

FIRST CITIZENS BANCSHARES INC /DE/

Form 10-Q

May 10, 2010

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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 March 31, 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)

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 May 10, 2010)

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

	March 31* 2010	December 31# 2009	March 31* 2009
	(thousands, except share data)		
Assets			
Cash and due from banks	\$ 745,180	\$ 480,242	\$ 471,799
Overnight investments	866,562	723,260	760,628
Investment securities available for sale	3,375,158	2,929,162	3,319,025
Investment securities held to maturity	3,324	3,603	5,745
Loans held for sale	59,530	67,381	124,246
Loans and leases:			
Covered under loss share agreements	2,602,261	1,173,020	
Not covered under loss share agreements	11,640,041	11,644,999	11,497,088
Less allowance for loan and lease losses	176,273	172,282	161,572
Net loans and leases	14,066,029	12,645,737	11,335,516
Premises and equipment	839,960	837,082	811,872
Other real estate owned:			
Covered under loss share agreements	109,783	93,774	
Not covered under loss share agreements	48,368	40,607	32,787
Income earned not collected	73,368	60,684	69,199
FDIC receivable for loss share agreements	687,455	249,842	
Goodwill	102,625	102,625	102,625
Other intangible assets	14,522	6,361	3,423
Other assets	223,827	225,703	177,400
Total assets	\$ 21,215,691	\$ 18,466,063	\$ 17,214,265
Liabilities			
Deposits:			
Noninterest-bearing	\$ 3,762,622	\$ 3,215,414	\$ 2,777,067
Interest-bearing	14,081,205	12,122,153	11,452,481
Total deposits	17,843,827	15,337,567	14,229,548
Short-term borrowings	594,121	642,405	641,912
Long-term obligations	922,207	797,366	733,056
Other liabilities	186,943	129,610	173,472
Total liabilities	19,547,098	16,906,948	15,777,988
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
Retained earnings	1,539,251	1,429,863	1,331,587
Accumulated other comprehensive loss	(24,859)	(24,949)	(49,511)

Total shareholders equity	1,668,593	1,559,115	1,436,277
Total liabilities and shareholders equity	\$ 21,215,691	\$ 18,466,063	\$ 17,214,265

* 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**

	Three Months Ended March 31	
	2010	2009
	(thousands, except share and per share data)	
Interest income		
Loans and leases	\$ 187,074	\$ 156,584
Investment securities:		
U. S. Government	9,350	21,159
Residential mortgage backed securities	1,564	1,148
Corporate bonds	2,135	278
State, county and municipal	33	51
Other	70	207
Total investment securities interest and dividend income	13,152	22,843
Overnight investments	474	225
Total interest income	200,700	179,652
Interest expense		
Deposits	38,116	52,946
Short-term borrowings	756	1,321
Long-term obligations	10,792	9,580
Total interest expense	49,664	63,847
Net interest income	151,036	115,805
Provision for loan and lease losses	16,930	17,976
Net interest income after provision for loan and lease losses	134,106	97,829
Noninterest income		
Gain on acquisitions	137,649	
Cardholder and merchant services	23,788	21,492
Service charges on deposit accounts	18,827	17,851
Wealth management services	11,734	10,772
Fees from processing services	7,223	7,552
Securities gains	1,131	
Other service charges and fees	4,648	4,349
Mortgage income	1,411	3,452
Insurance commissions	2,806	2,470
ATM income	1,655	1,729
Other	2,726	25
Total noninterest income	213,598	69,692
Noninterest expense		
Salaries and wages	72,160	65,546
Employee benefits	18,311	17,319
Occupancy expense	17,836	15,406
Equipment expense	15,815	14,723
FDIC insurance expense	4,060	3,324
Foreclosure-related expenses	3,206	104
Other	41,562	38,818

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Total noninterest expense	172,950	155,240
Income before income taxes	174,754	12,281
Income taxes	67,140	3,618
Net income	\$ 107,614	\$ 8,663
Average shares outstanding	10,434,453	10,434,453
Net income per share	\$ 10.31	\$ 0.83

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**First Citizens BancShares, Inc. and Subsidiaries****Consolidated Statements of Changes in Shareholders' Equity**

	Class A Common Stock	Class B Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Shareholders Equity
	(thousands, except share and per share data)					
Balance at December 31, 2008	\$ 8,757	\$ 1,678	\$ 143,766	\$ 1,326,054	\$ (36,880)	\$ 1,443,375
Comprehensive loss:						
Net income				8,663		8,663
Change in unrealized securities gains arising during period, net of \$8,430 deferred tax benefit					(13,013)	(13,013)
Change in unrecognized loss on cash flow hedge, net of \$249 deferred tax					382	382
Total comprehensive loss						(3,968)
Cash dividends of \$0.30 per share				(3,130)		(3,130)
Balance at March 31, 2009	\$ 8,757	\$ 1,678	\$ 143,766	\$ 1,331,587	\$ (49,511)	\$ 1,436,277