

FIRST CITIZENS BANCSHARES INC /TN/
Form 10-Q
November 06, 2009

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 SEPTEMBER 30, 2009
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

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 file). Yes No

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 3,625,006 shares outstanding as of October 30, 2009.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 AS OF SEPTEMBER 30, 2009 AND DECEMBER 31, 2008
 (In Thousands)

	September 30, 2009		December 31, 2008 (1)
	(UNAUDITED)		
ASSETS			
Cash and due from banks	\$ 14,495	\$	17,888
Federal funds sold	21,513		22,816
Cash and cash equivalents	36,008		40,704
Investment securities:			
Held-to-Maturity, at amortized cost, fair value of \$0 at September 30, 2009 and \$115 at December 31, 2008	-		115
Available-for-Sale, stated at market	220,323		210,385
Loans (excluding unearned income of \$439 at Sept. 30, 2009 and \$506 at December 31, 2008)	607,449		596,758
Less: allowance for loan losses	8,202		7,300
Net loans	599,247		589,458
Loans held-for-sale	1,574		2,632
Federal Home Loan Bank and Federal Reserve Bank stocks, at cost	5,684		5,684
Premises and equipment	30,678		31,746
Accrued interest receivable	6,644		5,581
Goodwill	11,825		11,825
Other intangible assets	225		289
Other real estate	5,185		5,424
Bank owned life insurance policies	20,932		20,627
Other assets	4,242		3,032
TOTAL ASSETS	\$ 942,567	\$	927,502
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Demand	\$ 83,903	\$	108,762
Time	381,000		392,840
Savings	271,217		233,313
Total deposits	736,120		734,915

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Securities sold under agreements to repurchase	37,846	32,765
Federal funds purchased and other short term borrowings	650	1,000
Long-term debt	75,423	73,843
Other liabilities	8,151	7,971
Total liabilities	858,190	850,494

See accompanying notes to consolidated financial statements.

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FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
AS OF SEPTEMBER 30, 2009 AND DECEMBER 31, 2008
(In Thousands)

	September 30, 2009(UNAUDITED)	December 31, 2008 (1)
Shareholders' equity:		
Common stock, no par value - 10,000,000 authorized; 3,717,593 issued and outstanding a September 30, 2009 and 3,717,593 issued and outstanding at December 31, 2008	\$ 3,718	\$ 3,718
Surplus	15,331	15,331
Retained earnings	63,234	58,890
Accumulated other comprehensive income	4,535	1,526
Total common stock and retained earnings	86,818	79,465
Less-92,585 treasury shares, at cost as of September 30, 2009 and 93,094 shares at cost at December 31, 2008	2,441	2,457
Total shareholders' equity	84,377	77,008
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 942,567	\$ 927,502

(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 NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(Dollars in Thousands Except for Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Interest income:				
Interest and fees on loans	\$ 9,756	\$ 10,722	\$ 28,715	\$ 32,259
Interest on investment securities:				
Taxable	1,674	1,848	5,409	5,393
Tax-exempt	868	582	2,364	1,713
Dividends	66	84	174	260
Other interest income	-	-		
Fed funds sold	9	10	31	71
Interest-bearing deposits in banks	3	9	14	34
Total interest income	12,376	13,255	36,707	39,730
Interest expense:				
Interest expense on deposits	2,732	4,152	9,294	13,491
Other interest expense	1,013	1,337	3,104	3,991
Total interest expense	3,745	5,489	12,398	17,482

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Net interest income	8,631	7,766	24,309	22,248
Provision for loan losses	1,650	1,100	4,850	2,208
Net interest income after provision	6,981	6,666	19,459	20,040
Other non-interest income:				
Mortgage banking income	221	279	854	893
Income from fiduciary activities	182	194	568	579
Service charges on deposit accounts	1,832	1,900	5,139	5,485
Brokerage fees	368	361	983	1,169
Earnings on bank owned life insurance	193	192	616	568
Gain (loss) on sale of securities	487	29	1,194	103
Other non-interest income	317	383	1,190	1,154
Total other non-interest income	3,600	3,338	10,544	9,951

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FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) - (CONTINUED)
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(Dollars in Thousands Except for Per Share Amounts)

<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
<u>Sept 30, 2009</u>	<u>Sept 30, 2008</u>	<u>Sept 30, 2009</u>	<u>Sept 30, 2008</u>