

FIRST CITIZENS BANCSHARES INC /DE/
Form 10-Q/A
August 07, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2007

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Commission File Number: 0-16471

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 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 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 3, 2007)

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PART I

Item 1. Financial Statements (Unaudited)
Consolidated Balance Sheets

First Citizens BancShares, Inc. and Subsidiaries

(thousands, except share data)	June 30*	December 31#	June 30*
	2007	2006	2006
Assets			
Cash and due from banks	\$ 845,929	\$ 1,010,984	\$ 957,888
Overnight investments	695,962	348,597	631,705
Investment securities available for sale	2,962,889	3,001,890	2,626,065
Investment securities held to maturity	60,910	219,158	398,715
Loans and leases	10,473,106	10,239,551	10,029,045
Less allowance for loan and lease losses	129,276	132,004	130,532
Net loans and leases	10,343,830	10,107,547	9,898,513
Premises and equipment	736,137	702,926	663,521
Income earned not collected	72,718	71,562	58,746
Goodwill	102,625	102,625	102,735
Other intangible assets	6,891	8,000	9,146
Other assets	180,714	156,408	179,458
Total assets	\$ 16,008,605	\$ 15,729,697	\$ 15,526,492
Liabilities			
Deposits:			
Noninterest-bearing	\$ 2,707,243	\$ 2,682,997	\$ 2,806,242
Interest-bearing	10,065,079	10,060,327	9,910,977
Total deposits	12,772,322	12,743,324	12,717,219
Short-term borrowings	1,360,511	1,150,847	957,018
Long-term obligations	405,314	401,198	527,478
Other liabilities	102,478	123,509	96,198
Total liabilities	14,640,625	14,418,878	14,297,913
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	1,203,431	1,148,372	1,083,635
Accumulated other comprehensive income (loss)	10,348	8,246	(9,257)
Total shareholders equity	1,367,980	1,310,819	1,228,579
Total liabilities and shareholders equity	\$ 16,008,605	\$ 15,729,697	\$ 15,526,492

* Unaudited

Derived from the 2006 Annual Report on Form 10-K.

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Statements of Income**

First Citizens BancShares, Inc. and Subsidiaries

(thousands, except per share data; unaudited)	Three Months Ended June 30		Six Months Ended June 30	
	2007	2006	2007	2006
Interest income				
Loans and leases	\$ 177,846	\$ 167,174	\$ 352,870	\$ 326,379
Investment securities:				
U. S. Government	33,915	26,584	66,659	50,869
State, county and municipal	56	59	114	120
Other	762	903	1,536	1,614
Total investment securities interest and dividend income	34,733	27,546	68,309	52,603
Overnight investments	9,353	7,779	16,814	13,518
Total interest income	221,932	202,499	437,993	392,500
Interest expense				
Deposits	83,012	65,867	163,023	123,609
Short-term borrowings	13,974	9,177	26,656	16,169
Long-term obligations	6,898	8,522	13,653	15,971
Total interest expense	103,884	83,566	203,332	155,749
Net interest income	118,048	118,933	234,661	236,751
Provision for credit losses	934	2,973	4,466	9,710
Net interest income after provision for credit losses	117,114	115,960	230,195	227,041
Noninterest income				
Cardholder and merchant services income	24,502	22,303	46,879	40,731
Service charges on deposit accounts	19,312	18,260	36,469	36,466
Commission income	8,986	8,339	18,250	16,211
Fees from processing services	7,798	7,572	15,985	14,481
Trust and asset management fees	5,823	5,175	11,901	10,353
ATM income	1,634	1,167	3,221	3,699
Mortgage income	2,451	1,782	4,825	3,154
Other service charges and fees	3,963	3,870	7,733	7,993
Securities losses		(353)		(539)
Other	383	1,494	791	2,809
Total noninterest income	74,852	69,609	146,054	135,358
Noninterest expense				
Salaries and wages	60,496	57,146	119,685	113,689
Employee benefits	12,825	13,886	26,002	27,829
Occupancy expense	14,007	12,389	27,862	25,264
Equipment expense	13,905	13,091	27,677	25,755
Other	42,336	38,695	81,533	74,382
Total noninterest expense	143,569	135,207	282,759	266,919
Income before income taxes	48,397	50,362	93,490	95,480

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Income taxes	17,546	18,650	33,655	35,111
Net income	\$ 30,851	\$ 31,712	\$ 59,835	\$ 60,369
Average shares outstanding	10,434,453	10,434,453	10,434,453	10,434,453
Net income per share	\$ 2.96	\$ 3.04	\$ 5.73	\$ 5.79

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Statements of Changes in Shareholders' Equity**

First Citizens BancShares, Inc. and Subsidiaries

	Class A Common Stock	Class B Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Shareholders Equity
	(thousands, except share data)					
Balance at December 31, 2005	\$ 8,757	\$ 1,678	\$ 143,766	\$ 1,029,005	\$ (2,147)	\$ 1,181,059
Comprehensive income:						
Net income				60,369		60,369
Unrealized securities losses arising during period, net of deferred taxes					(7,344)	(7,344)
Change in unrealized gain on cash flow hedge, net of deferred taxes					234	234
Total comprehensive income				60,369	(7,110)	53,259
Cash dividends				(5,739)		