

S&T BANCORP INC
Form 10-Q
November 07, 2006
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2006

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 0-12508

S&T BANCORP, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

800 Philadelphia Street, Indiana, PA
(Address of principal executive offices)

800-325-2265

(Registrant's telephone number, including area code)

25-1434426
(IRS Employer

Identification No.)

15701
(zip code)

Edgar Filing: S&T BANCORP INC - Form 10-Q

Not Applicable

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

Indicated 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 Act). Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by the court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock, \$2.50 Par Value - 25,319,874 shares as of October 18, 2006

Table of Contents

INDEX

S&T BANCORP, INC. AND SUBSIDIARIES

	Page No.
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	
<u>Condensed consolidated balance sheets - September 30, 2006 and December 31, 2005</u>	3
<u>Condensed consolidated statements of income - Three and nine months ended September 30, 2006 and 2005</u>	4
<u>Condensed consolidated statements of changes in shareholder s equity - Nine months ended September 30, 2006 and 2005</u>	5
<u>Condensed consolidated statements of cash flows - Nine months ended September 30, 2006 and 2005</u>	6
<u>Notes to condensed consolidated financial statements</u>	7-13
Item 2. <u>Management s Discussion and Analysis of Financial Condition and Results of Operations</u>	14-27
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	28-29
Item 4. <u>Controls and Procedures</u>	29
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	30
Item 1A. <u>Risk Factors</u>	30
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
Item 3. <u>Defaults Upon Senior Securities</u>	30
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	30
Item 5. <u>Other Information</u>	30
Item 6. <u>Exhibits</u>	30
<u>SIGNATURES</u>	32

Table of Contents**S&T BANCORP, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2006	December 31, 2005
<i>(dollars in thousands, except share and per share data)</i>	<i>(unaudited)</i>	<i>(Note A)</i>
ASSETS		
Cash and due from banks	\$ 58,938	\$ 56,189
Securities available for sale	419,178	481,257
Other investments	12,312	13,318
Loans held for sale	957	1,580
Portfolio loans, net of allowance for loan losses of \$32,717 at September 30, 2006 and \$36,572 at December 31, 2005	2,583,580	2,453,354
Premises and equipment, net	33,721	29,123
Goodwill	49,955	49,073
Other intangibles, net	5,178	5,478
Bank owned life insurance	33,944	33,107
Other assets	80,947	72,500
Total Assets	\$ 3,278,710	\$ 3,194,979
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 429,547	\$ 435,672
Interest-bearing	147,393	155,191
Money market	168,587	242,228
Savings	885,273	652,685
Time deposits	905,292	933,108
Total Deposits	2,536,092	2,418,884
Securities sold under repurchase agreements and federal funds purchased	102,351	137,829
Short-term borrowings	60,000	150,000
Long-term borrowings	161,217	83,776
Junior subordinated debt securities	25,000	
Other liabilities	59,039	52,069
Total Liabilities	2,943,699	2,842,558
SHAREHOLDERS EQUITY		
Preferred stock, without par value, 10,000,000 shares authorized and none outstanding		
Common stock (\$2.50 par value) Authorized - 50,000,000 shares in 2006 and 2005 Issued - 29,714,038 shares in 2006 and 2005	74,285	74,285
Additional paid-in capital	26,596	26,120
Retained earnings	343,839	326,158
Accumulated other comprehensive income	6,971	9,172
Treasury stock (4,410,264 shares at September 30, 2006 and 3,443,308 shares at December 31, 2005, at cost)	(116,680)	(83,314)
Total Shareholders Equity	335,011	352,421
Total Liabilities and Shareholders Equity	\$ 3,278,710	\$ 3,194,979

Edgar Filing: S&T BANCORP INC - Form 10-Q

See notes to Condensed Consolidated Financial Statements

Table of Contents**S&T BANCORP, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,	2005	September 30,	2005
	2006	2005	2006	2005
<i>(dollars and share data in thousands, except per share data)</i>				
INTEREST INCOME				
Loans, including fees	\$ 48,332	\$ 38,832	\$ 137,245	\$ 109,945
Investment securities:				
Taxable	3,535	3,995	11,036	12,218
Tax-exempt	675	654	2,031	1,835
Dividends	486	554	1,557	1,648
Total Interest Income	53,028	44,035	151,869	125,646
INTEREST EXPENSE				
Deposits	19,268	11,768	52,924	30,813
Securities sold under repurchase agreements and federal funds purchased	1,272	1,137	3,982	2,452
Short-term borrowings	1,170	1,721	4,122	5,640
Long-term borrowings and capital securities	2,476	969	5,798	2,618
Total Interest Expense	24,186	15,595	66,826	41,523
NET INTEREST INCOME	28,842	28,440	85,043	84,123
Provision for loan losses	1,352	3,000	8,552	3,500
Net Interest Income After Provision for Loan Losses	27,490	25,440	76,491	80,623
NONINTEREST INCOME				
Security gains, net	1,210	1,300	4,263	3,769
Service charges on deposit accounts	2,666	2,504	7,775	7,023
Wealth management fees	1,854	1,760	6,135	5,234
Letter of credit fees	479	430	1,740	1,551
Insurance fees	1,759	1,403	5,069	4,193
Mortgage banking	194	278	548	1,118
Other	1,759	1,732	5,209	4,796
Total Noninterest Income	9,921	9,407	30,739	27,684
NONINTEREST EXPENSE				
Salaries and employee benefits	8,618	8,754	27,134	25,992
Occupancy, net	1,265	1,163	3,853	3,626
Furniture and equipment	929	729	2,390	2,495
Other taxes	647	584	2,187	1,974
Data processing	1,186	1,046	3,599	3,172
Marketing	615	571	1,859	1,742
Amortization of intangibles	81	(47)	244	134
FDIC assessment	77	71	227	220
Other	2,921	1,791	9,059	6,871
Total Noninterest Expense	16,339	14,662	50,552	46,226

Edgar Filing: S&T BANCORP INC - Form 10-Q

Income Before Taxes	21,072	20,185	56,678	62,081
Income Taxes	6,408	5,818	16,540	18,400
Net Income	\$ 14,664	\$ 14,367	\$ 40,138	\$ 43,681
Earnings per common share:				
Net Income - Basic	\$ 0.57	\$ 0.55	\$ 1.55	\$ 1.65
Net Income - Diluted	0.57	0.54	1.54	1.63
Dividends declared per common share	0.29	0.28	0.87	0.84
Average Common Shares Outstanding - Basic	25,604	26,319	25,878	26,443
Average Common Shares Outstanding - Diluted	25,754	26,618	26,078	26,737
See notes to Condensed Consolidated Financial Statements				

Table of Contents**S&T BANCORP, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****(Unaudited)**

<i>(dollars in thousands, except per share data)</i>	Comprehensive Income	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance at January 1, 2005		\$ 74,285	\$ 24,079	\$ 297,690	\$ 20,875	\$ (67,800)	\$ 349,129
Net income for nine months ended September 30, 2005	\$ 43,681			43,681			43,681
Other comprehensive income, net of tax expense of \$4,722:							
Unrealized losses on securities of (\$6,229) net of reclassification adjustment for gains included in net income of \$2,450	(8,769)				(8,769)		(8,769)
Comprehensive Income	\$ 34,912						
Cash dividends declared (\$0.84 per share)				(22,164)			(22,164)
Treasury stock acquired (522,500 shares)						(18,297)	(18,297)
Treasury stock issued for stock options exercised (286,200 shares)							