

FIRST CITIZENS BANCSHARES INC /TN/
Form 10-Q
November 07, 2008

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, 2008
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 2-83542

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) 287-4410

(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 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 3,624,532 shares outstanding as of September 30, 2008.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

(Stated in Thousands)

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
ASSETS		
Cash and due from banks	\$ 16,100	\$ 23,740
Federal funds sold	3,085	1,502
Cash and cash equivalents	19,185	25,242
Investment securities:		
Trading investments-stated at market	-	-
Held-to-Maturity, at amortized cost, fair value of \$116 at September 30, 2008 and \$291 at December 31, 2007	115	290
Available-for-Sale, stated at market	194,598	190,117
Loans (excluding unearned income of \$480 at September 30, 2008 and \$506 at December 31, 2007)	632,200	584,639
Less: allowance for loan losses	6,995	6,328
Net loans	625,205	578,311
Loans held-for-sale	3,499	2,187
Federal Home Loan Bank and Federal Reserve Bank stocks, at cost	5,684	5,505
Premises and equipment	31,763	30,308
Accrued interest receivable	7,224	6,564
Goodwill	11,825	11,825
Other intangible assets	310	373
Other real estate	3,832	2,302
Bank owned life insurance policies	20,391	19,933
Other assets	4,256	3,199
TOTAL ASSETS	\$ 927,887	\$ 876,156
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Demand	\$ 87,792	\$ 97,090
Time	402,791	380,662
Savings	223,464	212,843
Total deposits	714,047	690,595
Securities sold under agreements to Repurchase	36,909	32,643
Federal funds purchased and other short term borrowings	22,000	11,100
Long-term debt	74,118	63,165
Other liabilities	7,066	3,622

Total liabilities	854,140	801,125
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See accompanying notes to consolidated financial statements.

-1-

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(Stated in Thousands)

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Shareholders' equity:		
Common stock, no par value - 10,000,000 authorized; 3,717,593 issued and outstanding at September 30, 2008 and 3,717,593 issued and outstanding at December 31, 2007	\$ 3,718	\$ 3,718
Surplus	15,331	15,331
Retained earnings	57,880	57,485
Accumulated other comprehensive income	(726)	944
Total common stock and retained earnings	76,203	77,478
Less-93,061 treasury shares, at cost as of September 30, 2008 and 92,787 shares at Cost at December 31, 2007	2,456	2,447
Total shareholders' equity	73,747	75,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 927,887	\$ 876,156

See accompanying notes to consolidated financial statements.

-2-

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(Stated in Thousands Except for E.P.S. and Shares Outstanding)

	<u>Three Months Ended Sept 30,</u>		<u>Nine Months Ended Sept 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Interest income:				
Interest and fees on loans	\$ 10,722	\$ 11,492	\$ 32,259	\$ 33,325
Interest on investment securities:				
Taxable	1,848	1,725	5,393	4,970
Tax-exempt	582	506	1,713	1,444
Dividends	84	103	260	299
Other interest income				
Fed funds sold	10	40	71	409
Interest-bearing deposits in banks	9	14	34	34
Total interest income	13,255	13,880	39,730	40,481
Interest expense:				
Interest expense on deposits	4,152	5,517	13,491	16,209
Other interest expense	1,337	1,450	3,991	3,813
Total interest expense	5,489	6,967	17,482	20,022
Net interest income	7,766	6,913	22,248	20,459
Provision for loan losses	1,100	250	2,208	583
Net interest income after provision	6,666	6,663	20,040	19,876
Other non-interest income:				
Mortgage Banking Income	279	334	893	915
Income from fiduciary activities	194	214	579	613

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Service charges on deposit accounts	1,900	1,913	5,485	5,042
Brokerage fees	361	421	1,169	1,180
Earnings on bank owned life insurance	192	172	568	517
Realized gains (losses) on securities	(1,724)	(43)	(1,650)	(103)
Other non-interest income	383	426	1,154	1,183
Total other non-interest income	1,585	3,437	8,198	9,347

-3-

FIRST CITIZENS BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) - (CONTINUED)
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(Stated in Thousands Except for E.P.S. and Shares Outstanding)

	<u>Three Months Ended Sept 30,</u>		<u>Nine Months Ended Sept 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Other non-interest expense:				