your shares in street name, you should contact your broker or other nominee to revoke your proxy.

South shareholders: Yes. If you are a holder of record of South common stock, you may revoke any proxy at any time before it is voted by (i) signing and returning a proxy card with a later date, (ii) delivering a written revocation letter to South's corporate secretary, (iii) submitting a valid, later-dated proxy via the Internet or by telephone before [] (Eastern Time) on [], 2014, or by mail that is received prior to the applicable special meeting or (iv) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by South after the vote will not affect the vote. South's corporate secretary's mailing address is: Corporate Secretary, First Citizens Bancorporation, Inc., 1230 Main Street, Columbia, South Carolina 29201. If you hold your shares in street name, you should contact your broker or other nominee to revoke your proxy.

Q: Should South shareholders send in their South share certificates now?

A: No. South shareholders SHOULD NOT send in any share certificates now. After the merger is completed, North will send you written instructions explaining how to exchange your South share certificates.

Q: What should I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: South shareholders and North stockholders may receive more than one set of voting materials, including multiple copies of this document and multiple proxy cards or voting instruction cards. For example, if you hold shares of South and/or North common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of shares of South common stock or North common stock and your shares are registered in more than one name, you will receive one or more separate proxy cards or voting instruction cards for each company. In addition, if you are a

holder of record of shares of North Class A common stock and North Class B common stock, you will receive a separate proxy card or voting instruction card for each class of shares held. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this document to ensure that you vote every share of South common stock and/or North common stock that you own.

Q: Whom should I call with questions?

A: North stockholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of North common stock, please contact: Kathy A. Klotzberger, Corporate Secretary, First Citizens BancShares, Inc., 4300 Six Forks Road, Raleigh, North Carolina 27609 at (919) 716-8449.

South shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of South common stock, please contact: Melissa A. Mendenall, Corporate Secretary, First Citizens Bancorporation, Inc., 1230 Main Street, Columbia, South Carolina 29201, at (803) 931-1320.

SUMMARY

The following summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that is important to you. Each item in this summary refers to the page where that subject is discussed in more detail. You should carefully read the entire joint proxy statement/prospectus and the other documents to which we refer to understand fully the merger. See Where You Can Find More Information beginning on page [] of this joint proxy statement/prospectus on how to obtain copies of those documents. In addition, the merger agreement is attached as Appendix A to this joint proxy statement/prospectus. First Citizens BancShares, Inc. and First Citizens Bancorporation, Inc. encourage you to read the merger agreement because it is the legal document that governs the merger.

Information about North and South

First Citizens BancShares, Inc.

4300 Six Forks Road

Raleigh, North Carolina 27609

(919) 716-7000

North was incorporated under the laws of Delaware on August 7, 1986, to become the holding company of North Bank, its banking subsidiary. North Bank opened in 1898 as the Bank of Smithfield in Smithfield, North Carolina, and later became North Bank. On April 28, 1997, North launched IronStone Bank, or ISB, a federally-chartered thrift institution that originally operated under the name Atlantic States Bank. Initially, ISB operated in the counties surrounding Atlanta, Georgia, but gradually expanded into other high-growth markets throughout the southeastern and western United States. On January 7, 2011, ISB was merged into North Bank resulting in a single banking subsidiary of North.

Prior to 2009, North Bank focused on organic growth, delivering its products and services to customers through *de novo* branch expansion. Beginning in 2009, leveraging on its strong capital and liquidity positions, North Bank participated in six FDIC-assisted transactions involving distressed financial institutions. These transactions allowed North Bank to enter new markets and expand its presence in other markets.

As of March 31, 2014, North Bank operated 409 branches in North Carolina, Virginia, West Virginia, Maryland, Tennessee, Washington, California, Florida, Georgia, Texas, Arizona, New Mexico, Oregon, Colorado, Oklahoma, Kansas, Missouri and Washington, DC.

North Class A common stock is traded on the NASDAQ Global Select Market under the symbol FCNCA.

North Class B common stock is traded in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCNCB.

For more information about North, see Information about North beginning on page [] of this joint proxy statement/prospectus.

First Citizens Bancorporation, Inc.

1230 Main Street

Columbia, South Carolina 29201

(803) 931-1320

South is a one-bank holding company incorporated in 1982 under the laws of the State of South Carolina whose principal subsidiary is South Bank. South Bank offers a complete array of commercial and retail banking services through its 157 offices in 102 communities in South Carolina and 20 offices in 17 communities in Georgia. South Bank also offers trust services. South Bank's wholly-owned subsidiary, First Citizens Securities Corporation, offers brokerage, financial advisory and wealth management services, and South Bank's wholly-owned subsidiary, First Citizens Asset Management, Inc. offers investment advisory services.

South voting common stock is traded in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCBN. There is no established public trading market for the South non-voting common stock, it is only traded infrequently and it is not quoted on the OTC Bulletin Board or listed on any exchange.

For more information about South, see Information about South beginning on page [] of this joint proxy statement/prospectus.

The Merger (see page [])

The terms and conditions of the merger are contained in the merger agreement, a copy of which is included as Appendix A to this joint proxy statement/prospectus and is incorporated by reference herein. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger. This summary is intended to assist you in reviewing the proposed merger, but shall not under any circumstances be deemed a substitute for carefully reviewing the merger agreement in its entirety. In the event of any conflict between this summary and the merger agreement, the terms of the merger agreement will control.

In the merger, South will merge with and into North, with North as the surviving company. It is expected that, following the merger, South Bank will merge with and into North Bank, with North Bank as the surviving bank.

Closing and Effective Time of the Merger (see page [])

The closing date is currently expected to occur in the fourth quarter of 2014. The merger will become effective as set forth in the certificate of merger to be filed with the Secretary of State of the State of Delaware and the articles of merger to be filed with the Secretary of State of the State of South Carolina. Neither North nor South can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals and the parties' respective shareholder approvals will be received.

Merger Consideration (see page [])

Under the terms of the merger agreement, each share of South common stock will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00 in cash, unless the holder of such share elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, 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. Cash will be paid in lieu of issuing fractional shares of North common stock.

Exchange of Stock Certificates (see page [])

Promptly after the effective time of the merger, North's exchange agent will mail to each holder of record of South common stock that is converted into the right to receive the merger consideration a letter of transmittal and instructions for the surrender of the holder's South share certificate(s) for the merger consideration (including cash in lieu of any fractional North shares) and any dividends or distributions to which such holder is entitled pursuant to the merger agreement.

Please do not send in your share certificate until you receive instructions.

Material U.S. Federal Income Tax Consequences of the Merger (see page [])

The merger is intended to qualify as a reorganization within the meaning of section 368(a) of the Code, and it is a condition to the respective obligations of North and South to complete the merger that each of North and

South receives a legal opinion to that effect. Assuming such treatment applies, a holder of South common stock who receives only North common stock in the merger generally will not recognize gain in the merger. A holder of South common stock who receives cash in the merger will recognize gain up to the amount of cash received. In addition, a holder of South common stock may recognize gain or loss from the receipt of cash in lieu of a fractional share of North common stock that such holder of South common stock would otherwise be entitled to receive.

The United States federal income tax consequences described in this joint proxy statement/prospectus may not apply to all holders of shares of South common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Appraisal Rights of Holders of North Class B Common Stock (see page [] and Appendix B)

If a holder of North Class B common stock wants to seek appraisal of the fair value of their shares, such holder must provide North with a written demand for appraisal prior to the vote on the North merger proposal at the North special meeting stating, among other things, that you will exercise your right to seek appraisal if the merger is completed. Also, you may not vote in favor of the North merger proposal and must follow other procedures, both before and after the special meeting, as described in Appendix B to this joint proxy statement/prospectus. Note that, if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the North merger proposal, then your shares will automatically be voted in favor of the North merger proposal and you will lose all appraisal rights available under the DGCL. A summary of these provisions can be found under **The Merger Appraisal Rights of Holders of North Class B Common Stock** beginning on page [] of this joint proxy statement/prospectus. Due to the complexity of the procedures for exercising appraisal rights, holders of North Class B common stock who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable DGCL provisions will result in the loss of appraisal rights.

Dissenters Rights of South s Shareholders (see page [] and Appendix C)

If a South shareholder wants to exercise dissenters rights and obtain payment of the fair value of shares of South common stock in cash instead of the merger consideration, then such holder must provide South with written notice prior to the special meeting stating, among other things, that you will exercise your right to dissent if the merger is completed. Also, you may not vote in favor of the South merger proposal and must follow other procedures, both before and after the special meeting, as described in Appendix C to this joint proxy statement/prospectus. Note that, if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the South merger proposal, then your shares will automatically be voted in favor of the South merger proposal and you will lose all dissenters rights available under South Carolina law. A summary of these provisions can be found under **The Merger Dissenters Rights of South Shareholders** beginning on page [] of this joint proxy statement/prospectus. Due to the complexity of the procedures for exercising dissenters rights, South shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable South Carolina law provisions will result in the loss of the right to dissent.

Opinion of North s Financial Advisor (see page [] and Appendix D)

On June 10, 2014, at a meeting of the North Committee, Sandler O Neill + Partners, L.P. (Sandler O Neill) delivered to the North Committee its oral opinion, which was subsequently confirmed in writing on June 10, 2014, that, as of June 10, 2014, subject to procedures followed, assumptions made, matters considered and qualifications and limitations described in Sandler O Neill s opinion, the merger consideration was fair to North and its stockholders from a financial point of view.

The full text of Sandler O'Neill's opinion is attached as Appendix D to this joint proxy statement/prospectus. The opinion outlines, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. Holders of North Class A common stock and North Class B common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was addressed to the North Committee and is directed only to the fairness of the merger consideration to North and its stockholders from a financial point of view. It does not address the underlying business decision of North to engage in the merger or any other aspect of the merger and is not a recommendation to any shareholder of North or South as to how such shareholder should vote at their special meeting with respect to the merger or any other matter. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in connection with the merger by South's officers, directors, or employees, or any class of such persons, relative to the merger consideration to be received in the merger by any other shareholders of South.

For further information, please see the section entitled "The Merger - Opinion of North's Financial Advisor" beginning on page [].

Opinion of South's Financial Advisor (see page [] and Appendix E)

In connection with the merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill Lynch"), South's financial advisor, delivered to the South Committee a written opinion, dated June 10, 2014, as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration. The full text of the written opinion, dated June 10, 2014, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Appendix E to this document and is incorporated by reference herein in its entirety. **BofA Merrill Lynch provided its opinion to the South Committee (in its capacity as such) for the benefit and use of the South Committee in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to South or in which South might engage or as to the underlying business decision of South to proceed with or effect the merger. BofA Merrill Lynch's opinion does not address any other aspect of the merger and does not constitute a recommendation to any shareholder as to how to vote or act in connection with the proposed merger or any related matter.**

Recommendation of the North Board of Directors (see page [])

After careful consideration, the North board of directors recommends that North stockholders vote **FOR** the North merger proposal, **FOR** the North share issuance proposal, **FOR** the North charter amendment proposal and **FOR** the North adjournment proposal.

For a more complete description of North's reasons for the merger and the recommendations of the North board of directors, please see the section entitled "The Merger - Recommendation of North's Board of Directors and Reasons for the Merger" beginning on page [] of this joint proxy statement/prospectus.

Recommendation of the South Board of Directors (see page [])

After careful consideration, the South board of directors recommends that South shareholders vote **FOR** the South merger proposal and **FOR** the South adjournment proposal.

For a more complete description of South's reasons for the merger and the recommendation of the South board of directors, please see the section entitled "The Merger Recommendation of South's Board of Directors and Reasons for the Merger" beginning on page [] of this joint proxy statement/prospectus.

Interests of North and/or North Bank's Directors and Executive Officers and South and/or South Bank's Directors and Executive Officers (see page [])

In considering the recommendations of the North and South boards of directors with respect to the respective merger and other proposals, you should be aware that some of North's and/or North Bank's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of North's stockholders generally, and some of South's and/or South Bank's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of South's shareholders generally. Specifically, Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Frank B. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of North and are in management positions with North, and certain family entities hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 48.4% of the outstanding shares of South voting common stock and approximately 66.5% of the outstanding shares of South non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock. In addition to the above shares (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock), and South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock), and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of the North Class A common stock, approximately 2.4% of the outstanding shares of the North Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock, and approximately 14.1% of South non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and approximately 13.7% of the total votes entitled to be cast by all outstanding shares of both classes of South common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of (i) approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

Additionally, Victor E. Bell III, a director of North and member of the North Committee, holds 107 shares of South voting common stock in trust for his nieces and nephews, and 53 shares of South voting common stock are held by a family member as trustee for Mr. Bell's children, which collectively amount to approximately 0.02% of the outstanding shares of South voting common stock.

The North and South boards of directors were aware of, and considered, these interests, among other matters, when making their respective decisions to approve the merger agreement, and in recommending that North's and South's respective shareholders vote in favor of the merger agreement.

Finally, subsequent to execution of the merger agreement, North announced that (i) Peter M. Bristow, currently Executive Vice President and Chief Operating Officer of South, President and Chief Operating Officer of South Bank and brother-in-law to Mr. Holding, Jr. and Ms. Hope H. Bryant, Vice Chairman of North and North Bank, is proposed to become President and Corporate Sales Executive of North and North Bank at the effective time of the merger and (ii) Craig L. Nix, currently Executive Vice President and Chief Financial Officer of South and South Bank, is proposed to replace North's and North Bank's current Chief Financial Officer, Glenn D. McCoy, who will retire on a date to be determined following the merger.

These interests are discussed in more detail in the sections entitled "The Merger - Interests of North and/or North Bank's Directors and Executive Officers in the Merger" beginning on page [] of this joint proxy statement/prospectus, "The Merger - Interests of South and/or South Bank's Directors and Executive Officers in the Merger" beginning on page [] of this joint proxy statement/prospectus and "The Merger - Board of Directors and Management of North Following the Merger" beginning on page [] of this joint proxy statement/prospectus.

Regulatory Approvals (see page [])

Completion of the merger requires the prior approval of the Board of Governors of the Federal Reserve System, the South Carolina State Board of Financial Institutions, and the North Carolina Commissioner of Banks. Completion of the bank merger requires the prior approval of the Federal Deposit Insurance Corporation, the North Carolina Commissioner of Banks and the North Carolina State Banking Commission. Additionally, certain notices to or approvals of various non-bank regulatory agencies will be required related to South Bank's insurance, broker-dealer and investment advisory subsidiaries.

The regulatory approvals to which the completion of the merger and bank merger are subject are described in more detail under the section entitled "The Merger - Regulatory Approvals" beginning on page [] of this joint proxy statement/prospectus.

Conditions to Completion of the Merger (see page [])

The completion of the merger depends on a number of conditions being satisfied or, where permissible, waived, including:

receipt of North stockholder approval of the North merger proposal, the North share issuance proposal and the North charter amendment proposal;

receipt of South shareholder approval of the South merger proposal;

authorization for listing of North Class A common stock issuable as merger consideration on the NASDAQ Global Select Market;

receipt of regulatory approvals;

effectiveness of the registration statement, of which this joint proxy statement/prospectus is a part;

absence of an injunction preventing the merger or law prohibiting the merger;

accuracy of each party's representations and warranties as of the signing and closing (or such other date specified in the merger agreement), subject to certain exceptions;

performance of all requisite obligations by North and South under the merger agreement in all material respects;

delivery of customary closing certificates and other deliverables by each party;

absence of a material adverse effect on either party between the date of the merger agreement and closing of the merger;

receipt by each party of an opinion that the merger qualifies as a tax-free reorganization; and

a majority of the votes entitled to be cast on the South merger proposal by minority holders of South (which minority holds approximately 37.0% of the aggregate outstanding voting common stock of South) must not have cast their votes against the South merger proposal. The term "minority holders" was negotiated by the North Committee and the South Committee, on the basis of South's share records and related information, to include, generally, South shareholders who were not members of the Frank B. Holding family and South shareholders who were not affiliated with Mr. Holding or his family.

Third Party Proposals (see page [])

South has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than North and to certain related matters. The merger agreement does not, however, prohibit South from considering an unsolicited bona fide acquisition proposal from a third party if certain specified conditions are met.

Termination of the Merger Agreement (see page [])

The merger agreement may be terminated at any time prior to the effective time of the merger and, except as specified below, whether before or after adoption of the merger agreement by the respective shareholders of North or South:

by mutual written consent of North and South;

by either North or South if any governmental entity that must grant a requisite regulatory approval has (i) denied approval of the consummation of any of the material transactions contemplated by the merger agreement, including the merger or the bank merger and such denial has become final and nonappealable or any governmental entity of competent jurisdiction has issued a final nonappealable order permanently enjoining or otherwise prohibiting the consummation of any of the material transactions contemplated by the merger agreement, including the merger or the bank merger or (ii) granted the requisite regulatory approval, but such approval contains or results in the imposition of a materially burdensome regulatory condition and there is no meaningful possibility that such approval could be revised prior to the termination date of the merger agreement so as not to result in a materially burdensome regulatory condition, unless, in either case, the failure to obtain a requisite regulatory approval or to obtain a requisite regulatory approval without it containing or resulting in the imposition of a materially burdensome regulatory condition shall be due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the merger agreement;

by either North or South if the merger is not consummated on or before one year from the date of the merger agreement, unless the failure of the closing to occur by such date is due to the failure of the party seeking to

terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the merger agreement;

by either North or South if there is a breach of any of the covenants or agreements or any of the representations or warranties in the merger agreement by the other party, either individually or in the aggregate with all other breaches by such party, such that any of the conditions to North's obligations or conditions to South's obligations, respectively, set forth in the merger agreement would not be

satisfied, and (i) such breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, such breach is not cured by the earlier of (a) the termination date of the merger agreement or (b) the date that is 30 days following written notice thereof to the party committing such breach; provided in each case that the terminating party is not then in breach of any representation, warranty, covenant or other agreement of such party contained in the merger agreement such that any of the conditions to North's or South's obligations would not be satisfied;

by either North or South if (i) in the North special meeting (including any postponements or adjournments thereof) the proposals are correctly voted on and the requisite North vote is not obtained or (ii) in the South special meeting (including any postponements or adjournments thereof) the proposals are correctly voted on and the requisite South vote is not obtained; provided that the party seeking to terminate the merger agreement under this provision has complied in all material respects with its obligations under the shareholders' approval section of the merger agreement (including by complying with an adjournment or postponement request as specified in the merger agreement);

by North, prior to South obtaining the requisite South vote, if (i) the board of directors of South has failed to recommend approval of the merger agreement by South shareholders, failed to include such recommendation in this joint proxy statement/prospectus or has withdrawn such recommendation (or modified it in a manner adverse to North), each a change in board recommendation, or (ii) South failed to comply in all material respects with its obligations to solicit its shareholders under the merger agreement (see "The Merger Agreement Solicitation of Shareholders") or the restrictions on acquisition proposals under the merger agreement (see "The Merger Agreement Third Party Proposals");

by South, prior to North obtaining the requisite North vote, if North failed to comply in all material respects with its obligations to solicit its stockholders under the merger agreement (see "The Merger Agreement Solicitation of Shareholders");

by South, prior to obtaining the requisite South vote, if the board of directors of South has effected a change in board recommendation; provided that South has complied with the requirements of the board of directors recommendation provision in the shareholders' approval section of the merger agreement (see "The Merger Agreement Solicitation of Shareholders") and the restrictions on acquisition proposals under the merger agreement (see "The Merger Agreement Third Party Proposals");

by North if there are certain material defects with South's real property and such defects individually or in the aggregate have a material adverse effect on South; or

by North if holders of 10% of the outstanding shares of South common stock are deemed dissenting shares pursuant to the terms of the merger agreement.

Termination Fees (see page [])

If the merger agreement is terminated under specified circumstances, South has agreed to pay North a termination fee of \$6,450,000, \$10,000,000 or \$22,574,000 (and in certain instances, North's documented expenses), depending on the timing and circumstances of the termination.

Share Listing (see page [])

North will cause the shares of North Class A common stock that are to be issued to the holders of South common stock in the merger to be authorized for listing on the NASDAQ Global Select Market, subject to official notice of issuance, prior to the effective time of the merger. North Class B common stock trades in the over-the-counter market and is quoted on the OTC Bulletin Board.

Accounting Treatment (see page [])

North will account for the merger under the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States of America (GAAP).

North Special Meeting (see page [])

The special meeting of North stockholders will be held on [], 2014, at [], local time, at []. At the special meeting, North Class A and Class B stockholders will be asked to vote on:

the North merger proposal;

the North share issuance proposal;

the North charter amendment proposal;

the North adjournment proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

See Information about the North Special Meeting beginning on page [] of this joint proxy statement/prospectus for more information about the proposals to be considered at the North special meeting.

Holders of North Class A common stock and North Class B common stock as of [], 2014, the North record date, can vote at the North special meeting. As of the North record date, there were an aggregate of [] shares of North Class A and Class B common stock outstanding and entitled to notice and to vote, held by approximately [] holders of record. Of that total, there were an aggregate of [] shares of North Class A common stock outstanding and entitled to notice and to vote held by approximately [] holders of record, and an aggregate of [] shares of North Class B common stock outstanding and entitled to notice and to vote held by approximately [] holders of record. Each holder of North Class A common stock can cast one vote for each share of North Class A common stock owned on the North record date. Each holder of North Class B common stock can cast 16 votes for each share of North Class B common stock owned on the North record date.

As of the North record date, directors and executive officers of North and their affiliates owned and were entitled to vote [] shares of North Class A common stock and [] shares of North Class B common stock, representing approximately []% of the shares of North Class A common stock and approximately []% of the shares of North Class B common stock outstanding and entitled to vote on that date, respectively, and [] total votes. As of the North record date, South and directors and executive officers of South and their affiliates owned and were entitled to vote [] shares of North Class A common stock and [] shares of North Class B common stock, representing approximately []% of the shares of North Class A common stock and []% of the shares of North Class B common stock outstanding and entitled to vote on that date, respectively, and [] total votes.

South Special Meeting (see page [])

The special meeting of South shareholders will be held on [], 2014, at [], local time, at []. At the special meeting, South shareholders will be asked to vote on:

the South merger proposal;

the South adjournment proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

See Information about the South Special Meeting beginning on page [] of this joint proxy statement/prospectus for more information about the proposals to be considered at the South special meeting.

Holders of South voting and non-voting common stock as of the close of business on [], 2014, the South record date, can vote on the South merger proposal at the South special meeting. Only holders of South voting common stock can vote on the South adjournment proposal at the South special meeting. As of the South record date, there were an aggregate of [] shares of South voting and non-voting common stock outstanding and entitled to notice and to vote held by approximately [] holders of record. As of the South record date, there were an aggregate of [] shares of South voting common stock outstanding and entitled to notice and to vote held by approximately [] holders of record. As of the South record date, there were an aggregate of [] shares of South non-voting common stock outstanding and entitled to notice and to vote held by approximately [] holders of record. Each holder of South voting and non-voting common stock can cast one vote for each share of South voting or non-voting common stock owned on the South record date.

As of the South record date, directors and executive officers of South and their affiliates owned and were entitled to vote an aggregate of [] shares of South voting and non-voting common stock, representing approximately []% of the aggregate shares of South voting and non-voting common stock outstanding and entitled to vote on that date. As of the South record date, directors and executive officers of South and their affiliates owned and were entitled to vote [] shares of South voting common stock and [] shares of the South non-voting common stock, representing approximately []% of the shares of South voting common stock and []% of the shares of South non-voting common stock outstanding and entitled to vote on that date, respectively. As of the South record date, North and directors and executive officers of North and their affiliates owned and were entitled to vote an aggregate of [] shares of South voting and non-voting common stock, representing approximately []% of the aggregate shares of South voting and non-voting common stock outstanding and entitled to vote on that date. As of the South record date, North and directors and executive officers of North and their affiliates owned and were entitled to vote [] shares of South voting common stock and [] shares of the South non-voting common stock, representing approximately []% of the shares of South voting common stock and []% of the shares of South non-voting common stock outstanding and entitled to vote on that date, respectively.

Required Shareholder Votes (see page [])

The North merger proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North share issuance proposal will be approved if a majority of the total votes actually cast at the North special meeting by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North charter amendment proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of: (i) North Class A common stock and North Class B common stock, voting as a group, and (ii) North Class A common stock, voting as a separate group, in each case are cast in favor of such proposal. The North adjournment proposal will be approved if a majority of the total votes entitled to be cast by holders of shares of North Class A common stock and North Class B common stock represented at the North special meeting, in person or by proxy, and voting as a group, are cast in favor of such proposal.

Under the provisions of the South Carolina Business Corporation Act, to be adopted, the South merger proposal must be approved by: (i) two-thirds of the South voting and non-voting common stock entitled to be cast on the merger, voting as a group, (ii) two-thirds of the South voting common stock entitled to be cast on the merger, voting as a separate group, and (iii) two-thirds of the South non-voting common stock entitled to be cast on the merger, voting as a separate group. In addition, it is a condition to the merger that a majority of the votes entitled to be cast on the merger by persons who are minority holders of South common stock not be cast

against the merger. The term "minority holders" was negotiated by the North Committee and the South Committee, on the basis of South's share records and related information, to include, generally, South shareholders who were not members of the Frank B. Holding family and South shareholders who were not affiliated with Mr. Holding or his family.

The South adjournment proposal will be approved if the votes cast by the South voting common stock in favor of the South adjournment proposal exceed the votes cast against the South adjournment proposal. The South non-voting common stock is not entitled to vote on the South adjournment proposal.

Members of the Holding family, including those members who serve as directors of North and are in management positions with North, and certain family entities, hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North's Class A common stock and approximately 66.5% of the outstanding shares of North's Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North's common stock and (ii) approximately 48.4% of the outstanding shares of South's voting common stock and approximately 16.8% of the outstanding shares of South's non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South's common stock.

In addition to the above shares, (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock), and South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North's Class A common stock and approximately 4.4% of the outstanding shares of North's Class B common stock) and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of North's Class A common stock, approximately 2.4% of the outstanding shares of North's Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock, and approximately 14.1% of South's non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North's common stock and approximately 13.7% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South's common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of (i) approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

No Restrictions on Resales (see page [])

All shares of North common stock received by South shareholders in the merger will be freely tradable, except that shares of North received by persons who are or become affiliates of North for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

Changes in South Shareholders' Rights as a Result of the Merger (see page [])

The rights of South shareholders will change as a result of the merger due to differences in North's and South's governing documents and states of incorporation. The rights of South shareholders are governed by

South Carolina law and by South's articles of incorporation and bylaws, each as amended to date. The rights of North stockholders are governed by Delaware law and by the North charter and bylaws, each as amended to date. Upon the completion of the merger, South shareholders will become stockholders of North, as the continuing legal entity in the merger, and the rights of South shareholders will, therefore, be governed by Delaware law and the North charter and bylaws. For more information, please see the section entitled "Comparison of Shareholders' Rights" beginning on page [] of this joint proxy statement/prospectus.

Risk Factors (see page [])

Before voting at the North or South special meeting, you should carefully consider all of the information contained or incorporated by reference into this joint proxy statement/prospectus, including the risk factors set forth in the section entitled "Risk Factors" beginning on page [] of this joint proxy statement/prospectus or described in North's reports filed with the SEC, which are incorporated by reference into this joint proxy statement/prospectus. Please see "Where You Can Find More Information" and "Documents Incorporated by Reference" beginning on page [] and [], respectively, of this joint proxy statement/prospectus.

RISK FACTORS

In addition to the other information contained in, or incorporated by reference into, this joint proxy statement/prospectus, including North's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, and the matters addressed under Forward-Looking Statements, North and South shareholders should consider the matters described below carefully in determining how to vote on the matters presented at their respective special meetings. Additional Risk Factors included in Part I, Item 1A in North's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and Part II, Item 1A in North's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 are incorporated by reference. North and South shareholders should read and consider those Risk Factors in addition to the Risk Factors listed below.

Risk Factors Relating to the Merger

Because the market price of North common stock may fluctuate, South shareholders cannot be sure of the value of the merger consideration that they will receive in the merger.

Under the terms of the merger agreement, each share of South common stock outstanding immediately prior to the effective time of the merger (with certain exceptions) will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00 in cash, unless the holder of such share elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, 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. Cash will be paid in lieu of issuing fractional shares of North common stock. The value of the shares of North Class A common stock and North Class B common stock to be issued to South shareholders in the merger may fluctuate between now and the closing date of the merger due to a variety of factors, including general market and economic conditions, changes in the parties' respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond the control of North and South. We make no assurances as to whether or when the merger will be completed. South shareholders should obtain current sale prices for shares of North common stock before voting their shares of South common stock at the special meeting.

The fairness opinions obtained by North and South from their respective financial advisors will not reflect changes in circumstances between the date of the signing of the merger agreement and the completion of the merger.

The North Committee has obtained a fairness opinion dated June 10, 2014 from Sandler O'Neill, and the South Committee has obtained a fairness opinion dated June 10, 2014 from BofA Merrill Lynch, and such opinions have not been updated as of the date of this document and will not be updated at the time of the completion of the merger. Changes in the operations and prospects of North or South, general market and economic conditions and other factors that may be beyond the control of North and South, and on which the fairness opinions were based, may alter the value of North or South or the prices of shares of North common stock or South common stock by the time the merger is completed. The fairness opinions do not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed or as of any other date than the date of the opinions. The fairness opinions that the North Committee and the South Committee received from their respective financial advisors are attached as Appendix D and Appendix E to this joint proxy statement/prospectus. For a description of the opinions, see The Merger Opinion of South's Financial Advisor and The Merger Opinion of North's Financial Advisor beginning on page [] of this joint proxy statement/prospectus. For a description of the other factors considered by North's board of directors in determining to approve the merger, see The Merger Recommendation of North's Board of Directors and Reasons for the Merger beginning on page [] of this joint proxy statement/prospectus. For a description of the other factors considered by South's board of directors in determining to approve the merger, see The Merger Recommendation of South's Board of Directors and Reasons for the Merger beginning on page [] of this joint proxy statement/prospectus.

South's financial advisor did not give an opinion with respect to the alternative merger consideration.

Each South shareholder will receive 4.0 shares of North Class A common stock and \$50.00 in cash for each share of South common stock the shareholder owns, unless such holder elects to receive 3.58 shares of North Class A common stock and 0.42 shares of North Class B common stock for each share of South common stock owned. The opinion of South's financial advisor was limited to the fairness, from a financial point of view, of the merger consideration to be received in the merger by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration. South's financial advisor did not give an opinion with respect to the fairness, from a financial point of view, of the alternative consideration of 3.58 shares of North Class A common stock and 0.42 shares of North Class B common stock for each share of South common stock owned. Accordingly, there has been no determination that such consideration is fair from a financial point of view, and South has not provided its shareholders with an opinion on which to base a decision whether to choose this alternative payment.

North may fail to realize all of the anticipated benefits and cost savings of the merger.

The success of the merger will depend on, among other things, North's ability to realize anticipated cost savings and to combine the businesses of North and South in a manner that does not materially disrupt the existing customer relationships of either North or South or result in decreased revenues from customers of either of them. If North is not able to successfully achieve these objectives, then the anticipated benefits and cost savings of the merger may not be realized fully, if at all, or may take longer to realize than expected.

North and South have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of either North's or South's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of North or South to maintain relationships with their respective clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect North's ability to successfully conduct its business in the markets in which South now operates, which could have an adverse effect on North's financial results and the value of its stock. Integration efforts by North and South will also divert management attention and resources. These integration matters could have an adverse effect on each of North and South during the transition period and on the combined company for an undetermined period following completion of the merger. Additionally, the actual benefits and cost savings of the merger could be less than anticipated.

Completion of the merger is subject to many conditions and if these conditions are not satisfied or, where permissible, waived, the merger will not be completed.

The obligations of North and South to complete the merger are subject to satisfaction or, where permissible, waiver of a number of conditions, including, among others: (i) the adoption of the merger agreement by North stockholders and South shareholders, (ii) the approval of the North charter amendment proposal by North stockholders, (iii) receipt of approval of various governmental authorities without the imposition of a burdensome condition, (iv) the authorization for listing on the NASDAQ Global Select Market of the shares of North Class A common stock to be issued in the merger, (v) the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and the absence of any stop order suspending the effectiveness of this registration statement (or proceedings for that purpose initiated or threatened by the SEC and not withdrawn), (vi) the absence of any order, injunction or decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement, (vii) the absence of any statute, rule, regulation, order, injunction or decree enacted, entered, promulgated or enforced by any governmental entity that prohibits or makes illegal consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement, (viii) the accuracy of the representations and warranties of each other party in the merger agreement as of the day on which the merger is completed, subject to the materiality

standards provided in the merger agreement and the performance of the other party in all material respects of all obligations required to be performed by it at or prior to the effective time of the merger under the merger agreement (and the receipt by each party of certificates from the other party to such effect), (ix) receipt by

each party of an opinion of legal counsel as to certain tax matters, (x) the absence of any events or occurrences that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on the other party (see The Merger Agreement Representations and Warranties beginning on page [] of this joint proxy statement/prospectus for the definition of material adverse effect), and (xi) a majority of the shares held by the minority holders of South common stock must not have voted against the merger. For a more complete summary of the conditions that must be satisfied (or, where permissible, waived) prior to completion of the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page [] of this joint proxy statement/prospectus. There can be no assurance that the conditions to closing of the merger will be satisfied or, where permissible, waived, or that the merger will be completed. Further, it is possible that one or more of the conditions to closing the merger will not be met and that the board of directors of the party for whom the condition exists will waive the condition and the merger will be completed anyway.

The merger agreement limits South's ability to pursue alternatives to the merger and may discourage other companies from trying to acquire South for greater consideration than what North has agreed to pay.

The merger agreement contains provisions that make it more difficult for South to sell its business to a party other than North. These provisions include a general prohibition on South soliciting any acquisition proposal or offer for a competing transaction. Further, there are only limited exceptions to South's agreement that the South board of directors will not withdraw or modify in a manner adverse to North the recommendation of the South board of directors in favor of the adoption of the merger agreement. Notwithstanding the foregoing, at any time prior to the approval of the merger agreement by South shareholders, the South board of directors is permitted to withdraw or modify in a manner adverse to North the recommendation of the South board of directors in favor of the adoption of the merger agreement if it determines in good faith that the failure to take such action would be inconsistent with its fiduciary duties to South shareholders under applicable law. See The Merger Agreement Third Party Proposals beginning on page [] of this joint proxy statement/prospectus.

While South believes these provisions and agreements are reasonable and customary and are not preclusive of other offers, the provisions might discourage a third party that has an interest in acquiring all or a significant part of South from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per-share value than the currently proposed merger consideration.

Termination of the merger agreement or failure to complete the merger after approval by South shareholders could negatively impact North or South.

If the merger agreement is terminated, there may be various consequences. For example, North's or South's businesses may have been affected adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of North's or South's common stock could decline to the extent that the current market prices reflect a market assumption that the merger will be completed. If the merger agreement is terminated under specified circumstances, South has agreed to pay North a termination fee of \$6,450,000, \$10,000,000 or \$22,574,000 (and in certain instances, North's documented expenses), depending on the timing and circumstances of the termination.

Furthermore, if the merger is approved by South shareholders, the approval will constitute a triggering event under GAAP that will require South to review the goodwill recorded in its financial statements for impairment. As a result, South could write down a portion of goodwill, which would result in a charge to earnings and corresponding reduction of South shareholders' equity, and termination of the agreement or failure to consummate the merger will not reverse the charge to earnings.

South will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on South. These uncertainties may impair South's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with South to seek to change existing business relationships with South. Retention of certain employees by South may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with South or North. If key

employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with South or North, South's business or South's business assumed by North following the merger could be harmed. In addition, subject to certain exceptions, South has agreed to operate its business in the ordinary course prior to closing. See The Merger Agreement Covenants and Agreements Forbearances of South beginning on page [] of this joint proxy statement/prospectus for a description of the restrictive covenants applicable to South.

North and South will incur significant transaction and merger-related costs in connection with the merger.

North and South expect to incur a number of costs associated with the merger and combining the operations of the two companies. The substantial majority of expenses will be comprised of transaction costs related to the merger. The significant costs associated with the merger include, among others, fees and expenses of financial advisors (which are described under Opinion of North's Financial Advisor and Opinion of South's Financial Advisor beginning on pages [] and [] of this joint proxy statement/prospectus, respectively) and other advisors and representatives, certain employment-related costs relating to employees of South (which are described under The Merger Interests of South and/or South Bank's Directors and Executive Officers in the Merger beginning on page [] of this joint proxy statement/prospectus), filing fees due in connection with filings required under applicable law and filing fees and printing and mailing costs for this joint proxy statement/prospectus. Some of these costs have already been incurred or may be incurred regardless of whether the merger is consummated, including a portion of the fees and expenses of financial advisors and other advisors and representatives and filing fees for this joint proxy statement/prospectus. North also will incur transaction fees and costs related to formulating and implementing integration plans with respect to the two companies, including facilities and systems consolidation costs. North continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies businesses. Although North expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow North to offset integration-related costs over time, this net benefit may not be achieved in the near term or at all.

We do not expect a trading market for the North Class B common stock to develop beyond the OTC Bulletin Board, and therefore any investment in North Class B common stock may be effectively illiquid.

There is currently a very limited public market for North Class B common stock. North Class B common stock trades on the over-the-counter market and is quoted on the OTC Bulletin Board. As a result, there can be no assurance that a secondary market will develop, and we do not expect any market makers to participate in a secondary market outside of the OTC Bulletin Board. Trading activity, if any, in the North Class B common stock will be very limited. Because the North Class B common stock will not be listed on a securities exchange or automated quotation system besides the OTC Bulletin Board, it may be difficult to obtain pricing information with respect to the shares. Accordingly, if you elect to receive North Class B common stock as merger consideration, there may be a limited number of buyers if you decide to sell your North Class B common stock. This may affect the price you receive upon such sale.

Members of the Holding family own shares of outstanding North and South common stock and will be in position to influence the outcome of matters submitted for North stockholder votes following the merger, and their interests may differ from North's other stockholders.

Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Frank B. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of North and are in management positions with North, and certain family entities, hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 48.4% of the outstanding

shares of South voting common stock and approximately 16.8% of the outstanding shares of South non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South's common stock. In addition to the above shares (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting stock), and South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock), and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of the North Class A common stock, approximately 2.4% of the outstanding shares of the North Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock, and approximately 14.1% of South non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and approximately 13.7% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock. Therefore, after the merger certain members of the Holding family will continue to hold a significant amount of North Class A common stock and/or North Class B common stock and thus be able to more directly control or influence the outcome of matters submitted to North's stockholders for approval, including the election of directors, approval of mergers or other business combinations, and acquisitions or dispositions of assets. Also, the interests of members of the Holding family may differ from or be opposed to the interests of North's other stockholders and their level of ownership and voting power in North following the merger may have the effect of delaying or preventing a subsequent change in control that may be favored by other North stockholders.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of (i) approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

The merger will result in an increase in the number of shares of North Class A common stock and North Class B common stock available for trading, which could depress the price of such shares and increase the volatility of the price of such shares, both before and after completion of the merger.

The merger will increase the number of shares of North Class A common stock and North Class B common stock available for sale in the public markets. As of [], 2014, approximately [] shares of North Class A common stock and [] shares of North Class B common stock were outstanding.

Because South shareholders are entitled to elect whether to exchange their shares of South common stock for North Class A common stock and cash or a combination of North Class A common stock and North Class B common stock, the number of new shares of North Class A common stock and new shares of North Class B common stock that will be issued to holders of South common stock and become immediately available for sale following the merger is unknown.

Sales of large amounts of shares of North Class A common stock or North Class B common stock could depress the market price of North Class A common stock or North Class B common stock, respectively. In addition, the potential that such sales may occur could depress prices, even in advance of such sales. Neither North nor South can predict the effects that any such sales, or the perception that such sales could occur, will have on the price of North common stock, either before or after completion of the merger.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.

Before the transactions contemplated by the merger agreement, including the merger and the bank merger, may be completed, various approvals must be obtained from bank regulatory authorities. These governmental entities may impose conditions on the granting of such approvals. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying consummation of the merger or of imposing additional costs or limitations on North following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or cannot be met. If the consummation of the merger is delayed, including by a delay in receipt of necessary governmental approvals, the business, financial condition and results of operations of each company may also be materially adversely affected.

Shares of either class of North common stock to be received by South shareholders as a result of the merger will have rights different from shares of South common stock.

Upon completion of the merger, the rights of former South shareholders will be governed by the North charter and the North bylaws. The rights associated with South common stock are different from the rights associated with either class of North common stock, especially because South is a South Carolina corporation and North is a Delaware corporation. Please see the section entitled "Comparison of Shareholders' Rights" beginning on page [] of this joint proxy statement/prospectus for a discussion of the different rights associated with both classes of North common stock.

Shares of North Class A common stock have one vote per share, while shares of North Class B common stock have 16 votes per share. North's Class A common stock is listed on the NASDAQ Global Select Market under the symbol FCNCA. The North Class B common stock is traded on the over-the-counter market and quoted on the OTC Bulletin Board under the symbol FCNCB. The market for North Class B common stock is extremely limited. On many days, there is no trading and, to the extent there is trading, it is generally low in volume. The average monthly trading volume for North Class A common stock was 259,767 shares for the first quarter of 2014 and 279,383 shares for the year ended December 31, 2013. The average monthly trading volume for North Class B common stock was 2,500 shares in the first quarter of 2014 and 2,225 shares for the year ended December 31, 2013.

Some executive officers and directors of North and/or North Bank and South and/or South Bank have financial interests in the merger that are different from, or in addition to, the interests of shareholders.

Certain independent directors of North and South negotiated the terms of the merger agreement, and each board of directors approved and recommended that their respective shareholders vote to approve the merger agreement. In considering these facts and the other information contained in this joint proxy statement/prospectus, you should be aware that certain executive officers and other directors of North, South, North Bank and South Bank have financial interests in the merger that are different from, or in addition to, the interests of shareholders generally. Specifically, Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Frank B. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of North and are in management positions with North, and certain family entities, hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 48.4% of the outstanding shares of South voting common stock and approximately 16.8% of the outstanding shares of South non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock. In addition to the above shares, (i) North's investment securities available for sale include an

equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock), and South investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock) and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of the North Class A common stock, approximately 2.4% of the outstanding shares of the North Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock and approximately 14.1% of South non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of North common stock and approximately 13.7% of the total votes entitled to be cast by all outstanding shares of both classes of South common stock. In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock. In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock. Finally, subsequent to entering into the merger agreement, North announced that (i) Peter M. Bristow, currently Executive Vice President and Chief Operating Officer of South, President and Chief Operating Officer of South Bank and brother-in-law to Mr. Holding, Jr. and Ms. Hope H. Bryant, Vice Chairman of North and North Bank, is proposed to become President and Corporate Sales Executive of North and North Bank at closing of the merger and (ii) Craig L. Nix, currently Executive Vice President and Chief Financial Officer of South and South Bank, is proposed to replace North and North Bank's current Chief Financial Officer, Glenn D. McCoy, who will retire on a date to be determined following the merger. See *The Merger Interests of North and/or North Bank's Directors and Executive Officers in the Merger* and *The Merger Interests of South and/or South Bank's Directors and Executive Officers in the Merger* beginning on pages [] and [], respectively, of this joint proxy statement/prospectus for information about these financial interests.

North and South may be subject to litigation in connection with the merger. An adverse ruling in any such lawsuit may prevent the merger from being completed.

North, South, and their respective directors and officers may be subject to lawsuits challenging the merger. Following announcement of the merger, North received a shareholder demand from the City of Providence pursuant to Section 220 of the DGCL for access to certain books and records of North. The purported basis for the demand was to investigate potential breaches of fiduciary duty and other wrongdoing by North's officers and directors in connection with the merger. The City of Providence concurrently filed a putative class action lawsuit in the Delaware Court of Chancery against North and its directors challenging Article X, Section 8 of North's bylaws, which requires certain litigation to be brought only in North Carolina courts to the fullest extent permitted by law. The Delaware complaint, captioned *City of Providence v. First Citizens BancShares, Inc., et al.*, No. CA9795, alleges that the bylaw violates the DGCL and that adoption of the bylaw constituted a breach of fiduciary duty by North's directors. While not directly challenging the merger, the complaint contains allegations referencing the merger and seeks a declaration that any stockholder action regarding the merger may be brought in the Delaware Court of Chancery.

If litigation is brought challenging the merger, the plaintiff(s) may seek an order enjoining completion of the merger. If successful, such an order may prevent the merger from being completed, or from being completed within the expected time frame. Regardless of whether plaintiffs' claims were to succeed, this type of litigation is often expensive and diverts management's attention and resources, which could adversely affect the operation of North and South's business.

The unaudited pro forma combined financial statements included in this joint proxy statement/prospectus are preliminary and the actual financial condition and results of operations of the combined company after the merger may differ materially.

The unaudited pro forma combined financial statements in this joint proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what North's actual financial condition or results or operations would have been had the merger been completed on the dates indicated. The unaudited pro forma combined financial statements reflect adjustments, which are based upon preliminary estimates, to record the South identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of South as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see Unaudited Pro Forma Combined Financial Statements beginning on page [] of this joint proxy statement/prospectus.

Risk Factors Relating to North

North is, and following completion of the merger North will continue to be, subject to the risks described in Part I, Item 1A in the North Annual Report on Form 10-K for the year ended December 31, 2013 and in Part II, Item 1A in the North Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014. See Where You Can Find More Information beginning on page [] of this joint proxy statement/prospectus. Accordingly, shareholders of each of North and South should be aware of these notes in addition to the Risks Related to the Merger.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF NORTH

The following selected historical consolidated financial data as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 is derived from the audited consolidated financial statements of North, and the interim selected historical consolidated financial data is derived from the unaudited consolidated financial statements of North. In North's opinion, such unaudited consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of its financial position and results of operations for such periods. Interim results for the three months ended March 31, 2014 are not necessarily indicative of, and are not projections for, the results to be expected for the full year ending December 31, 2014.

(dollars in thousands, except share data)	Three months ended March 31,		Year ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
SUMMARY OF OPERATIONS							
Interest income	\$ 173,394	\$ 220,604	\$ 796,804	\$ 1,004,836	\$ 1,015,159	\$ 969,368	\$ 738,159
Interest expense	12,463	15,722	56,618	90,148	144,192	195,125	227,644
Net interest income	160,931	204,882	740,186	914,688	870,967	774,243	510,515
Provision for loan and lease losses	(1,903)	(18,606)	(32,255)	142,885	232,277	143,519	79,364
Net interest income after provision for loan and lease losses	162,834	223,488	772,441	771,803	638,690	630,724	431,151
Gains on acquisitions					150,417	136,000	104,434
Noninterest income	61,181	57,513	263,603	189,300	313,949	270,214	299,017
Noninterest expense	191,030	194,355	771,380	766,933	792,925	733,376	651,503
Income before income taxes	32,985	86,646	264,664	194,170	310,131	303,562	183,099
Income taxes	10,619	31,061	96,965	59,822	115,103	110,518	66,768
Net income	\$ 22,366	\$ 55,585	\$ 167,699	\$ 134,348	\$ 195,028	\$ 193,044	\$ 116,331
Net interest income, taxable	\$ 161,694	\$ 205,553	\$ 742,846	\$ 917,664	\$ 874,727	\$ 778,382	\$ 515,446

equivalent

**PER SHARE
DATA**

Net income	\$ 2.33	\$ 5.78	\$ 17.43	\$ 13.11	\$ 18.80	\$ 18.50	\$ 11.15
Cash dividends	0.30	0.30	1.20	1.20	1.20	1.20	1.20
Market price at period end (Class A)	240.75	182.70	222.63	163.50	174.99	189.05	164.01
Book value at period end	218.82	199.46	215.89	193.75	180.97	166.08	149.42

**SELECTED
PERIOD
AVERAGE
BALANCES**

Total assets	\$ 21,872,343	\$ 21,150,143	\$ 21,300,800	\$ 21,077,444	\$ 21,135,572	\$ 20,841,180	\$ 17,557,484
Investment securities	5,606,723	5,196,930	5,206,000	4,698,559	4,215,761	3,641,093	3,412,620
Loans and leases (acquired and originated)	13,459,945	13,289,828	13,163,743	13,560,773	14,050,453	13,865,815	12,062,954
Interest-earning assets	20,139,131	19,180,308	19,433,947	18,974,915	18,824,668	18,458,160	15,846,514
Deposits	18,492,310	17,922,665	17,947,996	17,727,117	17,776,419	17,542,318	14,578,868
Interest-bearing liabilities	14,189,227	14,140,511	13,910,299	14,298,026	15,044,889	15,235,253	13,013,237
Long-term obligations	500,805	444,539	462,203	574,721	766,509	885,145	753,242
Shareholders equity	\$ 2,094,557	\$ 1,877,445	\$ 1,942,108	\$ 1,915,269	\$ 1,811,520	\$ 1,672,238	\$ 1,465,953
Shares outstanding	9,618,941	9,618,985	9,618,952	10,244,472	10,376,445	10,434,453	10,434,453

**SELECTED
PERIOD-END
BALANCES**

Total assets	\$ 22,154,997	\$ 21,351,012	\$ 21,199,091	\$ 21,283,652	\$ 20,997,298	\$ 20,806,659	\$ 18,466,063
Investment securities	5,677,019	5,280,907	5,388,610	5,227,570	4,058,245	4,512,608	2,932,765
Loans and leases:							
Acquired	1,270,818	1,621,327	1,029,426	1,809,235	2,362,152	2,007,452	1,173,020
Originated	12,200,226	11,509,080	12,104,298	11,576,115	11,581,637	11,480,577	11,644,999
Deposits	18,763,545	18,064,921	17,874,066	18,086,025	17,577,274	17,635,266	15,337,567
Long-term obligations	440,300	444,252	510,769	444,921	687,599	809,949	797,366
Shareholders equity	\$ 2,104,830	\$ 1,918,581	\$ 2,076,675	\$ 1,864,007	\$ 1,861,128	\$ 1,732,962	\$ 1,559,115
Shares outstanding	9,618,941	9,618,941	9,618,941	9,620,914	10,284,119	10,434,453	10,434,453

(dollars in thousands, except share data)	Three months ended		Year ended December 31,				
	March 31,		2013	2012	2011	2010	2009
	2014	2013	2013	2012	2011	2010	2009
SELECTED RATIOS AND OTHER DATA							
Rate of return on average assets (annualized)	0.41%	1.07%	0.79%	0.64%	0.92%	0.93%	0.66%
Rate of return on average shareholders equity (annualized)	4.33	12.01	8.63	7.01	10.77	11.54	7.94
Net yield on interest-earning assets (taxable equivalent)	3.26	4.35	3.82	4.84	4.65	4.22	3.25
Allowance for loan and lease losses to total loans and leases:							
Acquired	3.54	5.95	5.20	7.74	3.78	2.55	0.30
Originated	1.46	1.53	1.49	1.55	1.56	1.54	1.45
Nonperforming assets to total loans and leases and other real estate at period end:							
Acquired covered	9.34	8.46	7.02	9.26	17.95	12.87	16.59
Acquired not covered	3.36						
Originated	0.66	1.10	0.74	1.15	0.89	1.14	0.85
Tier 1 risk-based capital ratio	14.56	14.72	14.92	14.27	15.41	14.86	13.34
Total risk-based capital ratio	16.05	16.41	16.42	15.95	17.27	16.95	15.59
Leverage capital ratio	9.66	9.53	9.82	9.23	9.90	9.18	9.54
Dividend payout ratio	12.88	5.19	6.88	9.15	6.38	6.49	10.76
Average loans and leases to average deposits	72.79	74.15	73.34	76.50	79.04	79.04	82.74

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SOUTH

The following selected historical consolidated financial data as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 is derived from the audited consolidated financial statements of South, and the interim selected historical consolidated financial data is derived from the unaudited consolidated financial statements of South. In South's opinion, such unaudited consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of its financial position and results of operations for such periods. Interim results for the three months ended March 31, 2014 are not necessarily indicative of, and are not projections for, the results to be expected for the full year ending December 31, 2014.

	Three months ended March 31,		Year ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
(dollars in thousands, except share data)							
SUMMARY OF OPERATIONS							
Interest income	\$ 54,490	\$ 55,998	\$ 225,329	\$ 252,606	\$ 287,862	\$ 334,261	\$ 332,746
Interest expense	4,848	5,944	21,814	29,935	47,600	81,861	98,902
Net interest income	49,642	50,054	203,515	222,671	240,262	252,400	233,844
Provision for loan losses	144	505	8,054	20,066	23,558	56,856	74,556
Net interest income after provision for loan losses	49,498	49,549	195,461	202,605	216,704	195,544	159,288
Gain on acquisition							107,903
Noninterest income	34,968	34,241	130,991	135,364	111,991	157,684	117,462
Noninterest expense	61,031	65,185	258,024	254,433	250,502	246,272	225,119
Income before income taxes	23,435	18,605	68,428	83,536	78,193	106,956	159,534
Income taxes	8,436	6,364	23,425	29,701	27,416	38,350	58,514
Net income	\$ 14,999	\$ 12,241	\$ 45,003	\$ 53,835	\$ 50,777	\$ 68,606	\$ 101,020
Net interest income, taxable equivalent	\$ 49,880	\$ 50,303	\$ 204,479	\$ 223,842	\$ 241,659	\$ 254,070	\$ 235,319
PER SHARE DATA							
Net income	\$ 21.89	\$ 17.86	\$ 65.62	\$ 63.97	\$ 59.91	\$ 80.87	\$ 118.91
Cash dividends	0.35	0.35	1.40	3.40	1.40	1.40	1.40
Market price at period end	689.66	623.37	674.32	499.91	407.79	505.96	401.96
Book value at period end	1,119.54	1,040.69	1,097.19	1,023.71	876.46	815.63	729.26

**SELECTED
PERIOD
AVERAGE
BALANCES**

Total assets	\$ 8,474,969	\$ 8,325,997	\$ 8,275,077	\$ 8,229,993	\$ 8,370,956	\$ 8,606,520	\$ 7,454,477
Investment securities	2,017,444	1,678,582	1,729,596	1,529,157	1,522,273	1,336,111	1,251,332
Loans and leases:							
Acquired	160,648	261,434	222,676	354,222	450,377	667,216	244,589
Originated	4,340,277	4,050,567	4,154,179	4,099,309	4,229,383	4,533,226	4,853,234
Interest-earning assets	7,733,616	7,569,127	7,556,257	7,420,460	7,446,029	7,494,705	6,725,126
Deposits	7,263,425	7,137,900	7,076,807	6,950,571	7,105,433	7,353,469	6,263,728
Interest-bearing liabilities	5,637,525	5,804,876	5,633,836	5,738,951	6,172,119	6,604,183	5,803,181
Long-term debt	203,287	203,185	202,268	204,392	208,695	267,692	286,215
Shareholders equity\$	764,022	\$ 706,857	\$ 722,837	\$ 766,601	\$ 721,670	\$ 661,560	\$ 551,848
Shares outstanding	683,293	683,293	683,293	838,625	844,884	846,292	848,125

**SELECTED
PERIOD-END
BALANCES**

Total assets	\$ 8,532,136	\$ 8,378,384	\$ 8,374,101	\$ 8,236,484	\$ 8,153,895	\$ 8,425,723	\$ 8,436,868
Investment securities	2,031,947	1,725,179	2,000,022	1,606,149	1,575,540	1,452,878	1,298,353
Loans and leases:							
Acquired	151,951	246,258	174,203	282,335	438,907	523,305	872,753
Originated	4,348,660	4,045,220	4,343,506	4,079,574	4,134,347	4,386,379	4,705,296
Interest-earning assets	7,785,442	7,655,433	7,594,532	7,447,106	7,300,760	7,357,259	7,413,823
Deposits	7,325,972	7,192,973	7,191,569	7,042,865	6,875,909	7,184,208	7,204,717
Interest-bearing liabilities	5,609,462	5,802,272	5,554,043	5,687,937	5,851,180	6,372,070	6,590,502
Long-term debt	203,303	203,202	203,278	203,176	208,694	208,593	308,492
Shareholders equity\$	764,972	\$ 711,094	\$ 749,701	\$ 699,494	\$ 740,498	\$ 689,921	\$ 618,177
Shares outstanding (voting and non-voting)	683,293	683,293	683,293	683,293	844,871	845,871	847,680

(dollars in thousands, except share data)	Three months ended March 31,		Year ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
SELECTED RATIOS AND OTHER DATA							
Rate of return on average assets (annualized)	0.72%	0.60%	0.54%	0.65%	0.61%	0.80%	1.36%
Rate of return on average shareholders equity (annualized)	7.96	7.02	6.23	7.02	7.04	10.37	18.31
Net yield on interest-earning assets (taxable equivalent)	2.60	2.68	2.69	3.00	3.23	3.37	3.48
Allowance for loan losses to total loans and leases	1.17	1.41	1.21	1.44	1.55	1.67	1.61
Allowance for loan losses to total loans and leases (excluding loss share)	1.21	1.49	1.26	1.54	1.72	1.88	1.90
Nonperforming assets to total assets at period end (excluding acquired loans and covered real estate owned)	1.44	1.73	1.49	1.83	2.20	2.05	1.58
Tier 1 risk-based capital ratio	16.15	15.80	15.53	15.33	15.50	13.33	10.94
Total risk-based capital ratio	18.03	18.17	17.41	17.69	18.21	16.29	14.09
Leverage capital ratio	8.31	7.85	8.32	7.78	8.12	7.28	6.50
Dividend payout ratio	1.60	1.96	2.13	5.31	2.34	1.73	1.18
Average loans and leases to average deposits	61.97	60.41	61.85	64.07	65.86	70.72	81.39

UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information and explanatory notes present how the combined financial statements of North and South may have appeared had the businesses actually been combined. The merger agreement provides two exchange options for South shareholders; however it is assumed for purposes of the pro forma financial information that at the effective date of the merger, each share of South common stock will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00 in cash. The unaudited pro forma combined consolidated financial information shows the impact of the merger of North and South on the companies' respective historical financial positions and results of operations under the acquisition method of accounting with North treated as the acquirer. Under this method of accounting, the assets and liabilities of South will be recorded by North at their estimated fair values as of the date the merger is completed. The unaudited pro forma combined consolidated balance sheet gives effect to the merger as if the transaction had occurred on March 31, 2014. The unaudited pro forma combined consolidated statements of income for the three months ended March 31, 2014 and for the year ended December 31, 2013, give effect to the merger as if these transactions had been completed on January 1, 2013. The unaudited pro forma combined selected financial data is derived from such balance sheets and statements of income.

The unaudited pro forma combined consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of both North and South which are included or incorporated by reference in this joint proxy statement/prospectus as of and for the periods indicated. See "Where You Can Find More Information" on page [] and the historical financial information that South has provided in this joint proxy statement/prospectus beginning on page F-1.

The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during this period. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma combined consolidated financial information, the preliminary determination of fair values of South's assets acquired and liabilities assumed reflected in the unaudited pro forma combined consolidated financial information are subject to adjustment and may vary from the actual fair values assigned that will be recorded upon completion of the merger. Subsequent to the completion of the merger, North will finalize its determination of the fair values of the acquired assets and assumed liabilities which could significantly change both the amount and the composition of these estimated accounting adjustments.

Unaudited Pro Forma Combined Consolidated Balance Sheet

As of March 31, 2014

(in thousands)

	North (as Reported)	South (as Reported)	Pro Forma adjustments	Notes	Pro Forma Combined
Assets					
Cash and due from banks	\$ 543,471	\$ 1,455,258	\$ (36,047)	A, E	\$ 1,962,682
Overnight investments	1,161,469				1,161,469
Investment securities available for sale	5,676,237	2,031,947	(74,764)	B, D, F	7,633,420
Investment securities held to maturity	782				782
Loans held for sale	53,361	20,209			73,570
Loans and leases					
Acquired	1,270,818	4,480,402	(115,100)	G	5,636,120
Originated	12,200,226				12,200,226
Allowance for loan and lease losses	(222,942)	(52,573)	52,573	H	(222,942)
Net loans and leases	13,248,102	4,427,829	(62,527)		17,613,404
Premises and equipment	878,850	229,264	(8,743)	I	1,099,371
Other real estate owned					
Covered under loss share agreements	41,855	23,596	(1,700)	J	63,751
Not covered under loss share agreements	44,504	28,398	(3,400)	J	69,502
Income earned not collected	49,668	16,699			66,367
FDIC loss share receivable	74,784	7,312	(300)	K	81,796
Goodwill	127,140	188,107	(116,147)	L	199,100
Other intangible assets	4,390	17,556	100,131	M	122,077
Other assets	250,384	85,961	(2,460)	B, N	333,885
Total assets	\$ 22,154,997	\$ 8,532,136	\$ (205,957)		\$ 30,481,176
Liabilities					
Deposits					
Noninterest-bearing	\$ 5,627,868	\$ 2,108,182	\$		\$ 7,736,050
Interest-bearing	13,135,677	5,217,790	1,647	O	18,355,114
Total deposits	18,763,545	7,325,972	1,647		26,091,164
Short-term borrowings	617,794	188,369			806,163
Long-term borrowings	440,300	203,303	(14,600)	P	629,003
FDIC loss share payable	111,339				111,339
Other liabilities	117,189	49,520	20,071	D, Q, S	186,780
Total liabilities	20,050,167	7,767,164	7,118		27,824,449

Shareholders Equity

Preferred stock		3,050	(3,050)	R	
Common stock		3,416	(3,416)	R	
Class A	8,586		2,391	C, D	10,977
Class B	1,033				1,033
Surplus	143,766	65,081	506,071	C, D, R	714,918
Retained earnings	1,968,039	685,533	(693,876)	B, R, S	1,959,696
Accumulated other comprehensive loss	(16,594)	7,892	(21,195)	B, R	(29,897)
Total shareholders equity	2,104,830	764,972	(213,075)		2,656,727
Total liabilities and shareholders equity	\$ 22,154,997	\$ 8,532,136	\$ (205,957)		\$ 30,481,176

Notes

- A Adjustment reflects \$50 per share of South common stock paid by North totaling \$32.6 million.
- B Adjustment reflects the impact of North selling South common stock which includes removal of the investment at fair value totaling \$22.1 million; \$8.4 million reversal of the deferred tax associated with the unrealized gain (rate = 39%); \$13.3 million reversal of the other comprehensive income component; and \$21.7 million realized gain.
- C Adjustment reflects North issuance of common stock of \$2.6 million at par value and \$621.3 million of surplus.
- D Adjustment reflects retirement of North common stock owned by South which includes removal of the investment at fair value totaling \$50.4 million; \$16.4 reversal of the deferred tax associated with the unrealized gain (rate = 35%); and retirement of the shares consisting of \$0.2 million par value and \$50.1 million of surplus.
- E Adjustment reflects cash paid by South to repurchase and retire all South's outstanding preferred stock of \$3.5 million.
- F Adjustment reflects the fair value adjustment (discount) of South's investment portfolio of \$2.3 million.
- G Adjustment reflects the fair value adjustment (discount) based upon North's evaluation of the acquired loan portfolio of \$115.1 million.
- H Adjustment reflects the reversal of South's allowance for loan and lease losses (ALLL) of \$52.6 million.
- I Adjustment reflects the fair value adjustment of South's acquired premises and equipment of \$8.7 million.
- J Adjustment reflects the fair value adjustment of South's other real estate owned (OREO) of \$5.1 million.
- K Adjustment reflects the fair value adjustment of South's Federal Deposit Insurance Corporation (FDIC) receivable of \$0.3 million.
- L Adjustment reflects \$72.0 million goodwill generated as a result of the consideration paid being greater than the net assets acquired (see page [] for detail) and the elimination of South's legacy goodwill totaling \$188.1 million.
- M Adjustment reflects \$96.9 million of core deposit intangible recorded by North for South deposits; fair value adjustment of South's mortgage servicing rights totaling \$5.0 million; and elimination of South's legacy core deposit intangible of \$1.8 million.
- N Adjustment reflects the recording of a \$10.8 million deferred tax asset generated by the net pro forma adjustments (rate = 39%).
- O Adjustment reflects the fair value adjustment (premium) to South's deposits of \$1.6 million.
- P Adjustment reflects the fair value adjustment (discount) to South's long-term borrowings of \$14.6 million.
- Q Adjustment reflects the fair value adjustment to South's pension plan assets of \$2.5 million and fair value adjustments for South's accrued liabilities of \$4.0 million.
- R Adjustment reflects the reversal of South's March 31, 2013 preferred stock at par totaling \$3.1 million, common stock at par of \$3.4 million, surplus of \$65.1 million, retained earnings of \$715.5 million and other comprehensive income of \$7.9 million.
- S Adjustment reflects estimated merger-related expenses of \$30.0 million.

The following table summarizes the calculation of the preliminary purchase price and the allocation of the purchase price to the estimated fair value of assets and liabilities (in thousands, except per share data):

South common shares outstanding at March 31, 2014	683,293
Less: Retire North common stock ownership in South	(32,042)
Net South common shares outstanding at March 31, 2014	651,251
Price per share, based upon North Class A common stock price of \$239.50 as of July 8, 2014	\$ 958.00
Value of shares of North Class A common stock issued to South shareholders	\$ 623,898
Cash paid to South shareholders	32,563
Fair value of South common shares owned by North (as recorded by North at March 31, 2014)	22,109
Total pro forma purchase price	\$ 678,570
Fair value of assets acquired:	
Cash and due from banks	\$ 1,451,774
Investment securities available for sale	1,979,292
Loans held for sale	20,209
Loans and leases	4,365,302
Premises and equipment	220,521
Other real estate owned	46,894
Income earned not collected	16,699
FDIC loss share receivable	7,012
Other intangible assets	117,687
Other assets	75,147
Total assets	8,300,537
Fair value of liabilities assumed:	
Total deposits	7,327,619
Short-term borrowings	188,369
Long-term borrowings	188,703
Other liabilities	39,591
Total liabilities	7,744,282
Retirement of North common stock acquired from South	50,355
Net assets acquired	606,610
Preliminary pro forma goodwill	\$ 71,960

Purchase Price Sensitivity

Preliminary pro forma goodwill represents the excess of the purchase price over the fair value of the net assets acquired. The purchase price will not be finalized until the merger is consummated and will be based on the share price of North s Class A common stock on that date. The above estimate is based on the closing price of North s Class A common stock on July 8, 2014 of \$239.50 per share. Based on preliminary fair values used herein, for every dollar increase or decrease in North s Class A common stock price, the resulting goodwill will increase or decrease by approximately \$2.6 million.

Unaudited Pro Forma Combined Consolidated Income Statement

For the Three Months Ended March 31, 2014

(in thousands)

	North (as Reported)	South (as Reported)	Pro Forma Adjustments	Notes	Pro Forma Combined
Interest income					
Loans and leases	\$ 161,034	\$ 46,960	\$ 4,313	A	\$ 212,307
Investment securities interest and dividend income	11,748	6,752	192	B	18,692
Overnight investments	612	778			1,390
Total interest income	173,394	54,490	4,505		232,389
Interest expense					
Deposits	6,825	1,721	(137)	C	8,409
Short-term borrowings	585	63			648
Long-term obligations	5,053	3,064	138	D	8,255
Total interest expense	12,463	4,848	1		17,312
Net interest income	160,931	49,642	4,504		215,077
Provision (credit) for loan and lease losses	(1,903)	144			(1,759)
Net interest income after provision for loan and lease losses	162,834	49,498	4,504		216,836
Noninterest income					
Cardholder services	11,832	6,717			18,549
Merchant services	13,521	4,032			17,553
Service charges on deposit accounts	14,440	8,991			23,431
Wealth management services	14,880	4,827			19,707
Fees from processing services	4,861		(4,861)	E	
Securities gains (losses)		5,753			5,753
Other service charges and fees	3,944	1,078			5,022
Mortgage income	955	1,583			2,538
Insurance commissions	3,287	507			3,794
ATM income	1,202	973			2,175
Adjustments to FDIC loss share receivable	(12,349)	176			(12,173)
Other	4,608	331	367	F, L	5,306
Total noninterest income	61,181	34,968	(4,494)		91,655
Noninterest expense					
Salaries and wages	79,874	23,140			103,014
Employee benefits	20,100	7,903			28,003
Occupancy expense	20,425	4,311	87	H	24,823

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Equipment expense	18,791	2,391			21,182
FDIC insurance expense	2,636	1,260			3,896
Foreclosure-related expenses	5,410	1,026	442	L	6,878
Other	43,794	21,000	(3,360)	G, I, N	61,434
Total noninterest expense	191,030	61,031	(2,831)		249,230
Income before income taxes	32,985	23,435	2,841		59,261
Provision for income taxes	10,619	8,436	1,108	J	20,163
Net income	22,366	14,999	1,733		39,098
Preferred dividends		39	(39)	K	
Net income available to common shareholders	\$ 22,366	\$ 14,960	\$ 1,772		\$ 39,098
Net income per share					
Net income per share basic and diluted	\$ 2.33	\$ 21.89	\$ 1.04		\$ 3.26
Average shares outstanding	9,618,941	683,293	1,708,211	M	12,010,445

Notes

- A Adjusted loan interest income for purchased loans using the level yield method over the estimated lives of the acquired loan portfolio.
- B Adjustment reflects amortization of the investment portfolio discount over the estimated portfolio duration.
- C Adjustment reflects amortization of the deposit premium over the estimated average deposit lives.
- D Adjustment reflects amortization of the debt discount over the estimated duration of the debt obligations.
- E Adjustment reflects the elimination of processing fees received by North paid from South.
- F Adjustment reflects the elimination of North dividend income from South of \$0.01 million and the elimination of South dividend income from North of \$0.06 million.
- G Adjustment reflects the amortization of the core deposit intangible of \$3.5 million and amortization of the mortgage servicing rights intangible of \$0.2 million over their estimated lives.
- H Adjustment reflects the incremental depreciation expense of facilities acquired.
- I Adjustment reflects the elimination of South processing service fees paid to North of \$7.6 million and the elimination of North expenses that were being offset by fees charged to South for other processing services of \$0.6 million.
- J Adjustment reflects the income tax expense (rate = 39%) associated with the net pro forma adjustments.
- K Adjustment reflects the elimination of South preferred stock dividends.
- L Reclassification of South's OREO related expenses from non-interest income to foreclosure related expenses to conform to North's presentation.
- M Adjustment reflects net impact of common shares issued and retired totaling 1,708,211. The net impact consists of the following adjustments: North Class A shares issued, which is the weighted average of South's outstanding common shares totaling 683,293 less common shares owned and retired by North of 32,042 multiplied by the exchange ratio of 4.0, resulting in 2,605,004 gross North Class A common shares. This amount is then reduced by the total South shares outstanding of 683,293 and the retirement of 213,500 North Class A common shares that are owned by South.
- N North expects to incur merger charges related to integration efforts, contract cancellations, severance, and other merger related charges; however, these charges are not reflected in these pro forma income statements.

Unaudited Pro Forma Consolidated Income Statement

For the Year Ended December 31, 2013

(in thousands)

	North (as Reported)	South (as Reported)	Pro Forma Adjustments	Notes	Pro Forma Combined
Interest income					
Loans and leases	\$ 757,197	\$ 202,040	\$ 17,258	A	\$ 976,495
Investment securities interest and dividend income	36,884	19,546	767	B	57,197
Overnight investments	2,723	3,743			6,466
Total interest income	796,804	225,329	18,025		1,040,158
Interest expense					
Deposits	34,495	8,985	(549)	C	42,931
Short-term borrowings	2,724	510			3,234
Long-term obligations	19,399	12,319	554	D	32,272
Total interest expense	56,618	21,814	5		78,437
Net interest income	740,186	203,515	18,020		961,721
Provision (credit) for loan and lease losses	(32,255)	8,054			(24,201)
Net interest income after provision for loan and lease losses	772,441	195,461	18,020		985,922
Noninterest income					
Cardholder services	48,360	25,445			73,805
Merchant services	56,024	15,460			71,484
Service charges on deposit accounts	60,661	38,660			99,321
Wealth management services	59,628	17,739			77,367
Fees from processing services	22,821		(20,400)	E	2,421
Securities gains (losses)		8,290			8,290
Other service charges and fees	15,696	4,009			19,705
Mortgage income	11,065	11,675			22,740
Insurance commissions	10,694	1,884			12,578
ATM income	5,026	3,915			8,941
Adjustments to FDIC loss share receivable	(72,342)	4,384			(67,958)
Other	45,970	(470)	2,726	F, L	48,226
Total noninterest income	263,603	130,991	(17,674)		376,920
Noninterest expense					
Salaries and wages	308,941	96,431			405,372
Employee benefits	90,479	35,705			126,184
Occupancy expense	75,718	16,621	350	H	92,689

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Equipment expense	75,545	9,403			84,948
FDIC insurance expense	10,175	5,494			15,669
Foreclosure-related expenses	17,134	8,955	3,027	L	29,116
Other	193,388	85,415	(5,724)	G, I, N	273,079
Total noninterest expense	771,380	258,024	(2,347)		1,027,057
Income before income taxes	264,664	68,428	2,693		335,785
Provision for income taxes	96,965	23,425	1,050	J	121,440
Net income	167,699	45,003	1,643		214,345
Preferred Dividends		162	(162)	K	
Net income available to common shareholders	\$ 167,699	\$ 44,841	\$ 1,805		\$ 214,345
Net income per share					
Net income per share basic and diluted	\$ 17.43	\$ 65.62	\$ 1.06		\$ 17.85
Average shares outstanding	9,618,952	683,293	1,708,211	M	12,010,456

Notes

- A Adjusted loan interest income for purchased loans using the level yield method over the estimated lives of the acquired loan portfolio.
- B Adjustment reflects amortization of the investment portfolio discount over the estimated portfolio duration.
- C Adjustment reflects amortization of the deposit premium over the estimated average deposit lives.
- D Adjustment reflects amortization of the debt discount over the estimated duration of the debt obligations.
- E Adjustment reflects the elimination of processing fees received by North paid from South.
- F Adjustment reflects the elimination of North dividend income from South of \$0.05 million and the elimination of South dividend income from North of \$0.3 million.
- G Adjustment reflects the amortization of the core deposit intangible of \$13.8 million and amortization of the mortgage servicing rights intangible of \$0.8 million over their estimated lives.
- H Adjustment reflects the incremental depreciation expense of facilities acquired.
- I Adjustment reflects the elimination of South processing service fees paid to North of \$25.7 million and the elimination of North expenses that were being offset by fees charged to South for other processing services of \$5.3 million.
- J Adjustment reflects the income tax expense (rate = 39%) associated with the net pro forma adjustments.
- K Adjustment reflects the elimination of South preferred stock dividends.
- L Reclassification of South's OREO related expenses from non-interest income to foreclosure related expenses to conform to North's presentation.
- M Adjustment reflects net impact of common shares issued and retired totaling 1,708,211. The net impact consists of the following adjustments: North Class A common shares issued, which is the weighted average of South's outstanding common shares totaling 683,293 less common shares owned and retired by North of 32,042 multiplied by the exchange ratio of 4.0, resulting in 2,605,004 gross North Class A common shares. This amount is then reduced by the total South shares outstanding of 683,293 and the retirement of 213,500 North Class A common shares that are owned by South.
- N North expects to incur merger charges related to integration efforts, contract cancellations, severance, and other merger related charges; however, these charges are not reflected in these pro forma income statements.

COMPARATIVE PER-SHARE DATA OF NORTH AND SOUTH (UNAUDITED)

The following table sets forth for North Class A common stock and South common stock certain historical, pro forma and pro forma equivalent per-share financial information. The pro forma and pro forma equivalent per-share information gives effect to the merger as if the transaction had been effective on the dates presented, in the case of book value data, and as if the transaction had been effective on January 1, 2013 in the case of the earnings and dividend data. The pro forma information in the table assumes that the merger is accounted for under the acquisition method of accounting. The information in the following table is based on the historical financial statements of each of North and South and should be read together with the historical financial information that North has presented in prior filings with the SEC and the historical financial information that South has provided in this joint proxy statement/prospectus beginning on page F-1. With respect to North, see Where You Can Find More Information beginning on page [] of this joint proxy statement/prospectus.

The pro forma financial information is not necessarily indicative of results that would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

The unaudited pro forma adjustments are based upon available information and certain assumptions that North management believes are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, do not reflect the impact of factors that may result as a consequence of the mergers or consider any potential impacts of current market conditions of the mergers on revenues, expense efficiencies, or asset dispositions, among other factors. As a result, unaudited pro forma data are presented for illustrative purposes only and do not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of South will be reflected in the consolidated financial statements of North on a prospective basis.

