

SCBT FINANCIAL CORP

Form 10-Q

November 09, 2009

[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-12669

SCBT FINANCIAL CORPORATION

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(Exact name of registrant as specified in its charter)

South Carolina

57-0799315

(State or other jurisdiction of incorporation)

(IRS Employer Identification No.)

520 Gervais Street

Columbia, South Carolina

29201

(Address of principal executive offices)

(Zip Code)

(800) 277-2175

(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 (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 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for 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 the definitions of large accelerated filer, accelerated filer, and smaller reporting company 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

Indicate the number of shares outstanding of each of issuer's classes of common stock, as of the latest practicable date:

Class
Common Stock, \$2.50 par value

Outstanding as of October 31, 2009
12,724,936

Table of Contents

SCBT Financial Corporation and Subsidiaries

September 30, 2009 Form 10-Q

INDEX

	Page
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets at September 30, 2009, December 31, 2008 and September 30, 2008</u>	1
<u>Condensed Consolidated Statements of Income for the Three and Nine Months Ended September 30, 2009 and 2008</u>	2
<u>Condensed Consolidated Statements of Changes in Shareholders' Equity for the Nine Months Ended September 30, 2009 and 2008</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2009 and 2008</u>	4
<u>Notes to Condensed Consolidated Financial Statements</u>	5-27
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28-47
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	48
<u>Item 4.</u>	
<u>Controls and Procedures</u>	48
<u>PART II OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	48
<u>Item 1A.</u>	
<u>Risk Factors</u>	48
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	49
<u>Item 4.</u>	
<u>Submission of Matters to a Vote of Security Holders</u>	49
<u>Item 5.</u>	
<u>Other Information</u>	49
<u>Item 6.</u>	
<u>Exhibits</u>	50

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****SCBT Financial Corporation and Subsidiaries****Condensed Consolidated Balance Sheets***(Dollars in thousands, except par value)*

	September 30, 2009 (Unaudited)	December 31, 2008 (Note 1)	September 30, 2008 (Unaudited)
ASSETS			
Cash and cash equivalents:			
Cash and due from banks	\$ 56,400	\$ 47,024	\$ 56,813
Interest-bearing deposits with banks	174	1,441	357
Federal funds sold and securities purchased under agreements to resell	118,791	1,000	22,500
Money market mutual funds	50		
Total cash and cash equivalents	175,415	49,465	79,670
Investment securities:			
Securities held to maturity (fair value of \$22,029, \$23,577 and \$23,547, respectively)	21,540	24,228	24,560
Securities available for sale, at fair value	175,272	183,220	198,899
Other investments	15,416	14,779	15,502
Total investment securities	212,228	222,227	238,961
Loans held for sale	20,077	15,742	11,419
Loans	2,209,403	2,316,076	2,279,726
Less allowance for loan losses	(34,297)	(31,525)	(29,199)
Loans, net	2,175,106	2,284,551	2,250,527
Premises and equipment, net	72,523	66,392	64,056
Goodwill	62,888	62,888	62,888
Other assets	58,447	65,445	59,224
Total assets	\$ 2,776,684	\$ 2,766,710	\$ 2,766,745
LIABILITIES AND SHAREHOLDERS EQUITY			
Deposits:			
Noninterest-bearing	\$ 335,565	\$ 303,689	\$ 313,700
Interest-bearing	1,791,554	1,849,585	1,825,027
Total deposits	2,127,119	2,153,274	2,138,727
Federal funds purchased and securities sold under agreements to repurchase	211,606	172,393	224,328
Other borrowings	144,048	177,477	172,738
Other liabilities	12,128	18,638	11,365
Total liabilities	2,494,901	2,521,782	2,547,158
Shareholders' equity:			
Preferred stock - \$.01 par value; authorized 10,000,000 shares; no shares issued and outstanding	31,781	28,127	25,564

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Common stock - \$2.50 par value; authorized 40,000,000 shares; 12,712,476, 11,250,603 and 10,225,776 shares issued and outstanding				
Surplus		195,660	166,815	141,911
Retained earnings		60,561	59,171	57,534
Accumulated other comprehensive loss		(6,219)	(9,185)	(5,422)
Total shareholders' equity		281,783	244,928	219,587
Total liabilities and shareholders' equity	\$	2,776,684	\$ 2,766,710	\$ 2,766,745

The Accompanying Notes are an Integral Part of the Financial Statements.

