



InsideArbitrage



Merger Arbitrage



Spinoffs



Stock Buybacks



Insider Transactions



SPACS



C-Suite Transitions

May the odds be with you

JUST A NORMAL DAY AT THE NATION'S MOST IMPORTANT FINANCIAL INSTITUTION...



 InsideArbitrage

Regional Banks

June 18, 2023

Stock: First Citizens (FCNCA)

Price: 1,282.99

Disclosures

- I do not hold a position in FCNCA
- I plan to initiate a long position in FCNCA
- Do your own due diligence and talk to your investment advisor before making any investment decisions
- I do not warrant the accuracy or completeness of the data or information in this presentation

Signals From Aggregate Insider Buying

- Insider Selling is Usually 20 to 30 Times Insider Buying
 - March 2020: Insider Buying Exceeded Insider Selling
 - April 2020: WTI Crude Futured End up Negative
 - Significant Insider Buying by Energy Sector Insiders
 - March 2023: SVB Fails, Significant Insider Buying by Regional Bank Insiders
-

You Don't Have to be a Hero



Even if the Fire Doesn't Kill You





First Citizens Bancshares (FCNCA) \$1,282.99

- Largest Undiscovered Bank
- North Carolina Based- First Citizens
- Third Generation of Holding Family is CEO
- FDIC Partner Coming Out of 2008-2009 Crisis
- Significant Insider Buying by Frank Holding Jr. And Others

First Citizens + Silicon Valley Bank

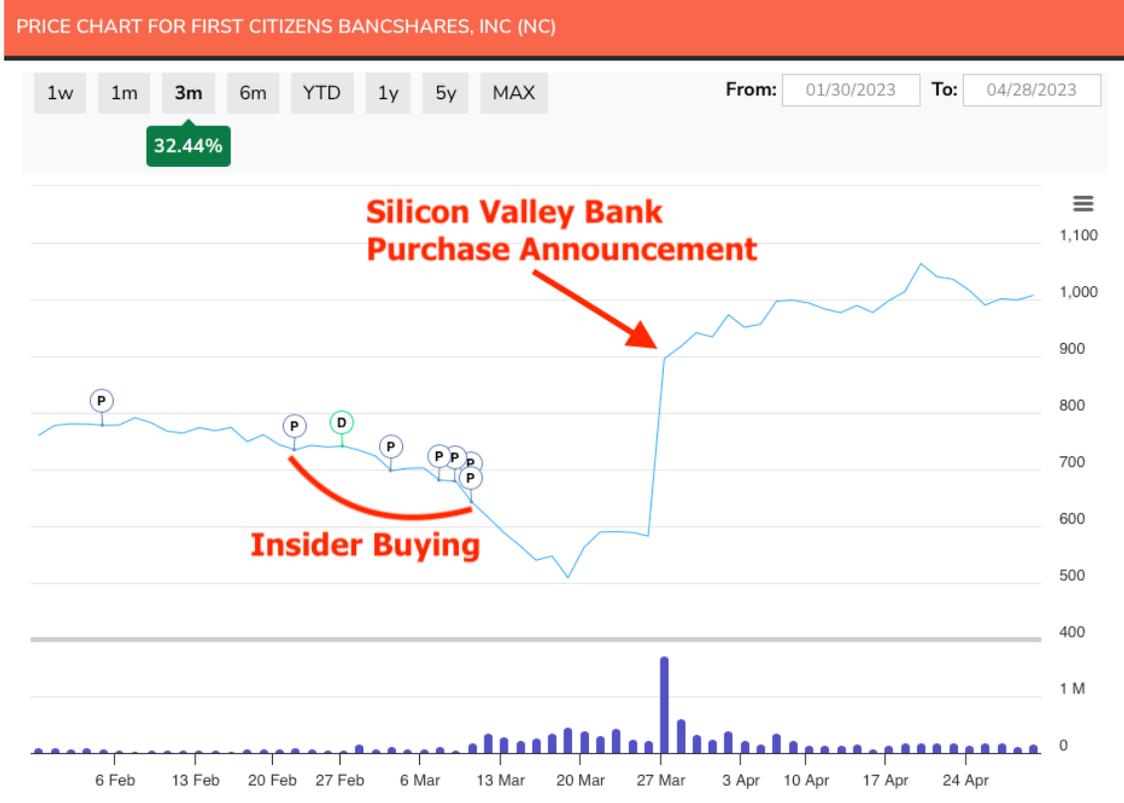
- FDIC Brokered Sweetheart Deal For Silicon Valley Bank
 - Large Banks and Certain Hedge Funds Were Excluded From Bidding
 - Effective 500 Million Purchase Price
 - First Citizens Doubled Assets Overnight To \$219 Billion
-



First Citizens + Silicon Valley Bank

- Deal Excluded Troubled Securities (HTM)
- \$16.5 Billion Discount On Assets
- FDIC Shares 50% In Losses Over \$5 Billion

Insider Buying at First Citizens



Tangible Book Value of Combined Entity

	FCNCA Dec 31, 2022	SVB	Combined
Total Assets (Millions)	\$ 109,289	\$ 110,082	\$ 219,371
Total Liabilities (Millions)	\$ 99,636	\$ 93,632	\$ 193,268
Goodwill (Millions)	\$ 346		\$ 346
Preferred Equity (Millions)	\$ 881	\$ 500	\$ 1,381
Other Intangibles/Potential Losses	\$ 140	\$ 7,500	\$ 7,640
Tangible Book Value	\$ 8,286	\$ 8,450	\$ 16,736
Combined Price/Tangible Book	0.87		
Last Price	\$1,007.18		
Price at Tangible Book	\$1,160.09		
1.2X Tangible Book	\$1,392.11		
1.3X Tangible Book	\$1,508.12		
Discount To 1.3X Tangible Book	33%		

Where Do We Go From Here?

- Stock Already Rerated Higher and Trades Just Above Tangible Book
- Regional Bank Crisis is Far From Over
- We Went From 14,000 Banks 40 Years Ago to 4,500 Banks Now
- Consolidation Likely to Continue
- First Citizens Continues to Benefit From its Fine Tuned Playbook

Where Do We Go From Here?

- Variability in Bank Valuations Depending on Quality
 - J.P. Morgan Trades Between 1.5 and 2 Times Tangible Book
 - Citi Trades Close to Half to 1 Time Tangible Book
 - First Citizens Traded Around 1.3 Time Tangible Book Before Crisis
 - Often Trades Between 1.5 and 2 Time Tangible Book
 - Upside of \$1,508 to \$1,740 Without any Increase in Book Value
-



Explore more presentations at VALUExVail.com