

FIRST CITIZENS BANCSHARES INC /TN/
Form 10-Q
August 08, 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 JUNE 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 3,624,607 shares outstanding as of June 30, 2008.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

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

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
ASSETS		
Cash and due from banks	\$ 22,122	\$ 23,740
Federal funds sold	1,685	1,502
Cash and cash equivalents	23,807	25,242
Investment securities:		
Trading investments-stated at market	-	-
Held-to-Maturity, at amortized cost, fair value of \$292 at June 30, 2008 and \$291 at December 31, 2007	290	290
Available-for-Sale, stated at market	195,166	190,117
Loans (excluding unearned income of \$525 at June 30, 2008 and \$506 at December 31, 2007)	630,320	584,639
Less: allowance for loan losses	6,933	6,328
Net loans	623,387	578,311
Loans held-for-sale	4,608	2,187
Federal Home Loan Bank and Federal Reserve Bank stocks, at cost	5,623	5,505
Premises and equipment	31,597	30,308
Accrued interest receivable	6,341	6,564
Goodwill	11,825	11,825
Other intangible assets	331	373
Other real estate	3,110	2,302
Bank owned life insurance policies	20,219	19,933
Other assets	3,918	3,199
TOTAL ASSETS	\$ 930,222	\$ 876,156
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Demand	\$ 95,417	\$ 97,090
Time	388,588	380,662
Savings	211,822	212,843
Total deposits	695,827	690,595
Securities sold under agreements to repurchase	34,091	32,643

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Federal funds purchased and other short term borrowings	48,500	11,100
Long-term debt	71,460	63,165
Other liabilities	6,630	3,622
Total liabilities	856,508	801,125

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, 2008 AND DECEMBER 31, 2007
(Stated in Thousands)

	<u>June 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 June 30, 2008 and 3,717,593 issued and outstanding at December 31, 2007	\$ 3,718	\$ 3,718
Surplus	15,331	15,331
Retained earnings	57,859	57,485
Accumulated other comprehensive income	(740)	944
Total common stock and retained earnings	76,168	77,478
Less-92,986 treasury shares, at cost as of June 30, 2008 and 92,787 shares at Cost at December 31, 2007	2,454	2,447
Total shareholders' equity	73,714	75,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 930,222	\$ 876,156

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, 2008 AND 2007
(Stated in Thousands Except for E.P.S. and Shares Outstanding)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Interest income:				
Interest and fees on loans	\$ 10,585	\$ 11,050	\$ 21,537	\$ 21,833
Interest on investment securities:				
Taxable	1,817	1,668	3,545	3,245
Tax-exempt	574	478	1,131	938
Dividends	88	99	176	196
Other interest income	-	-		
Fed funds sold	15	146	61	369
Interest-bearing deposits in banks	12	10	25	20
Total interest income	13,091	13,451	26,475	26,601
Interest expense:				
Interest expense on deposits	4,383	5,396	9,339	10,692
Other interest expense	1,318	1,187	2,654	2,363
Total interest expense	5,701	6,583	11,993	13,055
Net interest income	7,390	6,868	14,482	13,546
Provision for loan losses	741	167	1,108	333
Net interest income after provision	6,649	6,701	13,374	13,213
Other non-interest income:				

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Mortgage Banking Income	303	299	614	581
Income from fiduciary activities	194	200	385	399
Service charges on deposit accounts	1,850	1,708	3,585	3,129
Brokerage fees	421	446	808	759
Earnings on bank owned life insurance	163	170	376	345
Gain (loss) on sale of securities	11	-	74	(60)
Other non-interest income	370	407	771	757
Total other non-interest income	3,312	3,230	6,613	5,910

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

Three Months Ended June 30,
2008

Six Months Ended June 30,