

FIRST CITIZENS BANCSHARES INC /DE/
Form 10-Q
August 06, 2010
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2010

or

“ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
Commission File Number: 001-16715

First Citizens BancShares, Inc.

(Exact name of Registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

56-1528994
(I.R.S. Employer
Identification Number)

4300 Six Forks Road, Raleigh, North Carolina
(Address of principle executive offices)

27609
(Zip code)

(919) 716-7000

(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 twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days. Yes No

Indicate by 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 (§232.405 of this chapter) during the preceding 12 months (or 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 definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Class A Common Stock \$1 Par Value 8,756,778 shares

Class B Common Stock \$1 Par Value 1,677,675 shares

(Number of shares outstanding, by class, as of August 6, 2010)

Table of Contents

INDEX

	Page(s)
PART I. FINANCIAL INFORMATION	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Consolidated Balance Sheets at June 30, 2010, December 31, 2009 and June 30, 2009</u>	3
<u>Consolidated Statements of Income for the three and six month periods ended June 30, 2010 and June 30, 2009</u>	4
<u>Consolidated Statements of Changes in Shareholders' Equity for the six month periods ended June 30, 2010 and June 30, 2009</u>	5
<u>Consolidated Statements of Cash Flows for the six month periods ended June 30, 2010 and June 30, 2009</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	50
Item 4. <u>Controls and Procedures</u>	50
PART II. OTHER INFORMATION	
Item 1A. <u>Risk Factors</u>	51
Item 6. <u>Exhibits</u>	54

Table of Contents**Part 1****Item 1. Financial Statements (Unaudited)****First Citizens BancShares, Inc. and Subsidiaries****Consolidated Balance Sheets**

Unaudited

	June 30* 2010	December 31# 2009	June 30* 2009
	(thousands, except share data)		
Assets			
Cash and due from banks	\$ 625,857	\$ 480,242	\$ 637,896
Overnight investments	736,896	723,260	229,668
Investment securities available for sale	3,768,777	2,929,162	3,745,385
Investment securities held to maturity	3,084	3,603	4,140
Loans held for sale	91,076	67,381	115,920
Loans and leases:			
Covered by loss share agreements	2,367,090	1,173,020	0
Not covered by loss share agreements	11,622,494	11,644,999	11,523,045
Less allowance for loan and lease losses	188,169	172,282	162,282
Net loans and leases	13,801,415	12,645,737	11,360,763
Premises and equipment	846,702	837,082	821,219
Other real estate owned:			
Covered by loss share agreements	98,416	93,774	0
Not covered by loss share agreements	46,763	40,607	33,301
Income earned not collected	77,186	60,684	66,226
Receivable from FDIC for loss share agreements	692,242	249,842	0
Goodwill	102,625	102,625	102,625
Other intangible assets	12,936	6,361	3,035
Other assets	201,794	225,703	197,702
Total assets	\$ 21,105,769	\$ 18,466,063	\$ 17,317,880
Liabilities			
Deposits:			
Noninterest-bearing	\$ 3,730,321	\$ 3,215,414	\$ 2,974,494
Interest-bearing	14,056,920	12,122,153	11,383,655
Total deposits	17,787,241	15,337,567	14,358,149
Short-term borrowings	541,709	642,405	599,853
Long-term obligations	918,930	797,366	735,803
Other liabilities	164,580	129,610	189,862
Total liabilities	19,412,460	16,906,948	15,883,667
Shareholders Equity			
Common stock:			
Class A - \$1 par value (8,756,778 shares issued for all periods)	8,757	8,757	8,757
Class B - \$1 par value (1,677,675 shares issued for all periods)	1,678	1,678	1,678
Surplus	143,766	143,766	143,766

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Retained earnings	1,561,665	1,429,863	1,334,655
Accumulated other comprehensive income (loss)	(22,557)	(24,949)	(54,643)
Total shareholders equity	1,693,309	1,559,115	1,434,213
Total liabilities and shareholders equity	\$ 21,105,769	\$ 18,466,063	\$ 17,317,880

* Unaudited

Derived from the 2009 Annual Report on Form 10-K.

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**First Citizens BancShares, Inc. and Subsidiaries****Consolidated Statements of Income**

Unaudited

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
	(thousands, except share and per share data)			
Interest income				
Loans and leases	\$ 202,541	\$ 155,449	\$ 389,615	\$ 312,033
Investment securities:				
U. S. Government	10,250	18,118	19,601	39,277
Residential mortgage backed securities	1,873	1,234	3,437	2,382
Corporate bonds	2,198	1,580	4,333	1,858
State, county and municipal	15	104	48	155
Other	12	164	82	371
Total investment securities interest and dividend income	14,348	21,200	27,501	44,043
Overnight investments	546	192	1,019	417
Total interest income	217,435	176,841	418,135	356,493
Interest expense				
Deposits	41,091	48,890	79,207	101,836
Short-term borrowings	640	1,281	1,396	2,602
Long-term obligations	10,842	9,638	21,634	19,218
Total interest expense	52,573	59,809	102,237	123,656
Net interest income	164,862	117,032	315,898	232,837
Provision for loan and lease losses	31,826	20,759	48,756	39,482
Net interest income after provision for loan and lease losses	133,036	96,273	267,142	193,355
Noninterest income				
Gain on acquisitions	0	0	132,623	0
Cardholder and merchant services	28,505	24,107	52,294	45,599
Service charges on deposit accounts	19,513	19,163	38,340	37,014
Wealth management services	14,222	11,481	25,956	22,253
Fees from processing services	7,226	7,136	14,449	14,688
Securities (losses) gains	(186)	(139)	945	(139)
Other service charges and fees	5,110	4,068	9,758	8,417
Mortgage income	1,924	2,369	3,334	5,821
Insurance commissions	1,794	1,825	4,600	4,295
ATM income	1,699	1,772	3,354	3,501
Adjustments to FDIC receivable for loss share agreements	12,713	0	15,452	0
Other	102	(366)	89	(341)
Total noninterest income	92,622	71,416	301,194	141,108
Noninterest expense				
Salaries and wages	74,475	63,751	146,635	129,297
Employee benefits	15,839	15,773		