Unaudited Pro Forma Comparative Per-Share Data As of And For The Three Months Ended March 31, 2014

	North	South	Pro Forma Combined	Per Equivalent South Share (1)
Basic Income from Continuing Operations	\$ 2.33	\$ 21.89	\$ 3.26	\$ 13.04
Diluted Income from Continuing Operations	\$ 2.33	\$ 21.89	\$ 3.26	\$ 13.04
Cash Dividends	\$ 0.30	\$ 0.35	\$ 0.30	\$ 1.20
Book Value Per Common Share	\$ 218.82	\$ 1,119.54	\$ 221.20	\$ 884.81

Unaudited Pro Forma Comparative Per-Share Data As of And For The Year Ended December 31, 2013

	North	South	Pro Forma Combined	Per Equivalent South Share (1)
Basic Income from Continuing Operations	\$ 17.43	\$ 65.62	\$ 17.85	\$ 71.40
Diluted Income from Continuing Operations	\$ 17.43	\$ 65.62	\$ 17.85	\$ 71.40
Cash Dividends	\$ 1.20	\$ 1.40	\$ 1.20	\$ 4.80
Book Value Per Common Share	\$ 215.89	\$ 1,097.19	\$ 221.66	\$ 886.63

(1) Reflects conversion of each South share into four shares of North Class A common stock.

MARKET PRICES AND DIVIDEND INFORMATION

North Class A common stock is listed and trades on The NASDAQ Global Select Market under the symbol FCNCA. The trading market for North Class B common stock is limited. It trades in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCNCB. As of the North record date, there were [] shares of North Class A common stock outstanding and [] shares of North Class B common stock outstanding. As of the North record date, North had approximately [] holders of record of its Class A common stock and [] holders of record of its Class B common stock, as reported by its stock transfer agent, Broadridge Corporate Issuer Solutions, Inc. Holders of record are defined as those stockholders whose shares are registered in their names in North's stock records. The term excludes beneficial holders whose shares are held for them in street name by a broker or other nominee.

South voting common stock trades in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol FCBN. There is no established public trading market for South's non-voting common stock, it trades infrequently, and it is not quoted on the OTC Bulletin Board or listed on any exchange. As of the South record date, there were [] shares of South voting common stock and [] shares of South non-voting common stock outstanding, held of record by [] holders and [] holders, respectively.

The following tables show, for the indicated periods, the high and low sales prices per share for North Class A common stock, as reported on NASDAQ, and the high and low bid prices for North Class B common stock and South voting common stock, as reported in the OTC Bulletin Board. Shares of South voting common stock and North Class B common stock are not traded frequently. Over-the-counter bid prices for North Class B common stock and South voting common stock represent inter-dealer prices without retail markup, markdown or commissions, and may not represent actual transactions. South is aware of a few transactions over the past two years in which the South non-voting common stock traded at prices ranging from \$[] to \$[] per share. However, South has not ascertained whether these were arm's length transactions, and because of the limited number of transactions involved, the prices may not be indicative of the value of South non-voting common stock.

Cash dividends declared per share on North and South common stock are also shown for the periods indicated below.

	North Class A Common Stock			North Class B Common Stock			South Voting Common Stock		
	High	Low	Dividends	High	Low	Dividends	High	Low	Dividends
2014									
First Quarter	\$ 240.46	\$ 215.22	\$ 0.30	\$ 219.01	\$ 198.01	\$ 0.30	\$ 690.00	\$ 658.00	\$ 0.35
Second Quarter	\$ 260.10	\$ 214.93	\$ 0.30	\$ 244.50	\$ 199.93	\$ 0.30	\$ 1,053.00	\$ 689.00	\$ 0.35
Third Quarter (through [], 2014)	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
2013									
First Quarter	\$ 182.21	\$ 166.49	\$ 0.30	\$ 173.57	\$ 162.75	\$ 0.30	\$ 635.00	\$ 510.00	\$ 0.35
Second Quarter	\$ 204.76	\$ 179.22	\$ 0.30	\$ 193.00	\$ 171.00	\$ 0.30	\$ 640.00	\$ 585.00	\$ 0.35
Third Quarter	\$ 212.30	\$ 194.39	\$ 0.30	\$ 197.50	\$ 184.00	\$ 0.30	\$ 675.00	\$ 635.00	\$ 0.35

Fourth Quarter	\$ 226.07	\$ 201.64	\$ 0.30	\$ 210.95	\$ 185.50	\$ 0.30	\$ 670.00	\$ 644.00	\$ 0.35
2012									
First Quarter	\$ 185.42	\$ 164.70	\$ 0.30	\$ 183.00	\$ 165.75	\$ 0.30	\$ 495.00	\$ 400.00	\$ 2.35
Second Quarter	\$ 181.62	\$ 161.22	\$ 0.30	\$ 182.26	\$ 162.00	\$ 0.30	\$ 491.00	\$ 462.00	\$ 0.35
Third Quarter	\$ 169.70	\$ 160.89	\$ 0.30	\$ 166.05	\$ 158.00	\$ 0.30	\$ 525.00	\$ 466.00	\$ 0.35
Fourth Quarter	\$ 174.03	\$ 156.48	\$ 0.30	\$ 168.00	\$ 157.00	\$ 0.30	\$ 526.00	\$ 484.00	\$ 0.35

On June 9, 2014, the last full trading day before the announcement of the merger, (i) the high and low sales prices of shares of North Class A common stock as reported on the NASDAQ Global Select Market were \$234.99 and \$231.11, respectively, (ii) the high and low bid prices of shares of North Class B common stock as

quoted on the OTC Bulletin Board were \$216.20 and \$214.20, respectively, and (iii) the high and low bid prices of shares of South voting common stock as quoted on the OTC Bulletin Board were \$706.00 and \$701.00, respectively. On [], 2014, the last practicable trading day prior to the printing of this joint proxy statement/prospectus, (a) the high and low sales prices of shares of North Class A common stock as reported on The NASDAQ Global Select Market were \$[] and \$[], respectively, (b) the high and low bid prices of shares of North Class B common stock as quoted on the OTC Bulletin Board were \$[] and \$[], respectively, and (c) the high and low bid prices of shares of South voting common stock as quoted in the OTC Bulletin Board were \$[] and \$[], respectively.

FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including information included in, or incorporated by reference into, this joint proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to: (i) statements about the benefits and costs of the merger, including future financial and operating results and cost savings that may be realized from the merger; (ii) statements about our respective plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as expect, anticipate, intend, plan, believe, seek, estimate, feel, indicate, strive, forecast, project, target, contemplate, assume, strategy, goal, outcome, continue, remain, maintain, trend, objective and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could, might, can, may or words of similar meaning. These forward-looking statements relating to North or the combined company are based on current beliefs and expectations of North's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond North's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements.

Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" and those discussed in the filings of North with the SEC that are incorporated by reference into this joint proxy statement/prospectus, as well as the following:

the merger may not be completed when expected or at all because the requisite regulatory approvals for the merger, and/or the approval of the South merger proposal, the South adjournment proposal, the North merger proposal, the North share issuance proposal, the North charter amendment proposal, and the North adjournment proposal might not be obtained or other conditions to the completion of the merger set forth in the merger agreement might not be satisfied or waived, or because of litigation that might be instituted against North or South;

the sale price for the North common stock (Class A, Class B or both) could decline before the completion of the merger, including as a result of the financial performance of North or South, or more generally due to broader stock market movements and the performance of financial companies and peer group companies;

the expected cost savings, synergies and other financial benefits from the merger might not be realized within the expected time frames or at all as a result of, among other things, changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the markets in which North and South operate;

South's business may not be integrated into North's business successfully, or such integration may take longer to accomplish than expected;

operating costs, customer losses and business disruption following the merger, including adverse developments in relationships with employees, may be greater than expected; and

management time and effort may be diverted to the resolution of merger-related issues. Because these forward-looking statements are subject to assumptions and uncertainties, North's and the combined company's actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference into this joint proxy statement/prospectus, as applicable.

All subsequent written and oral forward-looking statements regarding the merger or other matters addressed in this joint proxy statement/prospectus, and attributable to North or any person acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained or referred to in this section entitled Forward-Looking Statements. We undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

INFORMATION ABOUT THE NORTH SPECIAL MEETING

This section contains information about the special meeting that North has called to allow North stockholders to vote on certain proposals related to the merger agreement and the merger, as more fully described below. The North board of directors is mailing this joint proxy statement/prospectus to you, as a North stockholder, on or about [], 2014. Together with this joint proxy statement/prospectus, the North board of directors is also sending to you a notice of the special meeting of North stockholders and a form of proxy that the North board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Time, Date, and Place

The special meeting is scheduled to be held on [], 2014 at [], local time, at [].

Matters to Be Considered at the Meeting

At the special meeting, North stockholders will be asked to consider and vote on:

a proposal to approve the merger agreement;

a proposal to approve the issuance of up to 2,605,004 shares of North Class A common stock and up to 273,526 shares of North Class B common stock in the merger in accordance with NASDAQ Listing Rules;

a proposal to approve an amendment to the North charter to increase the authorized number of shares of North Class A common stock from 11,000,000 to 16,000,000 shares to enable the issuance of shares in the merger;

a proposal of the North board of directors to adjourn or postpone the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the North merger proposal, the North share issuance proposal or the North charter amendment proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the North board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have completed, signed and submitted your proxy, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A, and we encourage you to read it carefully in its entirety.

North merger proposal. In the merger, South will merge with and into North, with North as the surviving company. It is expected that, following the merger, South Bank will merge with and into North Bank, with North Bank as the surviving bank. For a detailed description of the merger and the merger agreement, see the sections entitled *The Merger* and *The Merger Agreement* beginning on pages [] and [], respectively, of this joint proxy statement/prospectus.

North share issuance proposal. Under the NASDAQ Listing Rules, a company listed on NASDAQ is required to obtain stockholder approval prior to the issuance of common stock or securities convertible into or exercisable for common stock in connection with the acquisition of the stock or assets of another company if such common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock, or the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of

shares of common stock outstanding before the issuance of the stock or securities. As of [], 2014, there were an aggregate of [] shares of North Class A common stock and North Class B common stock outstanding, for a total number of [] votes. Based on the current number of shares of South common stock outstanding, (i) if all South shareholders elect to receive only North Class A common stock and cash, North currently expects to issue up to 2,605,004 shares of North Class A common stock upon completion of the merger and (ii) if all South shareholders elect to receive North Class A common stock and North Class B common stock, North currently expects to issue up to 2,331,479 shares of Class A common stock and 273,526 shares of North Class B common stock upon completion of the merger. However, the number of shares (and corresponding number of votes) actually issued upon completion of the merger could change depending on the actual elections of South shareholders.

NASDAQ Listing Rules also require stockholder approval prior to the issuance of common stock or securities convertible into or exercisable for common stock in connection with the acquisition of the stock or assets of another company if any director, officer or substantial shareholder (as defined by NASDAQ Listing Rules) has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common shares or voting power of 5% or more. See Information about South Security Ownership of South Management and Certain South Beneficial Owners beginning on page [] of this joint proxy statement prospectus. For a description of North's substantial shareholders and their interests in the merger, see the section entitled The Merger Interests of North and/or North Bank's Directors and Executive Officers in the Merger beginning on page [] of this joint proxy statement prospectus.

North charter amendment proposal. North's authorized capital stock currently consists of 23,000,000 shares divided into three classes: (i) 11,000,000 shares of North Class A common stock, (ii) 2,000,000 shares of North Class B common stock, and (iii) 10,000,000 shares of preferred stock. As of [], 2014, there were [] shares of North Class A common stock, [] shares of North Class B common stock, and 0 shares of preferred stock issued and outstanding. In connection with the merger, up to 2,605,004 shares of North Class A common stock may be issued to holders of South common stock (if all South shareholders choose North Class A common stock and cash as merger consideration). Accordingly, absent the adoption of the North charter amendment, North does not have a sufficient number of authorized shares of North Class A common stock to consummate the merger (if all South shareholders choose North Class A common stock and cash as merger consideration). For that reason, the obligations of both North and South to consummate the merger agreement are conditioned upon North's stockholders approving North's charter amendment. If North's stockholders do not approve the charter amendment, North will be unable to consummate the merger.

If North's stockholders approve the charter amendment, North could have approximately 4.8 million shares of North Class A common stock available for future issuance after giving effect to the issuance of North Class A common stock in connection with the merger. These additional authorized shares of North Class A common stock will be available for issuance at the discretion of North's board of directors, and for such consideration as determined by the North board of directors, for any corporate purpose, including, among other things, stock splits, stock dividends, redemption and exchanges, public or private stock offerings or future acquisitions, without further action by North's stockholders, except as may be required by applicable laws or regulations or the NASDAQ Listing Rules. Although North does not have any specific commitments for the issuance of the additional shares of North Class A common stock for which authorization is solicited beyond those shares required to consummate the merger, North's board of directors believes that it is desirable for the stockholders to authorize such additional shares at this time so that North is prepared to meet possible future needs.

The additional shares of North Class A common stock to be authorized by adoption of the North charter amendment would have rights identical to the shares of North Class A common stock currently outstanding.

Adoption of the North charter amendment and issuance of the North Class A common stock authorized thereby would not affect the rights of the holders of currently outstanding North Class A common stock or North Class B common stock, except for effects incidental to increasing the number of shares of North Class A common stock outstanding, such as potential dilution of the earnings per share and voting power of current holders of North Class A common stock and North Class B common stock.

North adjournment proposal. If the number of shares of North Class A common stock and/or North Class B common stock present or represented by proxy and voting in favor of the North merger proposal, the North share issuance proposal or the North charter amendment proposal, as applicable, is insufficient to approve any such proposal(s), North may move to adjourn the North special meeting in order to solicit additional proxies for such proposal(s). North does not intend to call a vote on the North adjournment proposal if each of the North merger proposal, the North share issuance proposal and the North charter amendment proposal has been approved at the North special meeting.

Recommendation of the North Board of Directors

The North board of directors recommends that North stockholders vote **FOR** the North merger proposal, **FOR** the North share issuance proposal, **FOR** the North charter amendment proposal and **FOR** the North adjournment proposal. See The Merger Recommendation of North's Board of Directors and Reasons for the Merger beginning on page [] of this joint proxy statement prospectus.

Record Date and Quorum

[], 2014 has been fixed as the record date for the determination of North stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were (i) [] shares of North Class A common stock outstanding and entitled to vote at the special meeting, held by [] holders of record and (ii) [] shares of North Class B common stock outstanding and entitled to vote at the special meeting, held by [] holders of record.

A quorum is necessary to transact business at the special meeting. The presence, in person or by proxy, of shares representing a majority of the total votes entitled to be cast by holders of outstanding shares of North Class A common stock and North Class B common stock at the special meeting is necessary to constitute a quorum, and the presence, in person or by proxy, of the holders of a majority of the outstanding shares of North Class A common stock is necessary to constitute a quorum for action on the North charter amendment proposal. Shares of North Class A common stock and North Class B common stock represented at the special meeting but not voted, including shares that a stockholder abstains from voting and shares held in street name with a broker or other nominee for which a stockholder provides voting instructions for one or more, but not all, proposals to be voted on, will be counted for purposes of establishing a quorum. Once a share of North Class A common stock or North Class B common stock is represented at the special meeting on any proposal, it will be counted for the purpose of determining a quorum for all proposals voted on, not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Required Vote

Pursuant to Delaware law, the North merger proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North charter amendment proposal will be approved if a majority of the total votes entitled to be cast by holders of the outstanding shares of: (i) North Class A common stock and North Class B common stock, voting as a group, and (ii) North Class A common stock, voting as a separate group, in each case are cast in favor of such proposal. Pursuant to NASDAQ Listing

Rules, the North share issuance proposal will be approved if a majority of the total votes actually cast at the North special meeting by holders of the outstanding shares of North Class A common stock and North Class B common stock, voting as a group, are cast in favor of such proposal. The North adjournment proposal will be approved if a majority of total votes entitled to be cast by holders of shares of North Class A common stock and North Class B common stock represented at the North special meeting, in person or by proxy, and voting as a group, are cast in favor of such proposal. For each proposal, you may vote **FOR**, **AGAINST** or **ABSTAIN**.

If you vote to **ABSTAIN** with respect to the North merger proposal, the North charter amendment proposal or the North adjournment proposal or if you fail to vote on any such proposal, or fail to instruct your broker or other nominee how to vote with respect to any such proposal, this will have the same effect as voting **AGAINST** such proposal. If you vote to **ABSTAIN** with respect to the North share issuance proposal, if you fail to vote on such proposal or if you fail to instruct your broker or other nominee how to vote with respect to such proposal, this will have no effect on the vote count for such proposal.

Each share of North Class A common stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on all matters properly presented at the meeting. Each share of North Class B common stock you own as of the record date for the special meeting entitles you to 16 votes at the special meeting on all matters properly presented at the meeting.

How to Vote Shares Held of Record

Voting in Person. If you are a holder of record, you can vote in person by submitting a ballot at the special meeting. Nevertheless, we recommend that you vote by proxy as promptly as possible, even if you plan to attend the special meeting. This will ensure that your vote is received. If you attend the special meeting, you may vote by ballot, thereby canceling any proxy previously submitted.

Voting by Proxy. Your proxy card includes instructions on how to vote by mailing in the proxy card. If you choose to vote by proxy, please mark each proxy card you receive, sign and date it, and promptly return it in the envelope enclosed with the proxy card. If you sign and return your proxy without instruction on how to vote your shares, your shares will be voted **FOR** the North merger proposal, **FOR** the North share issuance proposal, **FOR** the North charter amendment proposal and **FOR** the North adjournment proposal. At this time, the North board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have signed and returned your proxy card, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters.

Toll-Free number. You may use the toll-free number shown on your proxy card to vote your shares.

Voting by Internet. You may vote your shares by visiting the website shown on your proxy card to vote via the Internet.

How to Vote Shares Held in Street Name

If you are a North stockholder and your shares are held in street name through a broker or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the broker or other nominee. You may not vote shares held in street name by returning a proxy card directly to North or by voting in person at the North special meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee. Further, brokers or other nominees who hold shares of North common stock on behalf of their customers may not give a proxy to North to vote those

shares with respect to any of the proposals without specific instructions from their customers, as brokers and other nominees do not have discretionary voting powers on these matters. Therefore, if you are a North stockholder and you do not instruct your broker or other nominee on how to vote your shares:

your broker or other nominee may not vote your shares on the North merger proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** this proposal;

your broker or other nominee may not vote your shares on the North share issuance proposal, which broker non-votes, if any, will have no effect on the vote count for this proposal;

your broker or other nominee may not vote your shares on the North charter amendment proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** this proposal; and

your broker or other nominee may not vote your shares on the North adjournment proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** this proposal.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, IF YOU ARE A RECORD HOLDER, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR VOTE ELECTRONICALLY VIA TELEPHONE OR THE INTERNET. IF YOUR SHARES ARE HELD IN STREET NAME BY A BROKER OR OTHER NOMINEE, PLEASE PROMPTLY COMPLETE YOUR BROKER VOTING INSTRUCTION CARD AND RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE FROM YOUR BROKER. RECORD HOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies

Shares Held of Record. You can revoke your proxy at any time before your shares are voted. If you are a holder of record, then you can revoke your proxy by:

submitting another valid proxy card bearing a later date;

prior to the special meeting, logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or calling the telephone number specified on your proxy card, in each case if you are eligible to do so, and following the instructions on the proxy card;

attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting; or

delivering prior to the special meeting a written notice of revocation to Kathy A. Klotzberger, Corporate Secretary, First Citizens BancShares, Inc., 4300 Six Forks Road, Raleigh, North Carolina 27609.

If you choose to send a completed proxy card bearing a later date or a notice of revocation, the new proxy card or notice of revocation must be received before the beginning of the North special meeting. Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy.

Shares Held in Street Name. If you hold your shares in street name with a broker or other nominee, you must follow the directions you receive from your broker or other nominee to change your vote. Your last vote will be the vote that is counted.

Shares Held by Directors and Executive Officers

As of the North record date, directors and executive officers of North and their affiliates owned and were entitled to vote [] shares of North Class A common stock and [] shares of North Class B common stock, representing approximately []% of the shares of North Class A common stock, approximately []% of the shares of North Class B common stock outstanding and entitled to vote on that date, respectively, and [] total votes (each holder of North Class A common stock can cast one vote for each share of North Class A common stock owned on the North record date and each holder of North Class B common stock can cast 16 votes for each share of North Class B common stock owned on the North record date). As of the North record date, South and directors and executive officers of South and their affiliates owned and were entitled to vote [] shares of North Class A common stock and [] shares of North Class B common stock, representing approximately []% of the shares of North Class A common stock and []% of the shares of North Class B common stock outstanding and entitled to vote on that date, respectively, and [] total votes.

Solicitation of Proxies

The proxy for the special meeting is being solicited on behalf of the North board of directors. North will bear the entire cost of soliciting proxies from you. North will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of North common stock. Proxies will be solicited principally by mail, but may also be solicited by the directors, officers and other employees of North in person or by telephone, facsimile or other means of electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation.

Attending the Meeting

All holders of North common stock, including holders of record and holders who hold their shares in street name through brokers or other nominees, are cordially invited to attend the special meeting. Holders of record can vote in person at the special meeting. If you are not a holder of record and would like to vote in person at the special meeting, you must produce a legal proxy executed in your favor by the record holder of your shares. In addition, you must bring a form of personal photo identification with you in order to be admitted at the special meeting. North reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without North's express written consent.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy or vote, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact North at:

First Citizens BancShares, Inc.

4300 Six Forks Road

Raleigh, North Carolina 27609

Attn: Kathy A. Klotzberger, Corporate Secretary

INFORMATION ABOUT THE SOUTH SPECIAL MEETING

This section contains information about the special meeting that South has called to allow South shareholders to vote on certain proposals related to the merger agreement and the merger, as more fully described below. The South board of directors is mailing this joint proxy statement/prospectus to you, as a South shareholder, on or about [], 2014. Together with this joint proxy statement/prospectus, the South board of directors is also sending to you a notice of the special meeting of South shareholders and a form of proxy that the South board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Time, Date, and Place

The special meeting is scheduled to be held on [], 2014 at [], local time, at [].

Matters to be Considered at the Meeting

At the special meeting, South shareholders will be asked to consider and vote on:

a proposal to approve the merger agreement;

a proposal of the South board of directors to adjourn or postpone the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the South merger proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

Holders of South voting and non-voting common stock at the close of business on the South record date can vote on the South merger proposal. Only holders of South voting common stock on the South record date can vote on the South adjournment proposal.

At this time, the South board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have completed, signed and submitted your proxy, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A, and we encourage you to read it carefully in its entirety.

South merger proposal. In the merger, South will merge with and into North, with North as the surviving company. It is expected that, following the merger, South Bank will merge with and into North Bank, with North Bank as the surviving bank. For a detailed description of the merger and the merger agreement, see the sections entitled "The Merger" and "The Merger Agreement" beginning on pages [] and [], respectively, of this joint proxy statement/prospectus.

South adjournment proposal. If the number of shares of South common stock present or represented by proxy and voting in favor of the South merger proposal is insufficient to approve such proposal, South may move to adjourn the South special meeting in order to solicit additional proxies for such proposal. South does not intend to call a vote on the South adjournment proposal if the South merger proposal has been approved at the South special meeting.

Recommendation of the South Board of Directors

The South board of directors recommends that South shareholders vote **FOR** the South merger proposal and **FOR** the South adjournment proposal. See The Merger Recommendation of South's Board of Directors and Reasons for the Merger beginning on page [] of this joint proxy statement, prospectus.

Record Date and Quorum

[], 2014 has been fixed as the record date for the determination of South shareholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were (i) [] shares of South voting common stock outstanding and entitled to vote at the special meeting, held by approximately [] holders of record, and (ii) [] shares of South non-voting common stock outstanding and entitled to vote at the special meeting, held by approximately [] holders of record.

A quorum is necessary to transact business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of the total South voting and non-voting common stock entitled to vote at the special meeting, as well as a majority of the outstanding shares of the voting common stock entitled to vote at the special meeting and a majority of the outstanding shares of the non-voting common stock entitled to vote at the meeting, is necessary to constitute a quorum. Shares of South common stock represented at the special meeting but not voted, including shares that a shareholder abstains from voting and shares held in street name with a broker or other nominee for which a shareholder does not provide voting instructions, will be counted for purposes of establishing a quorum. Once a share of South common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Required Vote

Under the provisions of the South Carolina Business Corporation Act, to be adopted, the South merger proposal must be approved by: (i) two-thirds of the South voting and non-voting common stock entitled to be cast on the merger, voting as a group, (ii) two-thirds of the South voting common stock entitled to be cast on the merger, voting as a separate group, and (iii) two-thirds of the South non-voting common stock entitled to be cast on the merger, voting as a separate group. In addition, it is a condition to the merger that a majority of the votes entitled to be cast on the merger by persons who are minority holders of South common stock not be cast against the merger. The term minority holders was negotiated by the North Committee and the South Committee, on the basis of South's share records and related information, to include, generally, South shareholders who were not members of the Frank B. Holding family and South shareholders who were not affiliated with Mr. Holding or his family. The South adjournment proposal will be approved if the votes cast by South voting common stock in favor of the South adjournment proposal exceed the votes cast against the South adjournment proposal. For each proposal, you may vote **FOR**, **AGAINST**, or **ABSTAIN**.

If you vote to **ABSTAIN** with respect to the South merger proposal or if you fail to vote on the South merger proposal, or fail to instruct your broker or other nominee how to vote with respect to the South merger proposal, this will have the same effect as voting **AGAINST** the South merger proposal.

If you vote to **ABSTAIN** with respect to the South adjournment proposal or if you fail to vote on the South adjournment proposal, or fail to instruct your broker or other nominee how to vote with respect to the South adjournment proposal, this will have no effect on the vote count for the South adjournment proposal.

Each share of South voting common stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on all matters properly presented at the meeting. Each share of South non-voting common stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on the South merger proposal.

How to Vote Shares Held of Record

Voting in Person. If you are a holder of record, you can vote in person by submitting a ballot at the special meeting. Nevertheless, we recommend that you vote by proxy or electronically via telephone or the Internet as

promptly as possible, even if you plan to attend the special meeting. This will ensure that your vote is received. If you attend the special meeting, you may vote by ballot, thereby canceling any proxy previously submitted.

Voting by Proxy. Your proxy card includes instructions on how to vote by mailing in the proxy card. If you choose to vote by proxy, please mark each proxy card you receive, sign and date it, and promptly return it in the envelope enclosed with the proxy card. If you sign and return your proxy without instruction on how to vote your shares, your shares will be voted **FOR** the South merger proposal and **FOR** the South adjournment proposal. At this time, the South board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have signed and returned your proxy card, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. Please do not send in your South stock certificates with your proxy card. If the merger is completed, then you will receive a separate letter of transmittal and instructions on how to surrender your South stock certificates for the merger consideration.

Toll-Free number. You may use the toll-free number shown on your proxy card to vote your shares.

Voting by Internet. You may vote your shares by visiting the website shown on your proxy card to vote via the Internet.

How to Vote Shares Held in Street Name

If you are a South shareholder and your shares are held in street name through a broker or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the broker or other nominee. You may not vote shares held in street name by returning a proxy card directly to South or by voting in person at the South special meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee. Further, brokers or other nominees who hold shares of South common stock on behalf of their customers may not give a proxy to South to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers and other nominees do not have discretionary voting power on these matters. Therefore, if you are a South shareholder and you do not instruct your broker or other nominee on how to vote your shares:

your broker or other nominee may not vote your shares on the South merger proposal, which broker non-votes, if any, will have the same effect as a vote **AGAINST** this proposal; and

your broker or other nominee may not vote your shares on the South adjournment proposal, which broker non-votes, if any, will have no effect on the vote count for this proposal.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, IF YOU ARE A RECORD HOLDER, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR VOTE ELECTRONICALLY VIA TELEPHONE OR THE INTERNET. IF YOUR SHARES ARE HELD IN STREET NAME BY A BROKER OR OTHER NOMINEE, PLEASE PROMPTLY COMPLETE YOUR BROKER VOTING INSTRUCTION CARD AND RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE FROM YOUR BROKER. RECORD HOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies

Shares Held of Record. You can revoke your proxy at any time before your shares are voted. If you are a shareholder of record, then you can revoke your proxy by:

submitting another valid proxy card bearing a later date;

prior to the special meeting, logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;

attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting; or

delivering prior to the special meeting a written notice of revocation to Melissa A. Mendenall, Corporate Secretary at the following address: First Citizens Bancorporation, Inc., 1230 Main Street, Columbia, South Carolina 29201.

If you choose to send a completed proxy card bearing a later date or a notice of revocation, the new proxy card or notice of revocation must be received before the beginning of the South special meeting. Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy.

Shares Held in Street Name. If you hold your shares in street name with a broker or other nominee, you must follow the directions you receive from your broker or other nominee to change your vote. Your last vote will be the vote that is counted.

Shares Held by Directors and Executive Officers

As of the South record date, directors and executive officers of South and their affiliates owned and were entitled to vote an aggregate of [] shares of South voting and non-voting common stock, representing approximately []% of the aggregate shares of South voting and non-voting common stock outstanding and entitled to vote on that date. As of the South record date, directors and executive officers of South and their affiliates owned and were entitled to vote [] shares of South voting common stock and [] shares of South non-voting common stock, representing approximately []% of the shares of South voting common stock and []% of the shares of South non-voting common stock outstanding and entitled to vote on that date, respectively. As of the South record date, North and directors and executive officers of North and their affiliates owned and were entitled to vote an aggregate of [] shares of South voting and non-voting common stock, representing approximately []% of the aggregate shares of South voting and non-voting common stock outstanding and entitled to vote on that date. As of the South record date, North and directors and executive officers of North and their affiliates owned and were entitled to vote [] shares of South voting common stock and [] shares of the South non-voting common stock, representing approximately []% of the shares of South voting common stock and []% of the shares of South non-voting common stock outstanding and entitled to vote on that date, respectively.

Solicitation of Proxies

The proxy for the special meeting is being solicited on behalf of the South board of directors. South will bear the entire cost of soliciting proxies from you. South will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of South common stock. Proxies will be solicited principally by mail, but may also be solicited by the directors, officers and other employees of South in person or by telephone, facsimile or other means of electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. South may also engage a proxy soliciting firm to assist with solicitation of proxies.

Attending the Meeting

All holders of South common stock, including holders of record and holders who hold their shares in street name through brokers or other nominees, are cordially invited to attend the special meeting. Holders of record

can vote in person at the special meeting. If you are not a holder of record and would like to vote in person at the special meeting, you must produce a legal proxy executed in your favor by the record holder of your shares. In addition, you must bring a form of personal photo identification with you in order to be admitted at the special meeting. South reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without South's express written consent.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy or vote, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact South at:

First Citizens Bancorporation, Inc.

1230 Main Street

Columbia, South Carolina 29201

Attention: Melissa A. Mendenall, Corporate Secretary

THE MERGER

Structure

The North board of directors and the South board of directors have approved and adopted the merger agreement and the transactions contemplated thereby including the merger. In the merger, South will merge with and into North, with North surviving the merger and South ceasing to exist. It is expected that following the merger, South's wholly-owned subsidiary, South Bank, will merge with and into North's wholly-owned subsidiary, North Bank, with North Bank surviving the merger and South Bank ceasing to exist.

Merger Consideration

Under the terms of the merger agreement, each share of South common stock will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00 in cash, unless the holder of such share elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, 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. Cash will be paid in lieu of issuing fractional shares of North common stock. The total number of shares of North Class A common stock to be issued in the merger is expected to be between 2,331,479 and 2,605,004, and the total number of shares of North Class B common stock to be issued in the merger is expected to be between 0 and 273,526, which represents approximately 21.7% of the economic interest in North, and between approximately 9.7% and approximately 21.7% of the voting interest in North, depending on the number of South shareholders who elect to receive North Class B common stock as part of the merger consideration.

Background of the Merger

As part of its ongoing consideration and evaluation of its long-term strategies, North senior management and the North board of directors regularly have reviewed and assessed business objectives and opportunities, including strategic opportunities, all with the goal of strengthening North and enhancing long-term stockholder value. In the summer of 2013, senior management of North identified the acquisition of South as a potential synergistic opportunity that would enhance long-term stockholder value.

Later in 2013, Mr. Holding, Jr. discussed the possibility of a combination of North and South with certain of his family members, including Frank B. Holding, Mr. Holding, Jr.'s father, Peter M. Bristow, President of South and Mr. Holding, Jr.'s brother-in-law, and Hope H. Bryant, to ascertain whether they would be receptive to the two organizations exploring the possibility of a combination. Thereafter, Frank B. Holding, who owns shares of North and South stock, and is a former director of both North and South, did not participate in the events described herein. See Questions and Answers about the Merger and the Special Meeting Who are the members of the Holding family and what interests do they have in North and South?, Interests of North and/or North Bank's Directors and Executive Officers in the Merger and Interests of South and/or South Bank's Directors and Executive Officers in the Merger. See also Questions and Answers about the Merger and the Special Meetings beginning on page [] of this joint proxy statement/prospectus and Information about South Security Ownership of South Management and Certain South Beneficial Owners beginning on page [] of this joint proxy statement/prospectus.

Following the discussions among the Holding family, Mr. Bristow discussed with senior management of South the possibility of a combination of North and South. In late 2013, Mr. Holding, Jr. indicated to management of North that he believed various members of the Holding family would be receptive to the two organizations exploring the possibility of a combination. Thereafter, in early 2014, senior management of North and South each had preliminary internal discussions to assess their respective views of the feasibility of a combination of North and South. Based on a preliminary assessment, each management team separately concluded that a combination would be positive for both North and South, and their respective shareholders, and therefore, that it was desirable to discuss the opportunity with

the respective boards of directors of North and South, with a view towards establishing an independent process to consider the opportunity further.

The management of North discussed its analysis of the potential opportunity with the North board of directors at an educational meeting held on January 27, 2014. At its regularly scheduled board meeting on January 28, 2014, the independent directors of North established the North Committee comprised of Victor E. Bell, H. Lee Durham, Jr., and Lucius S. Jones (Chairman), each of whom was deemed to be an independent director, and authorized it to act with the full authority of the board in considering whether to recommend a possible transaction with South. The North board of directors authorized the full group of independent directors to take final action with respect to any such recommendation by the North Committee. Directors Frank B. Holding, Jr. and Hope H. Bryant recused themselves from this portion of the meeting and did not participate.

On January 30, 2014, the South board of directors met with Haynsworth Sinkler Boyd, P.A. (Haynsworth), South's outside legal counsel. Mr. Holding, Jr. and Mr. Bristow recused themselves from the meeting and did not participate. Jim Apple, South's Chief Executive Officer, and C. S. McLaurin III, a former executive officer of South who provides consulting services to South, also recused themselves from the meeting and did not participate. The following directors participated in the meeting and are referred to by South as the independent directors of South: David E. Dukes, J. Earle Furman, Jr., M. Craig Garner, Jr., Robert B. Haynes, Wycliffe E. Haynes, Robert R. Hoppe, Floyd L. Keels, Kevin B. Marsh and Allen H. McIntyre. In addition to recusing himself from South board deliberations related to a potential transaction between North and South, Mr. Bristow also did not participate in his capacity as a member of South's management in any matter related to the transaction. For purposes of the remainder of this discussion, references to South management do not include Mr. Bristow.

At the January 30, 2014 South board of directors meeting, South's independent directors established the South Committee comprised of M. Craig Garner, Jr. (Chairman), Robert Hoppe, Allen McIntyre and Kevin Marsh. The independent directors of South determined that the members of the South Committee (i) were not employees of South or its subsidiaries, (ii) were not affiliated with North or the controlling shareholders of South or North and (iii) had no financial interest in the merger that is materially different from South's minority shareholders, except for considerations arising from their positions as directors of South. The independent directors of South authorized the South Committee to act with the full authority of the board in considering a possible transaction with North. The independent directors of South authorized the South Committee to determine whether a combination between South and North is in the best interests of South and its shareholders and, if determined desirable, to make recommendations to the board about the terms and conditions of such combination.

In late January and early February, the North Committee engaged Smith Anderson, as special counsel, and Sandler O'Neill, as its financial advisor. The North Committee discussed its role and duties with Smith Anderson and confirmed the scope of its authority and the independence of each of its members. In connection with its engagement of Sandler O'Neill, the North Committee considered, among other things, that Sandler O'Neill had previously represented South in connection with the repurchase of South stock held by Carmen Holding Ames, and concluded that Sandler O'Neill was independent for purposes of advising the North Committee with respect to the potential transaction with South.

In early February, a representative of the North Committee also contacted members of North management, including Mr. Holding, Jr., to apprise them regarding communication policies established by the North Committee to ensure that the North Committee controlled any communications among the North Committee and members of North management or the Holding family and any relevant communications with South. A representative of the North Committee also inquired of Mr. Holding, Jr. whether he anticipated that he or his family members, as stockholders, would desire a three-party consideration of the transaction among the South Committee, the North Committee, and such Holding family stockholders. Mr. Holding, Jr. indicated that he did not desire three-party negotiations; but rather, desired that the possibility of a transaction be considered and recommended by two-party discussions between the South Committee and the North Committee.

On February 6, 2014, following a search process to identify independent legal counsel, the South Committee engaged Robinson, Bradshaw & Hinson, P.A. (Robinson Bradshaw). After a discussion and identification of potential candidates, the South Committee authorized Robinson Bradshaw to coordinate interviews with prospective financial advisors.

On February 12, 2014, the North Committee met with Mr. Holding, Jr. to discuss his views of the combined operations and management of North and South should these parties decide to pursue a transaction. Mr. Holding, Jr. shared his views with the North Committee and left the meeting. The North Committee then discussed whether to include the composition of the board of directors and management of the combined company as a term of any proposal to the South Committee. The North Committee decided that it would include, as part of any subsequent proposal, a term providing for limited South representation on the North board of directors because the likely level of equity owned by South shareholders would make such a provision customary and expected. Given the fact that North is much larger than South, however, the North Committee decided that it would not include a term concerning the composition of management of the combined company and that it was more favorable to North to remain silent on management composition thus leaving the decision within the authority of the North board of directors. Also on February 12, 2014, the North Committee discussed with its advisors the North Committee's preliminary views of a combined organization. The North Committee concluded that pursuing a potential transaction with South would have the potential of providing long-term strategic benefits to North and its stockholders. Accordingly, the North Committee discussed alternatives for proceeding to engage in discussions with the South Committee and to pursue a potential transaction.