Table of Contents

SCBT Financial Corporation and Subsidiaries

Condensed Consolidated Statements of Income (unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Interest income:				
Loans, including fees	\$ 32,598	\$ 35,727	\$ 99,688	\$ 107,528
Investment securities:				
Taxable	1,991	2,760	6,505	8,356
Tax-exempt	243	291	709	1,212
Federal funds sold and securities purchased under agreements to resell	183	177	349	835
Money market funds	3		68	
Deposits with banks	2	3	6	50
Total interest income	35,020	38,958	107,325	117,981
Interest expense:				
Deposits	7,070	11,231	24,999	36,527
Federal funds purchased and securities sold under agreements to repurchase	138	1,392	381	5,069
Other borrowings	1,431	1,678	4,547	5,252
Total interest expense	8,639	14,301	29,927	46,848
Net interest income	26,381	24,657	77,398	71,133
Provision for loan losses	6,990	2,785	16,554	6,362
Net interest income after provision for loan losses	19,391	21,872	60,844	64,771
Noninterest income:				
Service charges on deposit accounts	4,089	4,157	11,493	11,994
Mortgage banking income	1,451	507	4,846	2,777
Bankcard services income	1,278	1,247	3,750	3,679
Trust and investment services income	588	725	1,950	2,102
Securities gains	82		82	340
Total other-than-temporary impairment losses	(5,252)	(9,760)	(7,734)	(9,760)
Portion of impairment losses recognized in other comprehensive loss	3,048		4,986	
Net impairment losses recognized in earnings	(2,204)	(9,760)	(2,748)	(9,760)
Other	307	431	1,110	1,807
Total noninterest income	5,591	(2,693)	20,483	12,939
Noninterest expense:				
Salaries and employee benefits	10,649	10,164	30,685	32,248
Net occupancy expense	1,582	1,528	4,724	4,520
Furniture and equipment expense	1,507	1,577	4,566	4,667
Information services expense	1,381	1,249	4,109	3,569
FDIC assessment and other regulatory charges	956	457	4,473	1,354
OREO expense and loan related	2,497	360	4,538	892
Advertising and marketing	579	771	1,800	2,782
Professional fees	376	597	1,367	1,638
Amortization of intangibles	131	144	394	433
Other	2,139	2,249	6,366	6,817
Total noninterest expense	21,797	19,096	63,022	58,920
Earnings:				

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Income before provision for income taxes	3,185	83	18,305	18,790
Provision (benefit) for income taxes	1,014	(41)	6,229	6,554
Net income	2,171	124	12,076	12,236
Preferred stock dividends			1,115	
Accretion on preferred stock discount			3,559	
Net income available to common shareholders	\$ 2,171	\$ 124	\$ 7,402	\$ 12,236
Earnings per common share:				
Basic	\$ 0.17	\$ 0.01	\$ 0.62	\$ 1.21
Diluted	\$ 0.17	\$ 0.01	\$ 0.62	\$ 1.19
Dividends per common share	\$ 0.17	\$ 0.17	\$ 0.51	\$ 0.51
Weighted-average common shares outstanding:				
Basic	12,547	10,121	11,874	10,111
Diluted	12,605	10,274	11,922	10,252

The Accompanying Notes are an Integral Part of the Financial Statements.

Table of Contents**SCBT Financial Corporation and Subsidiaries****Condensed Consolidated Statements of Changes in Shareholders Equity (unaudited)****Nine Months Ended September 30, 2009 and 2008***(Dollars in thousands, except per share data)*

	Preferred Stock		Common Stock		Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total					
	Shares	Amount	Shares	Amount									
Balance, December 31, 2007		\$	10,160,432	\$	25,401	\$	140,652	\$	50,499	\$	(1,487)	\$	215,065
Comprehensive income:													
Net income									12,236				12,236
Change in net unrealized loss on securities available for sale, net of tax											(3,935)		(3,935)
Total comprehensive income													8,301
Cash dividends declared at \$.51 per share									(5,201)				(5,201)
Stock options exercised			8,266		21		157						178
Employee stock purchases			12,960		32		297						329
Restricted stock awards			48,089		120		(120)						
Common stock repurchased			(3,971)		(10)		(118)						(128)
Share-based compensation expense													