

FIRST CITIZENS BANCSHARES INC /TN/
Form 10-Q
August 06, 2010

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

FORM 10-Q

(Mark One)

- QUARTERLY REPORT UNDER SECTION 13 or 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTER ENDED JUNE 30, 2010
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 0-11709

First Citizens Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction of
incorporation or organization)

62-1180360
(IRS Employer Identification No.)

P.O. Box 370, One First Citizens Place
Dyersburg, Tennessee 38024

(Address of principal executive offices including zip code)

(731) 285-4410

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by a check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Of the registrant's only class of common stock (no par value), there were 3,625,619 shares outstanding as of July 31, 2010.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2010 AND DECEMBER 31, 2009 (In Thousands)

		<u>June 30, 2010</u> <u>(UNAUDITED)</u>		<u>December 31, 2009 (1)</u>
ASSETS				
Cash and due from banks	\$	17,346	\$	21,177
Federal funds sold		14,191		11,170
Cash and cash equivalents		31,537		32,347
Investment securities:				
Available-for-Sale, stated at market		264,377		249,791
Loans (excluding unearned income of \$733 at June 30, 2010 and \$434 at December 31, 2009)		575,655		587,398
Less: allowance for loan losses		8,102		8,784
Net loans		567,553		578,614
Loans held-for-sale		2,812		2,741
Federal Home Loan Bank and Federal Reserve Bank stocks, at cost		5,684		5,684
Premises and equipment		30,372		30,525
Accrued interest receivable		5,672		5,405
Goodwill		11,825		11,825
Other intangible assets		162		204
Other real estate owned		13,344		10,527
Bank owned life insurance policies		21,366		21,116
Other assets		7,848		7,776
TOTAL ASSETS	\$	962,552	\$	956,555
LIABILITIES AND SHAREHOLDERS' EQUITY				
Non-interest bearing demand deposits	\$	92,740	\$	100,504
Interest bearing time deposits		363,370		356,442
Interest bearing savings deposits		300,779		295,200
Total deposits		756,889		752,146
Securities sold under agreements to repurchase		36,485		36,881
Federal funds purchased and other short				

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term borrowings	988	748
Other borrowings	73,020	75,282
Other liabilities	6,348	7,186
Total liabilities	873,730	872,243

See accompanying notes to consolidated financial statements.

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FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
AS OF JUNE 30, 2010 AND DECEMBER 31, 2009
(In Thousands)

	<u>June 30, 2010</u> <u>(UNAUDITED)</u>	<u>December 31, 2009 (1)</u>
Shareholders' equity:		
Common stock, no par value - 10,000,000 authorized; 3,717,593 issued and outstanding at June 30, 2010 and 3,717,593 issued and outstanding at December 31, 2009	\$ 3,718	\$ 3,718
Surplus	15,331	15,331
Retained earnings	66,550	63,448
Accumulated other comprehensive income	5,638	4,256
Total common stock and retained earnings	91,237	86,753
Less-91,775 treasury shares, at cost as of June 30, 2010 and 92,575 treasury shares, at cost as of December 31, 2009	2,415	2,441
Total shareholders' equity	88,822	84,312
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 962,552	\$ 956,555

(1) Derived from audited financial statements.

See accompanying notes to consolidated financial statements.

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FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Dollars in Thousands Except for Per Share Amounts)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Interest income:				
Interest and fees on loans	\$ 9,076	\$ 9,470	\$ 18,255	\$ 18,959
Interest on investment securities:				
Taxable	1,551	1,787	3,197	3,735
Tax-exempt	979	802	1,952	1,496
Dividends	56	53	117	108
Other interest income	13	11	26	32
Total interest income	11,675	12,123	23,547	24,330
Interest expense:				
Interest expense on deposits	2,189	3,009	4,430	6,562
Other interest expense	902	1,046	1,852	2,091
Total interest expense	3,091	4,055	6,282	8,653
Net interest income	8,584	8,068	17,265	15,677
Provision for loan losses	3,050	800	5,050	3,200
Net interest income after provision	5,534	7,268	12,215	12,477
Other non-interest income:				

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Mortgage banking income	277	331	465	633
Income from fiduciary activities	186	220	357	386
Service charges on deposit accounts	1,763	1,730	3,405	3,307
Brokerage fees	243	338	555	615
Earnings on bank owned life insurance	128	221	320	423
Gain (loss) on sale of securities	996	(17)	1,468	707
Loss on sale of foreclosed property	(803)	(183)	(819)	(269)
Other non-interest income	381	420	802	873
Total other non-interest income	3,171	3,060	6,553	6,675

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FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) - (CONTINUED)
THREE MONTHS ENDED JUNE 30, 2010 AND 2009
(Dollars in Thousands Except for Per Share Amounts)

	<u>Three Months Ended</u>		<u>Six Months Ended June 30,</u>	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Total other-than temporary impairment losses	\$ (89)	\$ (749)	\$ (57)	