On February 13, 2014, the South Committee met with Robinson Bradshaw and discussed the role of a special committee in considering a transaction, such as the one proposed to be entered into by North and South, and various related matters, including matters of fiduciary duty, independence, process, and the role of legal and financial advisors. The South Committee also discussed a draft confidentiality agreement delivered to Robinson Bradshaw by Smith Anderson, at the request of the North Committee. The South Committee requested the removal of an exclusivity provision that would have prohibited South from soliciting other indications of interest for South and the North Committee accepted this revision.

On February 14, 2014, North and South entered into the revised confidentiality agreement and the North Committee provided a due diligence request list and requested that South schedule management interviews with North's financial advisors so that the North Committee could better ascertain the potential for a transaction. Smith Anderson also provided to Robinson Bradshaw a draft merger agreement.

On February 18, 2014, the South Committee and Robinson Bradshaw met to interview potential financial advisors. The South Committee had numerous questions for each firm, including with respect to each firm's and each proposed team member's experience with special committee representations, experience with the banking industry, current and previous relationships with North, South, and their respective affiliates, and perspectives on the South Committee's evaluation of the proposed transaction. After extensive discussion regarding the qualifications of each firm, the South Committee unanimously selected BofA Merrill Lynch as its financial advisor in connection with a potential transaction. BofA Merrill Lynch was engaged as of February 18, 2014 and the written engagement letter was entered into on March 3, 2014. Among the reasons for the selection of BofA Merrill Lynch were its recent experience in evaluating companies in the banking industry, its experience in advising special committees, its reputation in the investment community, the South Committee's assessment of BofA Merrill Lynch's independence from North and South, and the South Committee's confidence in the capabilities of the members of the BofA Merrill Lynch team.

At its February 18, 2014 meeting, the South Committee authorized Haynsworth to establish an electronic data room and begin responding to the North Committee's due diligence requests, other than requests for certain financial information.

On February 26, 2014, the South Committee met with its legal advisors, and the South Committee determined that it would provide information to the North Committee and its advisors sufficient to allow the North Committee to formulate an offer of financial terms and then, after the receipt of that offer, the South Committee would determine whether to move forward with further discussions.

On March 3, 2014, the South Committee met with its legal and financial advisors. The South Committee authorized BofA Merrill Lynch to initiate discussions with South management regarding management s

development of financial projections for South. The South Committee determined to deny the North Committee's pending request to interview South management and provide a markup of the draft merger agreement until the parties engaged in further discussions regarding economic terms.

Later on March 3, 2014, at a special meeting of the board of directors of South, the independent directors of South received an update from the South Committee on its progress and a report from Haynsworth regarding legal standards potentially applicable to directors considering a transaction such as the one proposed to be entered into by North and South. The South Committee informed the other independent directors of South that the South Committee had determined that it would be desirable to continue discussions with North regarding a possible combination. The independent directors of South adopted resolutions providing that the board of directors of South would not recommend any transaction to the South shareholders for approval that was not recommended by the South Committee.

Between March 4 and March 18, 2014, the North Committee and its advisors continued their due diligence review of South. Also during this period, South management developed financial projections for South.

On March 18, 2014 and March 20, 2014 the South Committee met with its legal and financial advisors and South management. South management reviewed in detail with the South Committee the financial projections for South prepared by South management. At its March 20 meeting, the South Committee directed BofA Merrill Lynch to provide the financial projections prepared by South management to the North Committee and its advisors.

At its meeting on March 24, 2014, the North Committee concluded that, at the right price, a transaction with South would be in the long-term strategic interest of North and its stockholders, and that the North Committee was prepared to move forward with a financial proposal as requested by the South Committee before the South Committee would make South management available for interviews. The North Committee discussed the form and substance of a potential proposal, including whether to propose an exchange of only North Class A common stock or whether to propose an exchange of an appropriate proportion of North Class A common stock and North Class B common stock. The North Committee decided to make a proposal based on a fixed exchange ratio of 3.4240 shares of North Class A common stock for each share of voting and non-voting South common stock. The proposal required South to redeem its preferred stock and provided that North would assume South's trust preferred securities and subordinated debt.

On March 25, 2014, Sandler O'Neill delivered the North Committee's non-binding proposal to BofA Merrill Lynch.

On March 26, 2014, the South Committee met with its legal and financial advisors to consider the proposal. The South Committee determined that although the exchange ratio proposed by the North Committee was not acceptable, the proposal provided a reasonable starting point for further discussions. The South Committee directed BofA Merrill Lynch to request from the North Committee financial projections for North.

Following the South Committee meeting on March 26, 2014, representatives of BofA Merrill Lynch contacted Sandler O'Neill and requested that the North Committee provide financial projections for North to the South Committee. The request was denied by the North Committee. The North Committee requested a response to its proposed exchange ratio, its request to interview South management and its request to receive a markup of the merger agreement, before it would provide financial projections for North.

On March 27, 2014, the South Committee met with its legal and financial advisors and decided to request from BofA Merrill Lynch a financial analysis that did not utilize financial projections for North. The South Committee also agreed to facilitate interviews of South management by representatives of the North Committee and its advisors during the following week. The South Committee also determined that it was not prepared to make a counteroffer to the North Committee's financial proposal.

On March 29, 2014, BofA Merrill Lynch contacted Sandler O'Neill and indicated that the South Committee was prepared to schedule management interviews, but was not prepared to make a counteroffer to the North Committee's financial proposal. BofA Merrill Lynch indicated that the South Committee believed the offer was inadequate. The North Committee decided to proceed with management interviews of South and otherwise to defer responding to the South Committee.

On March 29, 2014, the South Committee met with its legal and financial advisors and BofA Merrill Lynch presented its preliminary financial analysis.

On April 2, 2014, South management and representatives of BofA Merrill Lynch met in person in Charlotte, North Carolina with representatives of each of North management, the North Committee and Sandler O'Neill for the purpose of the North Committee's conducting interviews of South management.

On April 2 and 3, 2014, the North Committee further evaluated financial information, comparable transactions and participated in management interviews along with Sandler O'Neill. The North Committee also authorized providing the South Committee and its advisors with initial financial projections for North prepared by North management.

On April 3, 2014, the South Committee met with its legal and financial advisors and received a report from Robinson Bradshaw regarding certain legal and practical implications of requiring that a transaction be approved by a majority of the minority shareholders of South (in this case, shareholders unrelated to the Holding family). The South Committee also directed Robinson Bradshaw to contact Mr. Holding, Jr. to ask whether the Holding family would consider any transaction involving South other than a merger of South into North. In addition, the South Committee reviewed information provided by BofA Merrill Lynch at the request of the South Committee regarding investment, commercial and corporate banking relationships during the past two years between BofA Merrill Lynch and its affiliates, on the one hand, and North, on the other hand.

On April 7, 2014, on behalf of the South Committee, Robinson Bradshaw contacted Mr. Holding, Jr. and asked whether Mr. Holding, Jr. and his family would support any transaction involving South, other than a merger of South into North. Mr. Holding, Jr. stated that the Holding family would not support the sale of South to any other party, regardless of premium, and would not support alternative transactions such as a public offering or recapitalization. Mr. Holding, Jr. encouraged the South Committee to do anything it believed to be appropriate to maximize value for the South shareholders. In separate telephonic conversations, Robinson Bradshaw received a similar response from each of Mr. Holding, Jr.'s mother, Ella Ann Holding, and his sisters, Hope H. Bryant and Olivia B. Holding.

On April 10, 2014, the South Committee met with its legal and financial advisors and BofA Merrill Lynch presented its preliminary financial analysis. The South Committee determined that the terms of the North Committee's March 25 proposal other than the exchange ratio (all stock, Class A shares of North common stock, fixed exchange ratio) would be acceptable. After extensive discussion among the members of the South Committee, including discussion of BofA Merrill Lynch's preliminary financial analysis, the South Committee directed BofA Merrill Lynch to propose to Sandler O'Neill an exchange ratio of 4.6666, which implied a price to tangible book value multiple of 1.4x based on the then-current trading price for North Class A common stock and the tangible book value of South as of December 31, 2013.

On April 15, 2014, the North Committee received and considered the South Committee's proposed exchange ratio of 4.6666, and after fulsome discussions decided to increase its proposed exchange ratio from 3.4240 to 3.5952.

On April 16, 2014, on behalf of the South Committee, Robinson Bradshaw spoke separately with Mr. Holding, Jr.'s sisters, Claire H. Bristow and Carson H. Brice, who each confirmed that she would not support any transaction involving South, other than a merger of South into North. Between April 7 and 16, 2014, members of the Holding family with more than 40% of the voting common stock of South represented to be in

their control (enough to vote down a fundamental corporate transaction, such as a merger, under South Carolina law) indicated that they would not support any transaction involving South other than a merger into North.

On April 17, 2014, the South Committee met with its legal and financial advisors to consider the North Committee's proposed exchange ratio of 3.5952, and directed BofA Merrill Lynch to request that the North Committee facilitate due diligence interviews of North management to be conducted on behalf of the South Committee. The South Committee also discussed that due to indications from members of the Holding family that they would not support any alternative transaction the only realistic options for South were to remain independent or to engage in a transaction with North.

On April 23, 2014, the South Committee met with its advisors and reviewed legal issues related to the draft merger agreement previously provided by Smith Anderson to Robinson Bradshaw. The North Committee provided to the South Committee and its advisors completed financial projections for North prepared by North management in anticipation of North management interviews on April 25, 2014.

On April 25, 2014, North management and representatives of Sandler O'Neill met in person in Charlotte, North Carolina, with South management and representatives of BofA Merrill Lynch for the purpose of South's management conducting interviews of North management on behalf of the South Committee.

On April 28, 2014, the South Committee met with its legal and financial advisors and received an initial report from South management regarding South management's review of the financial projections for North prepared by North management. BofA Merrill Lynch presented its preliminary financial analysis and the South Committee continued its review of legal issues with counsel. The South Committee determined to decrease its proposed exchange ratio by 5% (from 4.6666 to 4.4333) in response to the prior 5% increase by the North Committee (from 3.424 to 3.5952) and directed BofA Merrill Lynch to communicate this proposal to Sandler O'Neill.

Later on April 28, 2014, the board of directors of South held a regularly scheduled meeting and the independent directors received an update from the South Committee on the status of negotiations.

On April 29, 2014, in response to the South Committee's proposed exchange ratio of 4.4333, the North Committee increased its offer from 3.5952 to 3.6979. In connection with the North Committee's new proposal, Sandler O'Neill discussed with BofA Merrill Lynch the possibility of having representatives of the North Committee and the South Committee and their respective advisors meet in person for further negotiations. Sandler O'Neill indicated that the North Committee requested a response to its offer of an exchange ratio of 3.6979 before it would schedule such face-to-face meetings.

On April 30, 2014, the South Committee met with its legal and financial advisors to review the proposal and the South Committee determined that it would be agreeable to the proposed in-person meetings. The South Committee directed BofA Merrill Lynch to propose an exchange ratio of 4.3306 and discuss with Sandler O'Neill arrangements to meet in person with the North Committee and its advisors.

On May 1, 2014, the South Committee met with its legal and financial advisors to consider a new proposal from the North Committee conveyed by Sandler O'Neill to BofA Merrill Lynch earlier in the day. Sandler O'Neill indicated that the North Committee did not believe that face-to-face meetings were necessary at that time and proposed that it would increase its exchange ratio offer from 3.6979 to 3.800 if the South Committee would move from 4.3306 to 4.2000. The South Committee determined that it would be willing to propose an exchange ratio of 4.2285. The South Committee also determined at this time that it would not seek pricing collars because it expected a positive market reaction to the announcement of a merger between North and South and a collar could limit the benefit to South shareholders of an increase in the price of North stock.

At its May 1, 2014 meeting, the South Committee continued its review of legal issues and consulted with a nationally-recognized proxy solicitor regarding the feasibility of a majority of the minority vote from a

solicitation point of view. The South Committee determined to include certain legal terms in its next proposal. The South Committee directed BofA Merrill Lynch to propose to Sandler O'Neill an exchange ratio of 4.2285 and condition that proposal on the inclusion in the merger agreement of a majority of the minority vote, a go shop provision and a requirement of voting agreements with certain members of the Holding family.

On May 3, 2014, Smith Anderson and Robinson Bradshaw discussed the legal terms included in the South Committee's May 1 proposal. Smith Anderson stated that the North Committee opposed any go shop period and expressed reservations against a majority of the minority voting condition, citing the North Committee's concern that South's minority shareholder base includes retail shareholders with small holdings, some of whom are unknown, and all of whom generally are inactive and unlikely to attend any meeting to vote on a merger, either in person or by proxy.

On May 4, 2014, the South Committee met with its advisors to further discuss legal issues. The South Committee modified the legal terms included in its May 1 proposal to request a majority of the minority condition based on votes cast (rather than a majority of all minority shares), a window shop period of 30 days (rather than a go shop) and voting agreements with members of the Holding family. The South Committee also determined to propose that termination fees be set at 2.5% overall, with a 1% fee related to the window shop period. The South Committee directed Robinson Bradshaw to revise the draft merger agreement to include these terms and to provide to Smith Anderson a full markup of the agreement. The markup was provided on May 5, 2014.

On May 7, 2014, Robinson Bradshaw received from Smith Anderson a revised merger agreement, with many of the changes proposed by Robinson Bradshaw having been accepted, although certain key terms remained subject to further discussion. Also on May 7, 2014, on behalf of the South Committee, Robinson Bradshaw contacted Mr. Holding, Jr. regarding the request that members of the Holding family enter into voting agreements with North and South. During this telephonic meeting, Robinson Bradshaw disclosed to Mr. Holding, Jr. the current exchange ratio and the South Committee's current proposal to the North Committee regarding certain other legal issues, including majority of the minority of votes cast and window shop.

During the morning of May 8, 2014, Mr. Holding, Jr. informed Robinson Bradshaw that the Holding family would like for South shareholders to have the option to receive shares of North Class B common stock as part of the merger consideration payable to South shareholders in any merger with North.

During the afternoon of May 8, 2014, the South Committee met with its legal and financial advisors to discuss the Holding family's request, open legal issues and ongoing due diligence matters. The South Committee discussed that the North Class B common stock has the same rights as the North Class A common stock, except that the North Class B common stock has 16 votes per share and trades over-the-counter, currently at a discount to the trading price of the North Class A common stock. The South Committee noted that a choice between shares of North Class A common stock and North Class B common stock would be a choice between a more liquid and currently higher-priced stock (Class A) and a less liquid and currently lower-priced stock that has greater voting rights (Class B). The South Committee decided that it would be in favor of including shares of North Class B common stock as part of the merger consideration, so long as all South shareholders were given an option of which form of consideration to choose.

At the same meeting, the South Committee authorized Robinson Bradshaw and BofA Merrill Lynch to contact Mr. Holding, Jr. and the advisors to the North Committee to further explore the request to include shares of North Class B common stock as part of the merger consideration. The South Committee also authorized BofA Merrill Lynch to discuss with Mr. Holding, Jr. the current exchange ratio (3.800 to 4.2285, suggesting a midpoint of 4.0143) and the South Committee's current proposal to the North Committee regarding certain legal issues (majority of the minority of votes cast, window shop, voting agreements), and inquire whether the controlling shareholders would support a transaction that included such terms. The South Committee noted that it was the South Committee's understanding, based upon prior communications with members of the Holding family, that Mr. Holding, Jr. and other members of

his family would not support any alternative transaction. The South Committee then directed BofA Merrill Lynch to contact Mr. Holding, Jr. and ask him, in light of the proposed

transaction terms, whether he and other members of his family still would not support any alternative transaction, in order to confirm whether the South Committee's understanding was correct.

During the evening of May 8, 2014, the respective legal and financial advisors of the North and South Committees discussed the Holding family's request that the merger consideration payable to South shareholders in any merger include shares of North Class B common stock. The North Committee's advisors indicated that the North Committee previously had determined not to include North Class B common stock as part of the merger consideration. The North Committee's advisors also stated that to the extent that North Class B common stock is introduced now, the North Committee would oppose any structure that did not limit the amount of North Class B common stock issuable to the South shareholders in the aggregate, and to any individual South shareholder. In addition, the North Committee's advisors indicated that the North Committee did not believe that the currently lower trading price of the North Class B common stock relative to the North Class A common stock required a higher exchange ratio for North Class B common stock, since the two classes of stock had the same rights, except that the shares of North Class B common stock have more votes per share.

During the morning of May 9, 2014, BofA Merrill Lynch met by telephone with Mr. Holding, Jr. to discuss the Holding family's request to include shares of North Class B common stock as part of the merger consideration. BofA Merrill Lynch informed Mr. Holding, Jr. that the North Committee had requested that any proposal involving shares of North Class B common stock include a mechanism to insure that (i) the aggregate voting interest of South shareholders in the surviving company would not exceed the aggregate pro forma economic interest of South shareholders in the surviving company and (ii) each South shareholder would be limited to the shareholder's pro rata portion of the aggregate amount of North Class B common stock issuable. In addition, the same exchange ratio would apply to both classes of stock, even though the North Class B common stock currently trades at a discount to the North Class A common stock.

During the telephonic meeting with Mr. Holding, Jr., BofA Merrill Lynch also discussed, at the direction of the South Committee, certain terms under discussion between the North Committee and the South Committee (exchange ratio, majority of the minority, window shop, voting agreements) in order to ascertain whether the Holding family would support a transaction including such terms. BofA Merrill Lynch also reiterated a question previously posed to Mr. Holding, Jr. and other members of his family about their support for an alternative transaction. At the direction of the South Committee, BofA Merrill Lynch informed Mr. Holding, Jr. that it was the understanding of the South Committee, based upon prior communications with members of the Holding family, that the controlling shareholders would not support any alternative transaction, and that the South Committee wanted to test that understanding in light of the proposed transaction terms. Mr. Holding, Jr. told BofA Merrill Lynch that he, his mother and his four sisters would not support any alternative proposal, including a potential transaction with another buyer at a higher price, or other fundamental transactions, such as a stock offering or recapitalization. Mr. Holding, Jr. repeated that he and his family would not support a different transaction, even if an offer to sell South to a different buyer than North at a significantly higher price were proposed.

During the afternoon of May 9, 2014, the South Committee met with its legal and financial advisors to determine whether to make a proposal to the North Committee regarding the inclusion of shares of North Class B common stock as part of the merger consideration. The South Committee determined that it should propose that the South shareholders be given a choice to receive shares of North Class B common stock in the merger, subject to the limitations on the issuance of North Class B common stock requested by the North Committee. The South Committee directed its advisors to communicate such proposal to the advisors of the North Committee, and to reiterate that the South Committee's proposal included a majority of minority of votes cast condition, voting agreements with members of the Holding family, a 30-day window shop period, a fiduciary out for intervening events, and termination fees to be set at 2.5% overall, with a 1% fee related to the window shop period.

During the evening of May 9, 2014, the respective legal and financial advisors of the North Committee and the South Committee met by telephone to discuss the South Committee's proposal regarding the inclusion of shares of North Class B common stock as part of the merger consideration, as well as the other terms of the South Committee's proposal.

The North Committee met the evening of May 9, 2014, to consider the proposal and to review all other open issues. The North Committee noted that the South Committee's proposal would not enable one South shareholder to elect residual North Class B common stock not elected by another South shareholder. As a result of this element of the proposal, no South shareholder would be able to obtain a disproportionate interest in North Class B common stock. In light of this limitation and the fact that the South Committee's proposal applied the same basis for determining the exchange ratio for North Class A common and North Class B common stock and would result in South shareholders owning a voting interest in North no greater than the economic interest it would be acquiring in North, the North Committee decided that the South Committee's proposal was acceptable. The North Committee authorized Sandler O'Neill to communicate to the South Committee that its proposal regarding North Class A common stock and North Class B common stock was acceptable, assuming other issues were resolved.

Late in the evening of May 9, 2014, the advisors to the North Committee communicated to the advisors of the South Committee the North Committee's response to the South Committee's proposal made earlier in the evening. The North Committee accepted the South Committee's proposal regarding the inclusion of shares of North Class B common stock as part of the merger consideration. In addition, the North Committee proposed an exchange ratio of 3.9857. The North Committee also (i) rejected the request for a majority of the minority of votes cast condition, (ii) rejected the request for voting agreements with the Holding family, which voting agreements would not have served their intended purpose in the absence of a majority of the minority condition, (iii) accepted the request for a 30-day window shop period, (iv) accepted a fiduciary out to withdraw the board's recommendation due to an intervening event and (v) accepted a 1% termination fee related to the window shop and termination fees of 2.5% for other termination events.

On May 10, 2014, the South Committee met with its legal and financial advisors to discuss the revised proposal. The South Committee determined that it would not accept the proposed exchange ratio of 3.9857. In addition, in response to the rejection of the majority of the minority condition, the South Committee determined that it would propose further revisions to the draft merger agreement. The South Committee authorized its advisors to negotiate for the provision of a fiduciary out upon the occurrence of an intervening event, which fiduciary out would include an early termination right (as opposed to a right to withdraw the board's recommendation) and a reasonably low termination fee.

On May 11, 2014, the North Committee and the South Committee reached agreement on all terms but the exchange ratio. The draft merger agreement was revised to include (i) a 30-day window shop period, with a 1% termination fee, (ii) a fiduciary out in response to an intervening event, with an early termination right and a termination fee of \$10 million, and (iii) a 3.5% termination fee for terminations in response to superior proposals received after the window shop period.

By May 15, 2014, the draft merger agreement was in substantially final form, but negotiations regarding the exchange ratio had reached an impasse, with the North Committee and the South Committee unable to reach agreement between the North Committee's offer of 3.9857 and the South Committee's offer of 4.2285. On May 15, 2014, the South Committee met with its legal and financial advisors and determined that it would require further due diligence before making any further proposals regarding the exchange ratio.

On May 16, 2014, on behalf of the North Committee, Sandler O'Neill informed BofA Merrill Lynch that the North Committee remained committed to pursuing a transaction with South and would be willing to proceed with an exchange ratio within the range of 4.000 - 4.0143.

From May 16, 2014 through May 28, 2014 the North Committee and the South Committee continued discussions and conducted further due diligence.

On May 23, 2014, the South Committee met with its legal and financial advisors and members of South management in order for the South Committee to receive an update from South management on the additional due diligence being conducted by South management on behalf of the South Committee and the due diligence information being provided by South to the North Committee.

On May 28, 2014, the South Committee met with its legal and financial advisors and determined to propose an exchange ratio of 4.2150 as its best and final offer. The South Committee authorized one of its members, Robert Hoppe, to communicate this offer to Lee Durham, a member of the North Committee. The South Committee directed BofA Merrill Lynch, upon receiving confirmation from Mr. Hoppe that he had spoken to Mr. Durham, to contact Sandler O'Neill to communicate the South Committee's offer and its rationale for that offer.

On May 30, 2014, on behalf of the North Committee, Sandler O'Neill communicated to BofA Merrill Lynch that the North Committee remained committed to a transaction based on an exchange ratio of 4.0000 and requested the South Committee's reply. Later the same day, the South Committee met with its legal and financial advisors to consider the message from Sandler O'Neill. The South Committee directed BofA Merrill Lynch to reiterate to Sandler O'Neill that 4.2150 was the South Committee's best and final offer. In order to bring the matter to a conclusion, the South Committee also directed BofA Merrill Lynch to request a response by 5:00 p.m. on Monday, June 2, 2014.

On June 1, 2014, Mr. Durham, representing the North Committee, and Mr. Hoppe, representing the South Committee, met in person to further discuss the positions of their respective committees.

The North Committee met several times over the weekend and on Monday, June 2, 2014 to consider alternatives. At its meeting on June 2, the North Committee concluded to make a proposal to the South Committee based on a 4.000 exchange ratio and the payment of cash.

During the early afternoon of June 2, 2014, the respective advisors to the North Committee and the South Committee met by telephone to discuss a revised proposal from the North Committee. The North Committee proposed to bridge the gap between the parties' proposed exchange ratios by adding additional merger consideration in the form of cash and by reinserting in the merger agreement a variation on the majority of the minority voting condition previously requested by South. Specifically, the North Committee proposed that (i) South would not be required to close the merger if a majority of the shares held by the minority holders of South common stock (shareholders unrelated to the Holding family) were voted against the merger and (ii) each South shareholder would be allowed to choose to receive in exchange for each share of South common stock:

(A) 4.000 shares of North Class A common stock and \$36.59 in cash

or

(B) 3.580 shares of North Class A common stock and 0.420 shares of North Class B common stock

Later on June 2, 2014, the South Committee met with its legal and financial advisors to review the North Committee's proposal. The South Committee determined that it would be willing to accept the North Committee's June 2 proposal with the following modification and clarification: (i) the per share cash consideration payable to South shareholders receiving shares of North Class A common stock and cash would be increased from \$36.59 to \$50.00 and (ii) the option to receive North Class A common stock and cash would be the default option, so that any holder would have to affirmatively elect to receive a mix of North Class A common stock and North Class B common stock.

During the evening of June 2, 2014, at the direction of the South Committee, the South Committee's advisors met telephonically with the North Committee's advisors to convey the South Committee's requested modifications to the North Committee's June 2 proposal.

In anticipation of its meeting on June 3, 2014, the North Committee instructed a representative to contact Mr. Holding, Jr. to describe to him the financial terms of the proposed transaction and ascertain whether Mr. Holding,

Jr. would be supportive of it since it would be futile to submit a transaction that was likely to be opposed by controlling stockholders. Mr. Holding, Jr. indicated that he intended to support the transaction as described. Accordingly, the North Committee authorized giving notice of a meeting of the board of directors of North to be held on June 10, 2014, to be preceded immediately by a meeting of the North Committee to consider final action on a recommendation to the North board of directors in favor of the proposed transaction.

On June 3, 2014, the North Committee communicated its acceptance of the modifications proposed by the South Committee and the parties confirmed having reached agreement in principle. Also on June 3, 2014, the South Committee met with its legal and financial advisors and determined to make arrangements to present the proposed transaction for approval at a meeting of the South board of directors on June 10, 2014. The North Committee and the South Committee also agreed, solely for purposes of the majority of the minority voting condition in the merger agreement, that certain South shareholders owning in the aggregate approximately 37.0% of the South voting common stock constituted the minority holders of South common stock.

On June 6, 2014, the South Committee met with its legal and financial advisors and BofA Merrill Lynch presented its financial analysis. Robinson Bradshaw reviewed the final terms of the merger agreement and the approving resolutions and other materials to be distributed that afternoon to the South board of directors in preparation for the meeting of the South board of directors on June 10, 2014.

On June 10, 2014, the South Committee met with its legal and financial advisors. At this meeting, BofA Merrill Lynch reviewed with the South Committee its financial analysis of the merger consideration and delivered to the South Committee an oral opinion, which was confirmed by delivery of a written opinion dated June 10, 2014, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger was fair, from a financial point of view, to such minority holders of South common stock. See Opinion of South's Financial Advisor. The South Committee then unanimously (i) approved the merger agreement and the proposed merger of South into North and (ii) recommended that the board of directors of South approve and adopt the merger agreement, approve the proposed merger of South into North and recommend that the South shareholders approve the merger of South into North.

On June 10, 2014, the South board of directors met, with representatives of Haynsworth, Robinson Bradshaw and BofA Merrill Lynch in attendance. Mr. Bristow did not participate in the meeting, and following the conduct of business unrelated to the transaction, Mr. Holding, Jr. recused himself from the remainder of the meeting. The board received a report from the South Committee, which contained a summary of the proposed legal terms from Robinson Bradshaw and a summary of the financial analysis from BofA Merrill Lynch, all of which was supplementary to the written materials distributed to the board in advance of the meeting. After considering the proposed terms of the merger agreement and the recommendation of the South Committee, and taking into account the matters discussed during the meeting and at prior meetings of the board, the South directors in attendance unanimously determined that a merger of South into North was in the best interests of South and the South shareholders and voted unanimously to approve the merger agreement and the transactions contemplated thereby and to recommend that the South shareholders approve the merger.

On June 10, 2014, the North Committee met and reviewed again the proposed final merger agreement, previously delivered due diligence report and a current oral update and received reports from Smith Anderson and Sandler O'Neill, including the fairness opinion of Sandler O'Neill. At the conclusion of the deliberations, the North Committee unanimously recommended to the North board of directors that it approve the proposed transaction.

Thereafter, on June 10, 2014, the North board of directors held a special meeting. After the consideration of initial board of director business, Mr. Holding, Jr., Ms. Hope Holding Bryant and Mr. James M. Parker recused themselves so that only independent directors could consider the proposed transaction. At the meeting of independent directors:

the North Committee presented its report and recommendation regarding the proposed transaction;

representatives of Smith Anderson reviewed with the directors their duties in the context of an acquisition transaction and the terms and conditions of the proposed merger agreement;

representatives of Sandler O Neill provided a detailed financial analysis of the proposed transaction; and

Sandler O'Neill delivered its oral opinion (subsequently confirmed in writing) that, as of that date, and based upon and subject to the assumptions made, matters considered, qualifications and limitations set forth in Sandler O'Neill's written opinion, dated June 10, 2014, the consideration to be paid to the holders of South common stock pursuant to the merger was fair to North and its stockholders from a financial point of view. See Opinion of North's Financial Advisor.

The independent members of the North board of directors discussed the next steps to be taken in connection with the execution and announcement of the transaction. After posing questions to legal counsel, and after extensive discussion and deliberation, the independent members of the North board of directors determined that the merger is advisable and in the best interests of North and its stockholders and: (i) adopted and approved the merger agreement and the transactions contemplated thereby, (ii) authorized and approved the transactions contemplated by the merger agreement, including the merger and an amendment to the North charter to enable issuance of shares in the merger, and (iii) recommended that North stockholders approve and adopt the merger agreement, the issuance of shares in the merger, the amendment to the North charter to enable issuance of shares in the merger and all related actions and directed that such matters be submitted to North stockholders at a special meeting.

The parties executed the merger agreement later in the afternoon on June 10, 2014.

On June 10, 2014, after the closing of the U.S. markets, North and South issued a joint press release announcing the execution of the merger agreement.

Recommendation of North's Board of Directors and Reasons for the Merger

As described above, after careful consideration, the independent members of the North board of directors, at a meeting held on June 10, 2014, acting upon the unanimous recommendation of the North Committee, determined that the merger agreement is in the best interests of North and its stockholders. Accordingly, the independent members of the North board of directors adopted and approved the merger agreement and the merger and the other transactions contemplated by the merger agreement, including the issuance of North common stock and related amendments to the North charter, and recommended that North stockholders vote **FOR** the North merger proposal, **FOR** the North share issuance proposal and **FOR** the North charter amendment proposal. In reaching their respective decisions, the North Committee and the independent members of the North board of directors consulted with North management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

each of North's, South's and the combined company's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the North Committee and the independent members of the North board of directors considered their respective views that South's business and operations complement those of North and that the merger would result in a combined company with diversified revenue sources, a well-balanced loan portfolio and an attractive funding base, as evidenced by a significant portion of core deposit funding;

their respective understandings of the current and prospective environment in which North and South operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, the competitive environment for financial institutions generally, and the likely effect of these factors on North, both with and without the proposed transaction;

their respective reviews and discussions with North s management concerning the due diligence investigation of South;

the potential cost savings that could be achieved as a result of operational efficiencies of the combined company;

the complementary nature of the credit cultures of the two companies and existing processing relationships, which management believes should facilitate integration and implementation of the transaction;

the complementary nature of the branch network of the two companies, which management believes should provide the combined company with greater market density and a greater national branch presence;

management's expectation that the combined company will have a strong capital position and higher legal lending limits upon completion of the transaction;

South's successful track record and the North Committee's and the independent members of the North board of directors' belief that the combined enterprise would benefit from South's ability to take advantage of economies of scale and grow in the current economic environment, making South an attractive partner for North;

the opinion of Sandler O'Neill, North's financial advisor, delivered to the North Committee, to the effect that, as of the date of such opinion, and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, the merger consideration in the proposed merger is fair to North and its stockholders from a financial point of view, as more fully described below in the section entitled "Opinion of North's Financial Advisor";

the financial and other terms of the merger agreement, including the fixed exchange ratio, which the North Committee and the independent members of the North board of directors believed was consistent with market practice for transactions of this type, the expected tax treatment and deal protection provisions, including the ability of South's board of directors, under certain circumstances, to withdraw or materially adversely modify its recommendation to South shareholders, and to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal (subject to payment of a termination fee), each of which it reviewed with its outside financial and legal advisors;

the fact that the merger consideration will consist of shares of North Class A common stock, and at the election of South shareholders, either cash or shares of North Class B common stock, which will allow South shareholders to participate in a significant portion of the future performance of the combined business and synergies resulting from the merger, to benefit from the greater liquidity in the trading market for North Class A common stock relative to the market for South common stock due to the listing of North Class A common stock on the NASDAQ Global Select Market, and the value to South shareholders represented by that consideration; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The North Committee and the independent members of the North board of directors also identified and considered, along with North management, as well as financial and legal advisors, the following potentially negative factors in its deliberations:

the requirement that South conduct its business in the ordinary course and the other restrictions on the conduct of South's business prior to the completion of the merger, which may delay or prevent South from undertaking business opportunities that may arise pending completion of the merger;

the potential risk of diverting management attention and resources from the operation of North's business and towards the completion of the merger;

the dilution to current North stockholders from the issuance of additional shares of North common stock in the merger;

the possible disruption to North's and South's business that may result from the announcement of the transaction;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating South's business, operations and workforce with those of North;

the possibility that the merger may not be completed or may be unduly delayed because conditions to closing may not be satisfied; and

the substantial costs to be incurred in connection with the transaction, including the costs of integrating the businesses of North and South and the transaction expenses arising from the merger.

The foregoing discussion of the factors considered by the North Committee and the independent members of the North board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the North Committee and the independent members of the North board of directors. In reaching their respective decisions to adopt and approve the merger agreement and the merger and the other transactions contemplated by the merger agreement, neither the North Committee nor the independent members of the North board of directors quantified or assigned any relative weights to the factors considered, and individual directors may have given different weights to different factors. The North Committee and the independent members of the North board of directors considered all these factors as a whole, including discussions with, and questioning of, North's management and North's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the independent members of the North board of directors unanimously adopted and approved the merger agreement and the transactions contemplated thereby and unanimously recommend that North stockholders vote FOR the North merger proposal, FOR the North share issuance proposal and FOR the North charter amendment proposal.

Recommendation of South's Board of Directors and Reasons for the Merger

After careful consideration, the South board of directors at its meeting on June 10, 2014, acting upon the unanimous recommendation of the South Committee, (i) determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are in the best interest of South and its shareholders, (ii) approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and declared it advisable that South enter into the merger agreement and (iii) resolved to recommend that the South shareholders vote to approve the transactions contemplated by the merger agreement, including the merger.

In reaching their respective decisions to recommend the merger agreement, the merger, and the other transactions contemplated by the merger agreement, each of the South Committee and the South board of directors considered a number of factors, including the following:

its assessment of South's business, operations, financial condition, asset quality, earnings and prospects, and of North's business, operations, financial condition, asset quality, earnings and prospects, taking into account the financial projections and other information presented to the South Committee, and the results of South's due diligence review of North;

its assessment of the current environment in the financial services industry, including national, regional and local economic conditions and the interest rate environment, continued consolidation, the uncertainties in the regulatory climate for financial institutions, increased operating costs resulting from regulatory initiatives and compliance mandates, increasing competition, the current environment for larger community banks, particularly in the Southeast, and current financial market conditions and the likely effects of these factors on the two companies' potential growth, development, productivity and strategic options, and the historical market prices of South and North common stock;

the familiarity of South and North with each other, including management relationships and a number of shared resources and common operating systems, which should aid in the integration of the two companies in an efficient and cost-effective manner;

its belief that combining the two companies would create a larger and more diversified financial institution that is both better equipped to respond to economic and industry developments and better positioned to develop and build on its existing market position;

the complementary aspects of South and North, including strong customer focus, adjacent geographic markets, business orientation and compatibility of the companies' cultures and management and operating styles, and the potential expense-saving and revenue enhancing opportunities in connection with the merger and the related potential impact on the combined company's earnings;

the fact that North is the exclusive owner of the service mark "First Citizens" outside of South Carolina;

the fact that the merger consideration consists primarily of North common stock, giving former South shareholders the opportunity to participate as North stockholders in the benefits of the combination and the future performance of the combined company generally;

the continued representation of three of South's directors on the board of the resulting company, and the South Committee's belief that this representation would reduce the integration risk in the combination;

its assessment of the likelihood that the merger would be completed in a timely manner and that the management team of the combined company would be able to successfully integrate and operate the businesses of the combined company after the merger;

the financial terms of the merger, including the fact that, based on recent market prices for South and North stock, the per-share consideration to be received by shareholders of South common stock represents a substantial premium to its current market value;

the opinion of BofA Merrill Lynch, dated June 10, 2014, delivered to the South Committee as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration, as more fully described in the section entitled "Opinion of South's Financial Advisor";

the fact that the South Committee has not received an opinion regarding the fairness, from a financial point of view, of the consideration to be received in the merger by any holder who is related to the Holding family or any holder who elects to receive North Class B common stock as part of the merger consideration;

the greater market capitalization and anticipated trading liquidity of North Class A common stock after the transaction in the event South shareholders desired to sell the shares of North Class A common stock to be received by them upon completion of the merger;

the fact that South shareholders would have a choice to receive shares of North Class A common stock and cash or to receive a certain portion of their merger consideration in shares of North Class B common stock;

the fact that the South board of directors is permitted, subject to supervision by the South Committee, to change its recommendation that the South shareholders approve the merger agreement in certain circumstances;

the fact that South shareholders who do not vote to approve the merger agreement and who follow certain prescribed procedures are entitled to dissenters' rights under South Carolina law;

the financial and other terms of the merger agreement, including the fixed exchange ratio, deal protection and termination fee provisions, which it reviewed with its outside legal and financial advisors;

the fact that South may choose not to close the merger if a majority of the shares of South common stock held by South shareholders who are unrelated to the Holding family are voted against the merger;

the need to obtain approval by shareholders of South and North, as well as regulatory approvals, in order to complete the transaction and the risk that those or other conditions will not be satisfied;

the risks associated with the operations of the combined company, including the challenges both of integrating South's businesses, operations and employees with those of North and of achieving the anticipated cost savings;

the potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;

the fact that some of the directors and executive officers of South have interests in the merger and have arrangements that are different from or in addition to those of South shareholders generally;

the fact that South's chief executive officer will retire no later than January 30, 2015;

the authority granted to the South Committee by the South board of directors to evaluate the proposed combination of South and North, and to negotiate the terms of the definitive merger agreement with respect to the North proposal, or to determine not to pursue any agreement with North;

the recognition by the South Committee that it had no obligation to recommend the approval of the merger or any other transaction; and

the lack of reasonable alternatives available to the South Committee and the South board of directors other than to reject the proposed transaction with North and for South to remain an independent company, given the South Committee's belief (based on the Holding family's communications to the South Committee that they would not vote in favor of any alternative transaction) that a transaction that did not involve North would not be successful.

The foregoing discussion of the information and factors considered by the South Committee and the South board of directors is not intended to be exhaustive, but includes the material factors considered by the South Committee and the South board of directors. In reaching their respective decisions to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the South Committee and the South board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The South Committee and the South board of directors considered all these factors as a whole, including discussions with, and questioning of, South's management, South's legal advisors, the South Committee's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the independent directors of the South board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, are advisable and in the best interests of South and its shareholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it.

The independent directors of the South board of directors unanimously recommend that the South shareholders vote FOR the approval of the merger proposal.

Opinion of North's Financial Advisor

By letter dated February 4, 2014, the North Committee retained Sandler O'Neill to provide a fairness opinion in connection with a possible business combination transaction. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. The North Committee selected Sandler O'Neill to provide a fairness opinion in connection with a possible business combination based on its qualifications, expertise, reputation and experience in mergers and acquisitions involving financial institutions.

At the June 10, 2014 meeting of the North Committee, Sandler O Neill delivered to the North Committee its oral opinion, which was subsequently confirmed in writing on June 10, 2014, that, as of June 10, 2014, the merger consideration was fair to North and its stockholders from a financial point of view. **The full text of Sandler O Neill's opinion is attached as Appendix D to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of North Class A**

common stock and North Class B common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was addressed to the North Committee and is directed only to the fairness of the merger consideration to North and its stockholders from a financial point of view. It does not address the underlying business decision of North to engage in the merger or any other aspect of the merger and is not a recommendation to any shareholder of North or South as to how such shareholder should vote at their special meeting with respect to the merger or any other matter. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in connection with the merger by South's officers, directors, or employees, or any class of such persons, relative to the merger consideration to be received in the merger by any other shareholders of South.

In connection with rendering its opinion on June 10, 2014, Sandler O'Neill reviewed and considered, among other things:

The merger agreement;

Certain financial statements and other historical financial information of South provided by management of South that Sandler O'Neill deemed relevant;

Certain publicly available financial statements and other historical financial information of North that Sandler O'Neill deemed relevant;

Certain internal financial information and other data relating to the business and financial prospects of South that were provided to Sandler O'Neill by and discussed with the management of South for the years ending December 31, 2014 through December 31, 2018 and not publicly available, including financial forecasts and estimates prepared by the management of South (the "South Forecasts");

Certain internal financial information and other data relating to the business and financial prospects of North that were provided to Sandler O'Neill by and discussed with the management of North for the years ending December 31, 2014 through December 31, 2018 and not publicly available, including financial forecasts and estimates prepared by the management of North (the "North Forecasts");

The pro forma financial impact of the merger on North, based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as prepared by and reviewed with senior management of North;

A comparison of certain financial and other information for South and North including relevant stock trading information, with similar publicly available information for certain other commercial banks similar to each of South and North, the securities of which are publicly traded;

The financial terms and structures of certain recent business combinations involving other similar and related party transactions in the commercial banking industry, to the extent publicly available;

The current market environment generally and the financial services sector in particular; and

Such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of the senior management of North the business, financial condition, results of operations and prospects of North and held similar discussions with the senior management of South regarding the business, financial condition, results of operations and prospects of South.

In performing its reviews and analyses and in rendering its opinion, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O'Neill from public sources, that was provided to Sandler O'Neill by North or South or their respective representatives or

that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O'Neill further relied on the assurances of the respective senior managements of North and South that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. With respect to the South Forecasts, publicly available median analyst estimates and a publicly available annual growth rate for North as discussed with senior management of North and certain assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies prepared by and reviewed with senior management of North, Sandler O'Neill assumed that they had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the respective managements of South and North, as to the future financial performance of South and North, respectively. Sandler O'Neill was not asked to undertake, and did not undertake, an independent verification of any of such information and Sandler O'Neill assumes no responsibility or liability for the accuracy or completeness thereof.

In performing its analyses and in rendering its opinion, Sandler O'Neill assumed that there had not been any material change in the respective assets, financial condition, results of operations, business or prospects of South and North since the date of the most recent historical financial data made available to Sandler O'Neill. In addition, Sandler O'Neill assumed in all respects material to its review and analysis that each of South and North would remain as a going concern for all periods relevant to its analyses. Sandler O'Neill expressed no opinion as to the trading values at which the common stock of South or North may trade at any time. Sandler O'Neill expresses no opinion as to any of the legal, accounting and tax matters relating to the merger and any other transaction contemplated in connection therewith. Sandler O'Neill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date of its opinion. Events occurring after the date thereof could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion.

In rendering its June 10, 2014 opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but it is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to South or North and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of South and North and the companies to which they are being compared.

Transaction Multiples

Sandler O'Neill reviewed the financial terms of the proposed transaction. As described in the merger agreement, each share of South common stock, except for certain shares as described in the merger agreement, will be converted into the right to receive 4.0000 shares of North Class A common stock and \$50.00 in cash, unless the holder of such share elects, pursuant to a letter of transmittal that will be delivered after closing of the merger, for each share of such holders' South common stock to be converted into the right to receive 3.5800 shares of North Class A common stock and 0.4200 shares of North Class B common stock.

Based upon the average per share closing price of \$222.85 for North Class A common stock during the 30-day period ended June 5, 2014 plus \$50.00 in cash and the average per share closing price of \$206.16 for North Class B common stock during the 30-day trading period ended June 5, 2014, Sandler O Neill calculated merger consideration values of \$941.40 and \$884.39 per share of South common stock, respectively. Based upon (i) 683,293 shares of South common stock outstanding, (ii) the assumption that there are no outstanding stock options of South, and (iii) the average per share closing price of \$222.85 for North Class A common stock during the 30-day trading period ended June 5, 2014 plus \$50.00 in cash and the average per share closing price of \$206.16 for North Class B common stock during the 30-day trading period ended June 5, 2014, Sandler O Neill calculated aggregate merger consideration values of \$643.3 million and \$604.3 million, respectively. Based upon financial information as of the period ended March 31, 2014, Sandler O Neill calculated transaction ratios for each of the two merger consideration options.

For merger consideration consisting of 4.0000 shares of North Class A common stock and \$50.00 in cash for each share of South common stock:

Pricing Multiples	Value
Price/Last Twelve Months Earnings Per Share	13.5x
Price/Book Value as of March 31, 2014	84%
Price/Tangible Book Value as of March 31, 2014	112%
Tangible Book Premium/Core Deposits	1.0%
Market Premium as of June 5, 2014	33.5%

For merger consideration consisting of 3.5800 shares of North Class A common stock and 0.4200 shares of North Class B common stock of each share of South common stock:

Pricing Multiples	Value
Price/Last Twelve Months Earnings Per Share	12.7x
Price/Book Value as of March 31, 2014	79%
Price/Tangible Book Value as of March 31, 2014	106%
Tangible Book Premium/Core Deposits	0.5%
Market Premium as of June 5, 2014	25.4%

Comparable Company Analysis

Sandler O Neill used publicly available information to compare selected financial information for South with two peer groups of financial institutions selected by Sandler O Neill based on Sandler O Neill's professional judgment and experience. The first peer group consisted of a group of publicly traded U.S. banks with assets between \$2.5 billion and \$25 billion and three-month average weekly trading volume to total shares outstanding of less than 0.50%. The following financial institutions were selected for the comparison:

First National of Nebraska, Inc.

Farmers & Merchants Bank of Long Beach

Carter Bank & Trust

W.T.B. Financial Corporation

Mechanics Bank

First National Bank Alaska

Burke & Herbert Bank & Trust Company

The analysis compared publicly available financial information for South and the high, mean, median and low financial and market trading data for the peer group as of or for the period ended March 31, 2014 with pricing data as of June 5, 2014. The results of these analyses are summarized in the following table.

	South	Comparable Company Ranges
Total Assets (\$ in millions)	\$8,532	\$16,271 - \$2,643
Tangible Common Equity/Tangible Assets	6.86%	14.38% - 6.84%
Leverage Ratio	8.31%	14.72% - 6.79%
Total Risk Based Capital Ratio	18.03%	25.36% - 14.12%
Return on Average Assets	0.58%	1.30% - 0.57%
Return on Average Equity	6.50%	11.94% - 6.69%
Net Interest Margin	2.68%	5.48% - 2.23%
Efficiency Ratio	74.7%	75.5% - 55.4%
Loan Loss Reserve/Gross Loans	1.17%	2.58% - 0.94%
Non-Performing Assets/Total Assets	1.68%	2.66% - 0.92%
Net Charge Offs/Average Loans	0.21%	1.58% - (0.04)%
Price/Tangible Book Value	84%	141% - 95%
Price/Last 12 Months Earnings Per Share	10.1x	17.8x - 11.1x
Price/2014 Est. Earnings Per Share		19.1x - 12.0x
Current Dividend Yield	0.20%	3.6% - 0.0%
Market Value (\$ in millions)	\$462	\$1,909 - \$291

The second peer group consisted of the following group of publicly traded U.S. banks with assets between \$2.5 billion and \$20 billion, tangible common equity to total assets of less than 8.0% and return on average assets of less than 0.75% over the twelve month period ended March 31, 2014:

Astoria Financial Corporation

Sterling Bancorp

Berkshire Hills Bancorp, Inc.

Bancorp, Inc.

Carter Bank & Trust

Simmons First National Corporation

Banc of California, Inc.

Century Bancorp, Inc.

First Bancorp

BNC Bancorp

Capital City Bank Group, Inc.

The analysis compared publicly available financial information for South and the high, mean, median and low financial and market trading data for the peer group as of or for the period ended March 31, 2014 with pricing data as of June 5, 2014. The results of these analyses are summarized in the following table.

	South	Comparable Company Ranges
Total Assets (\$ in millions)	\$8,532	\$15,700 - \$2,633
Tangible Common Equity/Tangible Assets	6.86%	7.97% - 5.05%
Leverage Ratio	8.31%	11.27% - 6.57%
Total Risk Based Capital Ratio	18.03%	18.10% - 11.16%
Return on Average Assets	0.58%	0.73% - 0.00%
Return on Average Equity	6.50%	11.81% - (0.03)%
Net Interest Margin	2.68%	5.03% - 2.21%
Efficiency Ratio	74.7%	92.1% - 56.1%
Loan Loss Reserve/Gross Loans	1.17%	2.05% - 0.59%
Non-Performing Assets/Total Assets	1.68%	4.74% - 0.25%
Net Charge Offs/Average Loans	0.21%	1.68% - (0.03)%
Price/Tangible Book Value	84%	219% - 95%
Price/Last 12 Months Earnings Per Share	10.1x	61.2x - 9.1x
Price/2014 Est. Earnings Per Share		35.2x - 14.1x
Current Dividend Yield	0.20%	4.3% - 0.6%
Market Value (\$ in millions)	\$462	\$1,317 - \$120

Analysis of Selected Merger Transactions

Sandler O'Neill reviewed a group of comparable U.S. merger and acquisition transactions that were announced since January 1, 2010 and had a value between \$250 million and \$1.0 billion. These transactions involved target companies that (i) had total assets of less than \$10.0 billion and (ii) had ratios of non-performing assets to assets that were between 1% and 4%. The group was composed of the following transactions:

Buyer/Target

Valley National Bancorp/1st United Bancorp Inc.

Yadkin Financial Corporation/VantageSouth Bancshares

ViewPoint Financial Group Inc./LegacyTexas Group Inc.

Heritage Financial Corp./Washington Banking Co.

Cascade Bancorp/Home Federal Bancorp

East West Bancorp Inc./MetroCorp Bancshares Inc.

MB Financial Inc./Taylor Capital Group Inc.

Home BancShares Inc./Liberty Bancshares Inc.

Union First Market Bankshares Corp./StellarOne Corp.

SCBT Financial Corp./First Financial Holdings Inc.

United Bankshares Inc./Virginia Commerce Bancorp Inc.

Columbia Banking System Inc./West Coast Bancorp

FirstMerit Corp./Citizens Republic Bancorp Inc.

Hilltop Holdings Inc./PlainsCapital Corp.

Cadance Bancorp LLC/Encore Bancshares, Inc.

Susquehanna Bancshares Inc./Tower Bancorp Inc.

Susquehanna Bancshares Inc./Abington Bancorp Inc.

Nara Bancorp Inc./Center Financial Corp.

Sandler O'Neill then reviewed the following multiples for each of the transactions: transaction price to last twelve months earnings; core deposit premium; transaction value as a premium over 1-day market value; and transaction price to tangible book value as a multiple of the buyer's trading price to tangible book value. Sandler O'Neill then calculated the per share valuation of South imputed by the high, low, mean and median data for the transactions, and compared that to South's actual data as of March 31, 2014. The results of these analyses are summarized in the following tables.

	Nationwide M&A Transactions (Ranges)
Price / Last 12 Months Earnings	49.6x - 2.6x
Core Deposit Premium	17.6% - 3.3%
Transaction Value as a Premium over 1-day Market Value	40.6% - 5.2%
Transaction Price to Tangible Book Value over Buyer's Trading Price to Tangible Book Value	1.77x - 0.59x

	Imputed South Per Share Valuation for Precedent Nationwide M&A Transactions (Ranges)
Price / Last 12 Months Earnings	\$3,455.14 - \$181.12
Core Deposit Premium	\$2,614 - \$1,166
Transaction Value as a Premium over 1-day Market Value	\$991 - \$742
Transaction Price to Tangible Book Value over Buyer's Trading Price to Tangible Book Value	\$1,479 - \$492

South Data as of March 31, 2014

Last 12 Months Earnings	Book Value	Tangible Book Value	Core Deposits
Per Share	Per Share	Per Share	
\$69.66	\$1,115.07	\$837.19	\$6,901,749

South - Net Present Value Analysis

Sandler O'Neill performed an analysis that estimated the net present value per share of South common stock through December 31, 2018. Sandler O'Neill based the analysis on South's projected earnings stream (as reflected in projections provided by South's management) for the years ending December 31, 2014 through 2018, which projections assumed (i) tangible book value as of December 31, 2014 of \$888.10 per share, (ii) a discount rate of 13.50% and (iii) 683,293 outstanding shares of common stock. South's projections are summarized below in the section entitled "Certain South Unaudited Prospective Financial Information."

To approximate the terminal value of South's common stock at December 31, 2018, Sandler O'Neill applied price to earnings multiples of 9.0x to 19.0x and multiples of tangible book value ranging from 50% to 150% as determined by Sandler O'Neill in its professional judgment and experience. Sandler O'Neill selected the price to earnings multiples based on price to earnings multiples of South's first peer group. Sandler O'Neill selected the tangible book value multiples based on tangible book value multiples of the South peer group.

The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.3% to 15.3%. Sandler O'Neill determined the discount rate based on the 10-year treasury bond yield of 2.59%, an equity risk premium of 5.70%, a size premium of 3.81%, and an industry premium of 3.20%. These analyses resulted in the following reference ranges of implied present values per share of South common stock:

Range of Implied Earnings Per Share	Range of Implied Tangible Book Value Per Share Based on Tangible Book Value
Based on Price/Earnings	
\$726.48 - \$1,885.39	\$348.73 - \$1,278.06

Sandler O'Neill also considered and discussed with the North Committee how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming South's net income varied from 40% above projections to 40% below projections. Using a discount rate of 12.8%, the midpoint of the range used in the prior analysis, for this analysis, Sandler O'Neill noted a range of \$485.72 to \$2,371.20 per share of South common stock.

During the June 10, 2014 meeting of the North Committee, Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

North Comparable Company Analysis

Sandler O'Neill used publicly available information to compare selected financial information for North and a group of financial institutions selected by Sandler O'Neill based on Sandler O'Neill's professional judgment and experience. The peer group consisted of publicly traded U.S. banks with total assets of between \$15 billion and \$25 billion, non-performing assets to total assets of less than 2% and tangible common equity to total assets greater than 8%.

The following financial institutions were selected for the comparison:

Signature Bank

Commerce Bancshares, Inc.

Hancock Holding Company

Susquehanna Bancshares, Inc.

EverBank Financial Corp

Fulton Financial Corporation

First National of Nebraska, Inc.

BankUnited, Inc.

The analysis compared publicly available financial information for North and the high, mean, median and low financial and market trading data for the peer group as of or for the period ended March 31, 2014 (with the exception of First National of Nebraska, Inc. for which financial data was as of December 31, 2013, the most recently publicly available data) with pricing data as of June 5, 2014. The results of these analyses are summarized in the following table.

	North	Comparable Company Ranges
Total Assets (\$ in millions)	\$22,155	\$23,104 - \$15,752
Tangible Common Equity/Tangible Assets	8.96%	12.18% - 8.22%
Leverage Ratio	9.66%	12.12% - 8.51%
Total Risk Based Capital Ratio	16.05%	20.27% - 13.20%
Return on Average Assets	0.63%	1.53% - 0.73%
Return on Average Equity	6.73%	13.79% - 6.30%
Net Interest Margin	3.55%	5.50% - 3.10%
Efficiency Ratio	77.4%	71.9% - 36.0%
Loan Loss Reserve/Gross Loans	1.65%	2.39% - 0.44%
Non-Performing Assets/Total Assets	0.83%	1.75% - 0.13%
Net Charge Offs/Average Loans	0.08%	1.58% - (0.01)%
Price/Tangible Book Value	112%	302% - 129%
Price/Last 12 Months Earnings Per Share	16.4x	23.9x - 11.5x
Price/2014 Consensus Estimated Earnings Per Share		20.7x - 12.9x
Price/2015 Consensus Estimated Earnings Per Share		18.1x - 12.2x
Current Dividend Yield	0.5%	3.1% - 0.0%
Market Value (\$ in millions)	\$2,193	\$5,810 - \$1,909

North Net Present Value Analysis

Sandler O'Neill also performed an analysis that estimated the net present value of North through December 31, 2018. Sandler O'Neill based the analysis on North's projected earnings stream as derived from median publicly available analyst estimates and long-term earnings growth rate for the years ending 2014 through 2018.

To approximate the terminal value of North's common stock at December 31, 2018, Sandler O'Neill applied price to earnings multiples of 15.0x to 20.0x and multiples of tangible book value ranging from 100% to 200% as determined by Sandler O'Neill in its professional judgment and experience. Sandler O'Neill selected the price to earnings multiples of 15.0x to 20.0x based on the range of trades multiples in North's peer group. The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.1% to 12.6%. Sandler O'Neill determined the discount rate based on the 10-year treasury bond yield of 2.59%, an equity risk premium of 5.70%, a size premium of 1.12%, and an industry premium of 3.20%. These analyses resulted in the following reference ranges of implied earnings per share and implied tangible book value per share of North common stock:

Range of Implied Earnings Per Share

Based on Price/Earnings

Range of Implied

Tangible Book

Value Per

Share Based on

Tangible Book

	Value
\$197.77 - \$291.35	\$158.09 - \$346.28

Sandler O'Neill also considered and discussed with the North Committee how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming North's net income varied from 40% above median publicly available analyst estimates and long-term earnings growth rate for the years ending 2014

through 2018 to 40% below median publicly available analyst estimates and long-term earnings growth rate for the years ending 2014 through 2018. Using a discount rate of 11.4%, the midpoint of the range used in the prior analysis, for this analysis, Sandler O'Neill noted a range of \$126.97 - \$384.84 per share of North common stock.

At the June 10, 2014 meeting of the North Committee, Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

Pro Forma Results

Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the following: (i) the merger closes in the fourth quarter of 2014; (ii) per share merger consideration value is \$941.40 or \$884.39 per share depending on the form of consideration elected; (iii) South's performance is consistent with the financial forecasts and estimates prepared by its management; (iv) North's performance is consistent with financial forecasts and estimates prepared by its management; (v) certain purchase adjustments occur, including that South's loan portfolio gross credit mark of (\$116.7) million (vi) core deposit intangibles are 1.37% of South's core deposits amortized on a straight line basis over a 10-year period; (vii) North is able to achieve cost savings of \$51.0 million per year, with 50% realization in 2015 and 100% realization thereafter (viii) pre-tax deal related costs total \$30.5 million; and (ix) pre-tax cash opportunity cost is 1.00%. The actual results achieved by the combined company, however, may vary from projected results and the variations may be material.

The tables below shows Sandler O'Neill's projected accretion/dilution percentages for North for each of the two merger consideration options as of closing and for each of the years 2014-2017.

For merger consideration consisting of 4.0000 shares of North Class A common stock and \$50.00 in cash for each share of South common stock:

	Closing 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017
North Earnings Per Share Accretion/(Dilution) Excluding Transaction Expenses		42.1%	42.8%	37.9%
North Tangible Book Value Accretion/(Dilution)	(1.5%)	0.3%	3.1%	6.0%

For merger consideration consisting of 3.5800 shares of North Class A common stock and 0.4200 shares of North Class B common stock of each share of South common stock:

	Closing 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017
North Earnings Per Share Accretion/(Dilution) Excluding Transaction Expenses		44.0%	44.8%	39.9%
North Tangible Book Value Accretion/(Dilution)	(0.1%)	1.7%	4.6%	7.5%

Other Information Reviewed By Sandler O Neill

Stock Price Performance

Sandler O Neill also reviewed for informational purposes the publicly reported trading prices of North's common stock for the three-year period ended June 5, 2014. Sandler O Neill then compared the relationship between the movements in the price of North's common stock against the movements in the prices of an index of North's peer group, the NASDAQ Bank Index and the S&P 500.

Three-Year Comparative Stock Performance

	Beginning Value	Ending Value
North Class A Common Stock	100%	123.2%
North Class B Common Stock	100%	109.8%
North Peers	100%	144.5%
NASDAQ Bank Index	100%	149.2%
S&P 500	100%	149.2%

Miscellaneous

Sandler O Neill rendered a fairness opinion to the North Committee in connection with the merger and will receive a fee in an amount equal to \$300,000, which became due and payable in immediately available funds at the time such written opinion was delivered to North. Sandler O Neill will receive an additional fee of \$600,000 upon and subject to closing of the merger. North has also agreed to reimburse Sandler O Neill's reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Sandler O Neill and its affiliates and their respective partners, directors, officers, employee and agents against certain expenses and liabilities, including liabilities under the securities laws.

Over the past three years, Sandler O Neill received aggregate revenues from South and certain of its affiliates of approximately \$175,000 for investment banking services. In the ordinary course of its respective broker and dealer businesses, Sandler O Neill may purchase securities from and sell securities to South and North and their respective affiliates. Sandler O Neill may also actively trade the debt and/or equity securities of South or North or their respective affiliates for their own accounts and for the accounts of their customers and, accordingly may at any time hold a long or short position in such securities.

Certain North Unaudited Prospective Financial Information

North does not as a matter of course make public projections as to future revenues, earnings or other financial results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, North is including the unaudited prospective financial information to provide its stockholders access to information that was made available to the South Committee, the North Committee and North's financial advisors in connection with the merger. This unaudited prospective financial information is referred to as the North Forecasts in the section Opinion of North's Financial Advisor. The inclusion of this information should not be regarded as an indication that North or any of its representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

This information was prepared solely for internal use and is subjective in many respects. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions

made with respect to business, economic, market and financial conditions and matters specific to North's business, all of which are difficult to predict and many of which are beyond North's control. North can give no assurance that the unaudited prospective financial information and the underlying estimates and assumptions will be realized. Further, since the unaudited prospective financial information covers multiple

years, such information by its nature becomes less predictive and less reliable with each successive year. Actual results are likely to differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited prospective financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to North's business, industry performance, the interest rate and regulatory environment and general business and economic conditions. For other factors that could cause actual results to differ please see the sections entitled "Risk Factors" and "Forward-Looking Statements" beginning on page [] and page [], respectively, of this joint proxy statement/prospectus.

The unaudited prospective financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In addition, the unaudited prospective financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in North's historical GAAP financial statements. Neither North's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. North can give no assurance that, had the unaudited prospective financial information been prepared either as of the date of the merger agreement or as of the date of this joint proxy statement/prospectus, similar estimates and assumptions would be used. North does not intend to make publicly available any update or other revision to the unaudited prospective financial information. The unaudited prospective financial information represents North's own evaluation of its potential future financial performance on a stand-alone basis, and does not take into account the possible financial and other effects of the merger and does not attempt to predict or suggest future results of the combined company. None of North or its affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any North stockholder, South shareholder or other person regarding North's ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The summary of the unaudited prospective financial information included below is not being included to influence your decision whether to vote for the merger and the transactions contemplated in connection with the merger, but is being provided solely because it was considered in connection with the merger.

In light of the foregoing, and considering that the North and South special meetings will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, North stockholders and South shareholders are cautioned not to place unwarranted reliance on such information, and North urges all stockholders to review North's most recent SEC filings for a description of North's reported financial results. See "Where You Can Find More Information" on page [] of this joint proxy statement/prospectus.

The following table presents selected North unaudited prospective financial data for the years 2014 through 2018:

	Year Ended December 31,				
	2014	2015	2016	2017	2018
	(dollars in millions, except earnings per share)				
Income Statement					
Net Interest Income	\$ 680.0	\$ 671.9	\$ 698.5	\$ 768.0	\$ 844.7
Noninterest Income	285.3	334.2	365.6	393.2	416.8
Noninterest Expense	814.6	827.5	837.9	853.0	867.9
Loan Loss Provisions	4.9	37.7	33.6	48.8	50.9
Net Income	93.4	89.5	122.4	164.8	217.7
Earnings Per Share	9.71	9.31	12.72	17.13	22.63
Balance Sheet					
Gross Loans	\$ 13,772.8	\$ 14,370.5	\$ 15,092.4	\$ 15,844.1	\$ 16,607.2
Total Assets	21,588.5	21,617.7	22,062.2	22,581.2	23,105.2
Deposits	17,884.1	17,898.2	18,132.1	18,399.4	18,673.0
Tangible Common Equity	2,040.2	2,119.5	2,231.0	2,384.6	2,591.0

Opinion of South's Financial Advisor

South has retained BofA Merrill Lynch to act as the South Committee's financial advisor in connection with the merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The South Committee selected BofA Merrill Lynch to act as the South Committee's financial advisor in connection with the merger on the basis of BofA Merrill Lynch's experience in transactions similar to the merger and its reputation in the investment community.

On June 10, 2014, at a meeting of the South Committee held to evaluate the merger, BofA Merrill Lynch delivered to the South Committee an oral opinion, which was confirmed by delivery of a written opinion dated June 10, 2014, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger was fair, from a financial point of view, to such minority holders of South common stock.

The full text of BofA Merrill Lynch's written opinion to the South Committee, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Appendix E to this document and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to the South Committee for the benefit and use of the South Committee (in its capacity as such) in connection with and for purposes of its evaluation of the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to South or in which South might engage or as to the underlying business decision of South to proceed with or effect the merger. BofA Merrill Lynch's opinion does not address any other aspect of the merger and does not constitute a recommendation to any shareholder as to how to vote or act in connection with the proposed

merger or any related matter.

In connection with rendering its opinion, BofA Merrill Lynch:

- (i) reviewed certain publicly available business and financial information relating to South and North;
- (ii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of South furnished to or discussed with BofA Merrill Lynch by the management of South, including certain financial forecasts relating to South prepared by the management of South, referred to herein as the South management forecasts ;
- (iii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of North furnished to or discussed with BofA Merrill Lynch by the management of North, including certain financial forecasts relating to North prepared by the management of North, referred to herein as the North management forecasts , and such forecasts as adjusted by the management of South (such forecasts, as adjusted, the Adjusted North management forecasts), and discussed with the management of South its assessments as to the relative likelihood of achieving the future financial results reflected in the North management forecasts and the Adjusted North management forecasts;
- (iv) reviewed certain estimates as to the amount and timing of cost savings, revenue synergies and restructuring charges anticipated by the management of South to result from the merger, referred to herein as the synergies ;
- (v) discussed the past and current business, operations, financial condition and prospects of South with members of the senior managements of South and North, and discussed the past and current business, operations, financial condition and prospects of North with members of the senior managements of South and North;
- (vi) reviewed the potential pro forma financial impact of the merger on the future financial performance of North, including the potential effect on North's estimated earnings per share;
- (vii) reviewed the trading histories for South voting common stock and North common stock and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;
- (viii) compared certain financial and stock market information of South and North with similar information of other companies BofA Merrill Lynch deemed relevant;
- (ix) compared certain financial terms of the merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

- (x) reviewed the relative financial contributions of South and North to the future financial performance of the combined company on a pro forma basis;
- (xi) reviewed a draft, dated June 3, 2014, of the merger agreement; and
- (xii) performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of South and North that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the South management forecasts and the synergies, BofA Merrill Lynch was advised by the South Committee, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of South as to the future financial performance of South and the other matters covered thereby. With respect to the North management forecasts, BofA Merrill Lynch was advised by North, and assumed, with the consent of the South Committee, that they were reasonably prepared on bases reflecting the best currently available

estimates and good faith judgments of the management of North as to the future financial performance of North and other matters covered thereby. With respect to the Adjusted North management forecasts, BofA Merrill Lynch assumed, at the direction of the South Committee, that the management of South's review of and adjustments to the North management forecasts were reasonably performed and that the Adjusted North management forecasts reflect the best currently available estimates and good faith judgments of the management of South as to the future financial performance of North and BofA Merrill Lynch relied, at the direction of the South Committee, on the Adjusted North management forecasts for purposes of its analysis and opinion. BofA Merrill Lynch relied, at the direction of the South Committee, on the assessments of the management of South as to North's ability to achieve the synergies and was advised by the South Committee, and assumed, with the consent of the South Committee, that the synergies would be realized in the amounts and at the times projected.

BofA Merrill Lynch is not an expert in the evaluation of loan portfolios or allowances for losses with respect thereto and it was not requested to, and it did not, conduct a review of individual credit files or make an analysis of, nor did BofA Merrill Lynch express any opinion or view as to, the adequacy or sufficiency of South's or North's allowance for losses or any other matters with respect thereto. BofA Merrill Lynch was advised and therefore assumed that such allowances for losses for South and North were, and on a pro forma basis would be, in the aggregate appropriate to cover such losses. BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of South, North or any other entity, nor did it make any physical inspection of the properties or assets of South, North or any other entity and BofA Merrill Lynch assumed, with the consent of the South Committee, that there were no material undisclosed liabilities of or related to South, North or any other entity for which appropriate reserves or other provisions have not been made. BofA Merrill Lynch did not evaluate the solvency or fair value of South, North or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of the South Committee, that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on South, North or any other entity or the merger (including the contemplated benefits of the merger). The South Committee advised BofA Merrill Lynch, and for purposes of its analysis and its opinion BofA Merrill Lynch assumed, at the direction of the South Committee, that the merger would qualify for federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended. BofA Merrill Lynch further assumed, at the direction of the South Committee, that the final executed merger agreement would not differ in any material respect from the draft merger agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the merger (other than the merger consideration to be received in the merger by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger to the extent expressly specified in its opinion), including, without limitation, the form or structure of the merger consideration or the merger or any terms, aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the merger or otherwise. BofA Merrill Lynch was advised, and for purposes of its analysis and opinion assumed, at the direction of the South Committee, that certain of the holders of South common stock set forth in Section 3.25 of the South disclosure schedule (the Holding Family Holders) owning in the aggregate 40.87% of the outstanding South voting common stock informed the South Committee that such Holding Family Holders would not support an acquisition of all or any part of South by, or any alternative transaction involving South with, a party other than North. BofA Merrill Lynch was not requested to, and it did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of South or any alternative transaction involving South. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, of the merger consideration to be received in the merger by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger and no opinion or view was expressed with

respect to (i) any consideration received in connection with the merger by the holders of any class of securities, creditors or other constituencies of any party, (ii) the allocation of the merger consideration among the holders of South voting common stock and South nonvoting common stock, (iii) the allocation of the merger consideration as between holders of South common stock who receive North Class A common stock and cash, North Class A common stock and North Class B common stock or any combination thereof, (iv) the fairness of the election to receive North Class A common stock and North Class B common stock or the relative fairness of the merger consideration consisting of North Class A common stock and cash and the merger consideration consisting of North Class A common stock and North Class B common stock or (v) the value of the voting rights associated with the South voting common stock or the value of the voting rights associated with the North Class B common stock relative to the value of the voting rights associated with the North Class A common stock. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. Furthermore, no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to South or in which South might engage or as to the underlying business decision of South to proceed with or effect the merger. In addition, BofA Merrill Lynch did not express any view or opinion with respect to, and relied, with the consent of the South Committee, upon the assessments of representatives of South regarding legal, regulatory, accounting, tax and similar matters relating to South, North or any other entity and the merger (including the contemplated benefits of the merger) as to which BofA Merrill Lynch understood that South obtained such advice as it deemed necessary from qualified professionals. BofA Merrill Lynch did not express any opinion as to what the value of North common stock actually would be when issued or the prices at which South common stock or North common stock would trade at any time, including following the announcement or consummation of the merger. Furthermore, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder should vote or act or make any election in connection with the merger or any related matter, including, without limitation, whether such shareholder should make an election to receive North Class B common stock as part of the merger consideration in the merger. Except as described above, South imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by BofA Merrill Lynch's Americas Fairness Opinion Review Committee.

The following represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to the South Committee in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.**

Financial Analyses.

Dividend Discount Analysis. BofA Merrill Lynch performed separate dividend discount analyses of South and North.

South. In performing a dividend discount analysis of South, BofA Merrill Lynch calculated the estimated present value of distributable cash flow that South was forecasted to generate during calendar years ending December 31, 2014 through December 31, 2018 based upon the South management forecasts and assuming a

target tangible common equity to tangible assets ratio of 8.0%. BofA Merrill Lynch then calculated terminal value ranges for South by applying an illustrative range of perpetuity growth rates of 3.0% to 4.0% to distributable cash flows, assuming a target tangible common equity to tangible asset ratio of 8.0%, and applying an illustrative range of discount rates of 11.75% to 14.00%, which resulted in an implied range of terminal value multiples of South's calendar year ending December 31, 2018 estimated earnings of 7.0x to 10.1x. The distributable cash flows and terminal values were discounted to present values using discount rates ranging from 11.75% to 14.00%, derived from the median beta of the selected peer group companies. This analysis indicated the following approximate implied per share equity value reference range for South, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Range for South based on:	Implied Per Share Merger Consideration
Dividend Discount Analysis	
\$697 - \$1,055	\$944.32

North. In performing a dividend discount analysis of North, BofA Merrill Lynch calculated the estimated present value of distributable cash flow that North was forecasted to generate during calendar years ending December 31, 2014 through December 31, 2018 based upon the Adjusted North management forecasts. BofA Merrill Lynch then calculated terminal value ranges for North by applying an illustrative range of perpetuity growth rates of 3.0% to 4.0% to distributable cash flows, assuming a target tangible common equity to tangible asset ratio of 8.0%, and applying an illustrative range of discount rates of 9.75% to 11.75%, which resulted in an implied range of terminal value multiples of South's calendar year ending December 31, 2018 estimated earnings of 9.4x to 14.4x. The distributable cash flows and terminal values were discounted to present values using discount rates ranging from 9.75% to 11.75%, derived from North's company beta. This analysis indicated the following approximate implied per share equity value reference range for North, as compared to the price per share of North Class A common stock as of the market close on June 2, 2014:

Implied Per Share Equity Value Reference Range for North based on:	North Class A Share Price
Dividend Discount Analysis: North's Company Beta	
\$181 - \$261	\$223.58

BofA Merrill Lynch performed an additional dividend discount analysis of North using an illustrative beta derived from the selected peer group companies. BofA Merrill Lynch calculated the estimated present value of distributable cash flow that North was forecasted to generate during calendar years ending December 31, 2014 through December 31, 2018 based upon the Adjusted North management forecasts. BofA Merrill Lynch then calculated terminal value ranges for North by applying an illustrative range of perpetuity growth rates of 3.0% to 4.0% to distributable cash flows, assuming a target tangible common equity to tangible asset ratio of 8.0%, and applying an illustrative range of discount rates of 10.75% to 13.00%, which resulted in an implied range of terminal value multiples of South's calendar year ending December 31, 2018 estimated earnings of 8.2x to 12.3x. The distributable cash flows and terminal values were discounted to present values using discount rates ranging from 10.75% to 13.00%, derived from the median beta of the selected peer group companies. This analysis indicated the following approximate implied per share equity value reference range for North, as compared to the price per share of North Class A common stock as of the market close on June 2, 2014:

Implied Per Share Equity Value Reference Range for North based on:	North Class A Share Price

Dividend Discount Analysis: Selected Peer Group Companies Beta

\$160 - \$224

\$223.58

Based on implied per share equity value reference ranges for South and North calculated as described above, these analyses indicated the following implied exchange ratio reference range, as compared to the implied exchange ratio equivalent provided for in the merger:

Implied Exchange Ratio Reference Ranges Based on:		Implied Exchange
Dividend Discount Analysis:	Dividend Discount Analysis:	Ratio Equivalent
North s Company Beta	Selected Peer Group Companies Beta	
2.6656x - 5.8321x	3.1035x - 6.5982x	4.2236x
		(4.00x + \$50.00 per share)

Other Factors.

In rendering its opinion, BofA Merrill Lynch also reviewed and considered other factors, including:

Selected Publicly Traded Companies Analysis – South. BofA Merrill Lynch reviewed publicly available financial and stock market information for South and the following 14 publicly traded commercial banks with \$5 to \$30 billion in total assets and headquarters in the Southeast:

Synovus Financial Corp.

First Horizon National Corporation

Hancock Holding Company

BankUnited, Inc.

BancorpSouth, Inc.

Trustmark Corporation

United Bankshares, Inc.

First Financial Holdings, Inc.

United Community Banks, Inc.

Home BancShares, Inc.

Capital Bank Financial Corp.

WesBanco, Inc.

Renasant Corporation

Pinnacle Financial Partners, Inc.

BofA Merrill Lynch reviewed, among other things, equity values of the selected companies, based on closing stock prices on June 2, 2014, as multiples of calendar years 2015 and 2016 estimated earnings per share, commonly referred to as EPS, and tangible book value per share, commonly referred to as TBV, as of March 31, 2014. The median calendar years 2015 and 2016 estimated EPS multiples observed for the selected peer companies were 14.6x and 12.9x, respectively, and the median tangible book value per share multiple as of March 31, 2014 observed for the selected peer companies was 1.38x. The selected peer companies used in the calculation of median multiples included Synovus Financial Corp., First Horizon National Corporation, Hancock Holding Company, BankUnited, Inc., BancorpSouth, Inc. United Community Banks, Inc. and Capital Bank Financial Corp. BofA Merrill Lynch then applied a selected range of multiples of calendar years 2015 and 2016 estimated EPS and tangible book value per share as of March 31, 2014 of 12.4x to 16.8x, 11.0x to 14.8x, and 1.17x to 1.59x, respectively, determined by applying a 15% discount and 15% premium to the median multiple of the selected peer companies, and discounted by a range of 30% - 45% based on the historical multiple differential

between the selected peer companies and South and North, to the corresponding data of South. Estimated financial data of the selected peer companies were based on public filings and other publicly available information. Estimated financial data of South were based on the South management forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for South, as compared to the implied per share merger consideration (calculated as the value of 4.0 shares of North Class A common stock as of the market close on June 2, 2014 plus \$50.00 per share):

Implied Per Share Equity Value Reference Ranges for South			Implied Per Share Merger Consideration
2015E EPS	2016E EPS	TBV	
\$563 - \$969	\$583 - \$1,003	\$540 - \$930	\$944.32

Selected Publicly Traded Companies Analysis North. BofA Merrill Lynch reviewed publicly available financial and stock market information for North and the following 14 publicly traded commercial banks with \$5 to \$30 billion in total assets and headquarters in the Southeast:

Synovus Financial Corp.

First Horizon National Corporation

Hancock Holding Company

BankUnited, Inc.

BancorpSouth, Inc.

Trustmark Corporation

United Bankshares, Inc.

First Financial Holdings, Inc.

United Community Banks, Inc.

Home BancShares, Inc.

Capital Bank Financial Corp.

WesBanco, Inc.

Renasant Corporation

Pinnacle Financial Partners, Inc.

BofA Merrill Lynch reviewed, among other things, equity values of the selected companies, based on closing stock prices on June 2, 2014, as multiples of calendar years 2015 and 2016 estimated earnings per share, commonly referred to as EPS, and tangible book value per share, commonly referred to as TBV, as of March 31, 2014. The median calendar years 2015 and 2016 estimated EPS multiples observed for the selected peer companies were 14.6x and 12.9x, respectively, and the median tangible book value per share multiple as of March 31, 2014 observed for the selected peer companies was 1.38x. The selected peer companies used in the calculation of median multiples included Synovus Financial Corp., First Horizon National Corporation, Hancock Holding Company, BankUnited, Inc., BancorpSouth, Inc. United Community Banks, Inc. and Capital Bank Financial Corp. BofA Merrill Lynch then applied a selected range of multiples of calendar years 2015 and 2016 estimated EPS and tangible book value per share as of March 31, 2014 of 12.4x to 16.8x, 11.0x to 14.8x, and 1.17x to 1.59x, respectively, determined by applying a 15% discount and 15% premium to the median multiple of the selected peer companies, and discounted by a range of 30% - 45% based on the historical multiple differential between the selected peer companies and North and South, to the corresponding data of North. Estimated financial data of the selected peer companies were based on public filings and other publicly available information. Estimated financial data of North were based on the Adjusted North management forecasts. This

analysis indicated the following approximate implied per share equity value reference ranges for North, as compared to the price per share of North Class A common stock as of the market close on June 2, 2014:

Implied Per Share Equity Value Reference Ranges for North			North Class A Share Price
2015E EPS	2016E EPS	TBV	
\$63 - \$108	\$77 - \$133	\$132 - \$228	\$223.58

Based on implied per share equity value reference ranges for South and North calculated as described above, these analyses indicated the following implied exchange ratio reference ranges, as compared to the implied exchange ratio equivalent provided for in the merger (calculated as the implied per share merger consideration of \$944.32, divided by the closing price of \$223.58 of one share of North Class A common stock on June 2, 2014):

Implied Exchange Ratio Reference Ranges Based on:			Implied Exchange Ratio Equivalent
2015E EPS	2016E EPS	TBV	
5.2169x - 15.4683x	4.3978x - 13.0395x	2.3700x - 7.0270x	4.2236x (4.00x + \$50.00 per share)

No company used in this analysis is identical or directly comparable to South or North. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which South and North were compared.

Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following 15 selected transactions involving commercial banks with headquarters in the Southeast and a transaction value of at least \$75 million:

Announcement Date	Acquiror	Target
5/6/2014	Simmons First National Corporation	Community First Bancshares, Inc.
4/24/2014	Seacoast Banking Corporation of Florida	The BANKshares, Inc.
1/30/2014	Bank of the Ozarks, Inc.	Summit Bancorp, Inc.
1/29/2014	CenterState Banks, Inc.	First Southern Bancorp, Inc.
1/27/2014	Yadkin Financial Corporation	VantageSouth Bancshares, Inc.
7/30/2013	CenterState Banks, Inc.	Gulfstream Bancshares, Inc.
7/1/2013	First Federal Bancshares of Arkansas, Inc.	First National Security Company
6/25/2013	Home BancShares, Inc.	Liberty Bancshares, Inc.
6/10/2013	Union First Market Bankshares Corporation	StellarOne Corporation
2/20/2013	SCBT Financial Corporation	First Financial Holdings, Inc.
2/7/2013	Renasant Corporation	First M&F Corporation
5/14/2012	Park Sterling Corporation	Citizens South Banking Corporation
3/27/2012	Capital Bank Financial Corp.	Southern Community Financial Corporation

12/16/2010 United Bankshares, Inc.

Centra Financial Holdings, Inc.

3/30/2009 Union Bankshares Corporation

First Market Bank, FSB

BofA Merrill Lynch reviewed transaction values, calculated as the purchase prices paid for the outstanding common stock of the target companies in the selected transactions as a multiple, to the extent publicly available, of the target company's tangible book value as of the most recent date publicly available prior to the announcement of the transaction. The overall low, median and high tangible book value multiples observed for the selected transactions were 0.96x, 1.38x and 1.80x, respectively. BofA Merrill Lynch then applied a selected range of tangible book value multiples of 0.96x to 1.59x, determined by taking the overall low and by applying a 15% premium to the median tangible book value multiple from the selected transactions, to South's tangible book value as of March 31, 2014. Estimated financial data of the selected transactions were based on public

filings and other publicly available information at the time of announcement of the relevant transaction. Estimated financial data of South were based on the South management forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for South, as compared to the implied per share merger consideration:

Implied Per Share Equity Value Reference Range for South based on:	Implied Per Share Merger Consideration
Tangible Book Value	
\$804 - \$1,329	\$944.32

No company, business or transaction used in this analysis is identical or directly comparable to South or the merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which South and the merger were compared.

BofA Merrill Lynch also reviewed and considered the following information:

the historical trading prices and trading volumes of South voting common stock and North Class A common stock during the one-year period ended June 2, 2014;

the relationship between movements in South common stock and North Class A common stock during the three-year period ended June 2, 2014, including the daily ratio of the closing price of South common stock to the closing price of North Class A common stock during such period, and the average of this ratio calculated over various periods ended June 2, 2014; and

the relative contributions of South and North to the pro forma combined company based on calendar years 2014 to 2018 estimated earnings, dividend discount analyses, tangible book values and adjusted tangible book values for calendar year 2013 and the quarter ended March 31, 2014, based on the South management forecasts and the Adjusted North management forecasts.

Miscellaneous

As noted above, the discussion set forth above is a summary of the material financial analyses presented by BofA Merrill Lynch to the South Committee in connection with its opinion and is not a comprehensive description of all analyses undertaken by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of South and North. The estimates of the future performance of South and North in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the merger consideration to be received by the minority holders of South common stock who do not elect to receive North Class B common stock as part of the merger consideration in the merger and were provided to the South Committee in connection

with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of South or North.

The type and amount of consideration payable in the merger was determined through negotiations between South and North, rather than by any financial advisor, and was approved by South's board of directors. The decision to enter into the merger agreement was solely that of South's board of directors. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the South Committee in its evaluation of the proposed merger and should not be viewed as determinative of the views of the South Committee or management with respect to the merger or the merger consideration.

South has agreed to pay BofA Merrill Lynch for its services in connection with the merger an aggregate fee which is based on a percentage of the aggregate transaction value of the merger, which will be determined by the average closing price of North common stock for the five trading days immediately prior to the closing date. Based upon the trading price of North Class A common stock as of the market close on July 8, 2014, the aggregate fee is currently estimated to be approximately \$5 million, a portion of which was payable upon execution of BofA Merrill Lynch's engagement letter, a portion of which was payable upon the rendering of BofA Merrill Lynch's opinion, and a significant portion of which is contingent upon the consummation of the merger. South also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in the equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of South, North and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to North and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as a lender under certain letters of credit and leasing facilities of North and certain of its affiliates, (ii) having provided or providing certain foreign exchange and other trading services to North and certain of its affiliates, and (iii) having provided or providing certain treasury management services and products to North and certain of its affiliates. From June 1, 2012 through May 31, 2014, BofA Merrill Lynch and its affiliates received aggregate revenues from North and certain of its affiliates of approximately \$5 million for corporate, commercial and investment banking services.

Certain South Unaudited Prospective Financial Information

South does not as a matter of course make public projections as to future revenues, earnings or other financial results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, South is including this unaudited prospective financial information to provide its shareholders access to information that was made available to the North Committee, the South Committee and South's financial advisors in connection with the

merger. This unaudited prospective financial information is referred to as the

South management forecasts in the section *Opinion of South's Financial Advisor*. The inclusion of this information should not be regarded as an indication that South or any of its representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

This information was prepared solely for internal use and is subjective in many respects. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions made with respect to business, economic, market and financial conditions and matters specific to South's business, all of which are difficult to predict and many of which are beyond South's control. South can give no assurance that the unaudited prospective financial information and the underlying estimates and assumptions will be realized. Further, since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive and less reliable with each successive year. Actual results are likely to differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited prospective financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to South's business, industry performance, the interest rate and regulatory environment and general business and economic conditions. For other factors that could cause actual results to differ please see the sections entitled *Risk Factors* and *Cautionary Statement Concerning Forward-Looking Statements* beginning on page [] and page [], respectively, of this joint proxy statement/prospectus.

The unaudited prospective financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In addition, the unaudited prospective financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in South's historical GAAP financial statements. Neither South's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. South can give no assurance that, had the unaudited prospective financial information been prepared either as of the date of the merger agreement or as of the date of this proxy statement/prospectus, similar estimates and assumptions would be used. South does not intend to make publicly available any update or other revision to the unaudited prospective financial information. The unaudited prospective financial information represents South's own evaluation of its potential future financial performance on a stand-alone basis, and does not take into account the possible financial and other effects of the merger and does not attempt to predict or suggest future results of the combined company.

None of South or its affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any South shareholder, North stockholder or other person regarding South's ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The summary of the unaudited prospective financial information included below is not being included to influence your decision whether to vote for the merger and the transactions contemplated in connection with the merger, but is being provided solely because it was considered in connection with the merger.

In light of the foregoing, and considering that the North and South special meetings will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, South shareholders and North stockholders are cautioned not to place unwarranted reliance on such information.

The following table presents selected South unaudited prospective financial data for the years 2014 through 2018:

	Year Ended December 31,				
	2014	2015	2016	2017	2018
	(dollars in millions, except earnings per share)				
Income Statement					
Net interest income	\$ 203	\$ 225	\$ 241	\$ 275	\$ 307
Noninterest income	135	139	148	161	176
Noninterest expense	255	264	274	287	301
Pre-tax pre-provision income	83	100	115	149	182
Loan loss provisions	6	13	14	15	16
Net income	50	56	66	88	108
Earnings per share	73.25	82.45	96.62	128.09	157.84
Balance Sheet					
Cash and interest bearing balances with other banks	\$ 1,275	\$ 1,011	\$ 1,003	\$ 886	\$ 708
Securities	2,138	2,335	2,393	2,638	2,949
Gross loans	4,695	4,889	5,091	5,292	5,499
Assets	8,608	8,725	8,969	9,292	9,627
Deposits	7,363	7,497	7,675	7,909	8,150
Equity	798	853	918	1,004	1,111

Material U.S. Federal Income Tax Consequences of the Merger

The following discussion summarizes the anticipated material U.S. federal income tax consequences of the merger generally applicable to U.S. holders (as defined below) of South common stock. The following discussion is based on the Code, Treasury regulations issued under the Code, judicial decisions, and published administrative pronouncements of the Internal Revenue Service, all as in effect as of the date of this joint proxy statement/prospectus all of which are subject to differing interpretations and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the continuing validity of the discussion. In addition, tax consequences arising under state, local and non-U.S. laws or under U.S. federal laws other than U.S. federal income tax laws, are not addressed in this joint proxy statement/prospectus.

The following discussion applies only to U.S. holders who hold shares of South common stock as a capital asset within the meaning of section 1221 of the Code (generally, property held for investment). Additionally, the discussion does not address all aspects of U.S. federal income taxation that may be applicable to South shareholders in light of their particular circumstances or to South shareholders who are subject to special treatment under U.S. federal income tax law, such as:

shareholders who are not U.S. persons;

financial institutions or insurance companies;

mutual funds;

tax-exempt organizations;

S corporations or other pass-through entities or investors in such entities;

regulated investment companies;

real estate investment trusts;

former citizens or residents of the United States;

dealers or brokers in securities or currencies other than the U.S. dollar;

persons who are subject to the alternative minimum tax provisions of the Code;

persons whose functional currency is not the U.S. dollar;

persons who hold shares of South common stock as part of a straddle, hedge, constructive sale or conversion transaction;

persons who acquired their shares of South common stock through individual retirement or other tax-deferred accounts;

traders in securities who elect to apply a mark-to-market method of accounting;

persons who are significant holders of shares of South capital stock within the meaning of Treasury Regulations Section 1.368-3;

persons who acquired their shares of South common stock pursuant to the exercise of employee stock options or otherwise as compensation; or

holders of shares of South common stock who exercise dissenting shareholders' rights.

For purposes of this section, the term "U.S. holder" means a beneficial owner of South common stock that for United States federal income tax purposes is:

a citizen or resident of the United States;

a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate that is subject to U.S. federal income tax on its income regardless of its source; or

a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or a trust that validly has elected under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership (including any entity or arrangement, domestic or foreign, that is treated as a partnership for U.S. federal income tax purposes) holds shares of South common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the merger to them.

Holders of shares of South common stock are strongly urged to consult with their own tax advisors regarding the tax consequences of the merger to them, including the effects of U.S. federal, state, local, non-U.S. and other tax laws.

Tax Consequences of the Merger, Generally

North and South intend for the merger to qualify as a reorganization within the meaning of section 368(a) of the Code. It is a condition to North's obligation to complete the merger that North receive an opinion from Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P., dated the closing date of the merger, that the merger will qualify as a reorganization within the meaning of section 368(a) of the Code. It is a condition to South's obligation to complete the merger that South receive an opinion from Haynsworth Sinkler Boyd, P.A., dated the closing date of the merger, that the merger will qualify as a reorganization within the meaning of section 368(a) of the Code.

These opinions will be subject to customary qualifications and assumptions, including assumptions regarding the absence of changes in existing facts and law and the completion of the merger in the manner contemplated by the merger agreement and the registration statement. In rendering their tax opinions, each counsel will rely upon representations and covenants, including those contained in representation letters from South and North, reasonably satisfactory in form and substance to each such counsel, and will assume that these representations will be true, correct and complete without regard to any knowledge limitation, and that these

covenants will be complied with. If any of those representations, covenants or assumptions is inaccurate, tax counsel may be unable to render the required opinion and the merger may not be completed or the tax consequences of the merger could differ from those discussed here. An opinion of counsel represents counsel's best legal judgment and is not binding on the IRS or any court, nor does it preclude the Internal Revenue Service from adopting a contrary position. North and South have not sought and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the merger, and as a result, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below.

The discussion set forth below under *Consequences to North and South* and *Consequences to Holders of South Common Stock* assumes that the merger qualifies as a reorganization within the meaning of section 368(a) of the Code for U.S. federal income tax purposes.

Consequences to North and South

Each of North and South will be a party to the merger within the meaning of section 368(b) of the Code, and neither North nor South will recognize any gain or loss as a result of the merger.

Consequences to Holders of South Common Stock

The U.S. federal income tax consequences of the merger to a U.S. holder of South common stock generally will depend on whether the U.S. holder exchanges its South common stock for a combination of North common stock and cash or solely for North common stock.

Exchange of South Common Stock for North Common Stock and Cash

A U.S. holder of shares of South common stock who exchanges such shares in the merger for a combination of North common stock and cash (other than cash received in lieu of a fractional share of North common stock) will not be permitted to recognize any loss for U.S. federal income tax purposes (other than as described below under *Cash in Lieu of Fractional Shares*). If such a U.S. holder has any realized gain on the exchange of its South common stock for North common stock and cash, it will be required to recognize gain in amount equal to the lesser of (i) the amount of such U.S. holder's realized gain and (ii) the amount of cash received by the U.S. holder (other than cash received in lieu of a fractional share of North common stock). (Such gain would be in addition to any gain required to be recognized as described below under *Cash in Lieu of Fractional Shares*.) The amount of such a U.S. holder's realized gain will equal the sum of the amount of cash received by such U.S. holder (other than cash received in lieu of a fractional share of North common stock) and the fair market value of the North common stock received by such U.S. holder (including any fractional share of North common stock that such U.S. holder is treated as receiving as described below under *Cash in Lieu of Fractional Shares*), minus such U.S. holder's adjusted tax basis in its shares of South common stock.

If a U.S. holder of shares of South common stock acquired different blocks of South common stock at different times or different prices, any gain or loss will be determined separately with respect to each block of South common stock. A loss realized on the exchange of one block of shares cannot be used to offset a gain realized on the exchange of another block of shares. Any such U.S. holders should consult their tax advisors regarding the manner in which cash and North common stock received in the exchange should be allocated among different blocks of South common stock and with respect to identifying the bases or holding periods of the particular shares of North common stock received in the merger.

Except to the extent treated as a dividend as discussed below, any recognized gain generally will be long-term capital gain if, as of the effective date of the merger, the U.S. holder's holding period with respect to the shares of South common stock exchanged for North common stock and cash in the merger exceeds one year. Long-term capital gain

of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

In some cases, if the U.S. holder actually or constructively owns North common stock other than North common stock received in the transaction, the recognized gain could be treated as having the effect of the distribution of a dividend under the tests described in section 302 of the Code, in which case such gain would be treated as dividend income to the extent of such U.S. holder's ratable share of accumulated earnings and profits of South (as calculated for U.S. federal income tax purposes). Because the possibility of dividend treatment depends upon each U.S. holder's particular circumstances, including the application of constructive ownership rules, U.S. holders should consult their tax advisors regarding the application of the foregoing rules. U.S. holders that are corporations should consult their tax advisors regarding the potential applicability of the extraordinary dividend provisions of the Code.

The aggregate tax basis of the North common stock received (including any fractional share interests deemed received and redeemed for cash as described below under *Cash in Lieu of Fractional Shares*) by a U.S. holder that exchanges its shares of South common stock for a combination of North common stock and cash as a result of the merger will be the same as the aggregate tax basis of the shares of South common stock exchanged by such U.S. holder, reduced by the amount of cash received on the exchange (excluding cash received in lieu of a fractional share of North common stock) plus the amount of any gain or dividend income recognized upon the exchange (excluding any gain recognized as a result of any cash received in lieu of a fractional share of North common stock). The holding period of the North common stock received (including any fractional shares deemed received and redeemed for cash as described below under *Cash in Lieu of Fractional Shares*) will include the holding period of the shares of South common stock exchanged by the U.S. holder in the merger. U.S. holders who acquired different blocks of shares of South common stock at different times or at different prices should consult their tax advisors with regard to identifying the bases or holding periods of the particular shares of North common stock received in the merger.

Exchange of South Common Stock Solely for North Common Stock

U.S. holders of shares of South common stock who exchange all of their shares of South common stock in the merger solely for North common stock will not recognize income, gain or loss for U.S. federal income tax purposes, except as discussed below with respect to cash received in lieu of a fractional share of North common stock.

The aggregate tax basis of the North common stock received (including any fractional share interests deemed received and redeemed for cash as described below under *Cash in Lieu of Fractional Shares*) by a U.S. holder that exchanges its shares of South common stock solely for North Common Stock as a result of the merger will be the same as the aggregate tax basis of the shares of South common stock exchanged by such U.S. holder. The holding period of the North common stock received (including any fractional share deemed received and redeemed for cash as described below under *Cash in Lieu of Fractional Shares*) will include the holding period of the shares of South common stock exchanged by the U.S. holder in the merger. U.S. holders who acquired different blocks of shares of South common stock at different times or at different prices should consult their tax advisors with regard to identifying the bases or holding periods of the particular shares of North common stock received in the merger.

Cash in Lieu of Fractional Shares

A U.S. holder of South common stock who receives cash in lieu of a fractional share of North common stock in the merger will be treated as having received such fractional share in the merger and then as having received the cash in redemption of such fractional share. As a result, such a U.S. holder should generally recognize capital gain or loss equal to the difference between the amount of the cash received instead of the fractional share of stock and the stockholder's tax basis allocable to such fractional share of stock. The capital gain or loss will be long-term capital gain or loss if the holding period for shares of South common stock exchanged for cash instead of the fractional share of North common stock is more than one year as of the effective date of the merger. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

Continuity of Proprietary Interest Requirement; Merger as a Taxable Exchange

One of the requirements that must be satisfied in order for the merger to qualify as a reorganization under section 368(a) of the Code is the continuity of proprietary interest requirement. The merger will satisfy this requirement if South shareholders exchange a substantial portion of the value of their proprietary interests in South for proprietary interests in North. The merger will satisfy the continuity of proprietary interest requirement if the value of the North common stock that South shareholders receive upon the merger is equal to at least 40% of the fair market value of the total consideration received in the merger by South shareholders.

If the merger is not treated as a reorganization within the meaning of section 368(a) of the Code, then each U.S. holder would recognize gain or loss equal to the difference between the sum of the fair market value of the North common stock and the total amount of cash received in the merger (including any cash consideration and any cash received in lieu of a fractional share) and such holder's adjusted tax basis in its shares of South common stock exchanged in the merger for North common stock and cash consideration.

Additional Medicare Tax

U.S. holders that are individuals, trusts or estates and whose modified adjusted gross income (or adjusted gross income in the case of a trust or estate) exceeds certain thresholds generally will be subject to an additional 3.8% tax with regard to dividends on and net gains from the disposition of South common stock pursuant to the merger. U.S. holders of South common stock should consult their tax advisors regarding the applicability of this tax.

Backup Withholding and Reporting Requirements

U.S. holders of shares of South common stock, other than certain exempt recipients, may be subject to information reporting and backup withholding at a rate of 28% with respect to any cash payment received in the merger. However, backup withholding will not apply to any U.S. holder that either (i) furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding or (ii) otherwise proves to North and its exchange agent that the U.S. holder is exempt from backup withholding. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided that the U.S. holder timely furnishes the required information to the Internal Revenue Service.

In addition, U.S. holders of shares of South common stock are required to retain permanent records and make such records available to any authorized Internal Revenue Service officers and employees. The records should include the number of shares of South common stock exchanged, the number of shares of North Class A common stock, or North Class A common stock and North Class B common stock, received therefor, the fair market value and tax basis of shares of South common stock exchanged and the U.S. holder's tax basis in the North Class A common stock, or the North Class A common stock and the North Class B common stock, received.

The discussion of material U.S. federal income tax consequences set forth above is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger. Moreover, the discussion set forth above does not address tax consequences that may vary with, or are contingent upon, individual circumstances. In addition, the discussion set forth above does not address any non-income tax or any non-U.S., state or local tax consequences of the merger and does not address the tax consequences of any transaction other than the merger.

THE FOREGOING SUMMARY IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF THE MERGER TO YOU. WE URGE YOU TO CONSULT A TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE MERGER TO YOU.

Accounting Treatment

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method of accounting, which requires (i) the recorded assets and liabilities of North to be carried forward at their recorded amounts, (ii) North's historical operating results to be unchanged for the prior periods being reported on and (iii) the assets and liabilities of South to be adjusted to fair value at the date of the merger. In addition, all identified intangibles will be recorded at fair value and included as part of the net assets acquired. The amount by which the purchase price, consisting of the value of shares of North Class A common stock and cash to be issued to former South shareholders and cash to be paid in lieu of fractional shares, exceeds the fair value of the net assets including identifiable intangibles of South at the merger date will be reported as goodwill. In accordance with current accounting guidance, goodwill at the merger date will be reported as goodwill, will not be amortized and will be evaluated for impairment annually. Identifiable intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of South being included in the operating results of North beginning from the date of completion of the merger.

Regulatory Approvals

Under the federal Bank Holding Company Act of 1956, as amended, and Regulation Y promulgated under that Act, the merger must be approved by the Board of Governors of the Federal Reserve System (the FRB). Also, under applicable state banking laws in South Carolina and North Carolina, the merger must be approved by the South Carolina State Board of Financial Institutions and the North Carolina Commissioner of Banks. Under the Federal Deposit Insurance Act (FDIA) and applicable state banking laws in South Carolina and North Carolina, the bank merger must be approved by the FDIC, the South Carolina State Board of Financial Institutions, the North Carolina Commissioner of Banks and the North Carolina State Banking Commission. Completion of the merger is conditioned on receipt of each of those required approvals and the expiration of required waiting periods following receipt of the approvals of the FRB and FDIC. In addition to approval by the above banking regulators, certain notices to and/or approvals by regulatory agencies having jurisdiction over subsidiaries of South Bank that hold various insurance and securities licenses will be required in connection with the bank merger.

As of the date of this joint proxy statement/prospectus, all of the required regulatory applications for the required approvals of all of the above banking regulators have been filed and are pending. There is no assurance as to whether all regulatory approvals will be obtained or as to the dates of the approvals. There also can be no assurance that the regulatory approvals received will not contain any condition that would increase any of the minimum regulatory capital requirements of North following the bank merger or that otherwise are materially burdensome. Under the terms of the merger agreement, in connection with obtaining required regulatory approvals neither North nor South is obligated to take or commit to take any action, or agree to any condition or restriction, that would reasonably be expected to have a material adverse effect on North, as the surviving company in the merger, and its subsidiaries, taken as a whole. See *The Merger Agreement Conditions to Completion of the Merger* beginning on page [] of this joint proxy statement/prospectus.

Appraisal Rights of Holders of North Class B Common Stock

Any holder of North Class B common stock wishing to seek appraisal for his, her or its shares of North Class B common stock is urged to consult legal counsel before attempting to exercise appraisal rights. Failure to comply strictly with all of the procedures set forth in Section 262 of the DGCL (Section 262) may result in the loss of a stockholder's statutory appraisal rights.

The following discussion is a summary of Section 262, which sets forth the procedures for holders of North Class B common stock to dissent from the merger and to seek appraisal for their shares under the DGCL. The following discussion is not a complete statement of the provisions of the DGCL relating to the rights of North stockholders to

receive payment of the fair value of their shares and does not create any rights for stockholders. The only rights of stockholders are those provided by Section 262, the full text of which is provided in its entirety

as Appendix B to this joint proxy statement/prospectus. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that stockholders exercise their appraisal rights under Section 262. Unless otherwise required by context, all references in Section 262 and in this section to a stockholder are to the holder of record or the beneficial owner of the shares of North Class B common stock as to which appraisal rights are asserted.

Under Section 262, as more fully described below, if the merger is consummated, holders of North Class B common stock have the right to seek appraisal of their shares of North Class B common stock and to receive payment in cash for the fair value of such shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, as determined by the Delaware Court of Chancery, together with interest, if any, to be paid upon the amount determined to be fair value. The fair value of shares of North Class B common stock as determined by the Delaware Court of Chancery may be more or less than, or the same as, the price for such shares in an arm's length transaction. These rights are known as appraisal rights. Holders of North Class B common stock who elect to exercise appraisal rights must not vote FOR the North merger proposal and must comply with the provisions of Section 262 to perfect their rights. Strict compliance with the statutory procedures in Section 262 is required. A holder of North Class B common stock who wishes to exercise appraisal rights, or preserve the ability to do so, must not sign and deliver a proxy card approving the merger, or sign and deliver a proxy card without indicating a decision on the North merger proposal. Any proxy card returned without indicating a decision on the North merger proposal will be counted as approving the North merger proposal.

Must Not Vote FOR the North Merger Proposal

In order to demand appraisal rights, you must not vote FOR the North merger proposal. Proxy cards that are signed and delivered without indicating a decision on the North merger proposal will be counted as approving the North merger proposal, which will also eliminate any appraisal rights. As described below, holders of North Class B common stock wishing to assert appraisal rights must also continue to hold their shares through the effective time of the merger.

Provide Written Notice of Intent to Demand Payment

If a holder of North Class B common stock elects to demand appraisal of his, her, or its shares of North Class B common stock, the holder must deliver to North a written demand for appraisal prior to the vote on the North merger proposal at the North special meeting. Any such written notices should be addressed to: Corporate Secretary, First Citizens BancShares, Inc., 4300 Six Forks Road, Raleigh, North Carolina 27609.

A holder of shares of North Class B common stock wishing to exercise appraisal rights must hold of record the shares of North Class B common stock on the date the written demand for appraisal is made and must continue to hold such shares of record through the effective time of the merger, because appraisal rights will be lost if the shares of North Class B common stock are transferred prior to the effective time. If you are not the stockholder of record, you will need to follow special procedures as discussed further below.

If the record holder fails to comply with all of the conditions required by Section 262 to perfect appraisal rights, and the merger is completed, the record holder (assuming that the record holder holds the subject shares through the effective date of the merger) will have no appraisal rights with respect to such shares.

In order to satisfy Section 262, a demand for appraisal in respect of shares of North Class B common stock must reasonably inform North of the identity of the stockholder of record and the stockholder's intent to seek appraisal rights. The demand should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the holder's stock certificates, should specify the holder's name and mailing address and the number of shares registered in the holder's name and must state that the person intends thereby to demand appraisal of the holder's

shares in connection with the merger. The demand cannot be made by the beneficial owner if he or she does not also hold the shares of North Class B common stock of record. The

beneficial holder must, in such cases, have the registered owner, such as a broker or other nominee, submit the required demand in respect of those shares of North Class B common stock. If the shares of North Class B common stock are held through a broker or other nominee and the beneficial owners wishes to exercise appraisal rights, the beneficial owners should consult with his, her or its broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

If shares of North Class B common stock are owned of record by a person other than the beneficial owner, including a broker or other nominee, a demand for appraisal must be executed by or for such record holder. If the shares of North Class B common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record holder or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record holder. If a stockholder holds shares of North Class B common stock through a broker who in turn holds the shares through a central securities depository nominee such as Cede & Co. (the nominee for The Depository Trust Company), a demand for appraisal of such shares must be made by or on behalf of the depository nominee and must identify the depository nominee as a record holder. A record holder, such as a broker, who holds shares of North Class B common stock as a nominee for others, may exercise his or her right of appraisal with respect to the shares of North Class B common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of North Class B common stock as to which appraisal is sought. Where no number of shares of North Class B common stock is expressly mentioned, the demand will be presumed to cover all shares of North Class B common stock held in the name of the record holder.

Withdrawal of Appraisal Demand

At any time within 60 days after the effective time of the merger, any stockholder who has not commenced an appraisal proceeding or joined a proceeding as a named party may withdraw the demand by delivering to North a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective time of the merger will require written approval of North. Unless the demand is properly withdrawn by the stockholder within 60 days after the effective date of the merger, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just. If North does not approve a request to withdraw a demand for appraisal when that approval is required, or if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the price such stockholder could obtain in an arm's length transaction.

Appraisal Proceeding

Within 120 days after the effective time of the merger, but not thereafter, either North or any stockholder who has complied with the requirements of Section 262 and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of North Class B common stock held by all stockholders entitled to appraisal. Upon the filing of such a petition by a stockholder, service of a copy of such petition will be made upon North. North has no present intent to file such a petition and has no obligation to cause such a petition to be filed, and stockholders should not assume that North will file a petition. Accordingly, the failure of a stockholder to file such a petition within the period specified could nullify the stockholder's previous written demand for appraisal. In addition, within 120 days after the effective time of the merger, any stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the North merger proposal, upon written request, will be entitled to receive from North, a statement setting forth the aggregate number of shares of North Class B common stock not voted in favor of the North merger proposal and with respect to which demands for

appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within 10 days after such written request has been received by North. A person who is the beneficial owner of shares of North Class B common stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition for appraisal or request from North such statement.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to North, then North will be obligated, within 20 days after receiving service of a copy of the petition, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares of North Class B common stock and with whom agreements as to the value of their shares of North Class B common stock have not been reached. After notice to stockholders who have demanded appraisal, if such notice is ordered by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition and to determine those stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided by Section 262. The Delaware Court of Chancery may require stockholders who have demanded payment for their shares of North Class B common stock and who hold stock represented by certificates to submit their stock certificates to the Register in Chancery for notation of the pendency of the appraisal proceedings; and if any stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

After determination of the stockholders entitled to appraisal of their shares of North Class B common stock, the Delaware Court of Chancery will appraise the shares of North Class B common stock, determining their fair value as of the effective time after taking into account all relevant factors exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. When the value is determined, the Delaware Court of Chancery will direct the payment of such value upon surrender by those stockholders of the certificates representing their shares of North Class B common stock. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment.

No representation is made as to the outcome of the appraisal of fair value as determined by the Court and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the price that could be obtained in an arm's length transaction.

Fair Value

In determining fair value, the Delaware Court of Chancery is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered and that fair price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court has stated that in making this determination of fair value the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion that does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Costs of Appraisal Proceedings

Costs of the appraisal proceeding (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and imposed upon North and the stockholders participating in the appraisal proceeding by the Delaware Court of Chancery, as it deems equitable in the circumstances. Each stockholder seeking appraisal is responsible for his or her attorneys' and expert witness expenses, although, upon the application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts used in the appraisal proceeding, to be charged pro rata against the value of all shares of North Class B common stock entitled to appraisal. Any stockholder who duly demanded appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote shares of North Class B common stock subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares of North Class B common stock, other than with respect to payment as of a record date prior to the effective time of the merger. However, if no petition for appraisal is filed within 120 days after the effective time, or if the stockholder otherwise fails to perfect his, her or its appraisal rights, successfully withdraws his, her or its demand for appraisal or loses his, her or its right to appraisal, then the right of that stockholder to appraisal will cease.

Dissenters' Rights of South's Shareholders

Any South shareholder wishing to exercise dissenters' rights is urged to consult legal counsel before attempting to exercise dissenters' rights. Failure to comply strictly with all of the procedures set forth in Chapter 13 of the South Carolina Business Corporation Act (the "SCBCA"), which consists of Sections 33-13-101 through 33-13-310, may result in the loss of a shareholder's statutory dissenters' rights. In such case, such shareholder will be entitled to receive only the merger consideration under the merger agreement.

The following discussion is a summary of Sections 33-13-101 through 33-13-310 of the SCBCA, which set forth the procedures for South shareholders to dissent from the proposed merger and to demand statutory dissenters' rights under the SCBCA. The following discussion is not a complete statement of the provisions of the SCBCA relating to the rights of South shareholders to receive payment of the fair value of their shares and does not create any rights for shareholders. The only rights of shareholders are those provided by Sections 33-13-101 through 33-13-310 of the SCBCA, the full text of which is provided in its entirety as Appendix C to this joint proxy statement/prospectus. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that shareholders exercise their dissenters' rights under Sections 33-13-101 through 33-13-310 of the SCBCA. Unless otherwise required by context, all references in Sections 33-13-101 to 33-13-310 of the SCBCA and in this section to a shareholder are to the holder of record or the beneficial owner of the shares of South common stock as to which dissenters' rights are asserted.

Chapter 13 of the SCBCA provides South shareholders who (i) give South written notice, before the vote on the proposal to approve the merger agreement, of their intent to demand payment for their shares if the merger is effectuated and (ii) do not vote FOR the approval of the merger with the right, subject to compliance with the requirements summarized below, to dissent and demand the payment of, and be paid in cash, the fair value of the South shares owned by such shareholders as of the South record date. In accordance with Chapter 13 of the SCBCA, the fair value of South dissenters' shares will be their value determined immediately prior to effectuation of the merger, exclusive of any appreciation or depreciation in the value of the shares in anticipation of the merger. The value of the shares is to be determined by techniques that are accepted generally in the financial community and may be more or less than the merger consideration.

Even though a shareholder who wishes to exercise dissenters' rights may be required to take certain actions following the South special meeting to perfect his, her or its dissenters' rights, if the merger is abandoned, no South shareholder will have the right to any payment from South. The following discussion is subject to the foregoing qualifications.

Provide Written Notice of Intent to Demand Payment

Any South shareholder who desires to exercise dissenters' rights must give to South, before the vote on the South merger proposal at the South special meeting, written notice of his, her or its intent to demand payment for his, her or its shares if the merger is effectuated (this notice must be in addition to and separate from any proxy or vote against the merger proposal; neither voting against, abstaining from voting, nor failing to vote on the merger proposal will constitute a notice within the meaning of the SCBCA). Any such written notices should be addressed to: Corporate Secretary, First Citizens Bancorporation, Inc., 1230 Main Street, Columbia, South Carolina 29201. The notice must be executed by the holder of record or the beneficial owner of the shares of South common stock as to which dissenters' rights are to be exercised. A written notice is effective at the earliest of: (i) when it is received; (ii) five days after its deposit in the U.S. mail, as evidenced by the postmark, if mailed postpaid and correctly addressed; or (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

A beneficial owner may assert dissenters' rights only if he, she or it dissents with respect to all shares of South common stock of which he, she or it is the beneficial owner or over which he, she or it has power to direct the vote. A beneficial owner asserting dissenters' rights to shares held on his, her or its behalf shall notify South in writing of the name and address of the record shareholder of the shares, if known to him, her or it. A record shareholder of South common stock may exercise dissenters' rights with respect to fewer than all the shares registered in his, her or its name only if he, she or it dissents with respect to all shares of South common stock beneficially owned by any one person. In such case, the notice submitted by the record shareholder must set forth the name and address of each person on whose behalf the record owner is asserting dissenters' rights.

Not Vote FOR the South Merger Proposal

Any South shareholder who desires to exercise dissenters' rights must not have voted his, her or its shares FOR the South merger proposal. However, a vote in favor of the South merger proposal cast by the holder of a proxy solicited by South will not disqualify such shareholder from demanding payment for his, her or its shares under Chapter 13 of the SCBCA.

Notice of Approval by South

If the South merger proposal is approved by the South shareholders and the North merger proposal is approved by the North stockholders and the merger is consummated, within 10 days after the merger is consummated, North, as successor by merger to South, is required to provide to those South shareholders who have provided prior written notice of their intent to demand payment for their shares and who have not voted FOR approval of the South merger proposal, a written dissenters' notice. Such dissenters' notice will state where your payment demand must be sent and where certificates for shares of South common stock must be deposited; inform holders of uncertificated shares to what extent transfer of the shares is to be restricted after the payment demand is received; supply a form containing certain statutory information for demanding payment; set a date by which North must receive your payment demand (not fewer than 30 days nor more than 60 days after the dissenters' notice is delivered) and a date by which certificates for certificated shares must be deposited (not earlier than 20 days after the demand date); and include a copy of Chapter 13 of the SCBCA.

Written Demand for Payment and Depositing of Shares

If you receive a dissenters' notice, you must demand payment, certify whether you (or the beneficial shareholder on whose behalf you are asserting dissenters' rights) acquired beneficial ownership of the shares before the date set forth in the dissenters' notice, and deposit your share certificates in accordance with the terms of the dissenters' notice. If you demand payment and deposit your share certificates, you retain all other rights of a shareholder until these rights are

canceled or modified by the merger. If you do not demand payment or deposit your share certificates where required, each by the date set in the dissenters notice, you are not entitled to payment

for your shares under the SCBCA. Any written demands for payment and share certificates should be sent to the addresses set forth in the dissenters' notice. Shares of South common stock held by shareholders who have properly perfected their dissenters' rights in accordance with Chapter 13 of the SCBCA and who have not withdrawn their demands or otherwise lost their dissenters' rights are referred to in this summary as dissenting shares.

Payment of Agreed Upon Price

Following the effective date of the merger, or upon receipt of a payment demand, North must pay each dissenting shareholder who substantially complied with the payment demand and share deposit requirements the amount it estimates to be the fair value of his, her or its dissenting shares, plus interest accrued from the date of the closing of the merger to the date of payment. The payment must be accompanied by:

South's balance sheet, income statement, and statement of changes in shareholders' equity as of the end of or for the fiscal year ending not more than 16 months before the date of payment, and the latest available interim financial statements, if any;

a statement of North's estimate of the fair value of the shares and an explanation of how the fair value was calculated;

an explanation of the interest calculation;

a statement of the dissenters' right to demand additional payment (as described below); and

a copy of Chapter 13 of the SCBCA.

If the merger is not consummated within 60 days after the date set for demanding payment and depositing share certificates, South must return your deposited certificates within the same 60-day period and release transfer restrictions on uncertificated shares. If after returning your deposited certificates and releasing transfer restrictions the merger is consummated, North must send you a new dissenters' notice and repeat the payment demand procedure.

Demand for Additional Payment

As dissenting shareholder, you may notify North in writing of your own estimate of the fair value of the dissenting shares and amount of interest due, and demand payment of the excess of your estimate of the fair value of the dissenting shares over the amount previously paid by North if:

you believe that the amount paid is less than the fair value of your South common stock or that the interest is incorrectly calculated;

North fails to make payment of its estimate of fair value to you within 60 days after the date set for demanding payment; or

the merger not having been consummated, South does not return your deposited certificates, or release the transfer restrictions on uncertificated shares, within 60 days after the date set for demanding payment. You waive the right to demand additional payment unless you notify North of your demand in writing within 30 days after North's payment of its estimate of the fair value of your South common stock.

Appraisal Proceeding

If your demand for payment remains unsettled, North, as successor by merger to South, must commence a proceeding within 60 days after receiving the demand for additional payment by filing a complaint in the circuit court of Richland County, South Carolina, where South's principal office is located, to determine the fair value of the shares and accrued interest. If North does not commence the proceeding within such 60-day period, North

must pay you the amount you demanded. In such appraisal proceeding, the court may appoint persons as appraisers to receive evidence and recommend decisions on the question of fair value. Each dissenting shareholder whose demand for additional payment remains unsettled shall be made a party to the proceeding, and each such dissenter is entitled to judgment for the amount, if any, by which the court finds the fair value of his, her or its dissenting shares, plus interest, exceeds the amount previously paid to the dissenting shareholder.

The court in such an appraisal proceeding will determine all costs of the proceeding and assess the costs against North, except the court may assess costs against some or all of the dissenting shareholders, in amounts the court finds equitable, to the extent the dissenting shareholders acted arbitrarily, vexatiously, or not in good faith in demanding payment. The court may also assess the fees and expenses of counsel and experts for the respective parties, in the amounts the court finds equitable: (a) against North or South if the court finds that they did not comply substantially with Chapter 13 of the SCBCA or (b) against North, South or the dissenting shareholders if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith. If the court finds that the services of counsel for any dissenting shareholder were of substantial benefit to other dissenting shareholders similarly situated, and that the fees for those services should not be assessed against North or South, the court may award to these counsel reasonable fees to be paid out of the amounts awarded to the dissenting shareholders who were benefited.

Board of Directors and Management of North Following the Merger

The merger agreement requires, at the effective time of the merger, that North cause its board of directors to be set at 13 members, of which three directors will be from the board of directors of South designated by North (after consultation with South). Two of the three directors to be added from the South board of directors must be independent directors, as such term is defined under NASDAQ Listing Rules. North has not yet determined which three directors from the South board of directors will be added to the North board of directors.

The merger agreement does not require that any member of South management become a member of North management at the effective time of the merger and that decision remains within the authority of the North board of directors. Subsequent to execution of the merger agreement, the Executive Committee of the North board of directors considered the composition of the executive leadership team of the combined company and extended offers of employment to Peter M. Bristow, brother-in-law of Mr. Holding, Jr., Chairman and Chief Executive Officer of North and North Bank, and Hope H. Bryant, Vice Chairman of North and North Bank, and currently Executive Vice President and Chief Operating Officer of South and President and Chief Operating Officer of South Bank, and Craig L. Nix, currently Executive Vice President and Chief Financial Officer of South and South Bank, each to be effective after closing of the merger. As a result, at the effective time of the merger, the combined company would be led by the following six-person executive leadership team: (i) Edward L. Willingham IV, currently the President of North and North Bank, will fill a newly created position as Chief Operating Officer of North and North Bank; (ii) Mr. Bristow will become President and Corporate Sales Executive of North and North Bank with a focus on North Bank's legacy banking markets; (iii) Mr. Nix will replace North and North Bank's current Chief Financial Officer, Glenn D. McCoy, who will retire on a date to be determined following the merger; (iv) Jeffery L. Ward, currently North Bank's Regional Executive Vice President - Central Region, will fill a newly created position as Chief Strategy Officer of North and North Bank, (v) Mr. Holding, Jr., will continue to serve as Chairman and Chief Executive Officer of North and North Bank; and (vi) Mrs. Bryant will continue in her current position, with the additional role of Corporate Sales Executive with a focus on North Bank's expansion markets and wealth management services.

Information about the current North directors and executive officers can be found in the documents listed under [Where You Can Find More Information](#) beginning on page [] of this joint proxy statement/prospectus.

Interests of North and/or North Bank's Directors and Executive Officers in the Merger

In considering the recommendation of the North board of directors with respect to the North merger proposal, the North share issuance proposal and the North charter amendment proposal, you should be aware that

some of North's and/or North Bank's directors and executive officers have interests in the merger that may be considered different from, or in addition to, the interests of North's stockholders generally. Interests of officers and directors that may be different from or in addition to the interests of North's stockholders include the fact that certain of North's and/or North Bank's directors and executive officers are members of the Holding family, various members of which (including such directors and executive officers) own shares of South common stock and thus will receive the same merger consideration for their shares of South common stock as other South shareholders.

Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Mr. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of North and in management positions with North, and certain family entities, hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 48.4% of the outstanding shares of South voting common stock and approximately 16.8% of the outstanding shares of South non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

In addition to the above shares, (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock), and South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock), and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of North Class A common stock, approximately 2.4% of the outstanding shares of North Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock, and approximately 14.1% of South non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and approximately 13.7% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of (i) approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

Additionally, Victor E. Bell III, a director of North and member of the North Committee, holds 107 shares of South voting common stock in trust for his nieces and nephews, and 53 shares of South voting common stock are held by a family member as trustee for Mr. Bell's children, which collectively amount to approximately 0.02% of the outstanding shares of South voting common stock.

Finally, for their work on the North Committee, the members of the North Committee were paid \$1,500 for every North Committee meeting they attended in person and \$1,000 for every North Committee meeting they attended telephonically.

The North board of directors was aware of these different or additional interests and considered them, among other matters, in adopting and approving the merger agreement and the transactions contemplated thereby, including the merger. See [Background of the Merger](#) and [Recommendation of North's Board of Directors and Reasons for the](#)

Merger. North's stockholders should take these interests into account in deciding whether to vote **FOR** the North merger proposal, the North share issuance proposal, the North charter amendment proposal and the North adjournment proposal.

Interests of South and/or South Bank's Directors and Executive Officers in the Merger

In the merger, the directors and executive officers of South and/or South Bank will receive the same merger consideration for their shares of South common stock as the other South shareholders. In considering the recommendation of the South board of directors with respect to the South merger proposal, you should be aware that some of the executive officers and directors of South and/or South Bank may have interests in the merger and may have arrangements, as described below, that may be considered to be different from, or in addition to, those of South shareholders generally, including:

Certain of South and/or South Bank's directors and executive officers are members of the Holding family, various members of which (including such directors and executive officers) will receive the same merger consideration for their shares of South common stock as other South shareholders.

South and South Bank's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement. See "The Merger Agreement Covenants and Agreements Director and Officer Indemnification and Insurance" beginning on page [] of this joint proxy statement/prospectus.

Three members of the South board of directors will join the North board of directors and two South executive officers are expected to become North executive officers. See "Board of Directors and Management of North Following the Merger."

Frank B. Holding, a former director of North and one of its stockholders, also is a shareholder and former director of South. Mr. Holding, Jr., North's Chairman and Chief Executive Officer, also is a shareholder and director of South. Members of the Holding family, including members who serve as directors of South and in management positions with South, and certain family entities, hold, in the aggregate, (i) approximately 24.6% of the outstanding shares of North Class A common stock and approximately 66.5% of the outstanding shares of North Class B common stock, together representing approximately 52.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 48.4% of the outstanding shares of South voting common stock and approximately 16.8% of the outstanding shares of South non-voting common stock, together representing approximately 47.2% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South's common stock.

In addition to the above shares, (i) North's investment securities available for sale include an equity investment in South (approximately 4.9% of the outstanding shares of South voting common stock), and South's investment securities available for sale include an equity investment in North (approximately 2.0% of the outstanding shares of North Class A common stock and approximately 4.4% of the outstanding shares of North Class B common stock), and (ii) other entities in which members of the Holding family are shareholders and serve as directors and/or officers hold approximately 3.2% of the outstanding shares of North Class A common stock, approximately 2.4% of the outstanding shares of North Class B common stock, approximately 8.8% of the outstanding shares of South voting common stock, and approximately 14.1% of the outstanding shares of South non-voting common stock. Those shares held by North, South and the other entities amount to approximately 6.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and approximately 13.7% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

In total, members of the Frank B. Holding family and the other entities referred to above hold an aggregate of (i) approximately 29.7% of the outstanding shares of North Class A common stock and approximately 73.1% of the

outstanding shares of North Class B common stock, together representing approximately 58.2% of the total votes entitled to be cast by all outstanding shares of both classes of North common stock and (ii) approximately 62.1% of the outstanding shares of South voting common stock and approximately 30.9% of the outstanding shares of South non-voting common stock, together representing approximately 60.8% of the total votes entitled to be cast on the South merger proposal by all outstanding shares of both classes of South common stock.

Finally, South paid a retainer of \$10,000 to the chairman and \$7,500 to each other member of the South Committee, as well as a meeting fee of \$1,000 to each South Committee member for each meeting attended in person or telephonically.

The South board of directors was aware of these interests and considered them, among other matters, in reaching its decision to adopt and approve the merger agreement and to recommend that South shareholders vote in favor of approving the merger agreement. See [Background of the Merger](#) and [Recommendation of South's Board of Directors and Reasons for the Merger](#). South's shareholders should take these interests into account in deciding whether to vote **FOR** the South merger proposal and the South adjournment proposal.

As described above under [Board of Directors and Management of North Following the Merger](#), subsequent to execution of the merger agreement, the Executive Committee of the North board of directors determined the post-merger executive leadership team, which will include Mr. Bristow, currently Executive Vice President and Chief Operating Officer of South, President and Chief Operating Officer of South Bank and brother-in-law to Mr. Holding, Jr. and Ms. Bryant, Vice Chairman of North and North Bank, who is proposed to be President and Corporate Sales Executive of North and North Bank at the effective time of the merger, and Mr. Nix, currently Executive Vice President and Chief Financial Officer of South and South Bank, who is proposed to replace North's and North Bank's current Chief Financial Officer, Glenn D. McCoy, who will retire on a date to be determined following the merger. Proposed compensatory arrangements for Mr. Bristow and Mr. Nix (whose employment would be on an at will basis) include: (A) annual base salary (\$625,000 for Mr. Bristow and \$500,000 for Mr. Nix); (B) beginning in January 2015, eligibility for receipt of awards under North Bank's Long Term Incentive Plan; (C) relocation allowances payable during their first regular pay periods after assuming their new positions (\$100,000 for Mr. Bristow and \$60,000 for Mr. Nix); and (D) North's payment of various moving expenses, including the moving of household goods, realtors commissions (up to 6%) on sales of existing homes; reasonable and customary closing costs on purchases of new homes; reasonable and customary expenses incurred in up to two house-hunting trips; and temporary housing, storage costs and travel expenses during their transition periods of up to 180 days for Mr. Bristow and twelve months for Mr. Nix, which may be extended by 180 days for each of them based on delays in the timing of sales of existing homes and purchases of new homes due to residential real estate market conditions. Mr. Bristow and Mr. Nix would be required to reimburse North Bank for pro rata portions of their respective relocation allowances and amounts of expenses paid on their behalf if they voluntarily terminated their employment with North Bank within 24 months after assuming their new positions. Mr. Bristow and Mr. Nix will also be entitled to participate in the same benefit plans and arrangements as similarly situated North executive officers, subject to enrollment and waiting periods. In addition, North will assume South's obligations to Mr. Bristow and Mr. Nix for their outstanding awards under the South Bank Long-Term Compensation Plan (the [South Bank Long-Term Plan](#)) for plan years 2011, 2012 and 2013, and under the 2014 South Bank Senior Executive Management Incentive Plan ([SEMIP](#)), and North will assume South's obligations to Mr. Bristow and Mr. Nix under their Employee Consultation, Post-Retirement, Non-Competition and Death Benefit Agreements. These plans and agreements are described under [Information about South](#) [Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger](#) beginning on page [] of this joint proxy statement/prospectus.

Compensation to be Paid to South Executive Officer in Connection with the Merger

In April, 2014, South entered into a Retirement Agreement with Jim B. Apple, South's Chairman and Chief Executive Officer (the Retirement Agreement), which is summarized below. The merger is one of the events that would constitute retirement for purposes of the Retirement Agreement, and triggers the payments to Mr. Apple outlined in the table below.

GOLDEN PARACHUTE COMPENSATION

Name	Cash (\$) (1)	Equity(\$)	Pension/ NQDC (\$)	Perquisites/ Benefits (\$) (2)	Tax Reimbursement (\$)	Other (\$)	Total (\$)
Jim B. Apple	\$2,456,872	-0-	-0-	\$14,909	-0-	-0-	\$2,471,781

(1) Includes \$2.1 million payable over three years under the Retirement Agreement discussed below; and \$356,872 payable under the SEMIP for 2014 bank-wide and individual performance based on goals set at the beginning of 2014. The SEMIP is discussed below under Information about South Compensation Discussion and Analysis South Bank Senior Executive Management Incentive Plan beginning on page [] of this joint proxy statement/prospectus. Although the SEMIP award to Mr. Apple for 2014 is consistent with his awards in prior years, the Retirement Agreement waives the requirement that Mr. Apple be employed on February 28, 2015 to receive the 2014 award payment, and provides that he is entitled to payment as if and to the same extent as though he had remained employed with South for the entire year, without any reduction or pro-ration.

(2) Medical insurance premiums for Mr. Apple and his wife for a period of twelve months following retirement.

Retirement Agreement

The following is a summary of certain terms of the Retirement Agreement, and does not create any rights in any person. For purposes of this discussion, payments that would be made by South under the agreement before the merger will be made by North, as South's successor, after the merger.

For purposes of the Retirement Agreement, Mr. Apple's retirement date will be the close of business on the earliest to occur of the close of business on January 30, 2015, or the close of business on the business day immediately preceding effectiveness of the merger. It is currently anticipated that the merger will close before January 30, 2015. The single-trigger payment in connection with the merger was negotiated between Mr. Apple and South on the basis that his services as chief executive officer after the merger would no longer be required, and his intention to retire by January 30, 2015 regardless of whether the merger took place.

On the retirement date, Mr. Apple will retire from service to South and South Bank as an employee and as the chairman and chief executive officer of South and South Bank, from all other appointments and offices that he holds with South or South Bank and from his position with any third-party organizations (other than the South Carolina State Board of Financial Institutions and Central SC Alliance) in which he represents South Bank. After Mr. Apple's retirement, he will not receive further payments or benefits from South, and his participation in any South benefit plans or programs (including without limitation any matching or other South contributions under the South Bank 401(k) Plan or any ability to make deferrals of compensation into such plan, any service credit under the South Bank Pension Plan and any other personal benefits and perquisites) will cease, except as otherwise expressly provided in the Retirement Agreement or in the applicable South employee benefit plan. Mr. Apple will be eligible for South's retiree health insurance coverage until he reaches age 65, and his wife will be eligible for South's retiree health insurance coverage until she reaches age 65. After his retirement, Mr. Apple (and his covered dependents) will be eligible for

continued health benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

For each of the three one-year periods following his retirement date, Mr. Apple will receive an annual payment of \$700,000.00, as shown in the table above. For the first one-year period, no payment will be made until six months and one week have elapsed after his retirement date. On the first normal South payroll date after the expiration of the six-month and one-week period, South will pay \$350,000.00 to Mr. Apple, and the remaining \$350,000.00 for the first one-year period will be allocated equally among all of the normal South payroll dates that fall over the balance of the one-year period in accordance with South's normal payroll procedures. For the second and third one-year periods, each annual payment will be allocated equally among all of the normal payroll dates that fall in such one-year period in accordance with South's normal payroll procedures. Each payment will be subject to all applicable state and federal wage withholding and payroll tax deductions.

South has agreed to reimburse premiums paid by Mr. Apple and his wife for coverage under South's retiree health coverage plan for the twelve-month period immediately following his retirement date, with such reimbursements beginning six months and one week after his retirement date. After that period, South will reimburse Mr. Apple for the first six months of premiums and will reimburse premiums on a monthly basis thereafter. These reimbursements will be treated and reported by South and Mr. Apple as taxable wage income to Mr. Apple. These payments are reflected in the table above.

Until the end of the period after the merger for which directors' and officers' liability insurance is maintained for all of the incumbent directors of South immediately prior to the merger (six years), South will continue to maintain for Mr. Apple directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by South's directors' and officers' liability insurance as of his retirement date. Mr. Apple will be named as an insured in such insurance policies in such a manner as to provide him the same rights and benefits as are provided to the most favorably insured of South's directors and officers.

If South terminates or materially modifies its retiree health insurance coverage program, South will ensure that Mr. Apple continues to be eligible for health insurance coverage reasonably comparable to the health insurance coverage offered to its active employees, except that Mr. Apple will pay the full cost of such coverage on an after-tax basis (subject to any applicable reimbursement from South for the twelve month period immediately following his retirement date), provided, however, that South will reimburse Mr. Apple, on an after-tax basis, for any premiums paid by Mr. Apple in excess of the premiums he would have been required to pay under South's retiree health insurance coverage program prior to its termination or material modification. South will have no obligation in this respect after both Mr. Apple and his current wife have reached age 65 (or, if earlier, have died).

In 2011, Mr. Apple and South Bank entered into an Employee Consultation, Post-Retirement, Non-Competition and Death Benefit Agreement (the "Apple separation from service agreement") pursuant to which Mr. Apple will provide consulting services following his retirement date. The Retirement Agreement provides that his retirement date under the Retirement Agreement will also constitute retirement for purposes of the Apple separation from service agreement, and further provides that such consulting agreement is amended so it is no longer subject to termination by South. The Apple separation from service agreement provides, subject to the terms and conditions of the agreement, for monthly consulting payments to Mr. Apple of \$5,785.31 and monthly non-competition payments of \$17,355.94 for a period of ten years, beginning six months and one week following his retirement date. If Mr. Apple dies during the original ten-year period of consultation payments or non-competition payments, South Bank will pay \$23,141.25 per month to such individual or individuals as Mr. Apple has designated as his beneficiary(ies) pursuant to the agreement or, in the absence of such designation, to his estate. These continuation payments will begin the first calendar month following the date of his death and continue thereafter until the expiration of the original ten-year period. The other terms of the Apple separation from service agreement are substantially the same as the terms of the separation from service agreements of Mr. Bristow and Mr. Nix discussed below under the caption "Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger Separation from Service Agreements" beginning on page [] of this joint proxy statement/prospectus.

In connection with Mr. Apple's consulting obligations under the consulting agreement, upon his written request, South will provide him with an office in downtown Columbia until December 31, 2017.

Mr. Apple is a participant in the South Bank Long-Term Compensation Plan, which is described below under the caption "Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger" Compensation Discussion and Analysis "South Bank Long-Term Compensation Plan" beginning on page [] of this joint proxy statement/prospectus. Awards were made to Mr. Apple under the South Bank Long-Term Plan for plan years 2011, 2012 and 2013. The Retirement Agreement provides that these awards will be payable in accordance with the terms of the South Bank Long-Term Plan, as discussed under the caption above.

Mr. Apple is a participant in the South Bank Deferred Compensation Plan ("Deferred Compensation Plan"), which is described below under the caption "Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger" Compensation Discussion and Analysis "South Bank Deferred Compensation Plan" beginning on page [] of this joint proxy statement/prospectus. The Retirement Agreement provides that Mr. Apple's retirement date will constitute "early retirement" as that term is defined in the Deferred Compensation Plan, and that his retirement benefits under that plan will be payable in accordance with the terms of the plan, as discussed under the caption above.

Mr. Apple is a participant in the 2013 amended and restated South Bank 409A Deferred Compensation Plan ("409A Plan"), which is described below under the caption "Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger" Compensation Discussion and Analysis "South Bank 409A Deferred Compensation Plan" beginning on page [] of this joint proxy statement/prospectus. The Retirement Agreement provides that Mr. Apple's retirement date constitutes "early retirement" as that term is defined in the 409A Plan, and that his retirement benefits under that plan will be payable in accordance with the terms of the 409A Plan, as discussed below. Mr. Apple will not be eligible to make any additional compensation deferrals or to benefit from any South discretionary allocations after his retirement.

Mr. Apple is a participant in the SEMIP, which is described below under the caption "Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger" Compensation Discussion and Analysis "South Bank Senior Executive Management Incentive Plan" beginning on page [] of this joint proxy statement/prospectus. The Retirement Agreement provides that, with respect to Mr. Apple, South agrees to waive the requirement in the SEMIP that an individual be employed with South on the payout date of February 28, 2015, in order to receive a payment under the SEMIP with respect to 2014, and if his retirement date occurs before the end of 2014, Mr. Apple nonetheless will be eligible to receive a payment under the SEMIP as if and to the same extent as though he had remained employed with South for the entire year, without any reduction or pro-rata. The merger agreement permits South to accelerate payments to Mr. Apple under the SEMIP for 2014 performance based on the 2014 bank-wide and individual goals. It is currently anticipated that such payments will be determined and paid at the earlier of effectiveness of the merger, or, in accordance with historical practice, in February of 2015.

If Mr. Apple determines that any of the payments received or to be received by him under the Retirement Agreement constitute "parachute payments" within the meaning of Section 280G of the Code that would be subject to the excise tax imposed under Section 4999 of the Code, then such payments will be reduced (by the minimum possible amounts, as determined by Mr. Apple) in a manner that is consistent with the requirements of Section 409A of the Code until no amount payable to him will be subject to such excise tax.

Release of Claims

In connection with the Retirement Agreement, Mr. Apple will be required to enter into a general release of claims against South upon his retirement. In the release, Mr. Apple will forever release all liability or potential liability arising out of any and all claims he may have against South and South Bank, and their respective predecessors, successors, parents, subsidiaries and affiliates, and any of their respective officers, directors, employees, shareholders, plans, trusts or authorized agents, which claims arise out of his employment with South or South Bank or the termination of that employment. The term "claims" is defined in the release to mean any and all claims arising out of any alleged violation of Mr. Apple's rights while employed by South or South Bank, including, but not limited to, claims for reinstatement, back pay, losses or other damages to Mr. Apple or his property resulting from any alleged violations of his civil rights, wrongful discharge, breach of contract, tort, common law, statutory and constitutional claims, any state, local or federal statute (including, but not limited to, the South Carolina Human Affairs Law; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964, as amended; the Fair Labor Standards Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Equal Pay Act; the Employee Retirement Income Security Act; the Sarbanes-Oxley Act of 2002; and the Family and Medical Leave Act) or any other federal, state or local law, rule, regulation, administrative guidance or common law doctrine relating to his employment. However, Mr. Apple expressly does not release or discharge South or South Bank from any claims, losses or expenses he may have for (i) workers' compensation benefits, (ii) all promises, agreements and undertakings of South or South Bank in the Retirement Agreement, or (iii) any of his accrued and vested benefits under any tax-qualified retirement plan or under any nonqualified plan as determined through his retirement date under South or South Bank's applicable and governing plan documents. Any rights to indemnification for third-party claims to which Mr. Apple is entitled, as of his retirement date, in his capacity as an officer or director (or former officer or director) of South or South Bank will be unaffected by the release.

Treatment of South Preferred Stock

South's articles of incorporation authorize it to issue preferred stock in one or more series. At the date of the merger agreement, there were outstanding shares of Series A preferred stock, Series B preferred stock, Series C preferred stock, Series E preferred stock, Series F preferred stock and Series G preferred stock. In accordance with the merger agreement, prior to the effective time of the merger, South is required to redeem all of the outstanding shares of South Series A preferred stock, South Series B preferred stock, South Series C preferred stock, South Series E preferred stock, South Series F preferred stock and South Series G preferred stock (collectively, the "South Preferred Stock") for an amount in cash equal to \$50.00, \$50.00, \$100.00, \$200.00, \$50.00 and \$50.00 per share, respectively, plus any dividends accrued but unpaid thereon. Upon redemption, shares of South preferred stock will be automatically and immediately cancelled and retired and become authorized but unissued shares of the respective series of South preferred stock. Neither South nor any of its subsidiaries may exercise any voting or other rights granted to the holders of South preferred stock following redemption.

Share Listing

North will cause the shares of North Class A common stock that are to be issued to the holders of South common stock in the merger to be authorized for listing on the NASDAQ Global Select market, subject to official notice of issuance, prior to the effective time of the merger.

Shares of North Class B common stock that are to be issued to the holders of South common stock that elect to receive shares of North Class B common stock in the merger will be quoted on the OTC Bulletin Board under the symbol FCNCB. See "Risk Factors." We do not expect a trading market for the North Class B common stock to develop beyond the OTC Bulletin Board, and therefore any investment in North Class B common stock may be effectively illiquid on page [] of this joint proxy statement/prospectus.

THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement, which is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Appendix A to this joint proxy statement/prospectus and is incorporated herein by reference. Except for its status as a contractual document that establishes and governs the legal relations among the parties with respect to the merger, the merger agreement is not intended to be a source of factual, business or operational information about the parties. The representations, warranties and covenants contained in the merger agreement and described below were made only for purposes of that agreement and as of specific dates, may be subject to a contractual standard of materiality different from what a shareholder might view as material, may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts, may have been qualified by certain disclosures not reflected in the merger agreement that were made to the other party in connection with the negotiation of the merger agreement and generally were solely for the benefit of the parties to that agreement. North and South shareholders should not rely on the representations, warranties, covenants or any descriptions thereof as characterizations of the actual state of facts or condition of North, South or any of their respective affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures.

*You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger; however, the provisions of the merger agreement, including representations and warranties, or any description of such provisions should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this joint proxy statement/prospectus, the documents incorporated by reference into this joint proxy statement/prospectus and the other reports, statements and filings that North publicly file with the SEC. See *Where You Can Find More Information* beginning on page [] of this joint proxy statement/prospectus.*

The Merger

Each of the boards of directors of North and South has approved and adopted the merger agreement. The merger agreement provides for the merger of South with and into North, with North as the surviving corporation in the merger. The North charter will be amended at the effective time of the merger to increase the number of authorized shares of North common stock. It is expected that following the merger, South Bank will merge with and into North Bank, with North Bank as the surviving bank of such merger. We refer to the merger of North Bank and South Bank as the bank merger.

Closing and Effective Time of the Merger

The merger will be completed only if all conditions to the merger discussed in this joint proxy statement/prospectus and set forth in the merger agreement are either satisfied or, where permissible, waived. See *Conditions to Completion of the Merger*.

The merger will become effective as set forth in the certificate of merger to be filed with the Secretary of State of the State of Delaware and the articles of merger to be filed with the Secretary of State of the State of South Carolina. Unless both North and South agree to a later date, the closing of the merger will take place no later than two business days after the satisfaction or waiver of all closing conditions. We currently expect that the merger will be completed in the fourth quarter of 2014, subject to the approvals and other conditions set forth in the merger agreement, but neither North nor South can guarantee when, or if, the merger will be completed.

Merger Consideration

Under the terms of the merger agreement, each share of South common stock will be converted into the right to receive 4.0 shares of North Class A common stock and \$50.00, unless the holder of such share elects,

pursuant to a letter of transmittal that will be delivered after closing of the merger, 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.

No fractional shares of North common stock will be issued in connection with the merger. Instead, each South shareholder who would otherwise receive a fractional share of North common stock will receive a cash payment (rounded to the nearest whole cent) determined by multiplying (i) the average, rounded to the nearest one ten-thousandth, of daily closing sales prices for the North Class A common stock during the 20-day trading period ending on (and including) the last complete trading day prior to the effective time of the merger, as reported in *The Wall Street Journal*, by (ii) the fraction of a share of North common stock such holder would otherwise be entitled to receive as merger consideration.

A South shareholder also has the right to obtain the fair value of the holder's shares of South common stock in lieu of receiving the merger consideration by strictly following the dissenters' rights procedure under the SCBCA. Shares of South common stock outstanding immediately prior to the effective time of the merger that are held by a shareholder who does not vote to approve the merger agreement and who properly demands the fair value of such shares pursuant to, and who complies with, the procedures under the SCBCA are referred to as dissenting shares. See *The Merger Dissenters' Rights of South's Shareholders* beginning on page [] of this joint proxy statement/prospectus.

Exchange of Stock Certificates

The conversion of South common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, the exchange agent will exchange certificates representing shares of South common stock for the merger consideration to be received under the merger agreement. The exchange agent will make appropriate arrangements to provide that shares of South common stock held in book-entry form will be transferred by means of an agent's message or other means in order for shareholders holding shares in book-entry form to receive the merger consideration to be received under the merger agreement.

As soon as reasonably practicable (but within ten business days) after the effective time of the merger, the exchange agent will mail to each holder of record of shares of South common stock immediately prior to the effective time of the merger a letter of transmittal and instructions for the surrender of the holder's South share certificate(s) for the merger consideration the holder is entitled to receive under the merger agreement.

South shareholders should not send in their stock certificates until they receive the letter of transmittal and instructions.

If a certificate for South common stock has been lost, stolen or destroyed, in order to receive the merger consideration (including cash in lieu of any fractional shares), the holder of that certificate must provide an affidavit of that fact and, if reasonably required by North, post a bond in such amount as North or the exchange agent determines is reasonably necessary to indemnify it against any claim that may be made against it with respect to that certificate.

After the effective time of the merger, there will be no transfers on the stock transfer books of South other than to settle transfers of shares of South common stock that occurred prior to the effective time. If, after the effective time of the merger, certificates for South common shares are presented for transfer to the exchange agent, the certificates will be cancelled and exchanged for the merger consideration (including cash in lieu of any fractional North shares).

No dividends or other distributions with respect to North common stock after completion of the merger will be paid to the holder of any unsurrendered South share certificates with respect to the shares of North common

stock represented by those certificates until those certificates have been properly surrendered in accordance with the merger agreement. After the surrender of a certificate in accordance with the merger agreement, the record holder thereof will be entitled to receive any such dividends or other distributions, without any interest, which had previously become payable with respect to the whole shares of North common stock represented by such certificates.

Representations and Warranties

The merger agreement contains representations and warranties made by South to North relating to a number of matters, including the following:

corporate organization, existence, power and authority;

capitalization;

corporate authorization to enter into the merger agreement and to consummate the merger;

absence of any breach of organizational documents, violation of law or breach of agreements as a result of the merger;

regulatory approvals required in connection with the merger;

reports filed with governmental entities, including the SEC;

financial statements;

absence of liabilities which would have a material adverse effect on South since December 31, 2013;

compliance with laws and the absence of regulatory agreements;

accuracy of the information supplied by South for inclusion or incorporation by reference in this joint proxy statement/prospectus;

fees paid to financial advisors;

litigation;

loss share agreements;

tax matters;

employee benefit matters;

labor matters;

material contracts;

risk management instruments;

investment adviser subsidiaries;

environmental matters;

investment securities and commodities;

ownership and other property rights;

related party transactions;

the inapplicability to the merger of state takeover laws;

loan matters;

insurance matters;

indemnification obligations; and

obstacles to regulatory approval.

The merger agreement contains representations and warranties made by North to South relating to a number of matters, including the following:

corporate organization, existence, power and authority;

capitalization;

corporate authorization to enter into the merger agreement and to consummate the merger;

absence of any breach of organizational documents, violation of law or breach of agreements as a result of the merger;

regulatory approvals required in connection with the merger;

reports filed with governmental entities, including the SEC;

financial statements;

absence of liabilities which would have a material adverse effect on North since March 31, 2014;

compliance with laws and the absence of regulatory agreements;

accuracy of the information supplied by North for inclusion or incorporation by reference in this joint proxy statement/prospectus;

fees paid to financial advisors;

litigation;

loss share agreements;

tax matters; and

obstacles to regulatory approval.

Certain of the representations and warranties of South and North are qualified as to materiality or material adverse effect. For purposes of the merger agreement, the term material adverse effect means, with respect to South or North, as the case may be, a material adverse effect on (i) the business, properties, assets, liabilities, results of operations or condition (financial or otherwise) of such party and its subsidiaries taken as a whole or (ii) the ability of such party to timely consummate the transactions contemplated by the merger agreement. However, material adverse effect does not include any material adverse effect on the business, properties, assets, liabilities, results of operations or condition (financial or otherwise) of a party and its subsidiaries taken as a whole that results from or arises out of:

changes, after the date of the merger agreement, in GAAP or regulatory accounting requirements;

changes, after the date of the merger agreement, in laws of general applicability to companies in the industries in which such party and its subsidiaries operate, or interpretations thereof by courts or governmental entities;

changes, after the date of the merger agreement, in global, national or regional political conditions (including the outbreak of war, hostilities or acts of terrorism or natural disasters) or in economic or market conditions (including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates and price levels or trading volumes in the United States or foreign securities markets) affecting the financial services industry generally;

changes, after the date of the merger agreement, in the banking industry, credit markets, any downgrades in the credit markets or adverse credit events resulting in deterioration in the credit markets generally and including changes to any previously correctly-applied asset marks resulting therefrom;

a decline in the trading price of a party's common stock or the failure, in and of itself, to meet earnings projections, but not, in either case, including the underlying causes thereof;

the public disclosure of the merger agreement or the transactions contemplated by the merger agreement;

any goodwill impairment charges incurred on the books of South through the effective time of the merger agreement solely as a result of the execution of the merger agreement; or

actions or omissions expressly required by the merger agreement or that are taken with the prior written consent of the other party.

Covenants and Agreements

Conduct of Business Pending the Merger

Pursuant to the merger agreement, South and North have agreed to certain restrictions on their activities until the effective time of the merger. In general, each party has agreed that, except as otherwise permitted by the merger agreement, or as required by applicable law or a governmental entity, or with the prior written consent of the other party, it will:

use commercially reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships, and retain the services of its key officers and key employees;

comply with applicable laws in all material respects;

take no action that would reasonably be expected to adversely affect or delay the obtaining of any necessary approvals of any regulatory agency or other governmental entity required to consummate the transactions contemplated by the merger agreement; and

perform its covenants and agreements under the merger agreement.

South has also agreed that, except as otherwise permitted by the merger agreement, or as required by applicable law or a governmental entity, or with the prior written consent of North, it will conduct its business in the ordinary course in all material respects and maintain its properties in customary repair, order and condition, ordinary wear and tear excepted.

Forbearances of South

South has agreed that, except as otherwise permitted by the merger agreement, as required by applicable law or a governmental entity, or with the prior written consent of North (not to be unreasonably withheld) it will not, and will not permit any of its subsidiaries, to do any of the following:

other than in the ordinary course of business, incur any indebtedness for borrowed money (other than indebtedness of South or its wholly-owned subsidiaries to South or any of its wholly-owned subsidiaries, deposit liabilities, federal funds purchased and securities sold under agreements to repurchase, in each case incurred in the ordinary course of business) or assume, guarantee or otherwise become responsible for the

obligations of any person;

adjust, split, combine or reclassify any capital stock;

issue additional shares of capital stock;

declare special dividends;

grant stock options;

sell, encumber or lease any material asset (except for immaterial transactions);

acquire or invest in another business;

except in the ordinary course of business, terminate, materially amend or waive any material right under any South contract, as defined in the merger agreement, or enter into any contract that would constitute a South contract if it were in effect on the date of the merger agreement;

except as required under the terms of any South benefit plan, (i) enter into, adopt or terminate any material benefit or compensation plan, program, policy or arrangement relating to benefits, compensation, bonuses, or incentive compensation, (ii) grant or accelerate the vesting of any equity or equity-based awards or other compensation, (iii) enter into any new, or amend any existing, employment, severance, change in control, retention, bonus guarantee, collective bargaining agreement or similar agreement or arrangement, (iv) fund any rabbi trust or similar arrangement, or (v) terminate the employment or services of any officer or any employee, other than for cause or for performance-related reasons;

hire officers or employees who will have an annual base salary greater than \$250,000 or consultants who will receive annual compensation greater than \$500,000;

take any action or knowingly fail to take any action that could reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

commence, settle or compromise any litigation, claim, suit, action or proceeding, except for (i) settlements or compromises that (a) involve monetary remedies with a value not in excess of \$250,000 with respect to any individual litigation, claim, suit, action or proceeding or \$1,000,000 in the aggregate and (b) do not impose any material restriction on its business or the business of its subsidiaries and (ii) the commencement of any routine litigation, claim, suit, action or proceeding in the ordinary course of business consistent with past practice;

amend its organizational documents;

materially restructure or materially change its fixed income investment securities or derivatives portfolio or its interest rate exposure;

take any action that is intended or expected to result in any of the conditions to the merger set forth in the merger agreement not being satisfied;

adopt a change in accounting methods;

enter into any new line of business;

make any material changes in its policies and practices with respect to loans, as defined in the merger agreement, or its hedging practices and policies, in each case except as required by law or requested by a regulatory agency;

(i) except for loans or commitments for loans that have been made prior to the date of the merger agreement (a) make or acquire any individual loan or issue a commitment (or renew or extend an existing commitment) for any individual loan in excess of \$8,000,000 or (b) make or acquire any loan or loans or issue a

commitment (or renew or extend an existing commitment for a loan or loans) in each case, in excess of \$250,000 that would result in total credit exposure to the applicable borrower (and its affiliates) in excess of \$8,000,000 or (ii) except for sales of mortgage loans in the ordinary course of business consistent with past practice, enter into contracts relating to or, except pursuant to contracts in effect as of the date of the merger agreement, consummate purchases or sales of, whole individual loans in principal amount or purchase price in excess of (a) for individual loans, \$1,000,000, or (b) in the aggregate, \$3,000,000;

open, close, or relocate bank branches (unless required by regulatory authorities);

make any material, unplanned capital expenditure;

other than in the ordinary course of business consistent with past practice, reduce the amount of insurance coverage or fail to renew any existing insurance policies;

amend in a manner that adversely impacts in any material respect the ability to conduct its business, terminate or allow to lapse any permits;

adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

make, change or rescind any material election concerning taxes or tax returns, file any materially amended tax return, enter into any closing agreement with respect to any tax liability or settle or compromise any claim or assessment with respect to a material amount of taxes, except as required by applicable law or any regulatory agency;

make any material change in its deposit policies and procedures;

surrender its leasehold interest in any leased real property; or

agree to take, make any commitment to take or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by these forbearances of South.

Forbearances of North

North has agreed that except as otherwise permitted by the merger agreement, as required by applicable law or a governmental entity, or with the prior written consent of South (not to be unreasonably withheld), it will not, and will not permit any of its subsidiaries, to do any of the following:

make, declare or pay any dividend, or make any other distribution or capital return on shares of North common stock, except for (i) regular quarterly cash dividends at a rate not in excess of 200% of the 2013 rate or (ii) dividends paid by any of the subsidiaries of North to North or any of its wholly-owned subsidiaries, respectively;

take any action or knowingly fail to take any action that could reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of section 368(a) of the Code;

amend the North charter, the North bylaws or comparable governing documents in a manner that would materially and adversely affect the holders of South common stock or that would materially impede North's ability to consummate the transactions contemplated by the merger agreement;

except as otherwise provided in these forbearances of North, take any action that is intended to result in any of the conditions to the merger set forth in the merger agreement not being satisfied; or

agree to take, make any commitment to take or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions prohibited by these forbearances of North.

Regulatory Matters

North and South have agreed to cooperate with each other and use their respective reasonable best efforts to promptly prepare and file, and cause their subsidiaries to promptly prepare and file, all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and governmental entities which are necessary or advisable to consummate the transactions contemplated by the merger agreement (including the merger and the bank merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties or governmental entities. In addition, North and South have agreed to consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and governmental entities necessary or advisable to consummate the transactions contemplated by the merger agreement, and each party has agreed to keep the other apprised of the status of matters relating to completion of the merger, including by delivery of a copy of any applications, notices, petitions or filings made by a party to the other party, subject to certain limitations. Wherever practicable under the circumstances, each of North and South have agreed to consult with each other in advance of any meeting or conference with any governmental entity scheduled in advance for the express purpose of discussing applications for approval of the transactions contemplated by the merger agreement and, to the extent permitted by such governmental entity, give the other

party and its counsel the opportunity to attend and participate in such meetings and conferences. However, the merger agreement does not require either party to take any action, or commit to take any action, or agree to any condition, in connection with obtaining the required permits, consents, approvals and authorizations of governmental entities or third parties that would reasonably be expected to have a material adverse effect on the combined company and its subsidiaries, taken as a whole (which we refer to as a materially burdensome regulatory condition), provided that the sale of one or more branches of North or South in a geographic banking market will not constitute, or be taken into account in determining whether there is a materially burdensome regulatory condition.

North and South have agreed to promptly advise each other upon receiving any communication from any governmental entity whose consent or approval is required for consummation of the transactions contemplated by the merger agreement that causes such party to believe that there is a reasonable likelihood that any requisite regulatory approval will not be obtained or that the receipt of any such approval will be materially delayed.

Employee Matters

Other than as described above under *The Merger* Interests of South and/or South Bank's Directors and Executive Officers in the Merger beginning on page [] of this joint proxy statement/prospectus, all employees of South at the time of the merger will become at-will employees of North in such position, at such location within North's systems, and for such rate of compensation as determined by North in the ordinary course of business (the continuing employees). The continuing employees are generally entitled to participate in the same benefit plans and arrangements as similarly situated North employees, subject to enrollment and waiting periods, to the extent comparable South benefit plans are not continued by North. Additionally, continuing employees will be generally entitled to substantially the same pension and other retirement benefits as are currently provided under the South pension plan, but North may amend or modify the South pension plan in a manner substantially comparable to amendments or modifications to the North pension plan, or terminate the South pension plan if the North pension plan is terminated. North must also assume South's obligation to pay amounts awarded to South employees prior to closing under the South Bank Long-Term Plan (described below under *Information about South* Information about South Bank's Compensation of South and South Bank Executive Officers who will become Executive Officers of North and North Bank following the Merger beginning on page [] of this joint proxy statement/prospectus. With respect to South's deferred compensation plans, North will not make any amendment or modification that would result in a participant being liable for an excise tax, interest charge or other adverse consequences under Code section 409A.

If, within 12 months after the closing date of the merger, any continuing employee is terminated by North or its subsidiaries, then North will pay severance to the continuing employee in an amount equal to the greater of those severance payments that (i) they would receive from North or (ii) they would have received from South if their employment with South had been terminated immediately prior to the closing of the merger; provided, however, that in no event shall any continuing employee be or become eligible to participate in North's pension plan, which has been frozen to new participants. Additionally, participation by continuing employees in North's health, dental and vision insurance plans and other programs that are part of North's cafeteria plan will include the waiver of any waiting periods.

Director and Officer Indemnification and Insurance

The merger agreement provides that after the completion of the merger, North will indemnify and hold harmless all present and former directors and officers of South against all liabilities arising out of the fact that such person is or was a director or officer of South if the claim pertains to any matter of fact arising, existing or occurring at or before the effective time of the merger, to the same extent as such persons are indemnified as of the date of the merger agreement by South pursuant to South's governing documents.

The merger agreement requires North to maintain for a period of six years after completion of the merger South's existing directors' and officers' liability insurance policy, or policies of at least the same coverage and

amounts and containing terms and conditions that are substantially no less advantageous than the existing policy (or, with the consent of South prior to the completion of the merger, any other policy), with respect to claims arising from facts or events that occurred prior to the completion of the merger, and covering such individuals who are currently covered by such insurance. However, North is not required to spend annually more than 300% of the annual premium payment on South's current directors' and officers' liability insurance policy (the "premium cap"). If North is unable to maintain a policy as described for less than the premium cap, North will obtain as much comparable insurance as is available for the premium cap. In lieu of such a policy, South, with the consent of North, may obtain a six-year tail policy with terms no less favorable than South's existing policy if such policy can be obtained for an amount that does not exceed the premium cap.

Certain Additional Covenants

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this joint proxy statement/prospectus, the listing of the shares of North Class A common stock to be issued in the merger, access to information of the other company, coordination of dividends, the assumption by North of South's trust preferred securities, real property matters and public announcements with respect to the transactions contemplated by the merger agreement.

Solicitation of Shareholders

Each of North and South has agreed to hold a meeting of its shareholders for the purpose of voting upon approval of the merger agreement as promptly as practicable. Each of North and South has agreed to use its reasonable best efforts to obtain from its shareholders the vote required to approve the merger agreement and, in the case of North, the North charter amendment, including by communicating to its shareholders its recommendation (and including such recommendation in this joint proxy statement/prospectus) that they approve the merger agreement and the transactions contemplated thereby. However, the board of directors of South may (i) not recommend to its shareholders that they approve the merger agreement, (ii) not include such recommendation in this joint proxy statement/prospectus or (iii) otherwise withdraw or modify its recommendation in a manner adverse to North (each of which we refer to as a "change in board recommendation"), in each case in response to an intervening event or a superior proposal, if, after receiving the advice of its outside counsel, its board of directors determines in its good faith judgment that failure to effect a change in board recommendation would be inconsistent with its fiduciary duties under applicable law.

For purposes of the merger agreement:

an "intervening event" is a material event, fact, circumstance, development or occurrence, unrelated to a superior proposal, that is unknown and not reasonably foreseeable to or by the board of directors as of the date of the merger agreement but becomes known to or by the board of directors before the approval of the merger agreement; and

a "superior proposal" means a bona fide, unsolicited written acquisition proposal that is for 50% of the voting power of South's stock or all or substantially all of the assets of South, on terms that the board of directors determines in its good faith judgment, after taking into account certain factors, are more favorable from a financial point of view to the South shareholders than the merger.

Prior to making a change in board recommendation, South must provide North with five business days' written notice, which notice must disclose the intention to effect a change in board recommendation absent modification of the terms and conditions of the merger agreement and include a reasonable description of the event or circumstances giving rise to the decision. At the end of such five business day notice period (during which period South is required to negotiate

with North in good faith (to the extent North desires to negotiate)), the South board of directors must take into account any amendment or modification to the merger agreement proposed by North and, if, after receiving the advice of outside legal counsel and, with respect to financial matters, a financial advisor of nationally recognized reputation, the South board of directors determines in good faith that it nevertheless would be inconsistent with its fiduciary duties under applicable law not to make the

change in its board recommendation, it may do so; provided, however, that, following any material revision to an acquisition proposal, South must deliver a new written notice to North and again comply with the requirements set forth above.

Notwithstanding the foregoing, each of North and South is required to submit the merger agreement to its respective shareholders at their respective special meetings, and South is prohibited from submitting any acquisition proposal or alternative transaction to its shareholders during the term of the merger agreement. If it has changed its recommendation in accordance with the merger agreement (see Third Party Proposals), the South board of directors is permitted to submit the merger agreement without recommendation and communicate the basis for its lack of a recommendation to shareholders.

Third Party Proposals

South and its employees and representatives may not solicit, facilitate, engage in negotiations regarding or furnish information related to an alternative acquisition proposal. However, South may furnish information and engage in negotiations regarding an alternative acquisition proposal if the South board of directors determines in good faith and after consultation with legal counsel and a financial advisor of nationally recognized reputation that not doing so would be inconsistent with its fiduciary duties under applicable law. Additionally, if South does receive an alternative acquisition proposal, then South must notify North within one business day of receipt, which notice must identify the acquirer and the material terms of the proposal.

An acquisition proposal is defined as any inquiry, request for nonpublic information, offer or proposal that contemplates or otherwise relates to or could reasonably be expected to lead to any alternative transaction. Alternative transaction means, with respect to South, other than the transactions contemplated by the merger agreement, (i) the acquisition (whether by merger, consolidation, equity investment, joint venture, issuance of securities, reorganization, tender offer, sale, license, disposition or otherwise) by any person or group as defined in the Exchange Act of 15% or more of the assets of South or any of its subsidiaries; (ii) the acquisition in any manner, directly or indirectly, by any person or group of 15% or more of any class of the issued and outstanding shares of capital stock of South or any of its Subsidiaries; (iii) the issuance of 15% or more of the current number of issued and outstanding shares of any class of capital stock of South or any of its subsidiaries; or (iv) any purchase, acquisition, tender offer or exchange offer that, if consummated, would result in any person (or the stockholders of any person) or group becoming the beneficial owner of 15% or more of any class of equity or voting securities of South or any of its subsidiaries whose assets individually or in the aggregate, constitute 15% or more of the consolidated assets of South and its subsidiaries, taken as a whole.

Conditions to Completion of the Merger

The obligations of North and South to complete the merger are subject to the satisfaction or, where permissible, waiver of the following conditions:

the approval of the merger agreement and the certificate of incorporation amendment by North's stockholders and the approval of the merger agreement by South's shareholders;

the authorization for listing on the NASDAQ Global Select Market of the shares of North Class A common stock to be issued in the merger;

receipt of all of the regulatory approvals required to consummate the merger, with none of the approvals resulting in the imposition of any materially burdensome regulatory condition;

the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and the absence of any stop order suspending the effectiveness of this registration statement (or proceedings for that purpose initiated or threatened by the SEC and not withdrawn);

the absence of any order, injunction or decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement;

the absence of any statute, rule, regulation, order, injunction or decree enacted, entered, promulgated or enforced by any governmental entity that prohibits or makes illegal consummation of the merger, the bank merger or any of the other material transactions contemplated by the merger agreement;

the accuracy of the representations and warranties of each other party in the merger agreement as of the day on which the merger is completed, subject to the materiality standards provided in the merger agreement and the performance of the other party in all material respects of all obligations required to be performed by it at or prior to the effective time of the merger under the merger agreement (and the receipt by each party of certificates from the other party to such effect);

receipt by each party of an opinion of legal counsel as to certain tax matters;

the absence of any events or occurrences that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on the other party; and

a majority of the votes entitled to be cast on the South merger proposal by minority shareholders of South must not have cast their votes against the South merger proposal. In connection with their negotiation of this provision of the merger agreement, the North Committee and the South Committee agreed that certain South shareholders owning in the aggregate approximately 37.0% of the South voting common stock would be the minority holders of South common stock. The percentage ownership of South common stock of the minority for purposes of this condition is the product of negotiations and is not based on the application of the SEC's beneficial ownership rules. For information regarding certain beneficial owners of South common stock, see Information about South Security Ownership of South Management and Certain South Beneficial Owners beginning on page [] of this joint proxy statement/prospectus.

Termination

The merger agreement may be terminated at any time prior to the effective time of the merger and, except as specified below, whether before or after adoption of the merger agreement by the shareholders of North or South:

by mutual written consent of North and South;

by either North or South if any governmental entity that must grant a requisite regulatory approval has (i) denied approval of the consummation of any of the material transactions contemplated by the merger agreement, including the merger or bank merger and such denial has become final and nonappealable or any governmental entity of competent jurisdiction shall have issued a final nonappealable order permanently enjoining or otherwise prohibiting the consummation of any of the material transactions contemplated by the merger agreement, including the merger or bank merger or (ii) granted the requisite regulatory approval but such requisite regulatory approval contains or results in the imposition of a materially burdensome regulatory condition and there is no meaningful possibility that such requisite regulatory approval could be revised prior to the termination date of the merger agreement so as not to result in a materially burdensome regulatory condition, unless, in either case, the failure to obtain a requisite regulatory approval or to obtain a requisite regulatory approval without it containing or resulting in the imposition of a materially burdensome regulatory condition shall be due to the failure of the party seeking to terminate the merger agreement to

perform or observe the covenants and agreements of such party set forth in the merger agreement;

by either North or South if the merger is not consummated on or before one year from the date of the merger agreement (the termination date), unless the failure of the closing of the merger to occur by the termination date is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the merger agreement;

by either North or South if there is a breach of any of the covenants or agreements or any of the representations or warranties in the merger agreement by the other party, either individually or in the aggregate with all other breaches by such party, such that any of the conditions to North's obligations or conditions to South's obligations, respectively, set forth in the merger agreement would not be

satisfied, and (i) such breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, is not cured by the earlier of (a) the termination date or (b) the date that is 30 days following written notice thereof to the party committing such breach; provided in each case that the terminating party is not then in breach of any representation, warranty, covenant or other agreement of such party contained in the merger agreement such that any of the conditions to North's or South's obligations would not be satisfied;

by either North or South if (i) in the North special meeting (including any postponements or adjournments thereof) the proposals are correctly voted on and the requisite North vote is not obtained or (ii) in the South special meeting (including any postponements or adjournments thereof) the proposals are correctly voted on and the requisite South vote is not obtained; provided that the party seeking to terminate the merger agreement under this provision has complied in all material respects with its obligations under the shareholders' approval section of the merger agreement (including by complying with an adjournment or postponement request as specified in the merger agreement);

by North, prior to South obtaining the required vote of its shareholders, if (i) the board of directors of South has effected a change in board recommendation or (ii) South failed to comply in all material respects with its obligations to solicit the approval of its shareholders under the merger agreement (see Solicitation of Shareholders) or the restrictions on acquisition proposals under the merger agreement (see Third Party Proposals);

by South, prior to North obtaining the required vote of its stockholders, if North failed to comply in all material respects with its obligations to solicit the approval of its stockholders under the merger agreement (see Solicitation of Shareholders);

by South, prior to obtaining the required vote of its shareholders, if the board of directors of South has changed its board recommendation; provided that South has complied with the requirements of the board of directors recommendation provision in the shareholders' approval section of the merger agreement (see Solicitation of Shareholders) and the restrictions on acquisition proposals under the merger agreement (see Third Party Proposals);

by North, if there are certain material defects with South's real property and such defects individually or in the aggregate have a material adverse effect on South; or

by North, if holders of 10% of the shares of South common stock have exercised dissenters' rights in accordance with the procedures under the SCBCA and are deemed dissenting shares pursuant to the terms of the merger agreement.

Termination Fees

If South terminates the merger agreement prior to obtaining the requisite vote of its shareholders to approve the merger agreement and as a result of an acquisition proposal (as defined above under Third Party Proposals) received by South within the 30-day period following the date of the merger agreement, then South has agreed to pay North \$6,450,000, plus an amount equal to North's aggregate documented out-of-pocket expenses actually incurred in negotiating and preparing the merger agreement, performing due diligence and otherwise in connection with or

attempting to consummate the merger (referred to herein as "documented expenses").

If South terminates the merger agreement prior to obtaining the required vote of its shareholders to approve the merger agreement as a result of an intervening event (as defined above under "Third Party Proposals"), then South has agreed to pay North an amount equal to \$10,000,000, plus North's documented expenses.

If, prior to the termination of the merger agreement, a bona fide acquisition proposal is made known to senior management of South or has been made directly to its shareholders generally or any person has publicly

announced (and not withdrawn) an acquisition proposal with respect to South and thereafter the merger agreement is terminated in one of the following ways:

by either North or South because the North stockholder meeting or the South shareholder meeting, respectively, has concluded without obtaining the respective required shareholder approvals;

by North, if South has breached any of its covenants or agreements or any of its representations or warranties set forth in the merger agreement, either individually or in the aggregate with all other breaches by South, such that any of the conditions to North consummating the merger would not be satisfied, and (i) such breach is not reasonably capable of being cured or (ii) if such breach is reasonably capable of being cured, is not cured by the earlier of (a) the termination date of the merger agreement or (b) the date that is 30 days following written notice thereof to South;

by South or North, if the merger has not been consummated on or before the termination date (if the required South vote had not been obtained prior to termination and all other conditions to the merger had been satisfied or were capable of being satisfied prior to such termination);

by North, prior to South obtaining the required vote of its shareholders, if (i) the South board of directors has changed its recommendation or (ii) South failed to comply in all material respects with its obligations to solicit approval of its shareholders under the merger agreement (see Solicitation of Shareholders) or the restrictions on acquisition proposals under the merger agreement (see Third Party Proposals); or

by South, prior to obtaining the required vote of its shareholders, if the South board of directors has changed its recommendation; provided that South has complied with its obligations under the merger agreement to solicit approval of its shareholders (see Solicitation of Shareholders) and the restrictions on acquisition proposals under the merger agreement (see Third Party Proposals) and no fee is payable by South as a result of receipt of an acquisition proposal within the 30-day period following the date of the merger agreement (as described above),

South will be required to pay North an amount equal to (i) North's documented expenses and (ii) if, prior to the date that is 12 months after the date of termination of the merger agreement, South enters into a definitive agreement with respect to, or consummates, (a) an acquisition of 50% or more of the assets or capital stock of South or any of its subsidiaries, (b) an issuance of 50% or more of the current number of its issued and outstanding shares of any class of capital stock or (c) a purchase, acquisition, tender offer or exchange offer that, if consummated, would result in any person (or the shareholders of any person) or group becoming the beneficial owner of 50% or more of any class of equity or voting securities of South or any of its subsidiaries whose assets individually or in the aggregate, constitute 50% or more of the consolidated assets of South and its subsidiaries, taken as a whole, then South will be required, on the date of entry into such agreement, or on the date of consummation if the alternative transaction is consummated without entry into a definitive agreement, to pay North an amount equal to \$22,574,000.

Amendments, Extensions and Waivers

Subject to compliance with applicable law, North and South may amend the merger agreement by action taken or authorized by their respective boards of directors at any time before or after approval of the matters presented in connection with the merger by the shareholders of North and South; provided, however, that, after adoption and

approval of the merger agreement by the respective shareholders of North or South, there may not be, without further approval of such shareholders, any amendment of the merger agreement that changes the amount or the form of the consideration to be delivered to the holders of South common stock or that otherwise requires the approval of such shareholders under applicable law. Additionally, the merger agreement may not be amended except by an instrument in writing signed on behalf of each of the parties to the merger agreement.

At any time prior to the effective time of the merger agreement, North and South, through their respective board of directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the

obligations or other acts, (ii) waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement, and (iii) waive compliance with any of the agreements or satisfaction of any conditions; provided, however, that, after adoption and approval of the merger agreement and the transactions contemplated by the merger agreement by the respective shareholders of North or South, there may not be, without further approval of such shareholders, any extension or waiver of the merger agreement or any portion thereof which reduces the amount or changes the form of the consideration to be delivered to the holders of South common stock or that otherwise requires the approval of such shareholders under applicable law. Any agreement on the part of a party to the merger agreement to any such extension or waiver will only be valid if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Expenses

All costs and expenses incurred in connection with the merger agreement and the transactions contemplated by it will be paid by the party incurring such expense; provided, however, that the costs and expenses of printing and mailing the joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger will be borne equally by North and South.

DESCRIPTION OF NORTH S CAPITAL STOCK

General

North s authorized capital stock consists of 23,000,000 shares divided into three classes. The following table reflects the designations, par value, and numbers of authorized and outstanding shares, of each class:

Class and Par Value per Share	Number of Authorized Shares	Number of Outstanding Shares
Class A common stock, par value \$1.00 per share	11,000,000	8,586,058
Class B common stock, par value \$1.00 per share	2,000,000	1,032,883
Preferred stock, par value \$0.01 per share	10,000,000	-0-

Common Stock

All shares of North Class A common stock and North Class B common stock, when issued and fully paid, are nonassessable and are not subject to redemption or conversion and have no preemptive rights.

Voting Rights. Except as otherwise provided by law, each holder of North Class A common stock has one vote per share, and each holder of North Class B common stock has 16 votes per share, on all matters voted upon by stockholders. Except as provided from time to time in the North charter with respect to another class of North s shares, or in a certificate of designation relating to a series of the preferred stock, or by applicable law, the holders of shares of North Class A common stock and North Class B common stock have the exclusive right to vote for the election of North s directors and for all other purposes. In the election of North s directors, cumulative voting is not available to stockholders.

Dividends and Other Distributions. Except as may be provided from time to time in a certificate of designation relating to a series of North s preferred stock, or by applicable law, dividends, spin-offs, distributions-in-kind and all other like and similar benefits and transactions are paid or distributed on the North Class A common stock and the North Class B common stock as and when declared from time to time by the North board of directors from funds legally available; provided, however, that dividends, spin-offs, distributions-in-kind and all other like and similar benefits and transactions must be the same for each issued and outstanding share of North Class A common stock and North Class B common stock as of the record date.

Liquidation. As to the distribution of North s assets in the event of liquidation, any amounts available, after the satisfaction of all corporate liabilities, and subject to the rights of any outstanding shares of preferred stock, must be distributed between the outstanding North Class A common stock and North Class B common stock pro rata, based upon the numbers of shares issued and outstanding of North Class A common stock and North Class B common stock.

Transfer Agent. Broadridge Corporate Issuer Solutions, Inc. is the transfer agent for North Class A common stock and North Class B common stock.

Preferred Stock

The North charter authorizes the issuance of up to 10,000,000 shares of undesignated preferred stock. North s board of directors is authorized to issue shares of the preferred stock from time to time, to create series thereof, to establish the number of shares to be included in each such series, and to fix the designations, powers, preferences and the relative, participating, optional or other rights of the shares of each series, and any qualifications, limitations or restrictions

thereon, all by its resolution, and without the approval of holders of shares of North s other outstanding capital stock. Without limiting the generality of the foregoing authority, the North board of directors is authorized to fix and determine with respect to each separate series:

the designation of and the number of shares to constitute each series, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by the North board of directors unless otherwise provided by the board of directors;

the dividend rate (or method of determining such rate), if any; any conditions on which and times at which dividends are payable; any preferences over or relation which such dividends shall bear to the dividends payable on any other class or classes, or any other series, of capital stock, including the preferred stock; whether such dividends will be cumulative or non-cumulative; and whether the shares will be participating or nonparticipating with other shares with respect to dividends;

whether shares within a series will be redeemable (at the option of North or the holders of such shares or both, or upon the happening of a specified event), and, if so, the redemption prices (or the method of determining such prices) and the conditions and times upon which redemption may take place and whether for cash, property, or rights, including securities of North or of another corporation;

the terms and amount of any sinking, retirement, or purchase fund;

the conversion or exchange rights (at the option of North or the holders of such shares or both, or upon the happening of a specified event), if any, including the conversion or exchange times, prices, rates, adjustments, and other terms of conversion or exchange;

the voting rights, if any, of the holders of shares of each series;

any restrictions on the issuance or reissuance of additional shares of the preferred stock;

the rights of the holders upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of North; any preferences over any other class or classes, or any other series, of capital stock, including preferred stock; and whether the shares will be participating or nonparticipating with other shares with respect to distributions of North's assets upon liquidation, dissolution or winding up of North's affairs;

any limitations or restrictions on transfer; and

such other powers, rights and preferences, if any, for the benefit of the holders of, or other terms or limitations, qualifications or restrictions with respect to, the shares within that series as shall not be inconsistent with the provisions of the North charter or applicable law.

The number, designations, powers, preferences, and the relative, participating, optional or other rights of, and any qualifications, limitations or restrictions on, shares within any one series may differ from those of shares within any other series. Except as may otherwise be provided in the North charter, in a certificate of designation relating to a series of the preferred stock or by applicable law, holders of the preferred stock will not be entitled to vote, separately or as a class, at or receive notice of any meeting of stockholders.

Preferred stock may be issued in the future from time to time, in one or more series, in a variety of transactions, including without limitation public offerings or private sales of shares to increase North's capital, or to the stockholders of other entities North acquires in exchange for their shares of those companies. The shares issued in each transaction could all be of one series, or North's board of directors could establish a separate series of shares for

each transaction. North's board of directors is authorized to establish different series of preferred stock from time to time, and to issue shares from those series, without additional stockholder approval.

At the time North's board of directors approved the issuance of any preferred stock, it could issue the shares from a previously established series, or it could establish a new series of shares within the class by its resolution and the filing of a certificate of designation with the Delaware Secretary of State. For each new series, the board would determine, and the certificate of designation would specify, the number of shares included in the new series, and the designation, powers, and preferences, and the relative, participating, optional and other rights of, and any qualifications, limitations or restrictions on, shares within the new series.

The terms and preferences of shares included in each separate series of preferred stock could differ materially. In general, any shares of preferred stock North issues likely would have one or more preferences over, or special terms that differed from, outstanding shares of North Class A common stock and North Class B common stock.

Issuing any shares of preferred stock would dilute the relative percentage equity interests of the holders of outstanding shares of North Class A common stock and North Class B common stock. Holders of North Class A common stock and North Class B common stock do not have preemptive rights to acquire any additional shares of capital stock, including preferred stock, issued by North, and they would have no right to purchase a proportionate share, or any portion, of any shares of preferred stock issued in the future.

The authority of North's board of directors to issue shares of preferred stock, to establish one or more series of preferred stock, and to determine the provisions of each series of preferred stock, without stockholder approval, could be used for the purpose, or have the effect, of establishing barriers to a change of control or acquisition of North. For example, should a group that is friendly to North's management be issued shares of a series of preferred stock having special voting rights or certain other preferential terms, that group could receive effective control over the election of North's directors and that could deter or discourage efforts by another group or company to acquire control of North, even if North's other stockholders favored a change of control.

COMPARISON OF SHAREHOLDERS RIGHTS

If the merger is completed, holders of South common stock and South non-voting common stock will receive shares of North Class A common stock or a combination of North Class A common stock and North Class B common stock in exchange for their shares of South common stock and South non-voting common stock. In accordance with the merger agreement, all outstanding shares of South preferred stock are required to be redeemed by South for cash prior to the effective time of the merger and automatically cancelled and returned to authorized but unissued shares of preferred stock. Notice of redemption of all of such shares has been sent and redemption will be effective August 1, 2014. Accordingly, no South preferred shares will be outstanding on the record date for the South special meeting. North is organized under the laws of the State of Delaware and South is organized under the laws of the State of South Carolina. The following is a summary of the material differences between (i) the current rights of South shareholders under the SCBCA and the South articles of incorporation and bylaws and (ii) the current rights of North stockholders under the DGCL and the North charter and bylaws.

*North and South believe that this summary describes the material differences between the rights of holders of North Class A common stock and North Class B common stock as of the date of this joint proxy statement/prospectus and the rights of holders of South common stock and non-voting common stock as of the date of this joint proxy statement/prospectus, however, it does not purport to be a complete description of those differences. Copies of North's governing documents have been filed with the SEC. Copies of South's governing documents have not been filed with the SEC. To find out where copies of these documents can be obtained, see *Where You Can Find More Information* beginning on page [] of this joint proxy statement/prospectus.*

Authorized Capital Stock

North

The North charter authorizes it to issue up to 11,000,000 shares of Class A common stock, \$1.00 par value per share, 2,000,000 shares of Class B common stock, \$1.00 par value per share, and 10,000,000 shares of preferred stock, \$0.01 par value per share. As of the North record date, there were [] shares of North Class A common stock outstanding, [] shares of North Class B common stock outstanding, and no shares of preferred stock outstanding. As of the North record date, there were no outstanding options, warrants or other rights to acquire any capital stock of North. See *Information About the North Special Meeting* beginning on page [] of this joint proxy statement/prospectus for information regarding the North charter amendment proposal.

South

South's articles of incorporation authorize it to issue 2,000,000 shares of common stock, \$5.00 par value per share; 1,000,000 shares of non-voting common stock, \$5.00 par value per share; 68,968 shares of preferred stock, \$50.00 par value per share, consisting of 10,000 shares of Series A Cumulative Preferred Stock, 15,000 shares of Series B Cumulative Preferred Stock, 8,000 shares of Series D Cumulative Preferred Stock, and 35,968 shares of Series F Cumulative Preferred Stock; 8,077 shares of preferred stock, \$20.00 par value per share, consisting of 8,077 shares of Series C Cumulative Preferred Stock; and 5,000,000 shares of preferred stock, no par value per share, designated as No-Par Preferred Stock, consisting of 590 shares of Series E Cumulative Preferred Stock, 11,659 shares of Series G Cumulative Preferred Stock, and 4,987,751 shares of No-Par Cumulative Preferred Stock not presently established as one or more series. The board of directors of South has the authority to establish from such No-Par shares one or more series and to fix and determine the relative rights and preferences of the shares of any series so established.

As of the South record date, there were [] shares of South voting common stock and [] shares of South non-voting common stock issued and outstanding. All shares of South Series A, B, C, E, F, and G Cumulative Preferred Stock outstanding at the time of execution of the merger agreement are required under the merger agreement

to be redeemed prior to the effective time of the merger, and no shares of any such series or of Series D Cumulative Preferred Stock will be outstanding at the South record date. Under the SCBCA, outstanding shares that are redeemed by a corporation once again become authorized but unissued shares, unless the corporation's articles of incorporation provide otherwise. South's articles of incorporation do not provide otherwise. As of the South record date, there were no outstanding options, warrants or other rights to acquire any capital stock of South.

Voting Rights of North Common Stock, South Common Stock and South Preferred Stock

North Common Stock

The North charter provides that holders of North Class A common stock have one vote for each share outstanding, and holders of North Class B common stock have 16 votes for each share outstanding. Except as otherwise provided from time to time in the North charter with respect to another class of North's shares, or in a certificate of designation relating to a series of North preferred stock, or by applicable law, the holders of North Class A common stock and North Class B common stock have the exclusive right to vote for the election of North's directors and for all other purposes. Holders of North common stock do not have the right to vote cumulatively in the election of directors, and do not have class voting privileges except as required by law.

The vote of the holders of North stock having a majority of the voting power present in person or represented by proxy at a meeting at which a quorum is present shall decide any question brought before such meeting, unless the question is one which by express provision of the North charter, the North bylaws, the rules or regulations of any stock exchange applicable to North, or applicable law or pursuant to any regulation applicable to North or its securities a different vote is required, in which case such express provision will govern and control the decision of such question. Under the DGCL, because the North charter provides for North Class B common stock to have more than one vote per share, any references in the DGCL or the North bylaws to a majority or other proportion of stock or shares refers to such majority or other proportion of the votes of such stock or shares.

South Common Stock

Holders of South common stock have one vote for each share outstanding, and may vote cumulatively for the election of directors. Holders of South non-voting common stock do not have voting rights, except in such instances as South Carolina law requires, in which event holders of South non-voting common stock have one vote per share.

South's bylaws provide that the vote of more shares voted for any matter than are voted against the matter at a meeting of the shareholders at which a quorum is present is required to approve the matter, unless the vote of a greater number is required by law or by South's articles of incorporation.

South Preferred Stock

If shares of any such series are outstanding, holders of shares of South Series A, B, C, D, F and G Cumulative Preferred Stock have one vote for each share on all matters on which shareholders are entitled to vote, and may vote cumulatively for the election of South's directors. Holders of shares of South Series E Cumulative Preferred Stock do not have voting rights, except as required by the SCBCA and except that if at any time the dividend is in arrears on such series, the holders thereof would have the right, in the election of the directors, to cast one vote per share. As noted above, no shares of any series of South cumulative preferred stock will be outstanding at the South record date.

No Class Voting on South Common or Preferred Shares

Neither holders of South common stock nor holders of South preferred stock have any right to vote as a class, except in such cases as class voting may be required by law.

Voting Limitations

South

Section 35-2-101 et seq. of the SCBCA contains a control share acquisition statute that, in general terms, provides that where a shareholder acquires issued and outstanding shares of a corporation's voting stock (referred

to as control shares) within one of several specified ranges (one-fifth or more but less than one-third, one-third or more but less than a majority, or a majority or more), approval of the control share acquisition by the corporation's shareholders must be obtained before the acquiring shareholder may vote the control shares. The required shareholder vote is a majority of all votes entitled to be cast, excluding interested shares, defined as shares held by the acquiring person, officers of the corporation and employees who are also directors of the corporation. A corporation may, however, opt-out of the control share statute through a charter or bylaw provision. South has not opted out of the statute.

North

The DGCL does not contain a control share acquisition statute.

Preemptive Rights

North

Under the DGCL, North stockholders do not have preemptive rights to subscribe for an additional issue of stock by North unless, and except to the extent that, such right is expressly granted to the stockholders in the North charter. The North charter does not grant preemptive rights to North stockholders.

South

South's articles of incorporation provide that none of its shares have preemptive rights to acquire additional shares of South.

Size of Board of Directors

North

North's bylaws currently provide that North's board of directors will consist of not less than five nor more than 30 directors, with the exact number within the range to be determined by the North board of directors. North's board of directors currently has 12 directors.

South

South's bylaws currently provide that South's board of directors will consist of not less than seven nor more than 28 directors, with the exact number within the range to be set by the shareholders or the directors. South's board of directors currently has 13 directors.

Cumulative Voting and Election of Directors

North

North stockholders do not have the right to cumulate their votes with respect to the election of directors. The persons who receive the highest number of votes cast at the North annual meeting of stockholders by holders of the North Class A common stock and the North Class B common stock, voting together, will be deemed to be elected.

South

South articles of incorporation provide that South shareholders have the right to cumulate their votes with respect to the election of directors. Under cumulative voting, a shareholder may cumulate votes either by giving one nominee as many votes as the number of directors to be elected multiplied by the number of shares the shareholder owns of record, or by distributing the shareholder's votes on the same principle among any number of nominees. The persons who receive the highest number of votes cast at the South annual meeting of shareholders will be deemed to be elected.

